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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)

**RETIREMENT OF DIRECTORS
RE-ELECTION AND APPOINTMENT OF DIRECTORS
AND
CHANGE OF AUDIT COMMITTEE, REMUNERATION COMMITTEE
AND NOMINATION COMMITTEE MEMBERS**

Retirement of Directors

The board of directors (the **“Board”**) of Baoye Group Company Limited* (the **“Company”**) announces that Mr. Zhou Hanwan and Mr. Wang Rongfu have retired by rotation as executive directors of the Company (the **“Directors”**) with effect from the conclusion of the annual general meeting (the **“AGM”**) of the Company held on 13 June 2011 and will not seek for re-election. Accordingly, Mr. Zhou Hanwan and Mr. Wang Rongfu ceased to be the executive Directors of the Company.

Mr. Zhou Hanwan and Mr. Wang Rongfu have confirmed that they have no disagreement with the Board and there are no other matters relating to their retirement that need to be brought to the attention of the shareholders of the Company or The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**).

The Board announces that Mr. Wang Youwei, Mr. Yi Deqing and Mr. Hu Shaozeng have retired by rotation as independent non-executive Directors with effect from the conclusion of the AGM of the Company held on 13 June 2011 and will not seek for re-election. Accordingly Mr. Wang Youwei ceased to be an independent non-executive Director, the chairman of the audit committee and the nomination committee; Mr. Yi Deqing ceased to be an independent non-executive Director, a member of the audit committee and a member of the nomination committee; and Mr. Hu Shaozeng ceased to be an independent non-executive Director.

Mr. Wang Youwei, Mr. Yi Deqing and Mr. Hu Shaozeng have confirmed that they have no disagreement with the Board and there are no other matters relating to their retirement that need to be brought to the attention of the shareholders of the Company or the Stock Exchange.

The Board would like to take this opportunity to express its gratitude to Mr. Zhou Hanwan, Mr. Wang Rongfu, Mr. Wang Youwei, Mr. Yi Deqing and Mr. Hu Shaozeng for their valuable contribution to the Board during their tenure of office.

Re-election and Appointment of Directors

Reference is made to the AGM Notice of the Company dated 21 April 2011.

The Board announces that Mr. Pang Baogen, Mr. Gao Lin and Mr. Gao Jiming have been re-elected as the executive Directors of the Company by approval of the AGM; Mr. Gao Jun and Mr. Jin Jixiang have been appointed as the executive Directors of the Company by approval of the AGM; Mr. Fung Ching, Simon has been appointed as a non-executive Director of the Company by approval of the AGM; Mr. Chan Yin Ming, Dennis and Mr. Wang Youqing have been re-elected as the independent non-executive Directors of the Company by approval of the AGM; and Mr. Zhao Rulong has been appointed as the independent non-executive Director of the Company by approval of the AGM.

Further details regarding the re-election of Mr. Pang Baogen, Mr. Gao Lin, Mr. Gao Jiming, Mr. Chan Yin Ming, Dennis and Mr. Wang Youqing and the appointment of Mr. Gao Jun, Mr. Jin Jixiang Mr. Fung Ching, Simon and Mr. Zhao Rulong and the biographical details of each of them have been disclosed in the circular of the Company dated 21 April 2011.

Change of audit committee, remuneration committee and nomination committee members

The Board announces (a) to appoint Mr. Chan Yin Ming, Dennis, Mr. Fung Ching, Simon and Mr. Wang Youqing, as members of the audit committee with Mr. Chan Yin Ming, Dennis being the chairman of the audit committee; (b) to appoint Mr. Chan Yin Ming, Dennis, Mr. Zhao Rulong and Mr. Pang Baogen as members of the remuneration committee, with Mr. Chan Yin Ming, Dennis being the chairman of the remuneration committee; (c) to appoint Mr. Wang Youqing, Mr. Zhao Rulong and Mr. Gao Jiming as members of the nomination committee with Mr. Wang

Youqing being the chairman of the nomination committee.

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

Zhejiang Province, the PRC
13 June 2011

**For identification purposes only*

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 Directors, namely Mr. Fung Ching, Simon and three independent non-executive Directors, namely Mr. Chan Yin Ming, Dennis, Mr. Wang Youqing and Mr. Zhao Rulong.