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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)

**RESULTS OF AGM
AND
DISTRIBUTION OF FINAL DIVIDEND**

The board (the “**Board**”) of directors of Baoye Group Company Limited* (the “**Company**”) is pleased to announce that at the annual general meeting of the Company held on 15 June 2012 (the “**AGM**”), all resolutions as set out in the notice of the AGM dated 24 April 2012 (the “**AGM Notice**”) were duly passed by way of poll as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). None of the shareholders of the Company has proposed any motion at the AGM pursuant to resolution No.6 as set out in the AGM Notice. Details of the resolutions were set out in the AGM Notice.

As at the date of the AGM, the total number of issued shares of the Company was 662,964,005, comprising 350,742,053 domestic shares and 312,221,952 H Shares (as defined below), which was the total number of shares entitling the holders to attend and vote on the resolutions at the AGM. There were no shares entitling the holder to attend and abstain from voting in favour at the AGM as set out in Rule 13.40 of the Listing Rules. No shareholder of the Company was required under the Listing Rules to abstain from voting on the resolutions at the AGM. None of the shareholders has stated their intention in the Company's circular dated 24 April 2012 to vote against or to abstain from voting on any of the resolutions at the AGM.

The Company's H Share registrar, Tricor Tengis Limited, was appointed as scrutineer for the purpose of vote-taking at the AGM. The poll results in respect of the resolutions are as follows:

Resolutions		Number of votes cast and approximate percentage of total number of votes cast		Total number of votes
		For	Against	
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	441,902,764 (100%)	0 (0%)	441,902,764
2	To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2011	441,902,764 (100%)	0 (0%)	441,902,764
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	441,902,764 (100%)	0 (0%)	441,902,764
4	To authorise the Board to decide the matters relating to the payment of final dividend for the year ended 31 December 2011	441,902,764 (100%)	0 (0%)	441,902,764
5A	To re-appoint PricewaterhouseCoopers as the Company's international auditors and to authorise the Board to fix their remuneration	441,902,764 (100%)	0 (0%)	441,902,764
5B	To re-appoint PricewaterhouseCoopers Zhongtian CPAs as the Company's PRC statutory auditors and to authorise the Board to fix their remuneration	441,902,764 (100%)	0 (0%)	441,902,764
Special Resolutions				
7A	To consider and approve the amendments to the articles of association of the Company	441,902,764 (100%)	0 (0%)	441,902,764
7B	To consider and approve the adoption of a set of amended articles of association of the Company	441,902,764 (100%)	0 (0%)	441,902,764
8	To approve the general mandate to allot new shares	386,200,053 (87.39%)	55,702,711 (12.61%)	441,902,764

As more than 1/2 votes were casted in favour of the ordinary resolutions numbered 1 to 5B, the ordinary resolutions were duly passed as ordinary resolutions of the Company by way of poll.

As more than 2/3 votes were casted in favour of the special resolutions numbered 7A to 8, the

special resolutions were duly passed as special resolutions of the Company by way of poll.

DISTRIBUTION OF DIVIDEND

1. For the purpose of determining the list of shareholders entitling to the 2011 Final Dividend, 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, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's H Share 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 p.m. on 21 June 2012.
2. Dividend payable to the holders of overseas listed foreign shares in the ordinary share capital of the Company (the "**H Shares**"), with a nominal value of RMB1.00 each, shall be calculated in Renminbi (the "**RMB**") and paid in Hong Kong dollars. The following conversion formula shall apply:

Dividend per share in RMB

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

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 this announcement is HK\$1.00 to RMB0.8149. Thus, the dividend per share in Hong Kong dollar is HK\$0.2577 (pre-tax) for holders of H Shares.

3. According to the "Enterprise Income Tax Law of the People's Republic of China" and the "Detailed Rules for Implementation of the Enterprise Income Tax Law of the People's Republic of China", any H shares registered in the name of non-resident enterprise shareholders (including corporate nominees or trustees) are subject to a 10% withholding tax for the dividend declared and paid by the Company. Accordingly, in respect of all shareholders whose names appear on the register of members for H Shares of the Company as at 29 June 2012 who are not individuals (including HKSCC Nominees Limited, corporate nominees or trustees, and other entities or organizations that are all considered as non-resident enterprise shareholders), the Company will distribute the final dividends after deductions of 10% as enterprise income tax.

In accordance with the relevant tax regulations of the People's Republic of China, the dividends received by overseas resident individual shareholders from the stocks issued by domestic non-foreign investment enterprises in Hong Kong is subject to the payment of

individual income tax, which shall be withheld by the withholding agents. However, overseas resident individual shareholders of the stocks issued by domestic non-foreign investment enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax agreements signed between the countries where they are residents and China, or the tax arrangements between the mainland China and Hong Kong (Macau). Accordingly, the Company will withhold 10% of the dividends to be distributed to the individual H-Share holders as individual income tax unless otherwise specified by the relevant tax regulations and tax agreements.

The Company will withhold payment of enterprise income tax as well as the individual income tax for shareholders strictly in accordance with the relevant laws or requirements of the relevant governmental departments and strictly based on what has been registered on the Company's register of members for H Shares on the record date (i.e. 29 June 2012). The Company assumes no liability whatsoever in respect of and will not entertain any claims arising from delay in, or inaccurate determination of, the status of the shareholders or any disputes over the mechanism of withholding of enterprise income tax and individual income tax.

4. Pursuant to the articles of association of the Company, the Company has appointed Bank of China (Hong Kong) Trustees Limited (the "**Receiving Agent**") to receive the 2011 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 for H Shares on 29 June 2012 shall be entitled to the final dividend of RMB0.21 (pre-tax) per share for the year 2011. The dividend 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 25 July 2012.

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

Zhejiang Province, the People's Republic of China
15 June 2012

* *For identification purpose 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; and 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.