



TONIC INDUSTRIES HOLDINGS LIMITED

東力實業控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 978)

APPOINTMENT OF EXECUTIVE DIRECTOR, INDEPENDENT NON-EXECUTIVE DIRECTOR AND AUDIT COMMITTEE MEMBER

The board of Directors of Tonic Industries Holdings Limited announces that with effect from 27 September 2004:

- (1) Mr LAM Kwai Wah has been appointed as an Executive Director of the Company; and
- (2) Mr CHENG Tsang Wai has been appointed as an Independent Non-Executive Director and a member of the Audit Committee of the Company.

The board of Directors (the "Board") of Tonic Industries Holdings Limited (the "Company") announces that with effect from 27 September 2004:

- (1) Mr LAM Kwai Wah ("Mr LAM") has been appointed as an Executive Director of the Company; and
- (2) Mr CHENG Tsang Wai ("Mr CHENG") has been appointed as an Independent Non-Executive Director and a member of the Audit Committee of the Company.

INFORMATION OF MR LAM KWAI WAH

Mr LAM, aged 39, joined the Company's group (the "Group") in 1998 and is mainly responsible for the Group's marketing activities in Europe. He has over 18 years experience in marketing of electronics products and home appliances. Mr LAM is appointed as an Executive Director of the Company. Other than that, he does not hold any position with the Company or any member of the Group and he has not held any directorship in listed public companies in the last three years. Mr LAM obtained a higher certificate in marketing and sales management from The Hong Kong Polytechnic University.

Mr LAM has entered into a service contract with the Company for a term of three years commencing from 27 September 2004, subject to the retirement and re-election provisions under the articles of association of the Company. Mr LAM is entitled to receive a fixed director's fee of HK\$300,000 per annum, which is determined by the Board by reference to the Company's performance and profitability.

Mr LAM does not have any relationship with any other directors, senior management, substantial shareholders (as defined in The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")) or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the date of this announcement, Mr LAM is holding the share options to subscribe for 1,100,000 shares of the Company under the Company's share option scheme adopted on 16 October 1997, within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO").

Saved as disclosed above, the Board is not aware of any other matters that need to be brought to the attention of the shareholders of the Company in relation to the appointment of Mr LAM as an Executive Director.

INFORMATION OF MR CHENG TSANG WAI

Mr CHENG, aged 48, is appointed as an Independent Non-Executive Director and Audit Committee Member of the Company. Other than that, he does not hold any position with the Company or any member of the Group. Mr CHENG has over 26 years experience in the garment industry and is a director of Vicka Limited which is a sweater manufacturing company. Mr CHENG has not held any directorship in listed public companies in the last three years.

Pursuant to the letter of appointment issued by the Company to Mr CHENG, Mr CHENG has been initially appointed for a term of two years commencing from 27 September 2004, subject to the retirement and re-election provisions under the articles of association of the Company. Mr CHENG is entitled to receive a fixed fee of HK\$65,000 per annum, which is determined by the Board by reference to the office duties and time spent.

Mr CHENG does not have any relationship with any other directors, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the date of this announcement, Mr CHENG is not interested or deemed to be interested in any shares or underlying shares of the Company pursuant to Part XV of the SFO.

Saved as disclosed above, the Board is not aware of any other matters that need to be brought to the attention of the shareholders of the Company in relation to the appointment of Mr CHENG as an Independent Non-Executive Director.

GENERAL

As at the date of this announcement, the Board of Directors comprises seven Executive Directors – Mr LING Siu Man, Simon, Mr LEE Ka Yue, Peter, Mr WONG Ki Cheung, Ms LI Fung Ching, Catherine, Mr AU Wai Man, Mr LIU Hoi Keung, Gary and Mr LAM Kwai Wah, one Non-Executive Director – Mr WONG Wai Kwong, David and three Independent Non-Executive Directors – Mr HO Fook Hong, Ferdinand, Mr PANG Hon Chung and Mr CHENG Tsang Wai.

On behalf of the Board
LING Siu Man, Simon
Chairman & Managing Director

Hong Kong, 27 September 2004

* For identification purposes only

*Please also refer to the published version of this announcement in
The Standard and Hong Kong Economic Times.*