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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)

Voluntary Announcement in Relation to the Completion of Repurchase of H Shares

Baoye Group Company Limited* (the “**Company**”) convened the 2012 annual general meeting, the class meeting for holders of H shares of the Company (the “**H Shares**”) and the class meeting for holders of domestic shares of the Company (the “**Domestic Shares**”) on 16 June 2013, and granted a general mandate to the board (the “**Board**”) of directors of the Company to, by reference to needs and market conditions and approval(s) of the relevant regulatory authorities being obtained with compliance to all applicable laws, rules, administrative regulations and articles of association of the Company, determine repurchasing of H Shares not exceeding 10% of the aggregate nominal value of H Shares in issue at the time when the relevant resolution was passed in a timely manner within the relevant authorisation period. If the aforementioned general mandate is exercised by the Board, according to the relevant provisions, the Company will legally cancel the H Shares repurchased and the Company’s registered capital will be reduced accordingly.

Upon the aforementioned authorisation being obtained, the Company has notified its creditors, details of which were set out in the announcements of the Company dated 29 October 2013, 8 November 2013 and 19 November 2013. In the absence of any creditors’ objection, the Company implemented the first repurchase of H Shares on 25 April 2014 and has repurchased H Shares for 14 times by the date of 21 May 2014,

details of which were set out in the Next Day Disclosure Returns dated 25 April 2014, 28 April 2014, 29 April 2014, 30 April 2014, 2 May 2014, 5 May 2014, 7 May 2014, 12 May 2014, 13 May 2014, 14 May 2014, 15 May 2014, 19 May 2014, 20 May 2014 and 21 May 2014. As at 21 May 2014, the Company has repurchased 31,220,000 H Shares in total, representing 10% and 4.71% of the total number of H Shares and total number of issued Shares of the Company as at 16 June 2013, respectively. The total amount paid was HK\$151,070,240 (excluding commission and other expenses).

As the number of H Shares repurchased by the Company has reached of the repurchase limit granted under the Repurchased Mandate, the Company will not implement any repurchase of H Shares during the period from the last date of repurchase H Shares on 21 May 2014 to the date of the forthcoming annual general meeting of 2013. Pursuant to the provisions of the articles of association of the Company, the 31,220,000 H Shares repurchased by the Company should be cancelled and the registered capital of the Company should be reduced by RMB31,220,000. After cancellation of the H Shares repurchased by the Company, the total number of issued Shares of the Company will be 631,744,005 (comprising 350,742,053 Domestic Shares and 281,001,952 H Shares) and the registered capital of the Company will be RMB 631,744,005.

This announcement is made by the Company on a voluntary basis.

Investors and shareholders of the Company are advised to exercise caution when dealing in the Shares of the Company.

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

Zhejiang, the People's Republic of China
22 May 2014

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.

**For identification purpose only*