



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 EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Baoye Group Company Limited (“**Company**”) will be held at 2nd Floor, Baoye Group Research and Development Building, No. 501 Shanyin West Road, Keqiao, Shaoxing County, Zhejiang Province, the People’s Republic of China (“**PRC**”) on 19 November 2007 at 9:30 a.m. for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolution:

SPECIAL RESOLUTION

“**THAT** subject to the regulations promulgated from time to time by the People’s Bank of China and any other applicable regulations,

(i) the issue of short term commercial papers in a maximum accumulated repayment amount of RMB800,000,000 (the “**Paper**”) be and is hereby approved in the accordance with the following terms:

(a) Term of the Paper:

The term of the Paper shall be within one year from the date of its issue.

(b) Interest rate:

The interest rate of the Paper shall be determined by the board of directors (the “**Board**”) by reference to the market conditions or by reference to the interest rate for the corresponding period as quoted by People’s Bank of China.

(c) Targeted subscribers and place of issue of the Paper:

The Paper shall be issued within the debenture market which is mainly participated by institutional investors comprising commercial banks and financial institutions under the supervision of the People’s Bank of China in the PRC (but excluding Hong Kong Special Administrative Region and Macau Special Administrative Region). The Paper will not be offered to individual investors.

* For identification purposes only

(d) Use of proceeds:

The proceeds from the issue of the Paper will be used as working capital of the Company.

- (ii) an unconditional and general authorisation be and is hereby given to the Board to determine and finalise the details, terms and conditions (including the final maximum accumulated repayment amount of the Paper) of, and all relevant matters in connection with, the proposed issue of the Paper by the Company by reference to the financial position of the Company and the market conditions, and to sign all such documents, make all required or appropriate information disclosures and/or to do all such things and acts as are considered necessary or expedient and in the interest of the Company for the purpose of effecting or otherwise in connection with its proposed issue of the Paper or any matter incidental thereto.”

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

Zhejiang Province, the PRC
2 October 2007

Notes:

1. The register of members of the Company will be closed from 19 October 2007 to 19 November 2007 (both days inclusive), during which no transfer of shares can be registered.
2. Holders of domestic shares and H shares whose names appear on the register of members of the Company at 4:00 p.m. on 18 October 2007 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.
3. 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, Tricor Tengis Limited at 26th Floor, Tesbury Center, 28 Queen’s Road East, 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.
4. Shareholders or their proxies shall produce their identity documents when attending the meeting.
5. 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 October 2007.
6. The meeting is expected to take a half day. Shareholders attending the meeting shall be responsible for their own travel and accommodation expenses.

* *For identification purposes only*

7. The registered office address of the Company is as follows:

Yangxunqiao Township
Shaoxing County
Zhejiang Province
The People's Republic of China

8. As at the date hereof, the board or directors of the Company comprises five executive directors, namely Mr. Pang Baogen, Mr. Gao Jiming, Mr. Gao Lin, Mr. Zhou Hanwan and Mr. Wang Rongfu; one non-executive director, Mr. Hu Shaozeng; and four independent non-executive directors, namely Mr. Wang Youwei, Mr. Yi Deqing, Mr. Dennis Yin Ming Chan and Mr. Sun Chuanlin.