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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)**

### **NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of Bio-Dynamic Group Limited (the “**Company**”) will be held at Falcon Room I, Luk Kwok Hotel, 72 Gloucester Road, Wanchai, Hong Kong on 11 January 2010 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions:

#### **ORDINARY RESOLUTIONS**

**(1) THAT:**

- (a) the Sale and Purchase Agreement (as defined in the Company’s circular to Shareholders dated 24 December 2009 (the “**Circular**”) of which this notice of Extraordinary General Meeting forms a part) (a copy of which has been produced to this meeting marked “A” and initialled by the chairman of this meeting for the purpose of identification) entered between the Company and China Food and Beverage Group Limited, and the transactions contemplated thereunder be and are hereby approved; and any one director of the Company (“**Director**”) be and is hereby authorised with full power to do all things and sign or execute all documents on behalf of the Company which may in his opinion be necessary or desirable for the purpose of giving effect to the Sale and Purchase Agreement or any matters relation thereto; and
- (b) the allotment and issue of 78,556,263 new shares of HK\$0.10 each (“**Shares**”) to China Food and Beverage Group Limited (or its nominee) at an issue price of HK\$0.471 per Share at completion of the Sale and Purchase Agreement in accordance with its terms and subject to the terms and conditions contained in the Articles be and are hereby approved and that any two directors of the Company or any one Director and the secretary of the Company be and hereby authorised to execute a share certificate (or certificates) representing the Shares and affix the common seal of the Company thereto for and on behalf of the Company, and any one Director of the Company (in any case where the common seal of the Company is required to be affixed, then any two Directors or any one director and the secretary, of the Company) be authorised, with full power, to do all things and sign or execute all documents on behalf of the Company which may in his/her (or their)

opinion necessary or desirable in connection with the issue of the Shares, the share certificates or any matters in relation thereto and the Directors of the Company be and are authorised to allot, issue and deal with additional shares in the capital of the Company which may fall to be allotted and issued;

(2) **THAT:**

- (a) the Option Agreement (as defined in the Circular) (a copy of which has been produced to this meeting marked "B" and initialled by the chairman of this meeting for the purpose of identification) entered between the Company and China Food and Beverage Group Limited, and the transactions contemplated thereunder be and are hereby approved, and any one Director be and is hereby authorised with full power to do all things and sign or execute all documents on behalf of the Company which may in his opinion be necessary or desirable for the purpose of giving effect to the Option Agreement or any matters in relation thereto; and
- (b) the exercise of the Option by the Company and doing all such acts and executing all such documents as may be necessary in connection therewith (including the service of the option exercise notice) be and are hereby approved, and that any one Director be and is hereby authorised with full power, to do all things and sign or execute all documents on behalf of the Company which may in his opinion be necessary or desirable for the purpose of giving effect to the exercise of the Option or any matters relation thereto;

(3) **THAT:**

- (a) the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with the unissued Shares at the annual general meeting of the Company held on 3 June 2009, to the extent not yet exercised prior to the date of passing of this resolution, be and is hereby revoked (without prejudice to any valid exercise of such mandate prior to the date of passing of this resolution);
- (b) subject to paragraph (c) below, the Directors be and are hereby generally and unconditionally authorised to exercise during the Relevant Period (as defined in paragraph (d) below) all the powers of the Company to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements, and options (including warrants, bonds and debentures, notes and any securities which carry rights to subscribe for or are convertible into ordinary shares of the Company) which would or might require the exercise of any of such powers during or after the end of the Relevant Period;
- (c) the aggregate nominal amount of the shares of the Company allotted, issued or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with (whether pursuant to an option or otherwise) by the directors pursuant to the approval in paragraph (b) of this resolution, other than pursuant to (i) a Rights Issue (as defined below); (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries and/or any eligible grantee pursuant to the scheme of Shares or rights to acquire Shares; (iii) any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles; (iv) the exercise of the rights of subscription or conversion attaching to any warrants

issued by the Company or any securities which are convertible into Shares; or (v) a specific authority granted by the shareholders of the Company in general meeting, including the issue of the 78,556,263 Shares (the “**Consideration Shares**”) upon the completion of the Acquisition pursuant to the approval in resolution no. 1 as set out in the notice convening this meeting if such resolutions are passed, shall not in total exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution, and the approval granted in paragraph (b) of this resolution shall be limited accordingly; and

(d) for the purpose of this resolution,

(A) “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders in general meeting; and
- (iii) the expiration of the period within which the next annual meeting of the Company is required by the Articles, or any applicable laws to be held.”

(B) “**Rights Issue**” means an offer of Shares open for a period fixed by the directors of the Company to holders of Shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or of the requirements of any recognised regulatory body or any stock exchange in, or in any territory outside Hong Kong);

(4) **THAT:**

(a) the exercise by the Directors during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to purchase its own shares, subject to and in accordance with the applicable laws, rules and regulations of The Securities and Futures Commission of Hong Kong and the Stock Exchange and paragraph (b) of this resolution, be and is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of shares of the Company which may be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of passing of this resolution and the said approval shall be limited accordingly; and

(c) for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; and
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and

- (5) **THAT** conditional upon the passing of the ordinary resolutions nos. (3) and (4) as set out in the notice convening this EGM, the aggregate nominal amount of the share capital of the Company which is purchased by the Company pursuant to and in accordance with the resolution no. (4) as set out in the notice convening this EGM shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the directors of the Company pursuant to and in accordance with the resolution no. (3) as set out in the notice convening this EGM, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this resolution.

By Order of the Board  
**Bio-Dynamic Group Limited**  
**Peter Lo**  
*Chairman*

Hong Kong, 24 December 2009

*Notes:*

- (1) A shareholder of the Company entitled to attend and vote at the extraordinary general meeting (or at any adjournment thereof) is entitled to appoint another person as his/her/its proxy to attend and vote in his/her/its stead in accordance with the Articles. A proxy need not be a shareholder of the Company.
- (2) A form of proxy for use at the extraordinary general meeting is enclosed. A proxy need not be a member of the Company.
- (3) To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a certified true copy of that power of attorney or authority must be deposited at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting (or any adjourned meeting thereof) and in default the form of proxy shall not be treated as valid. Completion and return of the form of proxy will not preclude shareholders of the Company from attending and voting in person at the meeting (or any adjourned meeting thereof) should they so wish.
- (4) In the case of joint holders, the vote of the senior who tenders the vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of other joint holder(s), and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of such shares.
- (5) Completion and return of the form of proxy will not preclude a member from attending the EGM and voting in person at the EGM or any adjourned meeting if he so desires. If a member attends the EGM after having deposited the form of proxy, his form of proxy will be deemed to have been revoked.

*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.*