
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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
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 3 May 2012 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.

27 March 2012

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
Introduction	2
Re-election of directors	3
General mandate to issue shares	3
General mandate to repurchase shares	3
Responsibility Statement	4
AGM	4
Voting by Poll	4
Recommendation	5
 Appendix I – Details of Directors offering themselves for re-election	 6
 Appendix II – Explanatory Statement on repurchase mandate	 9
 Notice of Annual General Meeting	 12

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 Thursday, 3 May 2012 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”	20 March 2012, 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
“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. Han Dong (*Managing Director*)
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
Mr. Zuchowski Sam
Mr. Zhang Yonggen

27 March 2012

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
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; and (iii) grant of general mandate to repurchase Shares.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

In accordance with Article 116 of the Articles of Association, Mr. Lo Peter and Mr. Zhao Difei will retire by rotation and being eligible, will offer themselves for re-election at the AGM. Mr. Li Jian Quan will retire by rotation and will not offer himself for re-election at the AGM. Mr. Li Jian Quan 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. Han Dong and Mr. Zhang Yonggen will retire and, being eligible, will offer themselves for re-election at the AGM. The nomination committee of the Company has assessed the independence of Mr. Zhang Yonggen and considered that he has satisfied the independence guidelines set out in Rule 3.13 of the Listing Rules.

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 4 May 2011, 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 8 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 4 May 2011, 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 9 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 10 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.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

AGM

A notice convening the AGM to be held at 2116 Hutchison House, 10 Harcourt Road, Hong Kong on Thursday, 3 May 2012 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 and the general mandates 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 Rule 13.39(4) of the Listing Rules, any vote of the shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. 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.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the re-election of retiring Directors, the granting of general mandates to issue and repurchase Shares, and the extension of the general mandate to issue Shares 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. LO Peter, aged 56, was appointed an executive director and the chairman of the Company in May 2005. He is responsible for the overall strategic development of the Group. Mr. Lo is currently a director of China Enterprise Capital Limited. He is also an executive director and the chairman of China Outfitters Holdings Limited, an independent non-executive director of Ajisen (China) Holdings Limited and Uni-President China Holdings Ltd., companies currently listed on the Main Board of the Stock Exchange. Mr. Lo was the independent non-executive director of Lonking Holdings Limited from February 2005 to May 2008. He was the chief executive officer and executive director of Harbin Brewery Group Limited, a company formerly listed on the Main Board of the Stock Exchange, from 1998 to 2004. He held senior management positions in the Hong Kong offices of several international companies and has more than 20 years' experience in doing business in the PRC. Mr. Lo received a Bachelor of Science (Economics) Degree in Mathematical Economics and Econometrics from the London School of Economics and Political Science in 1982. He received the "Directors of the Year 2004" award from The Hong Kong Institute of Directors. Save as disclosed above, he did not hold any directorship in any listed public companies in the last three years. Mr. Lo 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. Lo has a personal interest of 4,820,000 Shares and holds 5,340,000 Options granted by the Company under the Share Option Scheme. Save as disclosed above, Mr. Lo 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. Lo. 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. Lo'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. Lo's re-election.

Mr. ZHAO Difei, aged 49, was appointed an executive director of the Company in July 2007. He was the technology controller of Harbin Brewery Group Limited, in charge of the brewing technology department and quality control department. He graduated from the Light Industrial Institute of Dalian majoring in industrial fermentation and holds a Master Degree in food engineering. Mr. Zhao has more than 20 years' experience in the brewing industry. Save as disclosed above, he did not hold any directorship in any listed public companies in the last three years. Mr. Zhao 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. Zhao has a personal interest of 4,148,000 Shares and holds 500,000 Options granted by the Company under the Share Option Scheme. Save as disclosed above, Mr. Zhao 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. Zhao. He is entitled to an annual emolument of HK\$96,000 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. Zhao'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. Zhao's re-election.

Mr. HAN Dong, aged 41, was appointed an executive director and the managing director of the Company in October 2011. He is responsible for supervising the implementation of the strategic plans of the Group's wine and liquor business. He was the deputy general manager of Jiugui Liquor Co., Ltd, a company currently listed on the Shenzhen Stock Exchange, from April 2009 to March 2010. He has over 10 years' experience in China wine market. Mr. Han graduated from the Chinese People's Liberation Army Nanjing Institute of Politics majoring in Economics and Management. Mr. Han is a standing committee member of Sichuan Youth Federation and Sichuan Federation of Industry and Commerce and the executive chairman of Sichuan Provincial Shandong Business Association. Save as disclosed above, he did not hold any directorship in any listed public companies in the last three years. Mr. Han 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. Han holds 10,000,000 Options granted by the Company under the Share Option Scheme. Save as disclosed above, Mr. Han has no interests in the Shares within the meaning of Part XV of the SFO.

There is a service contract between the Company and Mr. Han. He is entitled to an annual emolument of HK\$800,000 as executive director and managing 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. He is also entitled to a year end discretionary bonus determined by the Board at its absolute discretion having regard to the Company's performance and the market situation. Mr. Han is appointed for a term of 3 years commencing from 10 October 2011 and 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 Mr. Han's re-election.

Mr. ZHANG Yonggen, aged 50, was appointed an independent non-executive director of the Company in May 2011. He is currently a professor of animal nutrition and feed science in China Northeast Agricultural University and the academic leader of ruminant nutrition and feed science. Mr. Zhang is concurrently a scientist in national dairy products industry technology system, council member of Dairy Association of China, standing council member of China Institute of Animal Husbandry and Veterinary Cattle Chapter, standing council member of Heilongjiang Animal Husbandry and Veterinary Institute, member of editorial board of journals of China Cattle Genetic Resources and Heilongjiang Animal Husbandry and Veterinary Medicine, and the invited reviewers for the journals of Animal Nutrition and Agricultural Sciences in China. He has been long engaged in teaching of cattle production and ruminant nutrition, researching and feed resources development and utilisation. Mr. Zhang graduated from Department of Animal Husbandry of China Northeast Agricultural University, and also holds a master degree in agriculture and a doctor degree in ruminant nutrition science from the same university. Save as disclosed above, he did not hold any directorship in any listed public companies in the last three years. Mr. Zhang 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. Zhang holds 200,000 Options granted by the Company under the Share Option Scheme. Save as disclosed above, Mr. Zhang 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. Zhang. 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. Mr. Zhang is appointed for a term of 3 years commencing from 4 May 2011 and 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 Mr. Zhang'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 1,190,742,397 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 119,074,239 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 2011) 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 2011	1.20	1.08
May 2011	1.18	1.03
June 2011	1.13	0.89
July 2011	1.24	0.89
August 2011	1.00	0.80
September 2011	0.91	0.60
October 2011	1.05	0.54
November 2011	0.93	0.75
December 2011	0.80	0.67
January 2012	0.80	0.70
February 2012	0.79	0.62
March 2012 (up to the Latest Practicable Date)	0.75	0.60

(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 33.80% 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 37.56% 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 Thursday, 3 May 2012 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 2011;
2. To re-elect Mr. Lo Peter as Executive Director;
3. To re-elect Mr. Zhao Difei as Executive Director;
4. To re-elect Mr. Han Dong as Executive Director;
5. To re-elect Mr. Zhang Yonggen as Independent Non-executive Director;
6. To authorise the Board of Directors to fix the Directors’ remuneration;
7. To re-appoint Ernst & Young as Auditors and to authorise the Board of Directors to fix their remuneration;
8. 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;

NOTICE OF ANNUAL GENERAL MEETING

- (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;
- (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

9. 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.”; and
10. 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. 8 and 9 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. 8 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. 9 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.”.

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

Hong Kong, 27 March 2012

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. 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.
2. 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.
3. 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.
4. The Register of Members of the Company will be closed from Monday, 30 April 2012 to Thursday, 3 May 2012 (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 Friday, 27 April 2012.
5. An Explanatory Statement containing further details regarding ordinary resolution no. 9 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.