

DEFINITION

In this annual report, unless the context otherwise requires, the following expressions have the meanings set out below:

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| Associate | Has the meaning ascribed to it under the Listing Rules |
| Baoye Construction | Zhejiang Baoye Construction Group Company Limited, a subsidiary of the Group |
| Baoye Industrialization | Zhejiang Baoye Building Materials Industrialization Company Limited, a subsidiary of the Group |
| Baoye Investment | Zhejiang Baoye Industrial Investment Company Limited |
| Baoye Real Estate | Zhejiang Baoye Real Estate Group Company Limited, a subsidiary of the Group |
| Board | The board of directors of Baoye Group Company Limited |
| Construction Business | The activities of undertaking and implementation of construction projects conducted by the Group |
| Directors | The directors of Baoye Group Company Limited |
| HK GAAP | Accounting principles generally accepted in Hong Kong and accounting standards issued by Hong Kong Institute of Certified Public Accountants |
| H shares | Overseas listed Foreign Shares of nominal value RMB1.00 each in the registered capital of the Company, which are listed on the Stock Exchange, and subscribed for in HK dollars |
| Independent Third Party | Party who is independent from and not connected with any of the promoters, directors, supervisors, chief executives and substantial shareholders of the Company or its subsidiaries or any of their respective associates |
| Listing Rules | The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange |

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| Building Materials Business | The activities of research and development, production and sale of building materials conducted by the Group |
| Prospectus | The prospectus of the Company dated 17th June 2003 |
| Real Estate Business | The business of development of real estate conducted by the Group |
| HKEx | The Stock Exchange of Hong Kong Limited |
| The Company or Baoye | Baoye Group Company Limited (寶業集團股份有限公司) |
| The Group or Baoye Group | Baoye Group Company Limited and its subsidiaries |
| Supervisory Committee | The Supervisory Committee of Baoye Group Company Limited |