



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)

**RESULTS OF AGM, DIVIDEND OR DISTRIBUTION  
AND RE-DESIGNATION OF DIRECTOR**

The board (“**Board**”) of directors of Baoye Group Company Limited (“**Company**”) is pleased to announce that at the annual general meeting (“**AGM**”) of the Company held on 15 June 2008, all resolutions as set out in the notice of the AGM dated 30 April 2008 (“**AGM Notice**”) were duly passed by way of show of hands. None of the shareholders of the Company has proposed any motion at the AGM pursuant to resolution no.8 as set out in the AGM Notice. Details of the resolutions were set out in the AGM Notice.

**DISTRIBUTION OF DIVIDEND**

The method of payment of the dividend by the Company will be as follows:

- (1). Dividend payable to the holders of overseas listed foreign shares in the ordinary share capital of the Company (“**H Shares**”), with a nominal value of RMB1.00 each, shall be calculated in Renminbi (“**RMB**”) and paid in Hong Kong dollars. The following conversion formula shall apply:

$$\text{Dividend in Hong Kong dollar} = \frac{\text{Dividend in RMB}}{\text{Average price in RMB for every Hong Kong dollar published daily by the People's Bank of China over a period of five working days prior to the date of the announcement of the dividend}}$$

For the purpose of the distribution of dividend, the average exchange rate of RMB announced by the People's Bank of China for the past five working days preceding the date of the

announcement of the dividend is HK\$1 to RMB 0.885244. Thus, the dividend per share in Hong Kong dollar is HK\$ 0.0791 for holders of H Shares.

- (2). Pursuant to the articles of association of the Company, the Company has appointed Bank of China (Hong Kong) Trustees Limited (“**Receiving Agent**”) to receive the 2007 final dividends declared in respect of H Shares on behalf of holders of H Shares. Shareholders whose names appear on the Company’s register of members on 15 June 2008 shall be entitled to the final dividend of RMB0.07 per share for the year 2007. The dividends warrants of H Shares together with the cheques will be issued by the Receiving Agent and will be posted by ordinary mail to holders of H Shares at their own risks on 8 July 2008

## **RE-DESIGNATION OF DIRECTOR**

The Board is pleased to announce that with effect from 15 June 2008, Mr Hu Shaozeng (“**Mr Hu**”) was re-designated from a non-executive director to an independent non-executive director of the Company.

Mr Hu was appointed as a non-executive director of the Company in September 2002. Mr Hu was not appointed as an independent non-executive director due to his then shareholding in Zhejiang Baoye Building Materials Industrialization Company Limited (浙江寶業住宅產業股份有限公司) (“**Baoye Building Materials**”), a subsidiary of the Company. As disclosed in the prospectus of the Company dated 17 June 2003, the 2003 annual report of the Company and the 2004 annual report of the Company, Mr Hu held 606,000 shares in Baoye Building Materials, representing approximately 1% of the total registered capital of Baoye Building Materials.

Pursuant to a share purchase agreement dated 15 April 2005 entered into between Mr Hu and Zhejiang Baoye Steel Structure Company Limited (浙江寶業鋼結構有限公司) (“**Baoye Steel Structure**”), a subsidiary of the Company, Mr Hu transferred to Baoye Steel Structure 606,000 shares in Baoye Building Materials, representing approximately 1% of the total registered capital of Baoye Building Materials, at a consideration of RMB808,350. Since then, Mr Hu has not held any shares or securities in the Company or its subsidiaries.

As a non-executive director, Mr Hu had no involvement in day-to-day business transactions and operations of the Company since his appointment in 2002. In addition, he had not taken any management role in the Group since his appointment in 2002. Apart from being a non-executive director of the Company, Mr Hu does not have any other connection with the Company or its management since his appointment in 2002.

The Company, having considered the independence of Mr Hu under rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”), is of the view that the re-designation of Mr Hu from non-executive director to independent non-executive director of the Company will better reflect the role and responsibilities of Mr Hu in the Company and Mr Hu is independent to act as an independent non-executive director of the Company. The Board is satisfied that Mr Hu’s directorship as a non-executive director prior to his re-designation will not affect his independence as an independent

non-executive director of the Company.

Mr. Hu graduated from Tongji University of Shanghai (上海同濟大學) majoring in industrial and residential construction and holds a senior engineer qualification. He has served as the dean of the Construction Committee of Zhejiang Province (浙江省建築委員會), the dean and deputy chief engineer of Zhejiang Provincial Department of Construction, a secretary of the Zhejiang Construction Industry Association, a vice chairman and the chief secretary of the Zhejiang Construction and Management Association and a branch vice chairman of the China Construction and Management Association. Mr. Hu is currently a consultant of the China Construction Industry Association (中國建築業協會) and Zhejiang Construction and Management Association (浙江省建築業協會).

Mr. Hu did not hold any directorship in other listed public companies in the last three years.

As at the date of this announcement, Mr. Hu does not have any interests in the shares in the capital of the Company within the meaning of Part XV of the SFO. Apart from being an independent non-executive director of the Company, Mr. Hu does not have any relationship with any directors, supervisors, senior management, substantial shareholders or controlling shareholders, or their respective associates, of the Company.

After Mr Hu's re-designation as an independent non-executive director of the Company, Mr Hu will be entitled to receive an annual remuneration of RMB 38,000, which was determined by the Board with reference to his duties, responsibilities and the prevailing market conditions. The term of appointment of Mr Hu as an independent non-executive director of the Company will expire on the conclusion of the annual general meeting of the Company in 2010.

Mr Hu confirms that there is no information which needs to be disclosed pursuant to the requirements of rule 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed above, the Board is of the view that there are no other matters in relation to the re-designation of Mr Hu that need to be brought to the attention of the shareholders of the Company.

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

Zhejiang Province, the PRC  
15 June 2008

*\*For identification purpose only*

As at the date of this announcement, the Board comprises five executive directors, namely Mr. Pang Baogen, Mr. Gao Jiming, Mr. Gaolin, Mr. Zhou Hanwan and Mr. Wang Rongfu; and five independent non-executive directors, namely Mr. Hu Shaozeng, Mr. Wang Youwei, Mr. Yi Deqing, Mr. Dennis Yin Ming Chan and Mr. Sun Chuanlin.