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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 a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in Tonic Industries Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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TONIC
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)

**PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES AND
TO ISSUE NEW SHARES OF THE COMPANY
AND
PROPOSED RE-ELECTION OF RETIRING DIRECTORS
OF THE COMPANY**

A notice convening an annual general meeting of Tonic Industries Holdings Limited to be held at Tang I Room, 3/F, Sheraton Hong Kong Hotel & Towers, 20 Nathan Road, Kowloon, Hong Kong on Friday, 18 September 2009 at 11:00 a.m. is set out on pages 13 to 16 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (www.tonic.com.hk).

Whether or not you are able to attend the annual general meeting, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Share Registrar in Hong Kong, Tricor Tengis Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish.

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DEFINITIONS

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

“Annual General Meeting”	an annual general meeting of the Company to be held at Tang I Room, 3/F, Sheraton Hong Kong Hotel & Towers, 20 Nathan Road, Kowloon, Hong Kong on Friday, 18 September 2009 at 11:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 13 to 16 of this circular, or any adjournment thereof;
“Articles of Association”	the existing Articles of Association adopted by the Company on 18 September 1997 with the latest amendments approved by the Shareholders in the Company’s annual general meeting held on 20 September 2006;
“Board”	the board of Directors;
“Company”	Tonic Industries Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the main board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Group”	The Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Issuance Mandate”	as defined in paragraph 2(b) of the Letter from the Board;
“Latest Practicable Date”	27 July 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

DEFINITIONS

“Repurchase Mandate”	as defined in paragraph 2(a) of the Letter from the Board;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Hong Kong Codes on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong.



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)

Executive Directors:

LING Siu Man, Simon (*Chairman and Managing Director*)

WONG Ki Cheung

LI Fung Ching, Catherine

LAM Kwai Wah

Independent Non-Executive Directors:

PANG Hon Chung

CHENG Tsang Wai

CHUNG Hing Wah, Paul

Registered office:

P.O. Box 309GT

Ugland House

South Church Street

George Town

Grand Cayman

Cayman Islands

British West Indies

Principal place of business:

Unit B, 10th Floor

Summit Building

30 Man Yue Street

Hung Hom

Kowloon

Hong Kong

31 July 2009

To the Shareholders

Dear Sir/Madam,

**PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES AND
TO ISSUE NEW SHARES OF THE COMPANY
AND
PROPOSED RE-ELECTION OF RETIRING DIRECTORS
OF THE COMPANY**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for (i) the granting of the Repurchase Mandate to the Directors; (ii) the granting of the Issuance Mandate to the Directors; (iii) the extension of the Issuance Mandate by adding to it the aggregate number of the issued Shares repurchased by the Company under the Repurchase Mandate; and (iv) the re-election of the retiring Directors.

* *for identification purpose only*

LETTER FROM THE BOARD

2. REPURCHASE AND ISSUANCE MANDATES

At the annual general meeting of the Company held on 18 September 2008, general mandates were given to the Directors to exercise the powers of the Company to repurchase shares and to issue new shares of the Company respectively. The aforesaid mandate to repurchase shares will lapse at the conclusion of the Annual General Meeting. The aforesaid mandate to issue new shares will be used for the purpose of allotment and issuance of new shares under the subscription assessment as announced by the Company on 24 July 2009.

Ordinary resolutions will be proposed at the Annual General Meeting to approve the granting of new general mandates to the Directors:

- (a) to purchase Shares on the Stock Exchange of an aggregate nominal amount of up to 10% of the aggregate nominal amount of the issued share capital of the Company on the date of passing of such resolution (the "Repurchase Mandate");
- (b) to allot, issue or deal with Shares of an aggregate nominal amount of up to 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of such resolution (the "Issuance Mandate"); and
- (c) to extend the Issuance Mandate by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate.

The Repurchase Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the Annual General Meeting or any earlier date as referred to in ordinary resolutions nos. 4 and 5 set out in the notice of the Annual General Meeting. With reference to the Repurchase Mandate and the Issuance Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any Shares pursuant thereto.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate. The explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix I to this circular.

3. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to Article 116 of the Articles of Association, at each annual general meeting of the Company, one-third of the Directors (other than the Chairman or the Managing Director or Joint Managing Director) for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation, provided that every Director (including those appointed for a specific

LETTER FROM THE BOARD

term) shall be subject to retirement by rotation at least once every three years or within such other period as the Stock Exchange may from time to time prescribe or within such other period as the laws of such jurisdiction applicable to the Company. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and does not offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agreed among themselves) be determined by lot. A retiring Director shall retain office until the close of the meeting at which he retires, and shall be eligible for re-election thereat.

According to Article 116 of the Articles of Association, Ms LI Fung Ching, Catherine, Mr LAM Kwai Wah and Dr CHUNG Hing Wah, Paul shall retire by rotation at the Annual General Meeting. All of the above three retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting. Details of Ms LI Fung Ching, Catherine, Mr LAM Kwai Wah and Dr CHUNG Hing Wah, Paul are required to be disclosed by the Listing Rules are set out in Appendix II to this circular.

4. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 13 to 16 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the granting of the Repurchase Mandate and the Issuance Mandate, the extension of the Issuance Mandate by the addition thereto of the number of Shares repurchased pursuant to the Repurchase Mandate and the re-election of the retiring Directors.

Pursuant to the amendments to the Listing Rules, which came into force on 1 January 2009, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, all the proposed resolutions will be put to vote by way of poll at the Annual General Meeting. An announcement on the poll vote results will be made by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (www.tonic.com.hk). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's Share Registrar in Hong Kong, Tricor Tengis Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof if you so wish.

LETTER FROM THE BOARD

5. RECOMMENDATION

The Directors consider that the granting of the Repurchase Mandate, the granting/extension of the Issuance Mandate and the proposed re-election of retiring Directors are in the interests of the Company, the Group and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting on the terms set out in the notice of that meeting.

6. GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Explanatory Statement on the Repurchase Mandate) and Appendix II (Details of the Retiring Directors Proposed to be Re-elected at the Annual General Meeting) to this circular.

Yours faithfully,
On behalf of the Board
LING Siu Man, Simon
Chairman and Managing Director

The following is an explanatory statement required by the Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Repurchase Mandate.

1. REASONS FOR REPURCHASE

The Directors believe that the granting of the Repurchase Mandate is in the interests of the Company and the Shareholders.

Repurchases of Shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the granting of the Repurchase Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,057,889,962 Shares.

Subject to the passing of the ordinary resolution no. 4 set out in the notice of the Annual General Meeting in respect of the granting of the Repurchase Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the date of the Annual General Meeting, the Directors would be authorised under the Repurchase Mandate to repurchase a maximum of 105,788,996 Shares (representing 10% of the Shares in issue as at the Latest Practicable Date) during the period in which the Repurchase Mandate remains in force.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association, the laws of the Cayman Islands, and/or any other applicable laws, as the case may be.

4. IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 March 2009) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend 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.

5. 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. Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge of the Directors, as at the Latest Practicable Date, Mr LING Siu Man, Simon, a Director of the Company together with his associate was interested in an aggregate of 668,492,476 Shares, representing 63.19% of the issued Shares of the Company. On the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, in the event that the Directors exercise in full the power to repurchase Shares of the Company in accordance with the terms of the ordinary resolution to be proposed at the Annual General Meeting, the interests of Mr LING Siu Man, Simon together with his associate in the Shares of the Company would be increased to approximately 70.21%. Such increase in the proportionate interest in the voting rights of the Company would not trigger a mandatory offer under Rule 26 of the Takeovers Code. At present, so far as is known to the Directors, no Shareholder or group of Shareholders acting in concert, may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors will not make repurchase of Shares if the result of the repurchase would be that less than 25% of the issued share capital of the Company would be in public hands. The Stock Exchange has stated that, if less than 25% of the issued Shares are in public hands, or if the Stock Exchange believes that a false market exists or may exist in the trading of the Shares or that there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the Shares. The Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

6. GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules and the laws of the Cayman Islands.

7. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which the Shares have traded on the Stock Exchange during each of the previous 12 months were as follows:

Month	Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2008		
July	0.300	0.180
August	0.215	0.150
September	0.160	0.082
October	0.095	0.050
November	0.083	0.048
December	0.100	0.045
2009		
January	0.095	0.060
February	0.072	0.056
March	0.063	0.047
April	0.076	0.050
May	0.129	0.060
June	0.135	0.095
July (up to the Latest Practicable Date)	0.246	0.085

8. REPURCHASES OF SHARES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company during the previous six months (whether on the Stock Exchange or otherwise).

Pursuant to the Listing Rules, the details of the Directors who will retire at the Annual General Meeting according to the Articles of Association and will be proposed to be re-elected at the Annual General Meeting are provided below.

(1) MS LI FUNG CHING, CATHERINE, AGED 55, AN EXECUTIVE DIRECTOR

Position & Experience

Ms LI Fung Ching, Catherine (“Ms LI”) has been an executive Director since 30 May 1997, a remuneration committee member since 19 December 2005 and an executive committee member since 19 December 2005. Ms LI is also a director of four subsidiaries companies of the Group. Ms LI joined the Group in 1976 and is responsible for the treasury function of the Group. She has over 32 years experience in the electronics industry. Other than that, Ms LI does not hold any position with the Company or any member of the Group and she has not held any directorship in listed public companies in Hong Kong and overseas in the last three years.

Relationship with Directors, senior management or substantial/controlling shareholders

Other than the relationship arising from her being an executive Director, a remuneration committee member and an executive committee member of the Company, Ms LI 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.

Interests in securities

As at the Latest Practicable Date, Ms LI was holding the share options to subscribe for 2,715,000 Shares under the Company’s share option scheme adopted on 18 September 1997, within the meaning of Part XV of the SFO. Besides, as at the Latest Practicable Date, Ms LI was holding 2,142,000 Shares representing 0.20% of the Company’s issued share capital.

Length of service and emoluments

Ms LI has entered into a service contract with the Company for a term of three years commencing from 1 October 2006, subject to the retirement and re-election provisions under the Articles of Association of the Company. Ms LI received a director’s fee of HK\$300,000, and a director’s emoluments of HK\$1,794,000 for the year ended 31 March 2009 which was determined by the Board by reference to her duties and the Company’s performance and profitability.

Matters that need to be brought to the attention of the Shareholders

There is no information to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there are no other matters concerning Ms LI that need to be brought to the attention of the Shareholders.

(2) MR LAM KWAI WAH, AGED 44, AN EXECUTIVE DIRECTOR**Position & Experience**

Mr LAM Kwai Wah ("Mr LAM") joined the Group in 1998 and was appointed as an executive Director of the Company on 27 September 2004. Mr LAM obtained a higher certificate in marketing and sales management from The Hong Kong Polytechnic University. Mr LAM is mainly responsible for the Group's marketing activities. He has over 23 years experience in marketing of electronics products. Other than that, Mr LAM 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 Hong Kong and overseas in the last three years.

Relationship with Directors, senior management or substantial/controlling shareholders

Other than the relationship arising from his being an executive Director of the Company, Mr LAM 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.

Interests in securities

As at the Latest Practicable Date, Mr LAM was holding the share options to subscribe for 1,650,000 Shares under the Company's share option scheme adopted on 18 September 1997, within the meaning of Part XV of the SFO.

Length of service and emoluments

Mr LAM has entered into a service contract with the Company for a term of three years commencing from 1 October 2006, subject to the retirement and re-election provisions under the Articles of Association of the Company. Mr LAM received a director's fee of HK\$300,000, and a director's emoluments of HK\$1,650,000 for the year ended 31 March 2009 which was determined by the Board by reference to his duties and the Company's performance and profitability.

Matters that need to be brought to the attention of the Shareholders

There is no information to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there are no other matters concerning Mr LAM that need to be brought to the attention of the Shareholders.

**(3) DR CHUNG HING WAH, PAUL, AGED 63, AN INDEPENDENT
NON-EXECUTIVE DIRECTOR****Position & Experience**

Dr CHUNG Hing Wah, Paul (“Dr CHUNG”) has been an independent non-executive Director and an audit committee member since 26 June 2006.

Dr CHUNG has over 38 years’ experiences with public service in administration, management, operation, discipline, nursing and management. He also has over 18 years’ experience in training and development and management consultancy with various local and PRC Mainland providers and corporations. Apart from being appointed as the consultant or principal consultant of many major local and PRC training providers, he is also the director and principal consultant of PC Consultancy Ltd. Dr Chung holds degrees of MBA and DBA. Other than that, Mr CHUNG 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 Hong Kong and overseas in the last three years.

Relationship with Directors, senior management or substantial/controlling shareholders

Other than the relationship arising from his being an independent non-executive Director and an audit committee member of the Company, Dr CHUNG 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.

Interests in securities

As at the Latest Practicable Date, Dr CHUNG was not interested or deemed to be interested in any Shares or underlying Shares within the meaning of Part XV of the SFO.

Length of service and emoluments

Pursuant to the letter of appointment issued by the Company to Dr CHUNG, Dr CHUNG has been initially appointed for a term of three years commencing from 26 June 2006, subject to the retirement and re-election provisions under the Articles of Association of the Company. Dr CHUNG is entitled to receive a fixed fee of HK\$88,000 per annum, which is determined by the Board by reference to the office duties and time spent.

Matters that need to be brought to the attention of the Shareholders

There is no information to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there are no other matters concerning Dr CHUNG that need to be brought to the attention of the Shareholders.



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)

NOTICE IS HEREBY GIVEN that an Annual General Meeting of Tonic Industries Holdings Limited (the "Company") will be held at Tang I Room, 3/F, Sheraton Hong Kong Hotel & Towers, 20 Nathan Road, Kowloon, Hong Kong on Friday, 18 September 2009 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and auditors of the Company for the year ended 31 March 2009;
2. To re-elect the retiring directors of the Company and to authorise the board of directors of the Company to fix the respective directors' remuneration;
3. To appoint the auditors of the Company and to authorise the board of directors of the Company to fix their remuneration;
4. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

"THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to purchase its shares, subject to and in accordance with the applicable laws, rules and regulations, be and is hereby generally and unconditionally approved;
- (b) the total nominal amount of shares of the Company to be purchased 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;

* for identification purpose only

NOTICE OF THE ANNUAL GENERAL MEETING

- (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company's shareholders in general meeting; and
 - (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.”;
5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorised and unissued shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under a share option scheme of the Company; and
 - (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 exceed 20% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of this resolution and the said approval shall be limited accordingly; and

NOTICE OF THE ANNUAL GENERAL MEETING

(d) for the purposes 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; and
- (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;

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange).”; and

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

“**THAT** conditional upon the passing of resolutions nos. 4 and 5 set out in the notice convening this meeting (the “Notice”), the general mandate referred to in resolution set out in item 5 of the Notice be and is hereby extended by the addition to the aggregate nominal amount of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of shares purchased by the Company pursuant to the mandate referred to in resolution set out in item 4 of the Notice, 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 the passing of this resolution.”.

By order of the Board
LING Siu Man
Chairman and Managing Director

Hong Kong, 31 July 2009

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

1. Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. 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. To be effective, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the Company's Share Registrar in Hong Kong, Tricor Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. The register of members of the Company will be closed from Wednesday, 16 September 2009 to Friday, 18 September 2009, both days inclusive, during which period no transfer of shares of the Company will be registered and no shares of the Company will be allotted and issued upon exercise of share options issued/granted by the Company. In order to qualify for attending and voting at the above meeting, unregistered holders of shares of the Company should ensure that all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Company's Share Registrar in Hong Kong, Tricor Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 15 September 2009.
4. In relation to the ordinary resolutions nos. 4, 5 and 6 set out in the above notice, the Directors wish to state that they have no immediate plan to issue any new shares or repurchase any existing shares of the Company.
5. All the resolutions at the meeting will be taken by poll pursuant to the Listing Rules and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
6. The Chinese translation of this notice (including the contents of the proposed resolutions set out herein) is for reference only. In case of inconsistency, the English version shall prevail.