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BIO-DYNAMIC GROUP LIMITED
生物動力集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 039)

**TERMINATION OF AGREEMENT IN RELATION TO
A PROPOSED DISCLOSEABLE TRANSACTION AND
CONNECTED TRANSACTION**

The Board announces that on 23 April 2009, the Company, CEC Ethanol and the Vendor entered into the Termination Agreement and mutually agreed to terminate the Sale and Purchase Agreement.

This announcement is made pursuant to Rule 14.36 of the Listing Rules.

Reference is made to the announcements of the Company dated 11 June 2008 and 12 November 2007 and the circular of the Company dated 28 November 2007 (the “**Circular**”) in relation to the proposed Acquisition by the Company of a 27.3% equity interest in Harbin Distillery. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as defined in the Circular.

In view of the global financial crisis and current market condition, the Company, CEC Ethanol and the Vendor have reassessed the appropriateness of timing and merits of the terms of the Sale and Purchase Agreement and mutually agreed not to proceed with the Acquisition. On 23 April 2009, the Company, CEC Ethanol and the Vendor entered into a termination agreement (the “**Termination Agreement**”) to terminate the Sale and Purchase Agreement.

Pursuant to the Termination Agreement, the parties to the Sale and Purchase Agreement mutually agreed that the Sale and Purchase Agreement, including all terms therein which are expressly stated to survive termination of the Sale and Purchase Agreement under all circumstances, be terminated with immediate effect.

The Directors consider that the termination of the Sale and Purchase Agreement has no material adverse impact on the business development of the Company. The Directors believe the Company will continue its cautious approach in looking for investment opportunities.

This announcement is made pursuant to Rule 14.36 of the Listing Rules.

By Order of the Board
BIO-DYNAMIC GROUP LIMITED
Peter Lo
Chairman

Hong Kong, 23 April 2009

As at the date hereof, the executive directors are Mr. Peter Lo, Mr. Li Wentao, Mr. David Lee Sun, Mr. Zhao Difei, Mr. Li Jian Quan and Mr. Lu Gui Pin; the non-executive director is Mr. Derek Emory Ting-Lap Yeung; and the independent non-executive directors are Dr. Leung Kwan-Kwok, Mr. Sam Zuchowski and Dr. Loke Yu alias Loke Hoi Lam.