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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 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 15 June 2016, and granted a general mandate to the board (the “**Board**”) of directors (the “**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 be exercised by the Board, according to the relevant provisions, the Company may legally cancel the H Shares repurchased and the Company’s registered capital will be reduced accordingly.

Upon the aforementioned authorisation being obtained, the Company had further notified its creditors, details of which were set out in the announcement of the Company dated 8 July 2016. In the absence of any creditors’ objection, the Company implemented the first repurchase of H Shares on 12 December 2016 and had repurchased H Shares for 19 times up to 23 May 2017, details of which were set out

in the Next Day Disclosure Returns dated from 12 December 2016 to 23 May 2017. From the date of passing of the special resolution to 23 May 2017, the Company has totally repurchased 26,162,000 H Shares, representing 10% and 4.27% of the total number of H Shares and total number of issued Shares of the Company respectively. The total amount paid was HK\$147,871,880 (excluding commission and other expenses).

As the number of H Shares repurchased by the Company has reached the repurchase limit granted under the Repurchased Mandate, the Company would not implement any repurchase of H Shares during the period from 23 May 2017 (as the last date of H Shares repurchased) to 13 June 2017 (as the scheduled date of the forthcoming annual general meeting). Pursuant to the provisions of the articles of association of the Company, the 26,162,000 H Shares repurchased by the Company should be cancelled and the registered capital of the Company should be reduced by RMB26,162,000. After the cancellation of the H Shares repurchased by the Company, the total number of issued Shares of the Company would be 586,210,053 (comprising 350,742,053 Domestic Shares and 235,468,000 H Shares) and the registered capital of the Company would be RMB586,210,053.

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

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares.

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

Zhejiang, the People's Republic of China
23 May 2017

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, Mr. Fung Ching, Simon and three independent non-executive Directors, namely, Mr. Chan Yin Ming, Dennis, Mr. Li Wangrong and Ms. Liangjing.

**For identification purpose only*