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If you have sold or transferred all your shares in Baoye Group Company Limited*, you should at once hand this circular with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission.



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)

**SUPPLEMENTAL CIRCULAR OF THE 2013 ANNUAL GENERAL MEETING
REGARDING THE ELECTION OF MS. JIN JUXIAN
AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY
AND
SUPPLEMENTAL NOTICE OF THE 2013 ANNUAL GENERAL MEETING**

This supplemental circular (the "Supplemental Circular") should be read together with the circular issued by Baoye Group Company Limited* (the "Company") to the Shareholders dated 25 April 2014 (the "First Circular").

The notice (the "AGM Notice") of the 2013 Annual General Meeting (the "AGM") of the Company to be held at 2nd Floor, Baoye Group, No. 501 Shanyin West Road, Keqiao District, Shaoxing City, Zhejiang Province, the PRC at 9:00 a.m. on 14 June 2014 was set out in the First Circular. The supplemental notice of the 2013 Annual General Meeting dated 20 May 2014 is set out in this Supplemental Circular.

This Supplemental Circular contains information regarding the cancellation of the resolution on consideration of re-election of Mr. Zhao Rulong as an independent non-executive Director of the Company and the newly-added proposal regarding the election of Ms. Jin Juxian as an independent non-executive Director of the Company which are to be submitted for consideration at the AGM. The supplemental proxy form of the 2013 Annual General Meeting (the "Supplemental Proxy Form") is enclosed with this Supplemental Circular, and also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.baoyegroup.com), respectively. Shareholders who intend to appoint a proxy to attend the AGM should complete the first proxy form (the "First Proxy Form") despatched to the Shareholders on 25 April 2014 and the enclosed Supplemental Proxy Form in accordance with the instructions printed thereon and return them to the H Shares registrar of the Company, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H Shares) or to the office address of the Company at No. 501, Shanyin West Road, Keqiao District, Shaoxing City, Zhejiang Province, the PRC (Post Code: 312030) (for holders of Domestic Shares) as soon as possible and in any event not less than 48 hours before the time for holding the meeting or not less than 48 hours before the time appointed for taking the poll. Completion and return of the First Proxy Form and/or the Supplemental Proxy Form will not preclude you from attending and voting in person at the AGM or any adjournment thereof if you so wish.

CONTENTS

	<i>Page</i>
LETTER FROM THE BOARD	
Introduction	1
Cancellation of the Resolution 6I: To consider and approve the re-election of Mr. Zhao Rulong as an independent non-executive Director of the Company and to authorise the Board to fix his remuneration	2
Newly-added Resolution 6J: To consider and approve the election of Ms. Jin Juxian as an independent non-executive Director of the Company and to authorise the Board to fix her remuneration	2
Supplemental Proxy Form	3
Recommendation	3
SUPPLEMENTAL NOTICE OF THE 2013 ANNUAL GENERAL MEETING	5

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Pang Baogen
Mr. Gao Lin
Mr. Gao Jiming
Mr. Gao Jun
Mr. Jin Jixiang

Non-executive Director:

Mr. Fung Ching, Simon

Independent non-executive Directors:

Mr. Chan Yin Ming, Dennis
Mr. Wang Youqing
Mr. Zhao Rulong

Corporate address:

No. 501, Shanyin West Road
Keqiao District, Shaoxing City
Zhejiang Province, the PRC

Registered address:

Yangxunqiao Township
Shaoxing City
Zhejiang Province, the PRC

Correspondence address in Hong Kong:

Room 1902 MassMutual Tower
38 Gloucester Road
Wanchai
Hong Kong

20 May 2014

To the Shareholders

**SUPPLEMENTAL CIRCULAR OF THE 2013 ANNUAL GENERAL MEETING
REGARDING THE ELECTION OF MS. JIN JUXIAN
AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY
AND**

SUPPLEMENTAL NOTICE OF THE 2013 ANNUAL GENERAL MEETING

INTRODUCTION

References are made to the circular (the “**First Circular**”) and the notice of annual general meeting (the “**AGM Notice**”) issued by Baoye Group Company Limited* (the “**Company**”) on 25 April 2014. Unless otherwise defined herein, capitalised terms used in this supplemental circular (the “**Supplemental Circular**”) shall have the same meanings as those defined in the First Circular.

The purpose of this Supplemental Circular is to provide you with information regarding (i) cancellation of the consideration of resolution 6I as stated in the AGM Notice in relation to the consideration and approval of the re-election of Mr. Zhao Rulong as an

* For identification purposes only

LETTER FROM THE BOARD

independent non-executive Director of the Company and to authorise the Board to fix his remuneration; (ii) newly-added resolution 6J: To consider and approve the election of Ms. Jin Juxian as an independent non-executive Director of the Company and to authorise the Board to fix her remuneration; and (iii) details of the arrangement for the first proxy form despatched to the Shareholders on 25 April 2014 (the “**First Proxy Form**”) and the supplemental proxy form (the “**Supplemental Proxy Form**”), and to give you the supplemental notice of AGM, which is set out on pages 5 to 6 of this Supplemental Circular.

Save as stated above, no changes have been made to matters as set out in the AGM Notice and the First Circular.

CANCELLATION OF THE RESOLUTION 6I IN RELATION TO THE CONSIDERATION AND APPROVAL OF THE RE-ELECTION OF MR. ZHAO RULONG AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY AND TO AUTHORISE THE BOARD TO FIX HIS REMUNERATION

On 9 May 2014, Mr. Zhao Rulong, an independent non-executive Director had informed the Board that he would not seek for re-election with effect from the conclusion of his term for personal reasons.

Mr. Zhao Rulong has confirmed that he has no disagreement with the Board and there are no other matters relating to his retirement that need to be brought to the attention of the shareholders of the Company or the Stock Exchange.

The Board would like to take this opportunity to express its gratitude to Mr. Zhao Rulong for his valuable contribution to the Board during his tenure of office. In light of the above, the Board decided to cancel the resolution 6I as stated in the AGM Notice in relation to the consideration and approval of the re-election of Mr. Zhao Rulong as an independent non-executive Director and to authorise the Board to fix his remuneration.

NEWLY-ADDED RESOLUTION 6J: TO CONSIDER AND APPROVE THE ELECTION OF MS. JIN JUXIAN AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY AND TO AUTHORISE THE BOARD TO FIX HER REMUNERATION

A shareholder holding more than 3% of the issued shares of the Company, recently proposed to nominate Ms. Jin Juxian as an independent non-executive Director and submit the proposal to the 2013 Annual General Meeting.

Pursuant to the relevant provisions of applicable laws and regulations, including the Company Law of the PRC, Listing Rules of the Stock Exchange and the Articles of Association of the Company, when the Company convenes the annual general meeting, shareholders holding 3% (including 3%) or more of the total voting shares of the Company, are entitled to propose ad hoc motions in writing to the Company. Upon receipt of such ad hoc motions, the Company shall place them on the agenda for such meeting if they are matters falling within the scope of duties of the general meeting. After review of the qualifications and conditions of Ms. Jin Juxian in accordance with the Listing Rules and the Articles of Association of the Company, the Board concluded that Ms. Jin meets the qualifications and conditions set out in the applicable laws and regulations and the Articles of Association of the Company, and therefore submitted the proposal regarding the election of Ms. Jin Juxian as an independent non-executive Director of the Company and to authorise the board to fix her remuneration for approval at the 2013 AGM. The suggested term of office shall be three years, and will expire on the date of the 2016 annual general meeting of the Company.

LETTER FROM THE BOARD

The biographical details of Ms. Jin Juxian are as follows:

Ms. Jin Juxian, born in 1955, holds the senior accountant certification. Ms. Jin was previously the chief of finance section of Economic Cooperation Office of Shaoxing County, auditor and senior accountant of the Audit Bureau of Shaoxing County, chief of the Human Resources Department of Shaoxing City, a member of the fourth, fifth and sixth sessions of Political Consultative Committee Member in Shaoxing City, a member and chief of the publicity department of the fifth session of Jiusan Society in Shaoxing City, a representative of the fourth session of Jiusan Society in Zhejiang Province. Ms. Jin is retired.

Save as disclosed above, Ms. Jin Juxian has not held any directorship in other listed public companies in the last three years prior to the date of this Supplemental Circular. Apart from being an independent non-executive Director, Ms. Jin Juxian does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders or their respective associates of the Company.

As at the date of this Supplemental Circular, Ms. Jin Juxian did not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Ms. Jin Juxian will be entitled to a director's fee of not less than RMB50,000 per annum, which is determined with reference to her duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

SUPPLEMENTAL PROXY FORM

As there are changes in the resolutions proposed to be considered at the AGM after the despatch of the First Circular containing the AGM Notice and the First Proxy Form, the Company has prepared the Supplemental Proxy Form which is enclosed with this Supplemental Circular.

The Supplemental Proxy Form will not affect the validity of any First Proxy Form duly completed by you. The First Proxy Form will remain valid and effective to the fullest extent applicable if properly completed and lodged with the Company (for holders of Domestic Shares of the Company) or H shares registrar of the Company (for holders of H Shares of the Company).

Shareholders who intend to appoint a proxy to attend the 2013 Annual General Meeting shall complete the First Proxy Form and the enclosed Supplemental Proxy Form in accordance with the instructions printed thereon and return them to the H Shares registrar of the Company, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H Shares) or to the office address of the Company at No. 501, Shanyin West Road, Keqiao District, Shaoxing City, Zhejiang Province, the PRC (Post Code: 312030) (for holders of Domestic Shares) as soon as possible and in any event not less than 48 hours before the time for holding the meeting or not less than 48 hours before the time appointed for taking the poll. Completion and return of the First Proxy Form and/or the Supplemental Proxy Form will not preclude you from attending and voting in person at the AGM or any adjournment thereof if you so wish.

RECOMMENDATION

The Directors believe that the resolution set out in this supplemental notice of AGM is in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors recommend all shareholders to vote in favour of the relevant resolution as set out in this supplemental notice of AGM.

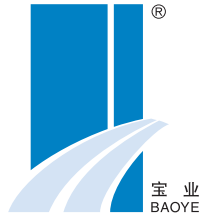
LETTER FROM THE BOARD

As at the date of this Supplemental Circular, the Board comprised five executive Directors, namely Mr. Pang Baogen, Mr. Gao Lin, Mr. Gao Jiming, Mr. Gao Jun and Mr. Jin Jixiang; one non-executive Director, namely Mr. Fung Ching, Simon and three independent non-executive Directors, namely Mr. Chan Yin Ming, Dennis, Mr. Wang Youqing and Mr. Zhao Rulong.

Yours faithfully,
For and on behalf of the Board
Baoye Group Company Limited*
Pang Baogen
Chairman

* For identification purposes only

SUPPLEMENTAL NOTICE OF THE 2013 AGM



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)

SUPPLEMENTAL NOTICE OF THE 2013 ANNUAL GENERAL MEETING

Reference is hereby made to the notice (the "AGM Notice") and circular (the "First Circular") of the 2013 Annual General Meeting published by Baoye Group Company Limited* (the "Company") on 25 April 2014, which set out the time and venue of the 2013 Annual General Meeting and contain the resolutions to be tabled before the 2013 Annual General Meeting for shareholders' approval.

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that the 2013 Annual General Meeting, will be held as originally scheduled at to be held at 2nd Floor, Baoye Group, No. 501 Shanyin West Road, Keqiao District, Shaoxing City, Zhejiang Province, the PRC at 9:00 a.m. on 14 June 2014, to consider and, if thought fit, passing the newly added resolution 6J as an ordinary resolution: "To consider and approve the election of Ms. Jin Juxian as an independent non-executive Director of the Company and to authorise the Board to fix her remuneration."

Details of the above resolution are set out in the supplemental circular of Company published on 20 May 2014.

By order of the Board
Baoye Group Company Limited*
Pang Baogen
Chairman

Zhejiang Province, the PRC
20 May 2014

Notes:

1. Unless otherwise indicated, capitalised terms used herein shall have the same meanings as those defined in the supplemental circular of the Company dated 20 May 2014.
2. Please refer to the Notice of the 2013 Annual General Meeting dated 25 April 2014 and the First Circular for details in respect of other resolutions to be passed at the 2013 Annual General Meeting, eligibility for attending the 2013 Annual General Meeting, proxy, registration procedures, closure of register of members and other relevant matters.

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SUPPLEMENTAL NOTICE OF THE 2013 AGM

3. The Supplemental Proxy Form, which has been published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.baoyegroup.com) has been enclosed with this supplemental notice. Shareholders who intend to appoint a proxy to attend the 2013 Annual General Meeting shall complete the First Proxy Form and the enclosed Supplemental Proxy Form in accordance with the instructions printed thereon and return them to the H Shares registrar of the Company, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H Shares) or to the office address of the Company at No. 501, Shanyin West Road, Keqiao District, Shaoxing City, Zhejiang Province, the PRC (Post Code: 312030) (for holders of Domestic Shares) as soon as possible and in any event not less than 48 hours before the time for holding the meeting or not less than 48 hours before the time appointed for taking the poll.
4. This Supplemental Proxy Form is the supplemental proxy form for the purpose of the supplemental resolution set out in the supplemental notice of the 2013 Annual General Meeting dated 20 May 2014 and only serves as a supplement to the First Proxy Form. This Supplemental Proxy Form will not affect the validity of any First Proxy Form duly completed by you. First Proxy Form will remain valid and effective to the fullest extent applicable if properly completed and lodged with the Company (for holders of Domestic Shares of the Company) or H shares registrar of the Company (for holders of H Shares of the Company).
5. Shareholders are reminded that completion and return of the First Proxy Form and/or the Supplemental Proxy Form will not preclude them from attending and voting in person at the AGM or any adjournment thereof.

As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Pang Baogen, Mr. Gao Lin, Mr. Gao Jiming, Mr. Gao Jun and Mr. Jin Jixiang; one non-executive Director, namely Mr. Fung Ching, Simon and three independent non-executive Directors, namely Mr. Chan Yin Ming, Dennis, Mr. Wang Youqing and Mr. Zhao Rulong.