



寶業集團股份有限公司
BAOYE GROUP COMPANY LIMITED*

(a joint stock limited company incorporated in the People's Republic of China)

(Stock code: 2355)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting ("AGM") of Baoye Group Company Limited ("Company") will be held at 13th Floor, Development Building, No. 208 Jianhu Road, Keqiao, Shaoxing County, Zhejiang Province, the People's Republic of China ("PRC") on 20 May 2005 at 2:30 p.m. for the following purposes:

I. As ordinary resolutions:

1. To consider and approve the report of the board of directors of the Company ("Board") for the year 2004;
2. To consider and approve the report of the supervisory committee of the Company for the year 2004;
3. To consider and approve the audited consolidated financial statements of the Company and its subsidiaries ("Group") and the auditors' reports for the year ended 31 December 2004;
4. To authorise the Board to decide the matters relating to the payment of final dividend for the year 2004;
5. To re-appoint the Company's auditors and to authorise the Board to fix their remuneration;
6. To consider and approve the re-election of directors and to authorise the Board to fix their remuneration;
7. To consider and approve the appointment and re-election of supervisors and to authorise the Board to fix their remuneration;
8. To consider and approve any motion proposed by any shareholder of the Company holding 5% or more of the shares with voting rights at such meeting, if any;

II. As special resolution:

9. To consider and, if thought fit, pass the following as special resolution:

"THAT:

- (a) Subject to sub-paragraphs (c) and (d) hereinbelow and pursuant to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") (as the same may be amended from time to time) and the Company Law of the PRC ("PRC Company Law"), the Directors of the Company are generally and unconditionally authorised to exercise all the rights of the Company, to allot and issue new shares and dispose of outstanding shares of the Company individually and collectively during the Relevant Period and to determine the terms and conditions in relation to the allotment and issue of new shares including, inter alia:
 - (i) the type and number of new shares to be issued;
 - (ii) the issue price of the new shares;
 - (iii) the date for the commencement and closing of the issue;
 - (iv) the class and the number of new shares to be issued to the existing shareholders;
 - (v) to make, execute or grant offer proposals, agreements and options as may be necessary in the exercise of such powers; and
 - (vi) all other matters in relation thereto.
- (b) The Directors of the Company are authorised to make or grant offer proposals, agreements and options as required or may be required in the exercise of such powers during the Relevant Period (as defined below) as referred to in sub-paragraph (a) or after the expiry of the Relevant Period.
- (c) The total nominal amount of overseas listed foreign shares, domestic shares and non-H foreign shares (other than those issued under the PRC Company Law and the Articles of Association of the Company by the capitalisation of the statutory capital reserve fund) agreed to be allotted and/or conditionally or unconditionally agreed to be allotted by the Directors of the Company pursuant to sub-paragraph (a) above (whether pursuant to the exercise of options or otherwise) shall not exceed 20% of such class of the shares of the Company existing in issue.
- (d) Upon the exercise of the powers pursuant to sub-paragraph (a) above, the Directors of the Company shall comply with the PRC Company Law and the Listing Rules (as the same may be amended from time to time) and obtain the approval from the China Securities Regulatory Commission.
- (e) For the purpose of this resolution:

"Relevant Period" refers to the period from the date of the passing of this resolution to the earliest of the following three:

 - (a) twelve months after the passing of this resolution;
 - (b) conclusion of the next annual general meeting of the Company; and
 - (c) the date of the passing of a special resolution to revoke or amend the mandate as referred to in this resolution by shareholders in shareholders' general meeting.

* For identification purposes only

- (f) Subject to the approval by the relevant authorities of the PRC and pursuant to the PRC Company Law, when exercising the powers under sub-paragraph (a) above, the Directors of the Company are authorised to increase the registered capital of the Company to the required amount respectively and attend to the relevant registration procedures with the relevant authorities in the PRC, Hong Kong or such other relevant place.
- (g) Subject to the approval by the relevant authorities of the PRC, the Board of Directors of the Company is authorised to make appropriate and necessary amendments to the Articles of Association of the Company, so as to reflect the changes in the capital of the Company that may have arisen under this mandate."

Executive Directors
Mr PANG Baogen
Mr GAO Jiming
Mr GAO Lin
Mr ZHOU Hanwan

Non-executive Directors
Mr WU Weimin
Mr HU Shaozeng

Independent non-executive Directors
Mr WANG Youwei
Mr YI Deqing
Mr Dennis Yin Ming Chan

By order of the Board
Baoye Group Company Limited
PANG Baogen
Chairman

Shaoxing County, Zhejiang Province, the PRC
1 April 2005

Notes:

- The register of members of the Company will be closed from 20 April 2005 to 20 May 2005 (both days inclusive), during which no transfer of shares can be registered.
- Holders of domestic shares and H shares whose names appear on the register of members of the Company before 4:00 p.m. on 20 May 2005 are entitled to attend and vote at the meeting convened by the above notice and may appoint one or more proxies to attend and, in the event of a poll, vote on their behalves. A proxy need not be a member of the Company.
- In order to be valid, the proxy form must be deposited by hand or post, for holders of H Shares of the Company, to the H shares registrar of the Company, Tengis Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong and, for holders of domestic shares of the Company, to the registered address of the Company not less than 24 hours before the time for holding the meeting or not less than 24 hours before the time appointed for taking the poll. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form.
- Shareholders or their proxies shall produce their identity documents when attending the meeting.
- Shareholders who intend to attend the meeting should complete and return the reply slip and return it by hand or post to the share registrar of the Company (for holders of H shares) or to the registered office address of the Company (for holders of domestic shares) on or before 30 April 2005.
- The meeting is expected to take half a day. Shareholders attending the meeting shall be responsible for their own travel and accommodation expenses.
- The registered office address of the Company is as follows:

Yangxunqiao Township
Shaoxing County
Zhejiang Province
The People's Republic of China
Tel: (86) 575 4069420
Fax: (86) 575 4069420
Post Code: 312028
- Subject to re-election, the term of the Directors and supervisors of the Company ("Supervisors") will commence on the conclusion of the AGM and expire on the conclusion of the annual general meeting of the Company in 2008. Brief biographical details of the Directors and Supervisors nominated and recommended by the Board to be re-elected or appointed (as the case may be) at the AGM are set out below.

Directors

Executive Directors

Mr. Pang Baogen, aged 48, is the executive Director, chairman and founder of the Group. He holds a professor level senior engineer qualification. He is well respected and recognised in the construction industry in China and received many awards for his achievements, including Model Worker of National Construction System (全國建設系統勞動模範), Excellent Manager of the National Construction Enterprises (全國優秀建築企業經理), Youth and Mature Scientist with Outstanding Contributions to Zhejiang Province (浙江省有突出貢獻的中青年科技人員). In addition, Mr. Pang has served as the representative of the Third Shaoxing City People's Congress (紹興市第三屆人民代表大會) and the deputy director of The Construction Academic Committee of Zhejiang Civil Engineering Association (浙江省土木工程委員會), deputy chairman of Zhejiang Provincial Association of Construction Entrepreneur (浙江省建築企業家協會), the vice chairman of Zhejiang Construction Association (浙江省建築業協會), the vice chairman of Shaoxing City Entrepreneurs Association (紹興市企業家協會), the representative of the Fifth Shaoxing City People's Congress (紹興市第五屆人民代表大會) and the committee member of the Twelfth Shaoxing County People's Congress (紹興縣第十二屆人民代表大會).

During the three years prior to the date of this announcement, Mr. Pang did not hold any directorship in listed public companies except the Company. Mr. Pang has been appointed for a term of three years expiring on 30 August 2005.

Apart from being an executive Director, Mr. Pang does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

At the date of this announcement, Mr. Pang is interested in 198,753,054 Domestic Shares, representing 35.01% of the entire share capital of the Company.

Mr. Pang is entitled to an annual remuneration of not exceeding RMB1,000,000. For the year ended 31 December 2004, Mr. Pang received a total amount of remuneration of RMB552,000. Subject to re-election, the emolument of Mr. Pang will be determined by the Board as authorised by the shareholders at the AGM.

The Board confirms that there is no other matter which should be brought to the attention the shareholders.

Mr. Gao Jiming, aged 43, is an executive Director and deputy general manager of the Group. Mr. Gao is also the Chairman of Zhejiang Baoye Real Estate Development Co., Ltd. (浙江寶業房地產集團有限公司), a subsidiary of the Company. He holds a senior engineer qualification. Mr. Gao joined the Group in 1978.

During the three years prior to the date of this announcement, Mr. Gao did not hold any directorship in listed public companies except the Company. Mr. Gao has been appointed for a term of three years expiring on 30 August 2005.

Apart from being an executive Director, Mr. Gao does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders of the Company.

At the date of this announcement, Mr. Gao is interested in 13,024,647 Domestic Shares, representing 2.29% of the entire share capital of the Company.

Mr. Gao is entitled to an annual remuneration of not exceeding RMB500,000. For the year ended 31 December 2004, Mr. Gao received a total amount of remuneration of RMB420,000. Subject to re-election, the emolument of Mr. Gao will be determined by the Board as authorised by the shareholders at the AGM.

The Board confirms that there is no other matter which should be brought to the attention the shareholders.

Mr. Gao Lin, aged 35, is an executive Director and deputy general manager of the Group. He is also the Chairman of Zhejiang Baoye Construction Group Co., Ltd (浙江寶業建設集團有限公司), a subsidiary of the Company. He holds a senior engineer qualification. Mr. Gao joined the Group in July 1987. He is currently the deputy chairman of the Shaoxing Construction Association.

During the three years prior to the date of this announcement, Mr. Gao did not hold any directorship in listed public companies except the Company. Mr. Gao has been appointed for a term of three years expiring on 30 August 2005.

Apart from being an executive Director, Mr. Gao does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders of the Company.

At the date of this announcement, Mr. Gao is interested in 9,544,775 Domestic Shares, representing 1.68% of the entire share capital of the Company.

Mr. Gao is entitled to an annual remuneration of not exceeding RMB500,000. For the year ended 31 December 2004, Mr. Gao received a total amount of remuneration of RMB420,000. Subject to re-election, the emolument of Mr. Gao will be determined by the Board as authorised by the shareholders at the AGM.

The Board confirms that there is no other matter which should be brought to the attention the shareholders.

Mr. Zhou Hanwan, aged 51, is an executive Director and deputy general manager of the Group. Mr. Zhou is responsible for personnel management of the Group. He holds a senior engineer qualification. Mr. Zhou joined the Group in 1984. He is currently the director of the Concrete Section of China Construction Industry Association, the deputy head of secretary of Concrete Association of Zhejiang Province and the vice chairman of Concrete Association of Shaoxing City.

During the three years prior to the date of this announcement, Mr. Zhou did not hold any directorship in listed public companies except the Company. Mr. Zhou has been appointed for a term of three years expiring on 30 August 2005.

Apart from being an executive Director, Mr. Zhou does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders of the Company.

At the date of this announcement, Mr. Zhou is interested in 8,233,510 Domestic Shares, representing 1.45% of the entire share capital of the Company.

Mr. Zhou is entitled to an annual remuneration of not exceeding RMB500,000. For the year ended 31 December 2004, Mr. Zhou received a total amount of remuneration of RMB420,000. Subject to re-election, the emolument of Mr. Zhou will be determined by the Board as authorised by the shareholders at the AGM.

The Board confirms that there is no other matter which should be brought to the attention the shareholders.

Non-executive Directors

Mr. Hu Shaozeng, aged 70, is a non-executive Director. Mr. Hu graduated from the Tongji University of Shanghai (上海同濟大學) specializing in industrial and residential construction and holds a senior engineer qualification. He has served as the Dean of the Construction Committee of Zhejiang Province (浙江省建築委員會) and the Dean and deputy chief engineer of Zhejiang Provincial Department of Construction. Mr. Hu is currently the vice-chairman of the Quality Section of the China Construction Industry Association (中國建築業協會) and vice-chairman and secretary of the Zhejiang Construction Industry Association (浙江省建築業協會).

During the three years prior to the date of this announcement, Mr. Hu did not hold any directorship in listed public companies except the Company. Mr. Hu has been appointed for a term of three years expiring on 15 October 2005.

Apart from being a non-executive Director, Mr. Hu does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the date of this announcement, Mr. Hu does not have any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO").

Mr. Hu is entitled to an annual remuneration of not exceeding RMB25,000. For the year ended 31 December 2004, Mr. Hu received a total amount of remuneration of RMB25,000. Subject to re-election, the emolument of Mr. Hu will be determined by the Board as authorised by the shareholders at the AGM.

The Board confirms that there is no other matter which should be brought to the attention the shareholders.

Mr. Wu Weimin, aged 39, is a non-executive Director. Mr. Wu obtained his Master's degree from University of Zhejiang (浙江大學) majoring in civil engineering. He is qualified as a senior engineer. Mr. Wu has been the Dean of the Zhejiang Research Institute of Construction, Science and Design (浙江省建築科學設計研究院).

During the three years prior to the date of this announcement, Mr. Wu did not hold any directorship in listed public companies except the Company. Mr. Wu has been appointed for a term of three years expiring on 30 August 2005.

Apart from being a non-executive Director, Mr. Wu does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the date of this announcement, Mr. Wu does not have any interests in shares of the Company within the meaning of Part XV of the SFO.

Mr. Wu is entitled to an annual remuneration of not exceeding RMB25,000. For the year ended 31 December 2004, Mr. Wu received a total amount of remuneration of RMB25,000. Subject to re-election, the emolument of Mr. Wu will be determined by the Board as authorised by the shareholders at the AGM.

The Board confirms that there is no other matter which should be brought to the attention the shareholders.

Independent Non-executive Directors

Mr. Wang Youwei, aged 60, is an independent non-executive Director and chairman of the audit committee of the Group. He graduated from Tongji University of Shanghai (上海同濟大學) in 1968 specialising in underground construction and holds the qualification of researcher. Mr. Wang has served as the director of the Office of New Technology Promotion and Application (新技術促進應用辦公室) of the Ministry of Construction ("MOC") and the committee member of the National Committee for the Appraisal of Industrial Laws and Regulations (國家級工業法規評定委員會), the deputy dean of the China Construction Science Research Institute (中國建築科學研究院), the consultant of the Expert Consulting Team of the Government of Beijing City (北京市政府專家顧問團), the director of the China Construction Academic Association (中國建築學會), the managing director of the China Construction Fireproof Research Association (中國建築防火研究會), the managing director of the China Fireproof Association (中國消防協會), the director of the National Research Center of Construction Engineering (國家建築工程研究中心), the committee member of the National Committee of Building Materials Industry Science Committee (國家建材工業科教委員會) and the chief editor of the Construction structure Journal (建築結構學報).

During the three years prior to the date of this announcement, Mr. Wang did not hold any directorship in listed public companies except the Company. Mr. Wang has been appointed for a term of three years expiring on 15 October 2005.

Apart from being an independent non-executive Director, Mr. Wang does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the date of this announcement, Mr. Wang does not have any interests in shares of the Company within the meaning of Part XV of the SFO.

Mr. Wang is entitled to an annual remuneration of not exceeding RMB25,000. For the year ended 31 December 2004, Mr. Wang received a total amount of remuneration of RMB25,000. Subject to re-election, the emolument of Mr. Wang will be determined by the Board as authorised by the shareholders at the AGM.

The Board confirms that there is no other matter which should be brought to the attention the shareholders.

Mr. Yi Deqing, aged 70, is an independent non-executive Director and a member of audit committee of the Group. He graduated from University of Zhejiang (浙江大學) in 1956 specialising in civil engineering, and holds the qualifications of National Chartered First-Class Structural Engineer and professor-level senior engineer. Mr. Yi has been awarded the Master of China Engineering Design (中國工程設計大師) and Model Worker of the MOC. He is currently a chief engineer of the Zhejiang Province Construction Design Research Institute, the vice managing director of Zhejiang Civil Engineering Construction Association (浙江省土木建築學會) and the senior consultant of the Zhejiang Observation Design Association (浙江省勘察設計協會).

During the three years prior to the date of this announcement, Mr. Yi did not hold any directorship in listed public companies except the Company. Mr. Yi has been appointed for a term of three years expiring on 15 October 2005.

Apart from being an independent non-executive Director, Mr. Yi does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the date of this announcement, Mr. Yi does not have any interests in shares of the Company within the meaning of Part XV of the SFO.

Mr. Yi is entitled to an annual remuneration of not exceeding RMB25,000. For the year ended 31 December 2004, Mr. Yi received a total amount of remuneration of RMB25,000. Subject to re-election, the emolument of Mr. Yi will be determined by the Board as authorised by the shareholders at the AGM.

The Board confirms that there is no other matter which should be brought to the attention the shareholders.

Mr. Dennis Yin Ming Chan, aged 51, is an independent non-executive Director and a member of Auditor Committee of the Group. Mr. Chan is an associate member of the Chartered Institute of Management Accountants, United Kingdom (ACMA), an associate member of the Institute of Chartered Secretaries and Administrators, United Kingdom (ACIS), a member of the Chartered Institute of Purchasing and Supply, United Kingdom (MCIPS) and a member of the Canadian Institute of Chartered Accountants (CA). Mr. Chan is currently the President and Chief Executive Officer of Asiapac Investment Group Ltd. Prior to that, Mr. Chan had been a director and chief financial officer of various listed companies in Hong Kong, Singapore and the United States of America. Mr. Chan has more than 28 years of experience in public accountancy, management consultancy, manufacturing, distribution, retailing, logistics and financial services.

During the three years prior to the date of this announcement, Mr. Chan did not hold any directorship in listed public companies except the Company. Mr. Chan has been appointed for a term of three years expiring on 23 September 2007.

Apart from being an independent non-executive Director, Mr. Chan does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the date of this announcement, Mr. Chan does not have any interests in shares of the Company within the meaning of Part XV of the SFO.

Mr. Chan is entitled to an annual remuneration of not exceeding HK\$180,000. For the year ended 31 December 2004, Mr. Chan received a total amount of remuneration of HK\$55,650. Subject to re-election, the emolument of Mr. Chan will be determined by the Board as authorised by the shareholders at the AGM.

The Board confirms that there is no other matter which should be brought to the attention the shareholders.

Supervisors

Mr. Sun Guofan, aged 43, is a Supervisor. Mr. Sun graduated from Hangzhou College of Commerce (杭州商學院) specialising in finance and accounting, and is qualified as an accountant. Mr. Sun joined the Group in 1988. He was assistant manager of the finance department and deputy director of the financial supervisory office of the Group and secretary of the Party Committee of the Group.

During the three years prior to the date of this announcement, Mr. Sun did not hold any position in other listed public companies except the Company. Mr. Sun has been appointed for a term of three years expiring on 30 August 2005.

Apart from being a Supervisor, Mr. Sun does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders of the Company.

At the date of this announcement, Mr. Sun is interested in 11,705,283 Domestic Shares, representing 2.06% of the entire share capital of the Company.

Mr. Sun is entitled to an annual remuneration of not exceeding RMB500,000. For the year ended 31 December 2004, Mr. Sun received a total amount of remuneration of RMB165,758. Subject to re-election, the emolument of Mr. Sun will be determined by the Board as authorised by the shareholders at the AGM.

The Board confirms that there is no other matter which should be brought to the attention the shareholders.

Mr. Chen Xingquan, aged 77, is an independent Supervisor. Mr. Chen is a certified public accountant of the PRC and is experienced in accounting, auditing and related managing function.

During the three years prior to the date of this announcement, Mr. Chen did not hold any position in other listed public companies except the Company. Mr. Chen has been appointed for a term expiring on the third annual general meeting of the Company.

Apart from being an independent supervisor of the Company, Mr. Chen does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the date of this announcement, Mr. Chen does not have any interests in shares of the Company within the meaning of Part XV of the SFO.

Mr. Chen is entitled to an annual remuneration of not exceeding RMB20,000. For the year ended 31 December 2004, Mr. Chen received a total amount of remuneration of RMB20,000. Subject to re-election, the emolument of Mr. Chen will be determined by the Board as authorised by the shareholders at the AGM.

The Board confirms that there is no other matter which should be brought to the attention the shareholders.

Mr. Li Yongsheng, aged 65, is an independent Supervisor. Mr. Li was the procurator general of Shaoxing Procuratorate during the period between 1994 and 1998. Currently he is the honorable consultant of Shaoxing Sports Association and the vice president of the Union of Political Consultative Congress in Shaoxing.

During the three years prior to the date of this announcement, Mr. Li did not hold any position in other listed public companies except the Company. Mr. Li has been appointed for a term of three years expiring on 23 September 2007.

Apart from being an independent supervisor of the Company, Mr. Li does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the date of this announcement, Mr. Li does not have any interests in shares of the Company within the meaning of Part XV of the SFO.

Mr. Li is entitled to an annual remuneration of not exceeding RMB20,000. For the year ended 31 December 2004, Mr. Li did not receive any emolument. Subject to re-election, the emolument of Mr. Li will be determined by the Board as authorised by the shareholders at the AGM.

The Board confirms that there is no other matter which should be brought to the attention the shareholders.

Mr. Zhang Xindao, aged 61, is the proposed Supervisor. Mr. Zhang graduated from Dongnan University (東南大學, Formerly Nanjing Industrial College) and holds a senior engineer qualification. He has served as the deputy director of Shaoxing Municipal Power Bureau and the General Manager of Shaoxing Daming Industry Company. He is currently the Director of Shaoxing Daming Power Generation Company Ltd, the Director of Zhujia Bafang Power Generation Company Ltd.

During the three years prior to the date of this announcement, Mr. Zhang did not hold any position in other listed public companies.

Apart from being a proposed Supervisor, Mr. Zhang does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the date of this announcement, Mr. Zhang does not have any interests in shares of the Company within the meaning of Part XV of the SFO.

It is currently intended that Mr. Zhang will enter into a service contract with the Company. The amount of emoluments payable to Mr. Zhang will not exceed RMB20,000. As a Supervisor, the emoluments of Mr. Zhang will be determined by the Board as authorised by the shareholders at the AGM.

The Board confirms that there is no other matter which should be brought to the attention the shareholders.

As at the date of this notice, the Board comprises four executive Directors, namely Mr. Pang Baogen, Mr. Gao Jiming, Mr. Gao Lin and Mr. Zhou Hanwan; two non-executive Directors, namely Mr. Wu Weimin and Mr. Hu Shaozeng; and three independent non-executive Directors, namely Mr. Wang Youwei, Mr. Yi Deqing and Mr. Dennis Yin Ming Chan.