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寶業集團股份有限公司

BAOYE GROUP COMPANY LIMITED*

(a joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 2355)

**Changes of Directors, Changes of Supervisors,
Establishment of ESG Committee,
Changes of Members of Nomination Committee,
Changes of Authorized Representative and
Resignation of Chief Executive Officer**

The Board of Directors hereby announces the following changes of Directors and Supervisors:

Changes of Directors

With effect from the conclusion of the Annual General Meeting on 16 June 2023:

1. Mr. Pang Baogen has been re-designated from an executive Director to a non-executive Director and the chairman of the Board and has resigned as the chief executive officer of the Company;
2. Mr. Gao Jiming has resigned as an executive Director;
3. Mr. Xu Gang has been appointed as an executive Director;
4. Mr. Wang Rongbiao has been appointed as an executive Director;
5. Mr. Xiao Jianmu has been appointed as an independent non-executive Director.

Changes of Supervisors

With effect from the conclusion of the Annual General Meeting on 16 June 2023:

1. Mr. Xu Gang has ceased to be a Supervisor due to his re-designation as an executive Director;
2. Mr. Xiao Jianmu has ceased to be an independent Supervisor due to his re-designation as an independent non-executive Director;
3. Mr. Sun Yuguang has been appointed as a Supervisor and the chairman of the Supervisory Committee;
4. Mr. Kong Xianquan has resigned as the chairman of the Supervisory Committee.

Establishment of the ESG Committee

The Board announces that the ESG Committee has been established on 16 June 2023 and Mr. Chan, Dennis Yin Ming, Mr. Wang Rongbiao and Mr. Fung Ching, Simon have been appointed as members of the ESG Committee with Mr. Chan, Dennis Yin Ming as the chairman of the ESG Committee.

Changes of Members of the Nomination Committee

The Board announces that Mr. Wang Rongbiao has been appointed as a member of the Nomination Committee following the resignation of Mr. Gao Jiming as a member of the Nomination Committee with effect from the conclusion of the Annual General Meeting on 16 June 2023.

Change of Authorized Representative

The Board announces that Mr. Gao Jiming has resigned and Mr. Wang Rongbiao has been appointed as an authorized representative of the Company under Rule 3.05 of the Listing Rules with effect from the conclusion of the Annual General Meeting on 16 June 2023. The authorized representatives under Rule 19.05(2) of the Listing Rules shall accept legal process documents and notices in Hong Kong on behalf of the Company. Pursuant to Rule 3.05 of the Listing Rules, the authorized representatives of the Company are Mr. Pang Baogen and Mr. Wang Rongbiao.

Re-designation and resignation of executive Directors and resignation of the chief executive officer

The board (the “**Board**”) of directors (the “**Directors**”) of Baoye Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that with effect from the conclusion of the annual general meeting (the “**Annual General Meeting**”) on 16 June 2023:

1. Mr. Pang Baogen has resigned as an executive Director and chief executive officer of the Company due to his age and personal reason and has been re-designated as a non-executive Director and the chairman of the Board of the Company.

Mr. Pang Baogen has confirmed that (i) he has no disagreement with the Board; and (ii) there is no matter relating to his re-designation that needs to be brought to the attention of the shareholders. The Board would like to take this opportunity to express its sincere gratitude to Mr. Pang Baogen for his valuable contributions to the Company over the years.

2. Mr. Gao Jiming has resigned as an executive Director due to his age.

Mr. Gao Jiming has confirmed that (i) he has no disagreement with the Board; and (ii) there is no matter relating to his resignation that needs to be brought to the attention of the shareholders. The Board would like to take this opportunity to express its sincere gratitude to Mr. Gao Jiming for his valuable contributions to the Company over the years.

Changes in members of the Board

The Board announces that with effect from the conclusion of the Annual General Meeting on 16 June 2023:

1. Mr. Pang Baogen has been re-designated from an executive Director to a non-executive Director and the chairman of the Board and has resigned as the chief executive officer of the Company;
2. Mr. Gao Jiming has resigned as an executive Director;
3. Mr. Xu Gang has been appointed as an executive Director of the eighth Board;
4. Mr. Wang Rongbiao has been appointed as an executive Director of the eighth Board;
5. Mr. Xiao Jianmu has been appointed as an independent non-executive Director of the eighth Board.

Pursuant to code provision C.2.1 of the Corporate Governance Code in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the roles of chairman and the chief executive officer should be separate and should not be performed by the same individual. As Mr. Pang Baogen, the chairman of the Board has resigned as the chief executive officer, the chief executive officer position is vacant. The Company deviates from this provision. The Board believes that Mr. Pang Baogen will make valuable contributions to the Company’s overall strategic planning as a non-executive Director and the chairman of the Board. The Group has appointed three general managers to oversee and manage the three main business activities (construction, property development and building materials) of the Group respectively. Currently, the Board comprises five executive Directors, two non-executive Directors and four independent non-executive Directors. The composition of the Board is competent to formulate overall strategic plans and key policies of the Group and is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders.

Changes in members of the supervisory committee (the “Supervisory Committee”)

With effect from the conclusion of the Annual General Meeting on 16 June 2023:

1. Mr. Xu Gang has ceased to be a supervisor of the Company (the “**Supervisor**”) due to his re-designation as an executive Director;
2. Mr. Xiao Jianmu has ceased to be an independent Supervisor due to his re-designation as an independent non-executive Director;
3. Mr. Sun Yuguang has been appointed as a Supervisor and the chairman of the Supervisory Committee;
4. Mr. Kong Xianquan has resigned as the chairman of the Supervisory Committee.

The biographical details of the above newly appointed Directors and Supervisors are set out below:

Mr. Pang Baogen, born in 1957, is the founder and the chairman of the Board. Mr. Pang is an expert who has been awarded the special allowance by the State Council and is a member of the expert committee for the topic “China Construction Reform and Development” of 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 recognized in the construction industry in China and has received numerous 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 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”, “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, the 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 did not hold any directorship in other listed companies during the three years preceding the date of this announcement. The Company has entered into a service agreement with Mr. Pang for a term of three years commencing at the conclusion of the Annual General Meeting and expiring at the conclusion of the Annual General Meeting in 2025. Mr. Pang is entitled to receive a director's fee of not less than RMB100,000 per annum, which is determined by the Board with reference to his duties and responsibilities with the Company, the performance of the Company, the Company’s remuneration policy and the current market conditions. According to the Company’s articles of association (the “**Articles of Association**”), the term of office of the Directors is three years and they are eligible for re-election.

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

As at the date of this announcement, the entire share capital of the Company is 520,756,053 shares. Mr. Pang is interested in 193,753,054 domestic shares of the Company, representing 37.21% of the entire share capital of the Company. Save as disclosed above, Mr. Pang does not have any other interests in the shares of the Company within the meaning of Part XV of the Securities and Futures

Ordinances.

Mr. Xu Gang, born in 1976, is the general manager of Zhejiang Baoye Construction Group Company Limited. Mr. Xu graduated from the China University of Geosciences, majoring in civil engineering, and holds first grade registered architect qualification and senior engineer qualification. Mr. Xu was awarded titles such as the Top 10 Young Entrepreneurs of Construction Industry in Zhejiang Province, Model Worker of the Construction Industry in Shaoxing City and the Outstanding Entrepreneurs of Construction Industry in Suzhou City. Mr. Xu joined the Group in 1998.

Save as disclosed above, Mr. Xu did not hold any directorship in other listed companies during the three years preceding the date of this announcement. The Company has entered into a service agreement with Mr. Xu for a term of three years commencing at the conclusion of the Annual General Meeting and expiring at the conclusion of the Annual General Meeting in 2025. Mr. Xu is entitled to receive a director's fee of not less than RMB100,000 per annum, which is determined by the Board with reference to his duties and responsibilities with the Company, the performance of the Company, the Company's remuneration policy and the current market conditions. According to the Articles of Association, the term of office of the Directors is three years and they are eligible for re-election.

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

As at the date of this announcement, the entire share capital of the Company is 520,756,053 shares. Mr. Xu is interested in 18,407,116 domestic shares of the Company, representing 3.53% 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 Securities and Futures Ordinances.

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 Industrialization Company Limited. Mr. Wang graduated from Wuhan Science and Technology University, majoring in civil engineering, and holds senior engineer qualification. He is a representative of the People's Representative Congress of Keqiao District of Shaoxing City. Mr. Wang joined the Group in 1986.

Save as disclosed above, Mr. Wang did not hold any directorship in other listed companies during the three years preceding the date of this announcement. The Company has entered into a service agreement with Mr. Wang for a term of three years commencing at the conclusion of the Annual General Meeting and expiring at the conclusion of the Annual General Meeting in 2025. Mr. Wang is entitled to receive a director's fee of not less than RMB100,000 per annum, which is determined by the Board with reference to his duties and responsibilities with the Company, the performance

of the Company, the Company's remuneration policy and the current market conditions. According to the Articles of Association, the term of office of the Directors is three years and they are eligible for re-election.

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

As at the date of this announcement, the entire share capital of the Company is 520,756,053 shares. Mr. Wang is interested in 2,638,026 domestic shares of the Company, 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 Securities and Futures Ordinances.

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

Save as disclosed above, Mr. Xiao did not hold any directorship in other listed companies during the three years preceding the date of this announcement. The Company has entered into a service agreement with Mr. Xiao for a term of three years commencing at the conclusion of the Annual General Meeting and expiring at the conclusion of the Annual General Meeting in 2025. Mr. Xiao is entitled to receive a director's fee of not less than RMB50,000 per annum, which is determined by the Board with reference to his duties and responsibilities with the Company, the performance of the Company, the Company's remuneration policy and the current market conditions. According to the Articles of Association, the term of office of the Directors is three years and they are eligible for re-election.

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

As at the date of this announcement, Mr. Xiao does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinances.

Mr. Sun Yuguang, born in 1978, graduated from Chongqing University with a major in urban planning and holds the qualifications of national registered urban planner and senior engineer. Mr. Sun is currently the chairman of the board of directors of Zhejiang Baoye Real Estate Group Company Limited, deputy secretary of the Communist Party Committee of Baoye Group Company Limited, chairman of Shaoxing Baoye Four Seasons Garden Real Estate Company Limited, chairman of the General Labor Union of Baoye Group Company Limited and a

representative of the People's Congress of Yuecheng District of Shaoxing City. He joined the Group in 2007.

Save as disclosed above, Mr. Sun did not hold any directorship in other listed companies during the three years preceding the date of this announcement. The Company has entered into a service agreement with Mr. Sun for a term of three years commencing at the conclusion of the Annual General Meeting and expiring at the conclusion of the Annual General Meeting in 2025. Mr. Sun is entitled to receive a supervisor's fee of not less than RMB50,000 per annum, which is determined by the Board with reference to his duties and responsibilities with the Company, the Company's performance, the Company's remuneration policy and the current market conditions. According to the Articles of Association, the term of office of the Supervisors is three years and they are eligible for re-election.

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

As at the date of this announcement, Mr. Sun does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinances.

Save as disclosed above, the Company, all the above Directors and the Supervisors are not aware of any information that is required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the shareholders of the Company in respect of each of the above appointments of Directors and Supervisors.

Establishment of environmental, social and governance committee (the "ESG Committee")

The Board announces that the ESG Committee has been established on 16 June 2023 and Mr. Chan, Dennis Yin Ming, Mr. Wang Rongbiao and Mr. Fung Ching, Simon have been appointed as members of the ESG Committee with Mr. Chan, Dennis Yin Ming as the chairman of the ESG Committee.

Change in members of the nomination committee (the "Nomination Committee")

The Board announces that Mr. Wang Rongbiao has been appointed as a member of the Nomination Committee following the resignation of Mr. Gao Jiming as a member of the Nomination Committee with effect from the conclusion of the Annual General Meeting on 16 June 2023.

Change of authorized representative

The Board announces that with effect from 16 June 2023, Mr. Gao Jiming has resigned and Mr. Wang Rongbiao has been appointed as the authorized representative of the Company under Rule 3.05 of the Listing Rules. The authorized representatives under Rule 19.05(2) of the Listing Rules shall accept legal process documents and notices in Hong Kong on behalf of the Company.

Pursuant to Rule 3.05 of the Listing Rules, the authorized representatives of the Company are Mr. Pang Baogen and Mr. Wang Rongbiao.

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

Zhejiang, the People's Republic of China

16 June 2023

As at the date of this announcement, the Board comprises five executive Directors, namely, Mr. Gao Lin, Mr. Gao Jun, Mr. Jin Jixiang, Mr. Xu Gang and Mr. Wang Rongbiao; two non-executive Directors, namely, Mr. Pang Baogen and Mr. Fung Ching, Simon and four independent non-executive Directors, namely, Mr. Chan Yin Ming, Dennis, Mr. Li Wangrong, Ms. Liang Jing and Mr. Xiao Jianmu.

**For identification purpose only*