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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: 00039)

**COMPLETION OF ISSUE OF NEW SHARES
IN CONNECTION WITH THE HARBIN
SETTLEMENT AND NINGXIA SETTLEMENT**

Reference is made to the announcement of the Company dated 20 December 2011 (the “**Announcement**”) in relation to the Subscription and Ningxia Settlement. Capitalised terms used in this announcement shall have the same meanings as defined in the Announcement unless otherwise stated.

The Board announces that all conditions have been fulfilled and completion of the Subscription and Ningxia Settlement has taken place on 22 December 2011. The Company has allotted and issued 9,537,797 Harbin Settlement Shares at the Subscription Price and 1,788,337 Ningxia Settlement Shares at the Issue Price to CNE in accordance with the terms of the Harbin Subscription Agreement and the Ningxia Settlement Agreement, respectively.

The Harbin Settlement Shares and the Ningxia Settlement Shares, in aggregate representing approximately 0.95% of the enlarged issued share capital of the Company as at the date of this announcement, will rank pari passu with the existing issued Shares.

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

Hong Kong, 22 December 2011

As at the date hereof, the executive directors are Mr. Peter Lo, Mr. Han Dong, Mr. David Lee Sun, Mr. Zhao Difei, Mr. Li Jian Quan and Mr. Fu Hui; the non-executive director is Mr. Derek Emory Ting-Lap Yeung; and the independent non-executive directors are Mr. Sam Zuchowski, Dr. Loke Yu alias Loke Hoi Lam and Mr. Zhang Yonggen.