

**BAOYE GROUP COMPANY LTD:
A COMPANY, OPERATING IN TRUE, COMMUNISTIC FASHION**

If one is to believe the information in full, contained in the Offer Prospectus of Baoye Group Company Ltd (Code: 2355, Main Board, The Stock Exchange of Hongkong Ltd), then, one may come to the conclusion that, perhaps, this Company had violated some, or all, of the tenets of the International Labour Organisation (ILO).

The ILO, established in 1919, is affiliated with the United Nations, of which the People's Republic of China (PRC), proper, is a full member.

One of the main objects of the ILO is to wipe out child labour in the world.

At Pages 100 through to Page 104, Management of Baoye Group Company has stated that at least 5 of the Company's senior employees were engaged by the Company – when they were extremely young.

They were:

- Mr Gao Ji Ming, Executive Director and Deputy General Manager, who joined the Company in 1978 – at the age of 15 years;
- Mr Gao Ji Qian, Deputy General Manager of Zhejiang Baoye Construction Group Company Ltd, a subsidiary of Baoye Group Company, who joined the Company in 1980 – at the age of 14 years;
- Mr Jin Ji Xiang, General Manager of Zhejiang Guangyi Construction and Decoration Company Ltd, a subsidiary of the Baoye Group Company, who joined the Company in 1982 – at the age of 14 years;
- Mr Wang Lie Quan, Deputy General Manager of Zhejiang Baoye Construction Group Company Ltd, a subsidiary of Baoye Group Company, who joined the Company in 1979 – at the age of 15 years; and,
- Mr Gao Jun, General Manager of Zhejiang Shaoxing Baoye Real Estate Development Company Ltd, a subsidiary of the Baoye Group Company, who joined the Company in 1987 – at the age of 14 years.

And the above list only applies to a handful of senior personnel.

One may only conjecture as to how many others members of the Company's total Establishment of about 867 employees were, also, once child labourers.

The Flotation

Baoye Group Company went public on June 17, 2003 when it Offered a total of 180,684,000 million, one renminbi Shares at a price of not more than \$HK1.99 per Share and not less than \$HK1.25 per Share.

Of the total number of Shares on Offer, 162,612,000 Shares were Placed and 18,072,000 Shares were Offered in the Hongkong Special Administrative Region (HKSAR) of the PRC to whomever had the wherewithal to apply for the Shares.

The Net Proceeds of the flotation, at the median price of \$HK1.62 per Share, was about \$HK258 million.

It is to be used as follows, according to Page 140 of the Prospectus:

1. \$HK38.60 million to be used in the establishment of production lines to make concrete bricks;
2. \$HK30.20 million to be used in the establishment of production lines to make steel structures and sandwich boards;
3. \$HK22.60 million to be used in the establishment of production lines for the manufacture of curtain walls;
4. \$HK13.20 million to be used in the establishment of production lines for the manufacture of wooden doors;
5. \$HK17 million to be used for research and development; and,
6. \$HK136.40 million to be used as the Company sees fit (**TARGET**'s assumption) because there is no mention of its proposed usage.

Baoye Group Company claims to be one of the leading, privately owned ... [CLICK TO ORDER FULL ARTICLE](#)

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