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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Bio-Dynamic Group Limited, you should at once pass this circular to the purchaser or the transferee or to the bank, your licensed securities dealer through whom the sale was effected for transmission to the purchaser or the transferee.

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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)

**PROPOSALS FOR RE-ELECTION OF DIRECTORS
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
REFRESHMENT OF SCHEME MANDATE LIMIT
OF THE SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM (as defined in this circular) to be held at 2116 Hutchison House, 10 Harcourt Road, Hong Kong on 4 May 2011 at 10:00 a.m. is set out on pages 12 to 15 of this circular. Whether or not you intend to attend such meeting in person, please complete and return the enclosed form of proxy to Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM. Completion and return of the form of proxy will not preclude Shareholders from attending and voting at the meeting or any adjourned meeting if they so wish.

25 March 2011

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held on Wednesday, 4 May 2011 at 10:00 a.m. at 2116 Hutchison House, 10 Harcourt Road, Hong Kong, or any adjournment thereof
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Companies Law”	the Companies Law, Cap. 22 (as amended) of the Cayman Islands
“Company”	Bio-Dynamic Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	21 March 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Option(s)”	a right to subscribe for Shares pursuant to the Share Option Scheme
“Scheme Mandate Limit”	as defined in page 4 of this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 23 May 2007
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Lo Peter (*Chairman*)
Mr. Li Wentao (*Chief Executive Officer*)
Mr. Sun David Lee
Mr. Zhao Difei
Mr. Li Jian Quan
Mr. Fu Hui

Registered office:

PO Box 309GT
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands

Non-executive Director:

Mr. Yeung Ting-Lap Derek Emory

Head office and principal

place of business:

2116 Hutchison House
10 Harcourt Road
Hong Kong

Independent Non-executive Directors:

Dr. Loke Yu
Dr. Leung Kwan-Kwok
Mr. Zuchowski Sam

25 March 2011

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
REFRESHMENT OF SCHEME MANDATE LIMIT
OF THE SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information on the following matters to be dealt with at the AGM: (i) re-election of Directors; (ii) grant of general mandate to issue Shares; (iii) grant of general mandate to repurchase Shares; and (iv) refreshment of Scheme Mandate Limit of the Share Option Scheme.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

In accordance with Article 116 of the Articles of Association, Mr. Sun David Lee and Dr. Loke Yu will retire by rotation and being eligible, will offer themselves for re-election at the AGM. Dr. Leung Kwan-Kwok will retire by rotation and will not offer himself for re-election at the AGM. Dr. Leung Kwan-Kwok has confirmed that he has no disagreement with the Board and there is no matter that needs to be brought to the attention of the Shareholders in relation to his retirement from the Board.

In accordance with Article 99 of the Articles of Association, Mr. Fu Hui will retire and being eligible, will offer himself for re-election at the AGM.

Requisite details of Directors proposed to be re-elected in the AGM are set out in Appendix I to this circular.

GENERAL MANDATE TO ISSUE SHARES

On 8 September 2010, a general mandate was granted to the Directors to exercise the powers of the Company to issue Shares. Such mandate will lapse at the conclusion of the AGM.

At the AGM, an ordinary resolution as set out in Resolution 7 of the notice of AGM will be proposed, inter alia, to grant to the Directors a general mandate to allot, issue and deal with additional Shares, and to make or grant offers, agreements and options which might require securities to be issued. Such mandate is subject to the aggregate nominal value of the additional Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the resolution, except where the additional Shares are issued pursuant to a rights issue, any share option scheme or similar arrangement, or any scrip dividend scheme or similar arrangement. The proposed mandate is intended to give the Directors greater flexibility to issue securities when it is in the interests of the Company to do so.

GENERAL MANDATE TO REPURCHASE SHARES

Under the Companies Law and the Listing Rules, listed companies are allowed to repurchase their own issued shares. The Articles of Association also permit such repurchase of Shares. The Directors consider that these provisions increase the flexibility in the conduct of the Company's affairs in the interests of the Shareholders, and that the appropriate arrangements shall continue to be adopted by the Company.

On 8 September 2010, a general mandate was granted to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the AGM.

LETTER FROM THE BOARD

At the AGM, an ordinary resolution will also be proposed to grant to the Directors a general mandate to exercise all powers of the Company to repurchase Shares subject to the criteria set out in the relevant resolutions sanctioning such mandate. Shareholders should note that the maximum number of Shares that may be repurchased pursuant to the mandate as set out in Resolution 8 of the notice of AGM will be such number of Shares representing up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the resolution. A resolution authorising the extension of the general mandate to the Directors to issue Shares to include the aggregate nominal amount of such Shares (if any) repurchased under the mandate is to be proposed as Resolution 9 at the AGM.

An explanatory statement, required by the Listing Rules to be sent to Shareholders in relation to the repurchase mandate which will be proposed for the consideration and approval by the Shareholders in the AGM, is set out in Appendix II to this circular.

REFRESHMENT OF SCHEME MANDATE LIMIT OF THE SHARE OPTION SCHEME

The Company adopted the Share Option Scheme on 23 May 2007.

Pursuant to the Share Option Scheme and the Listing Rules, the maximum number of Shares which may be issued upon exercise of Options to be granted under the Share Option Scheme must not exceed 10% of the Shares in issue on the date of adoption (“Scheme Mandate Limit”). The Company may refresh the Scheme Mandate Limit with Shareholders’ approval provided that each such refreshment may not exceed 10% of the Shares in issue as at the date of the Shareholders’ approval. Options lapsed in accordance with the terms of the Share Option Scheme shall not be counted for the purpose of calculating the 10% limit. The total number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme must not exceed 30% (or such other percentage as may be allowed under the Listing Rules) of the total number of Shares in issue from time to time (as at the Latest Practicable Date, such 30% was the equivalent of 343,633,878 Shares).

As at 23 May 2007 (being the date of adoption of the Share Option Scheme), the total number of Shares in issue was 332,000,000 and thus the Scheme Mandate Limit was 33,200,000 Shares. Pursuant to the Scheme Mandate Limit as approved by the Shareholders on 23 May 2007, the Company granted an aggregate of 29,600,000 Options under the Share Option Scheme, all of which were cancelled prior to the Latest Practicable Date.

At the annual general meeting of the Company held on 8 May 2008, the Scheme Mandate Limit was refreshed to allow the Company to grant Options entitling holders to subscribe for Shares not exceeding 10% of the issued share capital of the Company as at the date of approving the refreshment, which amounted to 56,600,000 Shares. Pursuant to the Scheme Mandate Limit as approved by the Shareholders on 8 May 2008, the Company granted any aggregate of 48,250,000 Options under the Share Option Scheme, of which 31,890,000 Options were exercised and no Options were lapsed or cancelled.

LETTER FROM THE BOARD

At the annual general meeting of the Company held on 26 May 2010, the Scheme Mandate Limit was refreshed to allow the Company to grant Options entitling holders to subscribe for Shares not exceeding 10% of the issued share capital of the Company as at the date of approving the refreshment, which amounted to 79,658,326 Shares. Pursuant to the Scheme Mandate Limit as approved by the Shareholders on 26 May 2010, the Company granted an aggregate of 6,800,000 Options under the Share Option Scheme, of which no Options were exercised, lapsed or cancelled.

At the extraordinary general meeting of the Company held on 8 September 2010, the Scheme Mandate Limit was refreshed to allow the Company to grant Options entitling holders to subscribe for Shares not exceeding 10% of the issued share capital of the Company as at the date of approving the refreshment, which amounted to 94,811,926 Shares. Pursuant to the Scheme Limit as approved by the Shareholders on 8 September 2010, the Company granted an aggregate of 23,300,000 Options under the Share Option Scheme, of which no Options were exercised, lapsed or cancelled.

Therefore, since the date of adoption of the Share Option Scheme up to the Latest Practicable Date, an aggregate of 107,950,000 Options were granted, of which 31,890,000 Options were exercised, 29,600,000 Options were cancelled, no Options were lapsed and 46,460,000 Option remain outstanding and unexercised (which represents about 4.06% of the issued Shares) under the Share Option Scheme. The Company has complied with Rule 17.03(4) of the Listing Rules for the aforesaid Options granted.

Unless the Scheme Mandate Limit under the Share Option Scheme is refreshed, only up to 16,461,926 Options may be granted under the Share Option Scheme pursuant to the Scheme Mandate Limit as refreshed on 8 September 2010.

In order to provide the Company with greater flexibility in granting Options to eligible persons under the Share Option Scheme as incentives or rewards for their contributions to the Group, an ordinary resolution as set out in Resolution 10 of the notice of AGM will be proposed to seek Shareholders' approval at the AGM to refresh the Scheme Mandate Limit of the Share Option Scheme to 10% of the Shares in issue as at the date of passing of the resolution.

As at the Latest Practicable Date, there were 1,145,446,263 Shares in issue. Assuming there is no further issue or repurchase of Shares prior to the AGM, upon the approval of the refreshment of the Scheme Mandate Limit by the Shareholders at the AGM, the Company may grant Options entitling holders thereof to subscribe for up to 114,544,626 Shares, representing 10% of the Shares in issue as at the date of the refreshment of the Scheme Mandate Limit.

The refreshment of the Scheme Mandate Limit is conditional upon:

- (a) the Shareholders' approval at the AGM; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares (representing 10% of the total Shares in issue at the date of the AGM approving the refreshment of the Scheme Mandate Limit) which may fall to be issued pursuant to the exercise of any Options granted under the refreshed Scheme Mandate Limit.

Application will be made to the Listing Committee of the Stock Exchange for the approval mentioned in paragraph (b) above.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

AGM

A notice convening the AGM to be held at 2116 Hutchison House, 10 Harcourt Road, Hong Kong on Wednesday, 4 May 2011 at 10:00 a.m. is set out on pages 12 to 15 of this circular. Resolutions will be proposed to approve, inter alia, the re-election of retiring Directors, the general mandates and the refreshment of Scheme Mandate Limit of the Share Option Scheme as referred to above at the AGM.

You will find enclosed a proxy form for use at the AGM. Whether or not you intend to attend such meeting in person, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM. Completion and return of the form of proxy will not preclude Shareholders from attending and voting at the meeting or any adjourned meeting if they so wish.

VOTING BY POLL

Notwithstanding that Article 80 of the Articles of Association provides that at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded, under the Listing Rules effective from 1 January 2009 (Rule 13.39(4)), any vote of the Shareholders at a general meeting of the Company must be taken by poll. Accordingly, the Directors intend that the Chairman of the AGM shall demand voting of the resolutions put forward at the AGM by way of poll.

RECOMMENDATION

The Directors consider that the re-election of retiring Directors, the granting of general mandates to issue and repurchase Shares, the extension of the general mandate to issue Shares and the refreshment of Scheme Mandate Limit of the Share Option Scheme are each in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the AGM.

Yours faithfully
For and on behalf of the Board
BIO-DYNAMIC GROUP LIMITED
LO Peter
Chairman

The following are the particulars of the Directors proposed to be re-elected at the AGM:

Mr. SUN David Lee, aged 45, was appointed an executive director of the Company in May 2005. He has served as the chief executive officer of the Company from May 2005 to September 2007. Mr. Sun is currently responsible for the international affairs of the Company. He is a director of CEC Management Limited and an executive director of Asia Coal Limited, a company currently listed on the main board of the Stock Exchange. Prior to helping form CEC Management Limited, he was the Managing Director and General Counsel of Pacific Alliance Group Limited. Mr. Sun was the Director for Strategy and Business Development Asia at InBev. Prior to his position at InBev, he was a consultant in the Corporate Finance and Strategy Practice of McKinsey & Company, Inc. in Hong Kong. Prior to his position at McKinsey, Mr. Sun practised law as an associate in the corporate group at Linklaters. Mr. Sun holds a Juris Doctor from the University of Illinois College of Law and a Bachelor of Art degree from Cornell University. Save as disclosed above, he did not hold any directorship in any listed public companies in the last three years. Mr. Sun does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company for the purpose of the Listing Rules. As at the Latest Practicable Date, Mr. Sun has a personal interest of 1,220,000 Shares and a family interest of 230,000 Shares and holds 2,680,000 Options granted by the Company under the Share Option Scheme. Save as disclosed above, Mr. Sun has no interests in the Shares within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. Sun. He is entitled to an annual emolument of HK\$100,000 as executive director of the Company which is determined by the Board by reference to his duties and responsibilities with the Company and the Company's remuneration policy. No terms have been fixed or proposed for Mr. Sun's length of service with the Company, although he is subject to retirement by rotation and is eligible for re-election pursuant to the Articles of Association.

There is no information required to be disclosed pursuant to the requirements as set out in Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders in respect of Mr. Sun's re-election.

Dr. LOKE Yu alias LOKE Hoi Lam, aged 61, was appointed an independent non-executive director of the Company in June 2005. Dr. Loke has over 35 years of experience in accounting and auditing for private and public companies, financial consultancy and corporate management. He holds a Master of Business Administration degree from Universiti Teknologi Malaysia and a Doctor of Business Administration degree from University of South Australia. He is a Fellow of The Institute of Chartered Accountants in England and Wales, Hong Kong Institute of Certified Public Accountants and The Hong Kong Institute of Directors. He is also an Associate member of The Hong Kong Institute of Chartered Secretaries. He is currently the company secretary of Minth Group Limited and serves as an independent non-executive director of Vodone Limited, Matrix Holdings Limited, China Fire Safety Enterprise Group Limited, Winfair Investment Company Limited, SCUD Group Limited, Zhong An Real Estate Limited and Chiho-Tiande Group Limited, companies currently listed on the main board of the Stock Exchange. Save as disclosed above, he did not hold any directorship in any listed public companies in the last three years. Dr. Loke does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company for the purpose of the Listing Rules. As at the Latest Practicable Date, Dr. Loke holds 200,000 Options granted by the Company under the Share Option Scheme. Save as disclosed above, Dr. Loke has no interests in the Shares within the meaning of Part XV of the SFO.

There is no service contract between the Company and Dr. Loke. He is entitled to an annual emolument of HK\$100,000 as independent non-executive director of the Company which is determined by the Board by reference to his duties and responsibilities with the Company and the Company's remuneration policy. Dr. Loke is appointed for a term of 3 years commencing from 24 June 2008 subject to renewal and retirement by rotation and re-election pursuant to the Articles of Association.

There is no information required to be disclosed pursuant to the requirements as set out in Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders in respect of Dr. Loke's re-election.

Mr. FU Hui, aged 48, was appointed an executive director of the Company on 16 September 2010. He is currently the chief operating officer of the Company responsible for monitoring the daily operations of the Group. Mr. Fu was appointed a director of the Company in July 2006 and resigned in July 2007. He was a director and the chief operation officer of Harbin Brewery Group Limited. Mr. Fu joined Harbin Brewery Factory in 1983. He graduated from the Light Industrial Institute of Dalian in 1983 majoring in industrial fermentation and holds a Master Degree in Management Science and Engineering from the Polytechnic University of Harbin in 1983. He was appointed as the manager of the brewing technology, research and development department of Harbin Brewery Factory in 1993 and as the deputy general manager of Harbin Brewery Company Limited in 1996. Mr. Fu was a brewing engineer of Harbin Brewery Group Limited and a senior fermentation engineer with more than 20 years' experience in the brewery industry gained from working for Harbin Brewery Factory and Harbin Brewery Group Limited. Save as disclosed above, he did not hold any directorship in any listed public companies in the last three years. Mr. Fu does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company for the purpose of the Listing Rules. As at the Latest Practicable Date, Mr. Fu holds 4,500,000 Options granted by the Company under the Share Option Scheme. Save as disclosed above, Mr. Fu has no interests in the Shares within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. Fu. He is entitled to an annual emolument of HK\$96,000 as the executive director of the Company which is determined by the Board by reference to his duties and responsibilities with the Company and the Company's remuneration policy. No terms have been fixed or proposed for Mr. Fu's length of service with the Company, although he is subject to retirement by rotation and is eligible for re-election pursuant to the Articles of Association.

There is no information required to be disclosed pursuant to the requirements as set out in Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders in respect of Mr. Fu's re-election.

APPENDIX II EXPLANATORY STATEMENT ON REPURCHASE MANDATE

This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the AGM in relation to the proposed repurchase mandate.

(A) SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was 1,145,446,263 Shares. Subject to the passing of the relevant resolution at the AGM, the Company will be allowed under the general mandate to repurchase a maximum of 114,544,626 Shares, assuming that no further Shares are issued or repurchased prior to the date of the AGM.

Shareholders should note that the repurchase mandate only covers purchases made during the period ending on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting is required by the Articles of Association or any applicable laws to be held or the date upon which such authority is revoked or varied by Shareholders in general meeting.

(B) REASONS FOR REPURCHASES

Although the Directors have no present intention of repurchasing Shares, they believe that the repurchase mandate is in the best interests of the Company and its Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share of the Company and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

(C) FUNDING OF REPURCHASES

Repurchases must be financed out of funds legally available for the purpose in accordance with the Memorandum and Articles of Association and the Companies Law. Such funds include but are not limited to profits available for distribution.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the annual report of the Company in respect of the year ended 31 December 2010) in the event that the repurchase mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the repurchase mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

APPENDIX II EXPLANATORY STATEMENT ON REPURCHASE MANDATE

(D) SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of previous twelve months preceding the Latest Practicable Date were as follows:

	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
April 2010	0.800	0.640
May 2010	0.750	0.540
June 2010	0.670	0.540
July 2010	0.670	0.560
August 2010	0.880	0.560
September 2010	0.980	0.700
October 2010	1.350	0.830
November 2010	1.530	1.030
December 2010	1.480	1.180
January 2011	1.320	1.120
February 2011	1.280	1.130
March 2011 (up to the Latest Practicable Date)	1.250	1.080

(E) GENERAL

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchases in accordance with the Listing Rules, the Companies Law and the Articles of Association.

None of the Directors, nor to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company or its subsidiaries if the repurchase mandate is approved by the Shareholders.

No connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell any Shares held by them to the Company or have undertaken not to sell any of the Shares held by them to the Company in the event that the Company is authorised to make repurchase of Shares.

(F) TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the repurchase mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and, depending on the level of increase of the Shareholder's interest, may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

APPENDIX II EXPLANATORY STATEMENT ON REPURCHASE MANDATE

As at the Latest Practicable Date, China Enterprise Capital Limited (“CEC”) was interested or deemed to be interested in an aggregate of 402,516,263 Shares, representing 35.14% of the issued share capital of the Company, through its (i) wholly-owned subsidiary, Orientelite Investments Limited, as to 195,000,000 Shares; (ii) indirectly wholly-owned subsidiary, CEC Agricapital Group Limited, as to 128,960,000 Shares; and (iii) indirectly 88.6% owned subsidiary, China Food and Beverage Group Limited, as to 78,556,263 Shares. In the event that the Directors exercised in full the power to repurchase Shares under the repurchase mandate, the interest of CEC would be increased to approximately 39.05% of the issued share capital of the Company. Such increase will give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no present intention to exercise the repurchase mandate to such an extent that would result in any takeover obligation of any party.

The Directors have no present intention to exercise the repurchase mandate to such an extent that would result in the number of Shares held by the public falling below 25% of total number of Shares in issue.

(G) SHARE REPURCHASE MADE BY THE COMPANY

No purchases of Shares had been made by the Company during the six months preceding the Latest Practicable Date (whether on the Stock Exchange or otherwise).

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of BIO-DYNAMIC GROUP LIMITED (the “Company”) will be held at 2116 Hutchison House, 10 Harcourt Road, Hong Kong on Wednesday, 4 May 2011 at 10:00 a.m. for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the Audited Consolidated Financial Statements and the Reports of the Directors and the Auditors for the year ended 31 December 2010;
2. To re-elect Mr. Sun David Lee as Executive Director;
3. To re-elect Dr. Loke Yu as Independent Non-executive Director;
4. To re-elect Mr. Fu Hui as Executive Director;
5. To authorise the Board of Directors to fix the Directors’ remuneration;
6. To re-appoint Ernst & Young as Auditors and to authorise the Board of Directors to fix their remuneration;
7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors of the Company during the Relevant Period (as defined in paragraph (d) below) of 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 which would or might require shares to be allotted, issued or dealt with be generally and unconditionally approved;
- (b) the Directors of the Company be authorised to make offers or agreements or grant options during the Relevant Period (as defined in paragraph (d) below) which would or might require shares to be allotted and issued either during or after the end of the Relevant Period pursuant to paragraph (a) above;

NOTICE OF ANNUAL GENERAL MEETING

(c) the aggregate nominal value of the shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approvals in paragraphs (a) and (b) above, otherwise than pursuant to (i) a rights issue (as defined in paragraph (d) below) or (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 of the Company, or (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 of the Company in accordance with the articles of association of the Company, shall not in total exceed 20% of the aggregate 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

(d) 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; or
- (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

“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).”;

NOTICE OF ANNUAL GENERAL MEETING

8. To consider and if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT

- (a) the exercise by the Directors of the Company 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 of Hong Kong Limited 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; or
 - (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.”;

9. To consider and if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT conditional upon the passing of the ordinary resolutions nos. 7 and 8 as set out in the notice convening this meeting, the general mandate granted to the Directors of the Company pursuant to the ordinary resolution no. 7 as set out in the notice convening this meeting to exercise the powers of the Company to allot, issue and deal with the shares of the Company be and is hereby extended by the addition thereto of an amount represented by the aggregate nominal amount of shares of the Company repurchased by the Company under the authority granted pursuant to ordinary resolution no. 8 as set out in the notice convening this meeting, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of this resolution.”; and

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS

10. As a special business, to consider and if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting listing of, and permission to deal in, the shares in the capital of the Company to be issued pursuant to the exercise of the options granted under the Refreshed Scheme Mandate Limit (as defined below), the refreshment of the existing scheme mandate limit in respect of granting of options to subscribe for shares of the Company under the share option scheme adopted by the Company on 23 May 2007 (the “Share Option Scheme”), up to 10% of the total number of shares in issue of the Company as at the date of passing this resolution (the “Refreshed Scheme Mandate Limit”) be and is hereby approved and that the Directors of the Company be and are hereby authorised, at their absolute discretion, to grant options under the Share Option Scheme up to the Refreshed Scheme Mandate Limit and to allot and issue shares of the Company pursuant to the exercise of such option.”.

By order of the Board
CHAN Kwong Leung, Eric
Company Secretary

Hong Kong, 25 March 2011

Notes:

- (a) A member of the Company entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote on his/her behalf. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him and vote on his behalf. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (b) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of authority, must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.
- (c) Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (d) The Register of Members of the Company will be closed from Friday, 29 April 2011 to Wednesday, 4 May 2011 (both days inclusive) during which period no transfer of shares of the Company will be registered and effected. In order to qualify for attending and voting at this meeting, all transfers of shares of the Company accompanied by the relevant share certificates and the appropriate share transfer forms must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 28 April 2011.
- (e) An Explanatory Statement containing further details regarding ordinary resolution no. 8 as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited will be dispatched to the shareholders of the Company together with this notice of meeting.