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If you have sold or transferred all your shares in **Baoye Group Company Limited**, you should at once hand this circular with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission.



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)

PROPOSED GENERAL MANDATE TO ISSUE SHARES
PROPOSED GENERAL MANDATE TO REPURCHASE H SHARES
PROPOSED GENERAL MANDATE TO ISSUE GREEN BOND
ELECTION OF THE EIGHTH DIRECTORS OF THE BOARD
ELECTION OF THE EIGHTH SUPERVISORS OF
THE SUPERVISORY COMMITTEE
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICES OF ANNUAL GENERAL MEETING AND
CLASS MEETINGS

Notices of convening an annual general meeting (the “**Annual General Meeting**”) and the respective class meetings for holders of H shares (the “**H Shares**”) and domestic shares (the “**Domestic Shares**”) of Baoye Group Company Limited to be held at 2nd Floor, Baoye Group, No. 1687 Guazhu East Road, Keqiao District, Shaoxing City, Zhejiang Province, PRC at 9:00 a.m. and immediately after the conclusion of AGM on Friday, 16 June 2023 is set out on pages 10 to 24 of this circular. Whether or not you are able to attend the Annual General Meeting and the class meetings, you are requested to complete the forms of proxy in accordance with the instructions printed thereon and return them to the H Shares registrar of Baoye Group Company Limited, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H Shares) or to the office address of Baoye Group Company Limited at No. 1687 Guazhu East Road, Keqiao District, Shaoxing City, Zhejiang Province, the PRC (Post Code: 312030) (for holders of Domestic Shares) as soon as possible and in any event not less than 48 hours before the time for holding the meeting or not less than 48 hours before the time appointed for taking the poll. Completion and return of the form of proxies will not preclude you from attending and voting in person at the Annual General Meeting and class meetings or any adjournment thereof if you so wish.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held at 2nd Floor, Baoye Group, No. 1687 Guazhu East Road, Keqiao District, Shaoxing City, Zhejiang Province, the PRC at 9:00 a.m. on 16 June 2023
“AGM Notice”	the notice for convening the AGM set out on pages 10 to 18 of this circular
“Articles” or “Articles of Association”	the articles of association of the Company
“Board”	the board of Directors of the Company
“Class Meeting Notices”	the notices for convening the Class Meetings set out on pages 19 to 24 of this circular
“Class Meetings”	the class meeting for holders of H Shares to be held immediately after the conclusion of the AGM and the class meeting for holders of Domestic Shares to be held immediately after the conclusion of the said class meeting for holders of H Shares, the respective notices of which are set out on pages 19 to 24 of this circular, or any adjournment thereof respectively
“Company”	Baoye Group Company Limited* (寶業集團股份有限公司), a joint stock limited company incorporated in the PRC, the H Shares of which are listed on main board of the Stock Exchange
“Company Law”	the Company Law of the PRC
“day(s)”	calendar day(s), unless otherwise specified
“Director(s)”	the director(s) of the Company
“Domestic Shares”	domestic shares in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which were subscribed for in RMB
“Group”	the Company and its subsidiaries
“H Shares”	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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

* For identification purposes only

DEFINITIONS

“Latest Practicable Date”	20 April 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this circular only, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC laws”	applicable PRC laws, administrative regulations, government departmental rules, local regulations and regulatory documents of the regulatory authorities which are binding on the Company
“RMB”	Renminbi, the lawful currency of the PRC
“SAFE”	State Administration of Foreign Exchange of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	include Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisors”	The supervisors of the Company
“Supervisory Committee”	The supervisors committee of the Company
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“%”	per cent



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)

Executive Directors:

Mr. Pang Baogen
Mr. Gao Lin
Mr. Gao Jiming
Mr. Gao Jun
Mr. Jin Jixiang

Non-executive Director:

Mr. Fung Ching, Simon

Independent non-executive Directors:

Mr. Chan, Dennis Yin Ming
Mr. Li Wangrong
Ms. Liang Jing

Corporate address:

No. 1687, Guazhu East Road,
Keqiao District, Shaoxing City,
Zhejiang Province, PRC

Registered address:

Yangxunqiao Subdistrict,
Keqiao District, Shaoxing City,
Zhejiang Province, PRC

Correspondence address in Hong Kong:

Room A, 7th Floor,
Southern Commercial Building,
11 Luard Road,
Wanchai,
Hong Kong

28 April 2023

To the Shareholders

PROPOSED GENERAL MANDATE TO ISSUE SHARES
PROPOSED GENERAL MANDATE TO REPURCHASE H SHARES
PROPOSED GENERAL MANDATE TO ISSUE GREEN BOND
ELECTION OF THE EIGHTH DIRECTORS OF THE BOARD
ELECTION OF THE EIGHTH SUPERVISORS OF
THE SUPERVISORY COMMITTEE
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICES OF ANNUAL GENERAL MEETING AND
CLASS MEETINGS

INTRODUCTION

The purpose of this circular is to provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the AGM and the Class Meetings for the Shareholders

* For identification purposes only

LETTER FROM THE BOARD

for the approval of, inter alia: (i) the proposed general mandate to issue Shares; (ii) the proposed general mandate to repurchase H shares; (iii) the proposed general mandate to issue green bond; (iv) the election of eighth Directors of the Board; (v) the election of eighth Supervisors of the Supervisory Committee, (vi) the proposed amendments to the Articles of Association, and to give you the AGM Notice and the Class Meeting Notices.

PROPOSED GENERAL MANDATE TO ISSUE SHARES

At the last annual general meeting of the Company held on 14 June 2022, a special resolution was passed whereby a general mandate was granted to the Directors to allot and issue new shares and disposal of outstanding Shares individually and collectively up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of such resolution.

Such mandate will lapse at the conclusion of the forthcoming AGM. In order to increase the flexibility and efficiency in operation of the Company, and to give discretion to the Board in the event that it becomes desirable to issue any shares, the Board proposes a special resolution to grant to the Directors a general mandate to allot, issue and otherwise deal with H Shares up to a maximum of 20% of the total nominal value of H Shares in issue as at the date of passing of the resolution as set out in Resolution 9 of the notice of the AGM (“AGM Notice”).

As at the Latest Practicable Date, the Company had in issue an aggregate of 520,756,053 Shares, comprising 170,014,000 H Shares and 350,742,053 Domestic Shares. On the basis that no further Shares will be issued by the Company during the period from the Latest Practicable Date to the date of the AGM, subject to the passing of Resolution 9 of the AGM Notice for the approval of the general mandate, the Company will be allowed to allot, issue and deal with up to a maximum of 34,002,800 H Shares, representing 20% of H Shares in issue on the date of the passing of the proposed resolution.

With reference to the proposed general mandate, the Directors, as at the date hereof, wish to state that they have no immediate plans to issue any new H Shares pursuant to the general mandate.

PROPOSED GENERAL MANDATE TO REPURCHASE H SHARES

Repurchase Mandate

The Company Law and the Articles of Association provide for certain restrictions on share repurchase which are applicable to all classes of shares of the Company.

A special resolution was passed at the annual general meeting and class meetings of the Company held on 14 June 2022 whereby a general mandate was granted to the Board to repurchase H Shares of the Company up to a maximum of 10% of the aggregate nominal value of H Shares in issue as at the date of the passing of the special resolution, such mandate will lapse at the conclusion of the forthcoming AGM of the Company. In order to increase the flexibility and efficiency in operation of the Company, the Board proposes a special resolution to grant to the Directors a general mandate to repurchase H Shares of the Company up to a maximum of 10% of the aggregate nominal value of H Shares in issue as at the date of the passing of the proposed resolution.

The Company Law (to which the Company is subject) provides that a joint stock limited company incorporated in the PRC may repurchase its shares in the following circumstances: (a) to reduce its registered capital; (b) to merge with another company which holds its shares; (c) to utilize the shares for employee share ownership plan or as

LETTER FROM THE BOARD

share incentive plan; (d) where the shareholders disagree to the resolutions on the merger or demerger of company made in the general meeting and request the Company to repurchase their shares; (e) to convert the shares as convertible corporate bonds issued by the listed company; (f) where it is necessary for the company to maintain its corporate value and shareholders' rights; or (g) other circumstances approved by laws, administrative regulations and relevant state authorities.

The Listing Rules permit the shareholders of a PRC joint stock limited company to grant a general mandate to its directors to repurchase shares of such company that is listed on the Stock Exchange. Such mandate is required to be given by way of a special resolution passed by its shareholders in general meeting and special resolutions passed by holders of domestic shares and holders of overseas listed foreign shares at separate meetings.

H Shares are traded on the Stock Exchange in Hong Kong dollars. Therefore, the repurchase of H Shares by the Company is subject to the approval of the SAFE (or its successor authority), and the price payable by the Company upon any repurchase of H Shares will be paid in Hong Kong dollars.

In accordance with the requirements of the Articles of Association applicable to capital reduction, the Company will have to notify its creditors of the passing of the resolution for the reduction of the registered capital of the Company. In addition, the Company Law provides that the shares repurchased by a company will have to be cancelled and the registered capital of that company will therefore be reduced by an amount equivalent to the aggregate nominal value of the shares so cancelled. In the event of a reduction of registered capital, the Company shall inform its creditors by way of written notice and announcement within a prescribed period after the passing of the relevant resolutions approving such reduction. The creditors shall be entitled to request the Company for repayment of loan or provision of guarantee.

Conditions to repurchase H Shares

In order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to repurchase any H Shares (including where such repurchase may lead to an enhancement of the net asset value per Share and/or the earnings per Share), approval is proposed to be sought from the Shareholders for the grant of the Repurchase Mandate to the Directors. In accordance with the legal and regulatory requirements described above, the Directors give notices to convene the AGM and the Class Meetings. At each such meeting, a special resolution will be proposed to grant to the Directors the Repurchase Mandate which is a conditional general mandate to repurchase H Shares in issue on the Stock Exchange with an aggregate nominal value not exceeding 10% of the aggregate nominal value of H Shares in issue of the Company as at the date of passing of such special resolution.

The Repurchase Mandate will be conditional upon (a) the special resolution for approving the grant of the Repurchase Mandate being passed at each of the AGM and the Class Meetings; and (b) the approvals of SAFE (or its successor authority) and/or any other regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate. If the above conditions are not fulfilled, the Repurchase Mandate will not be exercisable by the Directors.

The Repurchase Mandate would expire on the earliest of (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of a period of twelve months following the passing of the relevant resolution at the AGM and the Class Meetings; or (c) the date on which the authority conferred by the special resolution is revoked or varied by a special resolution of the Shareholders in a general meeting or by a special resolution of holders of H Shares or holders of Domestic Shares at their respective Class Meetings.

LETTER FROM THE BOARD

The H Shares which may be repurchased by the Company pursuant to the Repurchase Mandate shall not exceed 10% of the aggregate nominal value of H Shares in issue of the Company as at the date of passing of the resolution approving the Repurchase Mandate at the AGM and the Class Meetings.

An explanatory statement giving certain information regarding the Repurchase Mandate is set out in the Appendix II to this circular.

PROPOSED GENERAL MANDATE TO ISSUE GREEN BOND

One special resolution will be proposed at the AGM to consider and approve to authorise the Board (or Director(s) delegated by the Board), generally and unconditionally within the amount approved and in light of the demand of business operation, capital expenditures and industrialized construction expansion, as well as the market condition, to determine the specific provisions and related matters regarding the issuance of green bond (including the carbon neutral green bond) including, but not limited to the issue size, interest rate, validity period, purchaser, use of proceeds as well as all necessary documents to be made, executed or disclosed.

The effective period of the mandate is 24 months from the date of the passing of the resolution at the AGM. Where the Board has, upon the expiry of the authorization, decided the issuance of green bond, and provided that the Company has obtained necessary authorization (where appropriate), such as the approval and license and completed the filing or registration with regulatory authorities on the issuance, the Company can still be able, during the validity period of such approval, license, filing or registration, to complete the issuance or partial issuance of green bond. The Board will continue to deal with such issuance pursuant to the authorization document until full settlement of such green bond.

ELECTION OF THE EIGHTH DIRECTORS OF THE BOARD

At the annual general meeting held on 16 June 2020, Mr. Pang Baogen, Mr. Gao Lin, Mr. Gao Jiming, Mr. Gao Jun and Mr. Jin Jixiang were elected as executive Directors of the Company's seventh Board of Directors, Mr. Fung Ching Simon was elected as non-executive Director, Mr. Chan, Dennis Yin Ming, Mr. Li Wangrong and Ms. Liang Jing were elected as independent non-executive Directors. The term of office of the Directors will expire on the conclusion of the AGM.

Pursuant to the Articles of Association, the term of the Director is three years renewable upon re-election. All of the above Directors are eligible for re-election at the AGM for another three-year term, which will commence on the conclusion of the AGM and expire on the conclusion of the annual general meeting of the Company of 2025.

Mr. Pang Baogen, executive Director of the Company, will not seek for re-election as executive Director of the Board due to his personal age reason with effect from the AGM. Mr. Pang is proposed to be elected as non-executive Director and chairman of the eighth Board of Directors according to the nomination of the nomination committee of the Company. The term of office is three years, which will commence on the conclusion of the AGM and expire on the conclusion of the annual general meeting of the Company of 2025.

Pursuant to Code Provision B.2.3 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules, if an independent non-executive director has served more than nine years, his further appointment should be subject to a separate resolution to be approved by shareholders. Pursuant to Code Provision B.2.4 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules, where all the independent non-executive directors of an issuer have served more than nine years on the board, the issuer should:

LETTER FROM THE BOARD

- (a) disclose the length of tenure of each existing independent non-executive director on a named basis in the circular to shareholders and/or explanatory statement accompanying the notice of the annual general meeting; and
- (b) appoint a new independent non-executive director on the board at the forthcoming annual general meeting.

As at the date of the AGM, the length of tenure of the independent non-executive Directors of the Company is tabulated as follows:

Name	Date of appointment	Length of tenure
Mr. Chan, Dennis Yin Ming	23 September 2004	Over nine years
Mr. Li Wangrong	25 August 2014	Almost nine years
Ms. Liang Jing	25 August 2014	Almost nine years

Mr. Chan, Dennis Yin Ming, has been serving as an independent non-executive Director for more than nine years. The Board is of the opinion that he still has the required character, integrity, independence and experience to fulfill the role of an independent non-executive Director. The Board recognises that there is no evidence that length of tenure is having an adverse impact on the independence of the independent non-executive Director and the Board is not aware of any circumstances that might influence Mr. Chan in exercising his independent judgment. Mr. Chan has given the annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules to the Company and the nomination committee of the Company has assessed and is satisfied of his independence. Based on the aforesaid, the Board forms the view that Mr. Chan will continue to maintain an independent view of the Company's affairs despite his length of service, and will continue to bring his relevant experience and knowledge to the Board and should be re-elected. Separate resolution will be proposed for Mr. Chan's re-election at the AGM in pursuance of Code Provision B.2.3.

Mr. Li Wangrong and Ms. Liang Jing have served as independent non-executive Directors for almost nine years. Mr. Li and Ms. Liang have never held any executive or management positions in the Group nor have been employed by any subsidiary of the Company during such period. The Directors noted the positive contributions of Mr. Li and Ms. Liang to the development of the Company's strategy and policies through their independent and constructive advice. Mr. Li and Ms. Liang have given the annual confirmation of their independence pursuant to Rule 3.13 of the Listing Rules to the Company and the nomination committee of the Company has assessed and is satisfied of their independence. The Board considers that the long service would not affect their exercise of independent judgments, and therefore considers Mr. Li and Ms. Liang to be independent and recommends them to be re-elected. Separate resolutions will be proposed for their re-election at the AGM in pursuance of Code Provision B.2.3.

Pursuant to Code Provision B.2.4 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules, the nomination committee of the Company nominated Mr. Xiao Jianmu as the independent non-executive Director of the Company. Saved as the independent Supervisor of the Company from August 2014 to the date of the AGM, Mr. Xiao has never held any executive or management positions in the Group nor has been employed by any subsidiary of the Company during such period. The nomination committee of the Company has assessed and is satisfied of his independence. The Board is of the opinion that he has the required character, integrity, independence and experience to fulfill the role of an independent non-executive Director, and will continue to provide professional suggestions to the Company by his professional skills.

LETTER FROM THE BOARD

Mr. Gao Jiming, executive Director of the Company, will not seek for re-election as executive Director due to age reason with effect from the AGM.

The Board suggested to appoint Mr. Xu Gang and Mr. Wang Rongbiao as executive Director of the eighth Board of Directors according to the nomination of the nomination committee of the Company.

Biographical details of the above Directors are set out in Appendix I to this circular. The term of office is three years, which will commence on the conclusion of the AGM and expire on the conclusion of the annual general meeting of the Company of 2025.

ELECTION OF EIGHTH SUPERVISORS OF THE SUPERVISORY COMMITTEE

At the annual general meeting hold on 16 June 2020, Mr. Kong Xiangquan, Mr. Xu Gang and Mr. Wang Jianguo were elected as the seventh Supervisors of the Supervisory Committee of the Company, Mr. Zhang Xindao and Mr. Xiao Jianmu were elected as independent Supervisors. The term of office of the Supervisors will expire on the conclusion of the AGM.

Pursuant to the Articles of Association, the term of the Supervisors is three years renewable upon re-election. All of the above Supervisors are eligible for re-election at the AGM for another three-year term, which will commence on the conclusion of the AGM and expire on the conclusion of the annual general meeting of the Company of 2025.

The Supervisory Committee has resolved to nominate Mr. Zhang Xindao and Mr. Kong Xiangquan as the shareholder representative Supervisors of the eighth Supervisory Committee. In accordance with Article 126 of the Articles of Association, the representative Supervisors of staff and workers shall be elected and removed through democratic election by the staff and workers of the Company. Mr. Sun Yuguang and Mr. Wang Jianguo have been elected as the representative Supervisors of staff and workers of the eighth Supervisory Committee with effect from the conclusion of the AGM.

Biographical details of the above Supervisors are set out in Appendix I to this circular. The term of office is three years, which will commence on the conclusion of the AGM and expire on the conclusion of the annual general meeting of the Company of 2025.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

A special resolution will be proposed at the AGM to adopt the amended Articles of Association to reflect the update of the Board and the Supervisory Committee. The proposed amendments to the Articles shall be approved by a special resolution of Shareholders at the AGM held on 16 June 2023 and by the relevant authorities of the PRC. The detailed proposed amendments to the Articles are set out in the AGM Notice. The Articles as amended will also be made available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.baoyegroup.com). The legal advisors of the Company as to Hong Kong laws and the PRC laws have confirmed that the proposed amendments comply with the requirements of the Listing Rules and do not violate the applicable laws of the PRC, respectively. The Company confirms that there is nothing unusual about the proposed amendments for a PRC company listed on the Stock Exchange. Shareholders are advised that the Articles of Association are available in Chinese only. The English translation of the proposed amendments to the Articles of Association provided in the AGM Notice is for reference only. In case of any inconsistency, the Chinese version shall prevail.

AGM AND CLASS MEETINGS

Notices convening the AGM and the Class Meetings to be held at 2nd Floor, Baoye Group, No. 1687 Guazhu East Road, Keqiao District, Shaoxing City, Zhejiang Province, the PRC on 16 June 2023, are set out on pages 10 to 24 of this circular for the purpose of considering and if thought fit, passing the resolutions set out therein.

LETTER FROM THE BOARD

Forms of proxy for use at each of the AGM and the Class Meetings are enclosed with this circular. Whether or not you are able to attend the AGM and/or the Class Meetings, you are requested to complete the form of proxies in accordance with the instructions printed thereon and return it to the H Shares registrar of the Company, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H Shares) or to the Company's office address at No. 1687 Guazhu East Road, Keqiao District, Shaoxing City, Zhejiang Province, the PRC (Post Code: 312030) (for holders of Domestic Shares) as soon as possible and in any event not less than 48 hours before the time for holding the meetings or not less than 48 hours before the time appointed for taking the poll. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM and the Class Meetings or any adjournment thereof should you so wish.

BOOK CLOSURE FOR AGM AND CLASS MEETINGS ATTENDANCE

The register of members of the Company will be closed from 17 May 2023 to 16 June 2023, both dates inclusive, during which period no share transfers will be effected. In order to qualify for attending and voting at the AGM and Class Meetings, 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 at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H Shares) and to the office address of the Company at No. 1687 Guazhu East Road, Keqiao District, Shaoxing City, Zhejiang Province, the PRC (Post Code: 312030) (for holders of Domestic Shares) no later than 4:30 p.m. on 16 May 2023.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at general meetings must be taken by poll except where the chairman, in good faith, decides to allow a resolution which related purely to a procedural or administrative matter to be voted by a show of hands. An announcement on the poll vote results will be made by the Company after the AGM and Class Meetings in the manner of prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Directors consider that all the proposed resolutions in the AGM and the Class Meetings are in the best interests of the Company and the Shareholders as a whole, and accordingly, recommend all Shareholders to vote in favor of all such resolutions relating to these matters to be proposed at the AGM and the Class Meetings.

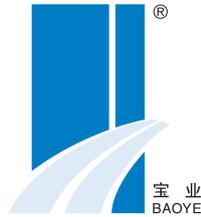
GENERAL INFORMATION

Your attention is drawn to the appendices to this circular.

As at the date of this circular, 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, Dennis Yin Ming, Mr. Li Wangrong and Ms. Liang Jing.

Yours faithfully,
For and on behalf of the Board
Baoye Group Company Limited*
Pang Baogen
Chairman

* For identification purposes only



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. 1687 Guazhu East Road, Keqiao District, Shaoxing City, Zhejiang Province, the People’s Republic of China (the “**PRC**”) at 9:00 a.m. on Friday, 16 June 2023 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 2022;
2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2022;
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 2022;
4. To consider and approve the matters relating to no payment of final dividend for the year ended 31 December 2022;
- 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;
6. To consider and approve the election of the Company’s eighth Board of Directors;
- 6A. To consider and approve the re-election of Mr. Gao Lin as an executive Director of the Company and to authorise the Board to fix his remuneration;
- 6B. To consider and approve the re-election of Mr. Gao Jun as an executive Director of the Company and to authorise the Board to fix his remuneration;

NOTICE OF AGM

- 6C. To consider and approve the re-election of Mr. Jin Jixiang as an executive Director of the Company and to authorise the Board to fix his remuneration;
- 6D. To consider and approve the election of Mr. Xu Gang as an executive Director of the Company and to authorise the Board to fix his remuneration;
- 6E. To consider and approve the election of Mr. Wang Rongbiao as an executive Director of the Company and to authorise the Board to fix his remuneration;
- 6F. To consider and approve the election of Mr. Pang Baogen, as a non-executive Director of the Company and to authorizes the Board to fix his remuneration.
- 6G. To consider and approve the re-election of Mr. Fung Ching Simon, as a non-executive Director of the Company and to authorise the Board to fix his remuneration;
- 6H. To consider and approve the re-election of Mr. Chan, Dennis Yin Ming as an independent non-executive Director of the Company and to authorise the Board to fix his remuneration;
- 6I. To consider and approve the re-election of Mr. Li Wangrong as an independent non-executive Director of the Company and to authorise the Board to fix his remuneration;
- 6J. To consider and approve the re-election of Ms. Liang Jing as an independent non-executive Director of the Company and to authorise the Board to fix her remuneration;
- 6K. To consider and approve the election of Mr. Xiao Jianmu as an independent non-executive Director of the Company and to authorise the Board to fix his remuneration;
- 7. To consider and approve the election the Company's eighth supervisors of the supervisory committee of the Company;
- 7A. To consider and approve the re-election of Mr. Zhang Xindao as an independent supervisor of the Company and to authorise the Board to fix his remuneration;
- 7B. To consider and approve the re-election of Mr. Kong Xiangquan as a supervisor of the Company and to authorise the Board to fix his remuneration;
- 8. To consider and approve any motion proposed by any shareholder of the Company holding 3% or more of the shares with voting rights at such meeting, if any;

NOTICE OF AGM

II As special resolutions

9. 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) 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 of Association**”) 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 in issue of the Company as at the date of the passing of this special resolution.
- (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.

NOTICE OF AGM

- (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 of Association of the Company, so as to reflect the changes in the capital of the Company that may have arisen under this mandate.”

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

“**THAT:**

To authorise the Board to repurchase H Shares of the Company (the “**H Shares**”) subject to the following conditions:

- (a) subject to paragraphs (b) and (c) below, the exercise by the Board during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to repurchase H Shares in issue of the Company on The Stock Exchange, subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or of any other governmental or regulatory body be and is approved;
- (b) the aggregate nominal value of H Shares authorised to be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal value of H Shares in issue of the Company as at the date of the passing of this special resolution;

NOTICE OF AGM

- (c) the approval in paragraph (a) above shall be conditional upon:
 - (i) the passing of a special resolution in the same terms as the resolution set out in this paragraph (except for this sub-paragraph (c)(i)) at the AGM of the Company to be held on Friday, 16 June 2023 (or on such adjourned date as may be applicable); and the class meetings for holders of H Shares of the Company and for holders of Domestic Shares of the Company to be held on Friday, 16 June 2023 (or on such adjourned date as may be applicable); and
 - (ii) the approval of the State Administration of Foreign Exchange of the PRC and/or any other regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate;
- (d) for the purpose of this special resolution, "Relevant Period" means the period from the passing of this special resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting following the passing of this special resolution;
 - (ii) the expiration of a period of twelve months following the passing of this special resolution; or
 - (iii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the members of the Company in any general meeting or by a special resolution of holders of H Shares or holders of Domestic Shares of the Company at their respective class meeting;
- (e) subject to approval of all relevant governmental authorities in the PRC for the repurchase of such H Shares being granted, the Board be hereby authorised to:
 - (i) make such amendments to the Articles of Association of the Company as it thinks fit so as to reduce the registered capital of the Company and to reflect the new capital structure of the Company upon the repurchase of H Shares as contemplated in paragraph (a) above; and
 - (ii) file the amended Articles of Association of the Company with the relevant governmental authorities of the PRC and to apply for registration with the relevant companies registration authorities in the PRC of the change of registered capital of the Company in accordance with all applicable laws, rules, regulations and/or requirements of the relevant governmental or regulatory body in the PRC."

NOTICE OF AGM

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

“THAT:

To authorise the Board to issue green bond (including the carbon neutral green bond) subject to the following conditions:

- (a) the Board be and is hereby generally and unconditionally granted a general mandate, subject to the registration and approval from the National Association of Financial Market Institutional Investors of the People’s Republic of China (中國銀行間市場交易商協會), to issue green bond (including carbon neutral green bond in one time for tranches or in several times, with an aggregate principal amount not exceeding RMB2 billion (the **“Green bond”**); and
- (b) the Board (or any committee thereof), taking into consideration the requirement of the Company and other market conditions, be and is hereby generally and unconditionally authorised to:
 - (i) determine the terms and conditions of and other matters relating to the Green bond (including, but not limited to, the determination of the final aggregate principal amount, term, interest rate, and use of the proceeds of the Green bond and other related matters);
 - (ii) do all such acts which are necessary and incidental to the issue of the Green bond (including, but not limited to, the securing of approvals, the determination of selling arrangements and the preparation of relevant application documents); and
 - (iii) take all such steps which are necessary for the purposes of executing the Green bond (including, but not limited to, the execution of all requisite documentation and the disclosure of relevant information in accordance with application laws), and to the extent that any of the aforementioned acts and steps have already been undertaken by the Board (or any committee thereof) in connection with the Green bond, such acts and steps be and are hereby approved, confirmed and ratified.”

NOTICE OF AGM

12. 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 below.

No.	The original article	To be amended as
103	<p>The board shall consist of nine directors in which, among others, external directors (i.e. those not holding any position in the Company) shall account for more than one-third (including one-third) of the board and among the external directors, there shall be three or more independent directors. Independent directors are the directors independent of the shareholders and not holding any position in the Company and comply with the Listing Rules promulgated by The Hong Kong Stock Exchange relating to the qualifications of the independent directors. In particular, at least one independent director shall hold appropriate professional qualifications or appropriate accounting or related financial management expertise. The board shall have one chairman.</p> <p>(Article 86 of the Mandatory Provisions)</p>	<p>The board shall consist of eleven directors, with a chairman. The board shall include at least one-third of external directors (i.e. directors who do not serve within the Company), of whom three or more shall be independent directors (i.e. directors who are independent of the shareholders and do not serve within the Company). The independent directors should meet the requirements of the Listing Rules promulgated by the Hong Kong Stock Exchange regarding the qualifications of independent non-executive directors, including at least one of the independent non-executive director must have appropriate qualifications or accounting or related financial management expertise.</p> <p>(Article 106 of the Guidelines on the Articles of Association of Listed Companies)</p>
125	<p>The supervisory committee shall comprise of five supervisors, for a 3-year term of office and be eligible for re-election. The supervisory committee shall have one chairman, for a 3-year term of office and be eligible for re-election. The appointment and removal of the chairman of the supervisory committee shall be approved by two-thirds (including two-thirds) or more of the members of supervisory committee.</p> <p>(Article 104 of the Mandatory Provisions)</p> <p>(Section 1d(i) of Appendix 13D to the Listing Rules)</p>	<p>The supervisory committee consists of four supervisors who are elected for a term of three years and are eligible for re-election. The supervisory committee shall have a chairman for a term of three years, who can be re-elected. The election or removal of the chairman of the supervisory committee shall be approved by a vote of at least two-thirds (including two-thirds) of the members of the supervisory committee.</p> <p>(Article 144 of the Guidelines on the Articles of Association of Listed Companies)</p> <p>(Article d(i) of Part I of Appendix 13D of the Listing Rules)</p>

NOTICE OF AGM

No.	The original article	To be amended as
126	<p>Members of supervisory committee shall comprise of three representatives of shareholders and two representative of staff and workers of the Company. The representatives of shareholders shall be elected and removed by general meeting while the representative of staff and workers shall be elected and removed through democratic election by the staff and workers of the Company. The supervisory committee shall have more than one-third of their members as external members (those members not holding office in the Company). The external members shall consist of more than two independent supervisors (those supervisors who are independent from the shareholders and not holding office in the Company). The external supervisors shall have the right to report to the general meeting of the honesty, diligence and performance of the management officers of the Company.</p> <p>(Article 105 of the Mandatory Provisions)</p>	<p>The supervisory committee consists of two shareholder representative supervisors and two representative supervisors of staff and workers of the Company. The shareholder representative supervisor shall be elected and removed by the general meeting; the representative supervisor of staff and workers of the Company shall be democratically elected and removed by the staff and workers of the Company. Among the members of the supervisory committee, external supervisors (i.e. supervisors who do not serve within the Company) shall account for at least one-third of the supervisory committee. The external supervisors shall include two or more independent supervisors (i.e. supervisors who are independent of the shareholders and do not serve within the Company). The external supervisors shall have the right to report independently to the general meeting on the integrity and diligence of the management of the Company.</p> <p>(Article 144 of the Guidelines on the Articles of Association of Listed Companies)</p>

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

Zhejiang Province, the PRC
28 April 2023

NOTICE OF AGM

Notes:

1. The register of members of the Company will be closed from Wednesday, 17 May 2023 to Friday, 16 June 2023, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H Shares) or to the office address of the Company (for holders of Domestic Shares), no later than 4:30 p.m. on Tuesday, 16 May 2023.
2. Holders of Domestic Shares and H Shares entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a member of the Company.
3. 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, and for holders of Domestic Shares of the Company, to the office address of the Company at No. 1687 Guazhu East Road, Keqiao District, Shaoxing City, Zhejiang Province, the PRC (Post Code: 312030) not less than 48 hours before the time for holding the meeting or not less than 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.
4. Shareholders or their proxies shall present their identity documents when attending the meeting.
5. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which related purely to a procedural or administrative matter to be voted by a show of hands. 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.
6. 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 9 June 2023.
7. The AGM is expected to take half a day. Shareholders attending the AGM shall be responsible for their own travel and accommodation expenses.
8. The office address of the Company is as follows:

No. 1687 Guazhu East Road, Keqiao District
Shaoxing City
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 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 Director, namely Mr. Fung Ching, Simon and three independent non-executive Directors, namely Mr. Chan, Dennis Yin Ming, Mr. Li Wangrong and Ms. Liang Jing.

* For identification purposes only



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)

NOTICE OF CLASS MEETING FOR HOLDERS OF H SHARES

NOTICE IS HEREBY GIVEN that a class meeting for holders of H Shares (the “**Class Meeting**”) of Baoye Group Company Limited (the “**Company**”) will be held at 2nd Floor, Baoye Group, No. 1687 Guazhu East Road, Keqiao District, Shaoxing City, Zhejiang Province, the People's Republic of China (the “**PRC**”) or at 11:00 a.m. (immediately after the annual general meeting of the Company to be convened and held on the same date and at the same place) on Friday, 16 June 2023 for the following purpose of considering and if thought fit, passing the following resolution:

Special Resolution

To authorise the board (the “**Board**”) of directors (the “**Directors**”) of the Company to repurchase H Shares of the Company (the “**H Shares**”) subject to the following conditions:

- (a) subject to paragraphs (b) and (c) below, the exercise by the Board during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to repurchase H Shares in issue of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or of any other governmental or regulatory body be and is approved;
- (b) the aggregate nominal value of H Shares authorised to be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal value of H Shares in issue of the Company as at the date of the passing of this special resolution;
- (c) the approval in paragraph (a) above shall be conditional upon:
 - (i) the passing of a special resolution in the same terms as the resolution set out in this paragraph (except for this sub-paragraph (c)(i)) at the annual general meeting of the Company (the “**AGM**”) to be held on Friday, 16 June 2023; and the class meetings for holders of H Shares of the Company and for holders of domestic shares of the Company to be held on the same day; and
 - (ii) the approval of the State Administration of Foreign Exchange of the PRC and/or any other regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate;

NOTICE OF CLASS MEETING FOR HOLDERS OF H SHARES

- (d) for the purpose of this special resolution, “Relevant Period” means the period from the passing of this special resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting following the passing of this special resolution;
 - (ii) the expiration of a period of twelve months following the passing of this special resolution; or
 - (iii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the members of the Company in any general meeting or by a special resolution of holders of H Shares or holders of Domestic Shares of the Company at their respective class meetings; and
- (e) subject to approval of all relevant governmental authorities in the PRC for the repurchase of such H Shares being granted, the Board be hereby authorised to:
 - (i) make such amendments to the Articles of Association of the Company as it thinks fit so as to reduce the registered capital of the Company and to reflect the new capital structure of the Company upon the repurchase of H Shares as contemplated in paragraph (a) above; and
 - (ii) file the amended Articles of Association of the Company with the relevant governmental authorities of the PRC and to apply for registration with the relevant companies registration authorities in the PRC of the change of registered capital of the Company in accordance with all applicable laws, rules, regulations and/or requirements of the relevant governmental or regulatory body in the PRC.

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

Zhejiang Province, the PRC
28 April 2023

NOTICE OF CLASS MEETING FOR HOLDERS OF H SHARES

Notes:

1. The register of members of the Company will be closed from Wednesday, 17 May 2023 to Friday, 16 June 2023, both dates inclusive, during which period no share transfers will be effected. In order to qualify for attending and voting at the Class Meeting, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Tuesday, 16 May 2023.
2. Holders of H Shares entitled to attend and vote at the Class Meeting may appoint one or more proxies to attend and to vote on their behalves. A proxy need not be a member of the Company.
3. 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time for holding the meeting or not less than 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.
4. Shareholders or their proxies shall present their identity documents when attending the meeting.
5. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which related purely to a procedural or administrative matter to be voted by a show of hands. 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.
6. Shareholders who intend to attend the Class Meeting should complete and return the reply slip and return it by hand or by post to the H Share registrar of the Company on or before 9 June 2023.
7. The Class Meeting for holders of H Shares is expected to take half an hour after the AGM. Shareholders attending the Class Meeting shall be responsible for their own travel and accommodation expenses.

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 Director, namely Mr. Fung Ching, Simon and three independent non-executive Directors, namely Mr. Chan, Dennis Yin Ming, Mr. Li Wangrong and Ms. Liang Jing.

* For identification purposes only



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 CLASS MEETING FOR HOLDERS OF
DOMESTIC SHARES**

NOTICE IS HEREBY GIVEN that a class meeting (the “**Class Meeting**”) for holders of domestic shares (the “**Domestic Shares**”) of Baoye Group Company Limited (the “**Company**”) will be held at 2nd Floor, Baoye Group, No. 1687 Guazhu East Road, Keqiao District, Shaoxing City, Zhejiang Province, the People’s Republic of China (the “**PRC**”) at 11:30 a.m. (or immediately after the class meeting for holders of H Shares of the Company to be convened and held on the same date and at the same place) on Friday, 16 June 2023 for the following purpose of considering and if thought fit, passing the following resolution:

Special Resolution

To authorise the board (the “**Board**”) of directors (the “**Directors**”) of the Company to repurchase H Shares of the Company (the “**H Shares**”) subject to the following conditions:

- (a) subject to paragraphs (b) and (c) below, the exercise by the Board during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to repurchase H Shares in issue of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or of any other governmental or regulatory body be and is approved;
- (b) the aggregate nominal value of H Shares authorised to be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal value of H Shares in issue of the Company as at the date of the passing of this special resolution;
- (c) the approval in paragraph (a) above shall be conditional upon:
 - (i) the passing of a special resolution in the same terms as the resolution set out in this paragraph (except for this sub-paragraph (c)(i)) at the annual general meeting of the Company to be held on Friday, 16 June 2023; and the class meetings for holders of H Shares of the Company and for holders of Domestic Shares of the Company to be held on the same day; and

NOTICE OF CLASS MEETING FOR HOLDERS OF DOMESTIC SHARES

- (ii) the approval of the State Administration of Foreign Exchange of the PRC and/or any other regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate;
- (d) for the purpose of this special resolution, “Relevant Period” means the period from the passing of this special resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting following the passing of this special resolution;
 - (ii) the expiration of a period of twelve months following the passing of this special resolution; or
 - (iii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the members of the Company in any general meeting or by a special resolution of holders of H Shares or holders of Domestic Shares of the Company at their respective class meetings; and
- (e) subject to approval of all relevant governmental authorities in the PRC for the repurchase of such H Shares being granted, the Board be hereby authorised to:
 - (i) make such amendments to the Articles of Association of the Company as it thinks fit so as to reduce the registered capital of the Company and to reflect the new capital structure of the Company upon the repurchase of H Shares as contemplated in paragraph (a) above; and
 - (ii) file the amended Articles of Association of the Company with the relevant governmental authorities of the PRC and to apply for registration with the relevant companies registration authorities in the PRC of the change of registered capital of the Company in accordance with all applicable laws, rules, regulations and/or requirements of the relevant governmental or regulatory body in the PRC.

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

Zhejiang Province, the PRC
28 April 2023

NOTICE OF CLASS MEETING FOR HOLDERS OF DOMESTIC SHARES

Notes:

1. The register of members of the Company will be closed from Wednesday, 17 May 2023 to Friday, 16 June 2023, both dates inclusive, during which period no share transfers will be effected. In order to qualify for attending and voting at the Class Meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the office address of the Company at No. 1687 Guazhu East Road, Keqiao District, Shaoxing City, Zhejiang Province, the PRC (Post Code: 312030) no later than 4:30 p.m. on Tuesday, 16 May 2023.
2. Holders of Domestic Shares entitled to attend and vote at the Class Meeting may appoint one or more proxies to attend and to vote on their behalves. A proxy need not be a member of the Company.
3. In order to be valid, the proxy form must be deposited by hand or by post to the office address of the Company at No. 1687 Guazhu East Road, Keqiao District, Shaoxing City, Zhejiang Province, the PRC (Post Code: 312030) not less than 48 hours before the time for holding the meeting or not less than 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.
4. Shareholders or their proxies shall present their identity documents when attending the meeting.
5. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which related purely to a procedural or administrative matter to be voted by a show of hands. 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.
6. Shareholders who intend to attend the Class Meeting should complete and return the reply slip and return it by hand or by post to the Company on or before 9 June 2023.
7. The Class Meeting for holders of Domestic Shares is expected to take half an hour after the Class Meeting for holders of H Shares of the Company. Shareholders attending the Class Meeting shall be responsible for their own travel and accommodation expenses.
8. The office address of the Company is as follows:

No. 1687 Guazhu East Road, Keqiao District, Shaoxing City
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 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 Director, namely Mr. Fung Ching, Simon and three independent non-executive Directors, namely Mr. Chan, Dennis Yin Ming, Mr. Li Wangrong and Ms. Liang Jing.

* *For identification purposes only*

This appendix contains the biographical details of the Directors and Supervisors proposed to be re-elected/elected and appointed at the AGM to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the AGM in relation to the re-election and appointment of Directors and Supervisors.

Executive Directors

Mr. Gao Lin, born in 1970, is an executive Director and the director of the operation management committee of the Company, a director and the general manager of Baoye Hubei Construction Group Company Limited. Mr. Gao holds bachelor degree and senior engineer qualification. He is also a senior professional manager of the construction industry in China. He was awarded a celebrity in the national important infrastructure construction and a celebrity of the 9th Hubei Economic Year, the National Excellent Construction Entrepreneur, the National Outstanding Entrepreneur, apprentice of Luban, the Top 10 Outstanding Entrepreneurs of Construction Industry in Zhejiang Province, Outstanding Entrepreneur in Hubei Province, Outstanding builders of socialism with Chinese characteristics in Hubei Province, Model Worker of Hubei Province, Outstanding businessman in Hubei Province, Outstanding Youth in Hubei Province, Talent for Economic Development of Shaoxing City, Model Worker of Shaoxing City. He is currently the vice chairman of the Federation of Industry and Commerce in Hubei Province, the vice chairman of the Hubei Enterprises Union, and vice-chairman of Construction Industry Association in Hubei, the vice chairman of Wuhan Construction Industry Association, Member of the 12th Committee of the CPPCC of Hubei Province, and representative of the 15th People's Representative Congress of Wuchang District, Wuhan City. He joined the Group in 1987.

Save as disclosed above, Mr. Gao has not held any directorship in other listed public companies in the three years prior to the Latest Practicable Date. Mr. Gao has been appointed for a term of three years expiring upon the conclusion of the AGM.

Apart from being an executive Director, Mr. Gao does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders or their respective associates of the Company.

As at the Latest Practicable Date, the Company has a total of 520,756,053 shares. Mr. Gao is interested in 9,544,775 Domestic Shares, representing 1.83% of the entire share capital of the Company, Mr. Gao does not have any other interests in the Shares of the Company within the meaning of Part XV of the SFO.

Mr. Gao will be entitled to a director's fee of not less than RMB100,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

Mr. Gao Jun, born in 1972, is an executive Director and a member of the operation management committee of the Company, and the general manager of Baoye Group Anhui Company Limited. Mr. Gao graduated from the China University of Geosciences, majoring in civil engineering, and holds senior engineer qualification. Mr. Gao is currently a representative of the 17th People's Representative Congress of Hefei City, the chairman of Zhejiang Enterprises Union in Anhui, standing member of Anhui Industry and Commerce Federation and the vice chairman of Hefei Industry and Commerce Federation. Mr. Gao was awarded the Model Worker of Anhui province. He joined the Group in 1989.

Save as disclosed above, Mr. Gao has not held any directorship in other listed public companies in the last three years prior to the Latest Practicable Date. Mr. Gao has been appointed for a term of three years expiring upon the conclusion of the AGM.

Apart from being an executive Director, Mr. Gao does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders or their respective associates of the Company.

As at the Latest Practicable Date, the Company has a total of 520,756,053 shares. Mr. Gao is interested in 5,794,259 Domestic Shares, representing 1.11% of the entire share capital of the Company. Save as disclosed above, Mr. Gao does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Gao will be entitled to a director's fee of not less than RMB100,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

Mr. Jin Jixiang, born in 1967, is an executive Director and a member of the operation management committee of the Company, and the chairman of Zhejiang Baoye Construction Group Company Limited. Mr. Jin graduated from the China University of Geosciences, majoring in civil engineering and holds senior engineer qualification. Mr. Jin is currently the chairman of Zhejiang Engineering Construction Quality Management Association, the chairman of Shaoxing Construction Committee, the chairman of Shaoxing Keqiao Construction Committee, vice chairman of Hangzhou Construction Committee, member of the Chinese People's Political Consultative Conference in Keqiao and deputy of People's Congress of Yangxunqiao Town. He was awarded the National Excellent Construction Decoration Entrepreneur, National Excellent Construction Entrepreneur, Advanced Worker in National Construction Industry, Senior Professional Manager of the Construction Industry in China, Outstanding Entrepreneur in Zhejiang Province, Top 10 Outstanding Entrepreneurs of Construction in Zhejiang, Model Worker of Shaoxing City and Talent with great contribution to the development of Shaoxing City. He has participated in the "5.12" 2008 Wenchuan Earthquake Relief Assistance and Construction Work and was honored as a "Third Class". Mr. Jin joined the Group in 1985.

Save as disclosed above, Mr. Jin has not held any directorship in other listed public companies in the last three years prior to the Latest Practicable Date. Mr. Jin has been appointed for a term of three years expiring upon the conclusion of the AGM.

Apart from being an executive Director, Mr. Jin does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders or their respective associates of the Company.

As at the Latest Practicable Date, the Company has a total of 520,756,053 shares. Mr. Jin is interested in 2,440,527 Domestic Shares, representing 0.47% of the entire share capital of the Company. Save as disclosed above, Mr. Jin does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Jin will be entitled to a director's fee of not less than RMB100,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

Mr. Xu Gang, born in 1976, is a supervisor of the Company and a general manager of Zhejiang Baoye Construction Group Company Limited. Mr. Xu graduated from the China University of Geosciences, majoring in civil engineering, and holds a First Grade Registered Architect and senior engineer qualification. Mr. Xu was awarded the Top 10 Young Entrepreneurs of Construction Industry in Zhejiang, Model Worker of the Construction Industry in Shaoxing City, the Outstanding Entrepreneurs of Construction Industry in Suzhou City. Mr. Xu joined the Group in 1998.

Save as disclosed above, Mr. Xu has not held any directorship in other listed public companies in the last three years prior to the Latest Practicable Date. Mr. Xu has been appointed as a supervisor for a term of three years expiring upon the conclusion of the AGM.

Apart from being a supervisor, Mr. Xu does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders or their respective associates of the Company.

As at the Latest Practicable Date, the Company has a total of 520,756,053 shares. Mr. Xu is interested in 18,407,116 Domestic Shares, representing 5.35% of the entire share capital of the Company. Save as disclosed above, Mr. Xu does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Xu will be entitled to a director's fee of not less than RMB100,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

Mr. Wang Rongbiao, born in 1968, is a member of the operation management committee of the company and the chairman and the general manager of Zhejiang Baoye Building Materials Industrialisation Company Limited. Mr. Wang graduated from Wuhan Science and Technology University, majoring in civil engineering, and holds a senior engineer qualification. Mr. Wang joined the Group in 1986.

Save as disclosed above, Mr. Wang has not held any directorship in other listed public companies in the last three years prior to the Latest Practicable Date.

Mr. Wang does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders or their respective associates of the Company.

As at the Latest Practicable Date, the Company has a total of 520,756,053 shares. Mr. Wang is interested in 2,638,026 Domestic Shares, representing 0.51% of the entire share capital of the Company. Save as disclosed above, Mr. Wang does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Wang will be entitled to a director's fee of not less than RMB100,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

Non-executive Director

Mr. Pang Baogen, born in 1957, is the founder, an executive Director and chief executive officer of the Company and the chairman of the Board. Mr. Pang is an expert who has the special award of the State Council and is a member of the expert committee for the China Construction Reform and Development under the Ministry of Housing and Urban-Rural Development of the People's Republic of China. He holds senior engineer qualification. He is well respected and recognised in the construction industry in China and has received awards including Model Worker of National Construction System, Advanced Individual of National Sustainable Communities, Outstanding Entrepreneur in Zhejiang Province, Youth Scientific and Technical Worker with Outstanding Contributions to Zhejiang Province, Entrepreneur with Outstanding Contributions to the Construction Industry in Zhejiang Province in the "Eleventh Five-year" Period, Award of Commercialization of Science in Zhejiang Province as well as Zhejiang Charity Award and Zhejiang Charity Star. Mr. Pang has extensive experience in the construction technology field and of enterprise management. He actively promotes independent innovation, and takes on national topics such as "risk-prevention in big projects", "transforming the construction industry with information technology" and "the system research of one-hundred-year construction in China" and the "Analysis of Comprehensive Efficiency of Housing Industrialization". At the same time, he guides the Group in undergoing various revolutions in management controls and operation mechanism. He also explores and executes the "three-in-one" business model and the contractual management model. Besides, Mr. Pang is also the vice-chairman of the China Construction Companies Management Committee, vice-chairman of China Construction Energy Conservation Association, the vice-chairman of Zhejiang Agricultural Technology Promotion Foundation, the representative of the 11th, 12th and 13th People's Representative Congress of Zhejiang Province and the dean of the National Construction Engineering Technology Research Center and Institute of Construction and Housing Industrialization.

Save as disclosed above, Mr. Pang has not held any directorship in other listed public companies in the last three years prior to the Latest Practicable Date. Mr. Pang has been appointed for a term of three years expiring upon the conclusion of the AGM.

Apart from being an executive Director of the seventh Board and chief executive officer of the Company, Mr. Pang does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders, or controlling shareholders or their respective associates of the Company.

As at the Latest Practicable Date, the Company has a total of 520,756,053 shares. Mr. Pang is interested in 193,753,054 Domestic Shares, representing 37.21% of the entire share capital of the Company, Mr. Pang does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Pang will be entitled to a director's fee of not less than RMB100,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

Mr. Fung Ching, Simon, born in 1969, is a non-executive Director and a member of audit committee of the Company and is currently the chief financial officer of Chow Tai Fook Enterprises Limited. He is also the independent non-executive director of Hainan Meilan International Airport Company Limited (Stock Code: 00357.HK), China Medical System Holdings Limited (Stock Code: 00867.HK). Both companies are listed on the main

board of the Hong Kong Stock Exchange. Mr. Fung graduated from the Queensland University of Technology in Australia with a Bachelor's degree, majoring in accountancy. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the CPA Australia. Mr. Fung served as the independent non-executive director of China Logistics Property Holdings Co., Ltd (a company listed on the main board of HKEx, Stock Code: 01589.HK) from June 2016 to February 2022, and served as the chief financial officer of Logan Group Company Limited (a company listed on the main board of HKEx, Stock Code: 03380.HK) from January 2020 to March 2021, and served as the chief financial officer and company secretary of Greentown China Holdings Limited (a company listed on the main board of HKEx: Stock Code: 03900.HK) from 2010 to 2019, and served as the chief financial officer and secretary to the Board of Directors of Baoye Group from 2004 to 2010. He worked for Pricewaterhousecoopers from 1994 to 2004. Mr. Fung has about 20 years of experience in managing finance and accounting functions, mergers and acquisitions, fund raising and investor relations for various listed companies in Hong Kong.

Save as disclosed above, Mr. Fung has not held any directorship in other listed public companies in the last three years prior to the Latest Practicable Date. Mr. Fung has been appointed for a term of three years expiring upon the conclusion of the AGM.

Apart from being a non-executive Director, Mr. Fung does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders or their respective associates of the Company.

As at the Latest Practicable Date, Mr. Fung does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Fung will be entitled to a director's fee of not less than RMB50,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

Independent Non-executive Directors

Mr. Chan, Dennis Yin Ming, born in 1954, a Canadian living in Hong Kong, is an independent non-executive Director, chairman of audit committee and remuneration committee of the Company. Mr. Chan is a graduate of the John Molson School of Business of Concordia University, Canada and has obtained a professional diploma in accountancy from the McGill University, Canada. Mr. Chan is an associate member of the Chartered Institute of Management Accountants, United Kingdom (ACMA), an associate member of the Chartered Governance Institute, United Kingdom and Hong Kong (AGS), a member of Chartered Institute of Purchasing and Supply, United Kingdom (MCIPS) and a member of Chartered Professional Accountant (CPA) and Chartered Accountants (CA) of Canada. Mr. Chan is currently director and chief executive officer of Standard Corporate Advisory Limited, and a director and chief operating officer of 2GoTrade Limited group of companies. Prior to that, Mr. Chan had been director and chief financial officer of various listed companies in Hong Kong, Singapore and the United States of America. Mr. Chan has more than 45 years of experience in public accountancy, management consultancy, manufacturing, distribution and retails, telecommunications, logistics and financial services.

Save as disclosed above, Mr. Chan has not held any directorship in other listed public companies in the last three years prior to the Latest Practicable Date. Mr. Chan has been appointed for a term of three years expiring upon the conclusion of the AGM.

Apart from being an independent non-executive Director, Mr. Chan does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders or their respective associates of the Company.

As at the Latest Practicable Date, Mr. Chan does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Chan will be entitled to a director's fee of RMB50,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

Mr. Li Wangrong, born in 1963, is an independent non-executive Director, Chairman of nomination committee and a member of audit committee of the Company. Mr. Li graduated from the Law School of Zhejiang University and holds a master degree. Mr. Li is currently the principal partner of Zhejiang Dagong & Partners, the first-grade solicitor and the independent non-executive director of Zhejiang Yuejian Intelligent Equipment Company Limited, listed on the main board of Shanghai Stock Exchange (stock code: 603095.SH). Mr. Li has rich experience in arbitration, property development, contract law, civil and commercial cases.

Save as disclosed above, Mr. Li has not held any directorship in other listed public companies in the last three years prior to the Latest Practicable Date. Mr. Li has been appointed for a term of three years expiring upon the conclusion of the AGM.

Apart from being an independent non-executive Director, Mr. Li does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders or their respective associates of the Company.

As at the Latest Practicable Date, Mr. Li does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Li will be entitled to a director's fee of not less than RMB50,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

Ms. Liang Jing, born in 1953, is an independent non-executive Director, a member of remuneration committee and nomination Committee of the Company. Ms. Liang graduated from Jiangxi Metallurgy College, majoring in mechanical engineering and holds senior level engineer qualification. Ms. Liang worked for Shaoxing Lizhu Iron Mining Company, Shaoxing Property Development Company and Shaoxing Tianying Tax Agent Company. Ms. Liang has retired from her profession.

Save as disclosed above, Ms. Liang has not held any directorship in other listed public companies in the last three years prior to the Latest Practicable Date. Ms. Liang has been appointed for a term of three years expiring upon the conclusion of the AGM.

Apart from being an independent non-executive Director, Ms. Liang does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders or their respective associates of the Company.

As at the Latest Practicable Date, Ms. Liang does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Ms. Liang will be entitled to a director's fee of not less than RMB50,000 per annum, which is determined with reference to her duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

Mr. Xiao Jianmu, born in 1967, graduated from Zhejiang Forestry College, the independent Supervisor the seventh Supervisory Committee, holds the qualifications of economist, Certified Public Accountant, Tax Agent, Public Asset Valuer, Real Estate Appraiser and was awarded Zhejiang Excellent Certified Public Accountant. Mr. Xiao served in Shaoxing Huaxia Company and Shaoxing Gongxiao Company Limited. Mr. Xiao is now the vice director of Zhejiang Zhongxing Accountants (LLP).

Save as disclosed above, Mr. Xiao has not held any directorship in other listed public companies in the last three years prior to the Latest Practicable Date. Mr. Xiao has been appointed as a supervisor for a term of three years expiring upon the conclusion of the AGM.

Apart from being an independent Supervisor, Mr. Xiao does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders or their respective associates of the Company.

As at the Latest Practicable Date, Mr. Xiao does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Xiao will be entitled to a director's fee of not less than RMB50,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

Superiors

Mr. Sun Yuguang, born in 1978, graduated from Chongqing University, majoring in urban planning, holds the nation certified urban planning master and senior engineer qualifications. Mr. Sun is currently the chairman of Zhejiang Real Estate Group Company Limited, the deputy general secretary of the Communist Party Committee of Baoye Group Company Limited, the chairman of Shaoxing Baoye Four Seasons Garden Property Company Limited, the chairman of the labor union of Baoye Group Company Limited, a representative of Yuecheng District, Shaoxing City People Congress and etc. Mr. Sun joined the Company in 2007.

Save as disclosed above, Mr. Sun has not held any directorship in other listed public companies in the last three years prior to the Latest Practicable Date. Mr. Sun has been appointed for a term of three years expiring upon the conclusion of the AGM.

Mr. Sun does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders or their respective associates of the Company.

As at the Latest Practicable Date, Mr. Sun does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Sun will be entitled to a supervisor's fee of not less than RMB50,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

Mr. Wang Jianguo, born in 1966, holds a senior engineer qualification, is currently a supervisor of the Company and the chairman and general manager of Zhejiang Baoye Curtain Wall Decoration Company Limited. He is also a deputy director and member of the curtain wall committee of China Construction Decoration Association and vice chairman of Zhejiang Construction Decoration Association. He was awarded the National Outstanding Entrepreneur of Construction Decoration Industry. Mr. Wang joined the Group in 1986.

Save as disclosed above, Mr. Wang has not held any directorship in other listed public companies in the last three years prior to the Latest Practicable Date. Mr. Wang has been appointed as a Supervisor for a term of three years expiring upon the conclusion of the AGM.

Apart from being a Supervisor, Mr. Wang does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders or their respective associates of the Company.

As at the Latest Practicable Date, the Company has a total of 520,756,053 shares. Mr. Wang is interested in 5,250,290 Domestic Shares, representing 1.01% of the entire share capital of the Company, and 42,700,001 shares of Zhejiang Baoye Curtain Wall Decoration Company Limited, which is a related entity to the Company. Save as disclosed above, Mr. Wang does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Wang will be entitled to a supervisor's fee of not less than RMB50,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

Mr. Zhang Xindao, born in 1944, is an independent Supervisor of the Company. Mr. Zhang graduated from the East-South University and holds a senior engineer qualification. He was previously the general manager of Shaoxing Daming Industry Company, chairman of Shaoxing Daming Electricity Company, chairman of Zhuji Bafang Electricity Company and the general manager of Shaoxing Tianyi Green Power Company Limited. Mr. Zhang has retired from his positions.

Save as disclosed above, Mr. Zhang has not held any directorship in other listed public companies in the last three years prior to the Latest Practicable Date. Mr. Zhang has been appointed as a Supervisor for a term of three years expiring upon the conclusion of the AGM.

Apart from being an independent Supervisor of the Company, Mr. Zhang does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders or their respective associates of the Company.

As at the Latest Practicable Date, Mr. Zhang does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Zhang will be entitled to a supervisor's fee of not less than RMB50,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

Mr. Kong Xiangquan, born in 1958, a qualified senior engineer, a supervisor of the Company, was the general manager of the Zhejiang Baoye Communications Construction Company Limited. He joined the Group in 1975 and has retired from his position.

Save as disclosed above, Mr. Kong has not held any directorship in other listed public companies in the last three years prior to the Latest Practicable Date. Mr. Kong has been appointed as a Supervisor for a term of three years expiring upon the conclusion of the AGM.

Apart from being a Supervisor, Mr. Kong does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders or their respective associates of the Company.

As at the Latest Practicable Date, Mr. Kong does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Kong will be entitled to a supervisor's fee of not less than RMB50,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

For all the above Directors and Supervisors standing for re-election/election and appointment at the AGM, save as disclosed above, the Company, the Directors and Supervisors are not aware of any information which needs to be disclosed pursuant to any requirement of Rule 13.51(2) (h) to (v) of the Listing Rules nor any other matters regarding the appointment which need to be brought to the attention of the Shareholders.

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information to enable you to make an informed decision on whether to vote for or against the special resolution to approve the grant of the Repurchase Mandate to the Directors.

LISTING RULES RELATING TO THE REPURCHASE OF SECURITIES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below. The Company is empowered by the Articles of Association to repurchase its own securities.

REGISTERED CAPITAL

As at the Latest Practicable Date, the registered capital of the Company was RMB520,756,053 comprising 350,742,053 Domestic Shares and 170,014,000 H Shares. Subject to the passing of the proposed resolution for the grant of the Repurchase Mandate and on the basis that no H Shares will be allotted and issued or repurchased by the Company on or prior to the date of the AGM and the Class Meetings, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 17,001,400 H Shares, being the maximum of 10% of the total H Shares in issue as at the date of passing the relevant resolution.

REASONS FOR THE REPURCHASE

The Directors believe that the Repurchase Mandate is in the interests of the Company and the Shareholders. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if the Directors believe that such repurchases will benefit the Company and the Shareholders.

FUNDING OF REPURCHASES

In repurchasing the H Shares, the Company may only apply funds from the Company's internal resources legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws, rules and regulations of the PRC, including but not limited to surplus funds and undistributed profits of the Company.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with its position as at 31 December 2022 as disclosed in the Company's latest published audited accounts contained in the annual report for the year ended 31 December 2022. However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company. The number of H Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regarded to the circumstances then prevailing, in the best interests of the Company.

STATUS OF REPURCHASED H SHARES

The Listing Rules provide that the listing of all the H Shares repurchased by the Company shall automatically be cancelled and the relevant share certificates shall be cancelled and destroyed. Under the PRC laws, the H Shares repurchased by the Company will be cancelled and the Company's registered capital will be reduced by an amount equivalent to the aggregate nominal value of the H Shares so cancelled.

H SHARE PRICES

The highest and lowest prices at which the H Shares have traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

Month	H Shares	
	The Highest Price (HKD)	The Lowest Price (HKD)
In 2022		
May	4.18	3.92
June	4.20	3.99
July	4.17	3.95
August	4.00	3.68
September	4.38	3.65
October	4.27	3.73
November	4.30	3.80
December	4.00	3.80
In 2023		
January	3.93	3.81
February	4.03	3.82
March	3.99	3.70
April (up to and including the Latest Practicable Date)	4.10	3.90

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make purchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws, rules and regulations of the PRC.

DISCLOSURE OF INTERESTS

None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, their associates, have any present intention to sell to the Company any of the H Shares in the Company if the Repurchase Mandate is approved at the AGM and the Class Meetings.

No connected person, as defined in the Listing Rules, has notified the Company that he or she or it has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase securities pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, the Company has a total of 520,756,053 Shares. Mr. Pang Baogen held 193,753,054 Domestic shares (representing approximately 55.24% of the total issued Domestic Shares and approximately 37.21% of the registered capital of the Company) was the controlling shareholder (as defined under the Listing Rules) of the Company, on the basis that 520,756,053 Shares was in issue as at the Latest Practicable Date and assuming that no other Shares will be issued or repurchased by the Company on or prior to the date of the AGM and the Class Meetings, if the Repurchase Mandate is exercised in full,

- (a) the percentage interests in the Company of Mr. Pang Baogen (in terms of Domestic Shares only) would remain as approximately 55.24% of the then total issued Domestic Shares of the Company. To the best knowledge and belief of the Directors, the repurchase of H Shares will not give rise to an obligation to make a mandatory offer under the Takeovers Code;
- (b) the percentage interests in the Company of Mr. Pang Baogen would increase to approximately 38.46% of the then registered capital of the Company. To the best knowledge and belief of the Directors, such increase will not give rise to an obligation to make a mandatory offer under the Takeovers Code.

Save as aforesaid, the Directors are not aware of any consequences which will arise under either or both of the Takeovers Code and any similar applicable law as a result of any repurchases to be made under the Repurchase Mandate. Moreover, the Directors will not make share repurchase on the Stock Exchange if such repurchase would result in the requirements under Rule 8.08 of the Listing Rules not being complied with.

SECURITIES REPURCHASE MADE BY THE COMPANY

Since the special resolution regarding the authorization to the Board to buyback H shares of the Company since 2020 Annual General Meeting and class meetings, the Company has repurchased a total of 20,988,000 H Shares from December 2021 to April 2022, representing 10.0% and 3.74% of the total number of H Shares and the total number of issued Shares of the Company respectively at the time the special resolution passed. Total amount paid was HKD89,730,960 (excluding transaction charges). The repurchased 20,988,000 H Shares were cancelled on 18 August 2022. For details, please refer to the next day disclosure returns from 29 December 2021 to 26 April 2022 published on the website of the Stock Exchange.

Since the special resolution regarding the authorization to the Board to buyback H shares of the Company since 2021 Annual General Meeting and class meetings, the Company has repurchased a total of 18,890,000 H Shares from September 2022 to November 2022 representing 10.0% and 3.50% of the total number of H Shares and the total number of issued Shares of the Company respectively at the time the special resolution passed. Total amount paid was HKD78,428,400 (excluding transaction charges). The repurchased 18,890,000 H Shares has been cancelled on 20 February 2023. For details, please refer to the next day disclosure returns from 26 September 2022 to 10 November 2022 published on the website of the Stock Exchange.

The Company repurchased a total of 16,516,000 H Shares on the Stock Exchange during the six months immediately preceding the Latest Practicable Date, details of which are as follows:

Date	Number of shares bought back	Purchased price per share		Aggregate consideration (before expenses) (HKD)	Status
		Highest (HKD)	Lowest (HKD)		
October 2022	2,236,000	4.30	3.90	9,342,180	Cancelled
November 2022	<u>14,280,000</u>	4.30	3.96	<u>59,036,920</u>	Cancelled
Total	<u>16,516,000</u>			<u>68,379,100</u>	

As at 31 December 2022, the total number of Shares in issue was 539,646,053 (including 350,742,053 domestic shares and 188,904,000 H shares).

Save as disclosed above, the Company had not made any purchase of Shares (whether on the Stock Exchange or otherwise) during the six months immediately preceding the Latest Practicable Date.