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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)

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an Annual General Meeting (the “**AGM**”) of Baoye Group Company Limited\* (the “**Company**”) will be held at 2nd Floor, Baoye Group, No.501, Shanyin West Road, Keqiao, Shaoxing County, Zhejiang Province, the People’s Republic of China (the “**PRC**”) at 2:00 p.m. on 15 June 2012 for the following purposes:

**I As ordinary resolutions:**

1. To consider and approve the report of the board (the “**Board**”) of directors (the “**Directors**”) of the Company for the year ended 31 December 2011;
2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2011;
3. To consider and approve the audited consolidated financial statements of the Company and its subsidiaries (collectively, the “**Group**”) and the report of the auditors of the Company for the year ended 31 December 2011;
4. To authorise the Board to decide the matters relating to the payment of final dividend for the year ended 31 December 2011;
- 5A. To re-appoint PricewaterhouseCoopers as the Company’s international auditors and to authorise the Board to fix their remuneration;
- 5B. To re-appoint PricewaterhouseCoopers Zhongtian CPAs as the Company’s PRC statutory auditors and to authorise the Board to fix their remuneration;

\* for identification purpose only

6. To consider and approve any motion proposed by any shareholder of the Company holding 5% or more of the shares with voting rights at such meeting, if any;

## II As special resolutions

- 7A. To consider and, if thought fit, pass the following as special resolution:

“**THAT** subject to the approval by the relevant authorities of the PRC, the original articles of association shall be amended as set out in Appendix I of the circular of the Company dated 24 April 2012.”

- 7B. To consider and, if thought fit, pass the following as special resolution:

“**THAT** subject to the passing of special resolution numbered 7A and the approval by the relevant authorities of the PRC, a new set of amended articles of association of the Company which consolidates all of the proposed amendments referred to in special resolution numbered 7A above, a copy of which has been tabled at the meeting marked “A” and signed by the chairman of the meeting for identification purpose, be and is hereby adopted as the new articles of association of the Company in substitution for and to the exclusion of the existing articles of association of the Company with immediate effect.”

8. To consider and, if thought fit, pass the following as special resolution:

“**THAT:**

- (a) Subject to sub-paragraphs (c) and (d) herein below and pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (as the same may be amended from time to time) and the Company Law of the PRC (the “**PRC Company Law**”), the Directors are generally and unconditionally authorised to exercise all the rights of the Company, to allot and issue new shares and dispose of outstanding shares of the Company individually and collectively during the Relevant Period (as defined in sub-paragraph (e) below) and to determine the terms and conditions in relation to the allotment and issue of new shares including, inter alia:
  - i. the type and number of new shares to be issued;
  - ii. the issue price of the new shares;
  - iii. the date for the commencement and closing of the issue;
  - iv. the class and the number of new shares to be issued to the existing shareholders;
  - v. to make, execute or grant offer proposals, agreements and options as may be necessary in the exercise of such powers; and
  - vi. all other matters in relation thereto.

- (b) The Directors are authorised to make or grant offer proposals, agreements and options as required or may be required in the exercise of such powers during the Relevant Period (as defined in sub-paragraph (e) below) as referred to in sub-paragraph (a) above or after the expiry of the Relevant Period.
- (c) The total nominal amount of H Shares (as defined in sub-paragraph (e) below), Domestic Shares (as defined in sub-paragraph (e) below) and non-H foreign shares (other than those issued under the PRC Company Law and the articles of association of the Company (the “**Articles**”) by the capitalisation of the statutory capital reserve fund) agreed to be allotted and/or conditionally or unconditionally agreed to be allotted by the Directors pursuant to sub-paragraph (a) above (whether pursuant to the exercise of option or otherwise) shall not exceed 20% of such class of the shares of the Company existing in issue.
- (d) Upon the exercise of the powers pursuant to sub-paragraph (a) above, the Directors shall comply with the PRC Company Law and the Listing Rules (as the same may be amended from time to time) and obtain the approval from the China Securities Regulatory Commission.
- (e) For the purpose of this resolution:
- “Domestic Shares” means the domestic shares in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which were subscribed for in Renminbi;
- “H Shares” means the overseas listed foreign shares in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Stock Exchange and subscribed for and traded in Hong Kong dollars;
- “Relevant Period” means the period from the date of the passing of this resolution to the earliest of the following three:
- i. twelve months after the passing of this resolution;
  - ii. conclusion of the next annual general meeting of the Company; and
  - iii. the date of the passing of a special resolution to revoke or amend the mandated as referred to in this resolution by shareholders in shareholders’ general meeting.
- (f) Subject to the approval by the relevant authorities of the PRC and pursuant to the PRC Company Law, when exercising the powers under sub-paragraph (a) above, the Directors are authorised to increase the registered capital of the Company to the required amount respectively and attend to the relevant registration procedures with the relevant authorities in the PRC, Hong Kong or such other relevant place.

- (g) Subject to the approval by the relevant authorities of the PRC, the Board is authorised to make appropriate and necessary amendments to the Articles, so as to reflect the changes in the capital of the Company that may have arisen under this mandate.”

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

Zhejiang Province, the PRC  
24 April 2012

*Notes:*

1. The register of members of the Company will be closed from 15 May 2012 to 15 June 2012, both dates inclusive, during which period no share transfers will be effected. In order to qualify for attending and voting at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s H Shares registrar in Hong Kong, Tricor Tengis Limited at 26/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong (for holders of the Company’s H Shares) no later than 4:30 pm on 14 May 2012.
2. The register of members of the Company will be closed from 22 June 2012 to 29 June 2012, both dates inclusive, during which period no share transfers will be effected. In order to qualify for the proposed final dividend (subject to shareholder’s approval at the AGM), all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s H Shares registrar in Hong Kong, Tricor Tengis Limited at 26/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong (for holders of the Company’s H Shares) no later than 4:30 pm on 21 June 2012.
3. Holders of Domestic Shares and H Shares whose names appear on the register of members of the Company on 29 June 2012 are entitled to receive the final dividend.
4. Holders of Domestic Shares and H Shares entitled to attend and vote at the AGM may appoint one or more proxies to attend and to vote on their behalves. A proxy need not be a shareholder of the Company.
5. In order to be valid, the proxy form must be deposited by hand or by post, for holders of H Shares of the Company, to the H Shares registrar of the Company, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, and for holders of Domestic Shares of the Company, to the office address of the Company at No.501 Shanyin West Road, Keqiao, Shaoxing County, Zhejiang Province, the People’s Republic of China (Post Code: 312030) not less than 48 hours before the time for holding the meeting or not less 48 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.
6. Shareholders or their proxies shall present their identity documents when attending the meeting.
7. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. On a poll, every shareholder present in person or by proxy shall have one vote for each share registered in his/her name in the register of members. A shareholder entitled to more than one vote needs not use all his/her votes or cast all the votes he/she uses in the same manner.

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8. Shareholders who intend to attend the AGM should complete and return the reply slip and return it by hand or by post to the share registrar of the Company (for holders of H Shares) or to the office address of the Company (for holders of Domestic Shares) on or before 8 June 2012.
9. The AGM is expected to take half a day. Shareholders attending the AGM shall be responsible for their own travel and accommodation expenses.
10. The office address of the Company is as follow:

No.501 Shanyin West Road, Keqiao  
Shaoxing County  
Zhejiang Province  
The People's Republic of China  
Post Code: 312030  
Tel: 86-575-84135837  
Fax: 86-575-84118792

*As at the date of this notice, 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, namely Mr. Fung Ching, Simon and three independent non-executive Directors, namely Mr. Chan Yin Ming, Dennis, Mr. Wang Youqing and Mr. Zhao Rulong.*