



**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)

**ANNOUNCEMENT**

**GENERAL DISCLOSURE UNDER RULES 13.13 AND 13.16  
OF THE LISTING RULES**

On 9 November 2007, the Company entered into the JV Agreement with Hangzhou Zhida, pursuant to which the parties agreed to establish the JV Company for the purpose of developing the Land. The Company has paid to the JV Company RMB49,000,000 (equivalent to approximately HK\$50,515,464) as the initial registered capital on 12 November 2007. Under the JV Agreement, the Company has also agreed to advance the Loan to the JV Company in accordance with its respective shareholding in the JV Company on 22 November 2007. Pursuant to Rule 13.13 and 13.16 of the Listing Rules, the Directors announce that the Loan to be advance to an entity and the aggregate financial assistance to be given by the Group exceeds 8% under the applicable ratio of the Listing Rules, therefore subject to the general disclosure requirement under Rule 13.13 and Rule 13.16 of the Listing Rules.

Reference is made to the announcement of the Company dated 9 November 2007 in relation to the entering of the JV Agreement. Terms used therein shall have the same meaning when used in this announcement.

The Board of Directors of the Company announces that on 9 November 2007, the Company entered into the JV Agreement with Hangzhou Zhida, pursuant to which the parties agreed to establish the JV Company for the purpose of developing the Land. On 12 November 2007, the Company has paid RMB49,000,000 (equivalent to approximately HK\$50,515,460) as payment of the initial registered capital of the JV Company. Under the JV Agreement, the Company agreed to advance to the JV Company, by way of a shareholders' loan an additional RMB487,550,000 (equivalent to approximately HK\$502,628,866) (the "**Loan**") to the JV Company as part of the capital injection. The Loan will be drawn down on 22 November 2007. The granting of the Loan to the JV Company and the aggregate amount of the financial assistance to be given by the Group exceeds 8% under the applicable ratio as defined under Rule 14.07(1) of the Listing Rules. The Loan is therefore subject to the general disclosure requirement under Rule 13.13 and 13.16 of the Listing Rules.

\* For identification purpose only

## THE LOAN

Subject to the terms and conditions of the loan agreement to be entered into between the Company and the JV Company, the Company has agreed to advance the Loan to the JV Company in proportion to its respective shareholding in the JV Company. The Loan is an unsecured loan amounting to RMB487,550,000 (equivalent to approximately HK\$502,628,866) which will be drawn down on 22 November 2007. The term of the Loan is two years and the interest rate of the Loan is 10.98% per annum payable by the JV Company. The Company intends to fund its contribution in respect of the Loan by internal resources.

On behalf of the Board  
**Baoye Group Company Limited**  
**Pang Baogen**  
*Chairman*

21 November 2007  
Zhejiang Province, the PRC

*As at the date of this announcement, the Board 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, namely 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.*

*The English names / translations of the companies established in the PRC, relevant authorities in the PRC and other Chinese terms used in this announcement are only translations of their official Chinese names. In case of inconsistency, the Chinese names prevail.*

*In this announcement, RMB has been converted to HK\$ at the rate of RMB1 = HK\$0.97 for illustration purpose only. No representation is made that any amounts in RMB or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.*