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Success Well Investments Limited

(a company incorporated in British Virgin Islands with limited liability)

TONIC INDUSTRIES HOLDINGS LIMITED

東力實業控股有限公司*

(a company incorporated in the Cayman Islands with limited liability)
(Stock Code: 978)

**COMPLETION OF THE SALE AND PURCHASE AGREEMENTS
AND
APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

Reference is made to the joint announcement (the “**Joint Announcement**”) of Tonic Industries Holdings Limited (the “**Company**”) and Success Well Investments Limited (the “**Offeror**”) dated 27 April 2012 in relation to, among other things, the sale and purchase agreements in relation to the sale and purchase of shares in the Company and the unconditional mandatory cash offer by CITIC Securities Corporate Finance (HK) Limited for and on behalf of the Offeror for all the issued shares in the Company (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement.

COMPLETION OF THE S&P AGREEMENTS

Completion and the completion of S&P Agreement 2 took place on 7 May 2012. Pursuant to the Completion and the completion of S&P Agreement 2, the Offeror and parties acting in concert with it are interested in 749,849,586 Shares, representing approximately 70.18% of the entire issued Shares as at the date of this announcement.

Set out below are the shareholder structures of the Company (i) prior to the Completion, completion of S&P Agreement 2 and before the commencement of the Offer; and (ii)

* *For identification purposes only*

immediately upon Completion and completion of S&P Agreement 2 but before the commencement of the Offer:

	Prior to Completion, completion of S&P Agreement 2 and before the commencement of the Offer		Immediately upon Completion and completion of S&P Agreement 2 but before the commencement of the Offer	
	Number of Shares	Approximate Shareholding %	Number of Shares	Approximate Shareholding %
Vendor 1 (Note 1)	739,164,898	69.18	32,054,066	3.00
The Purchaser and parties acting in concert with it	–	–	749,849,586	70.18
Vendor 2 (Note 2)	61,699,398	5.77	18,960,644	1.77
Mr. Cheng Tsang Wai (Note 3)	162,600	0.02	162,600	0.02
Mr. Wong Ki Cheung (Note 3)	174,900	0.02	174,900	0.02
Success Forever Limited (Note 4)	41,849,247	3.92	41,849,247	3.92
Other Shareholders	225,417,817	21.10	225,417,817	21.10
Total	1,068,468,860	100.00	1,068,468,860	100.00
Total public Shareholders (Note 5)	287,117,215	26.87	244,378,461	22.87

Notes:

- Following the Completion, 32,054,066 Shares are directly owned by Vendor 1. Vendor 1 is wholly-owned by Fortune Alliance and in turn controlled by Jointprofit which is wholly-owned by Dr. So.
- Following the completion of S&P Agreement 2, 18,960,644 Shares are directly owned by Greatest Mark. Greatest Mark, which is a special purpose company established for the purpose of the creditor scheme of the Company, is controlled by Yeung Lui Ming (Edmund) and Darach E. Haughey (both being the scheme administrators).
- Mr. Cheng Tsang Wai is the independent non-executive Director and Mr. Wong Ki Cheung is the director of certain subsidiaries of the Company.
- Mr. Ling Siu Man, Simon, through his wholly owned company Success Forever Limited, is interested in 41,849,247 Shares. Mr. Ling is the director of two subsidiaries of Total Ally Holdings Limited (“Total Ally”), an indirect wholly owned subsidiary of the Company. As announced by the Company on 19 April 2012, the voluntary winding-up of Total Ally was commenced on 19 April 2012 and the financial results and position of Total Ally and its subsidiaries have been deconsolidated from those of the Group following the commencement of the liquidation of Total Ally. As of the date of this announcement, Mr. Ling has tendered his resignation from the positions of director of the two subsidiaries of Total Ally, and his resignation shall become effective following the first closing of the Offer.
- Interests held by public Shareholders comprising those of Vendor 2 and other Shareholders. In addition, the interests held by Mr. Ling will also be regarded as public following the resignation of Mr. Ling becoming effective following the first closing of the Offer.

THE OFFER

Upon Completion, the Offeror and parties acting in concert with it are interested in 707,110,832 Shares, representing approximately 66.18% of the entire issued Shares. Accordingly, the Offeror is required to make a mandatory unconditional cash offer to acquire all issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code. CITIC Securities will, on behalf of the Offeror, make the Offer to the Shareholders at HK\$0.50 per Offer Share.

CITIC Securities and ING, as the joint financial advisers to the Offeror, are satisfied that sufficient resources are available to the Offeror to satisfy full acceptances of the Offer.

The composite document in relation to the Offer will be despatched to the Shareholders on or before Friday, 18 May 2012 in accordance with the Takeovers Code. Further announcements will be made after the despatch of the composite document.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Company wishes to announce that First Shanghai Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee in relation to the Offer. The appointment has been approved by the Independent Board Committee. The advice of First Shanghai Capital Limited and the recommendation of the Independent Board Committee will be included in the composite document to be despatched to the Shareholders.

By Order of the board of directors of
Success Well Investments Limited
Huang Peikun
Director

By Order of the Board
Tonic Industries Holdings Limited
Dr. So Shu Fai
Chairman

Hong Kong, 7 May 2012

As at the date of this announcement, the Board comprises Dr. So Shu Fai, Mr. Mak Bing Kau, Mr. Ng Wai Hung and Mr. Lau Cheuk Lun as executive Directors and Mr. Pang Hon Chung, Mr. Cheng Tsang Wai and Dr. Chung Hing Wah, Paul as independent non-executive Directors.

All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than the information relating to the Offeror and the Vendors, and parties acting in concert with each of them), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Offeror and the Vendors, and parties acting in concert with each of them) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement contained in this announcement misleading.

As at the date of this announcement, the directors of the Offeror are Mr. Huang Peikun and Mr. Liu Zhuogen.

All the directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than the information relating to the Group and the Vendors, and parties acting in concert with each of them), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Group and the Vendors, and parties acting in concert with each of them) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any such statement contained in this announcement misleading.

As at the date of this announcement, the directors of the Vendor 1 are Dr. So Shu Fai, Mr. Ge Zhang and Mr. Chan Wai Dune.

All directors of Vendor 1 jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than the information relating to the Offeror and Vendor 2, and parties acting in concert with each of them), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Offeror and Vendor 2, and parties acting in concert with each of them) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement contained in this announcement misleading.

As at the date of this announcement, the directors of the Vendor 2 are Mr. Yeung Lui Ming (Edmund) and Mr. Darach E. Haughey.

All directors of Vendor 2 jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than the information relating to the Group, the Offeror and Vendor 1, and parties acting in concert with each of them), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Group, the Offeror and Vendor 1, and parties acting in concert with each of them) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement contained in this announcement misleading.

The English text of this joint announcement shall prevail over its Chinese text.