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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 INDUSTRIES HOLDINGS LIMITED
東力實業控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

Website: <http://www.tonic.com.hk>

(Stock Code: 978)

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS
OF THE COMPANY
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of Tonic Industries Holdings Limited to be held at Golden Dynasty Court, Macau Jockey Club, Hong Kong Club House, 3/F, Shun Tak Centre, Connaught Road Central, Hong Kong on Friday, 26 April 2013 at 11:30 a.m. is set out on page 11 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, Wanchai, 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 Golden Dynasty Court, Macau Jockey Club, Hong Kong Club House, 3/F, Shun Tak Centre, Connaught Road Central, Hong Kong on Friday, 26 April 2013 at 11:30 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on page 11 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 26 July 2010
“Board”	the board of Directors
“Company”	Tonic Industries Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the main board of the Stock Exchange
“CMPD”	招商局地產控股股份有限公司 (China Merchants Property Development Co., Ltd.) a company incorporated in the PRC with limited liability, with shares listed on the Shenzhen Stock Exchange. It is the intermediate controlling shareholder of the Company through Eureka
“CMPD Group”	CMPD and its subsidiaries
“Director(s)”	the director(s) of the Company
“Eureka”	Eureka Investment Company Limited (瑞嘉投資實業有限公司), a company incorporated in Hong Kong with limited liability and is wholly owned by CMPD. It is the indirect controlling shareholder of the Company
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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Executive Directors:

HUANG Peikun (*Chairman*)

SO Shu Fai

LIU Zhuogen

YU Zhiliang

Registered office:

P.O. Box 309 GT

Ugland House

South Church Street

George Town

Grand Cayman

Cayman Islands

British West Indies

Non-executive Director:

LIU Ning

Independent Non-executive Directors:

WONG Wing Kuen, Albert

CHEN Yanping

SHI Xinping

Principal place of business:

Room 3111, 31/F,

China Merchants Tower,

Shun Tak Centre,

Nos. 168-200 Connaught Road Central,

Hong Kong

2 April 2013

To the Shareholders

Dear Sir/Madam,

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 the re-election of the retiring Directors.

2. 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 of the Company) 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 term) shall be subject to retirement by rotation at least once every

* For identification purpose only

LETTER FROM THE BOARD

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, Dr. So Shu Fai, Mr. Yu Zhiliang and Dr. Wong Wing Kuen, Albert shall retire by rotation at the Annual General Meeting and being eligible, will offer himself for re-election at the Annual General Meeting. Details of Dr. So Shu Fai, Mr. Yu Zhiliang and Dr. Wong Wing Kuen, Albert as required to be disclosed by the Listing Rules are set out in the Appendix to this circular.

3. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on page 11 of this circular. At the Annual General Meeting, resolutions will be proposed for the re-election of the retiring Directors of the Company.

Pursuant to the Listing Rules, any vote of Shareholders at a general meeting, other than those of administrative and procedural nature, 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, Wanchai, 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

4. RECOMMENDATION

The Directors consider that the 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 to be held on 26 April 2013.

5. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix (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
HUANG Peikun
Chairman

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.

A. DR. SO SHU FAI

Position & Experience

Dr. So Shu Fai, aged 61, was appointed an executive Director of the Company on 11 December 2010.

Dr. So is an executive director of SJM Holdings Limited (listed on the Stock Exchange) and is currently the Chairman of Shenzhen Super Perfect Optics Limited. He is an independent non-executive director of SHK Hong Kong Industries Limited (listed on the Stock Exchange), a director of the Euronext Lisbon listed Estoril-Sol, SGPS, S.A., and the chairman of the board of directors of MACAUPORT Sociedade de Administração de Portos, S.A.

Dr. So is a member of the 12th National Committee of the Chinese People's Political Consultative Conference, a member of the 9th National Committee of China Federation of Literary and Art Circles, the honorary consul of the Republic of Portugal in the Hong Kong SAR, as well as a member of the Economic Development Council and of the Cultural Consultative Council of the Macau SAR Government. Dr. So is the president of Clube Militar de Macau and a member of the board of directors of The University of Hong Kong Foundation for Educational Development and Research.

Dr. So was awarded the Medal of Merit — Culture by the Macau SAR Government in 2009. He was awarded the Doctor of Social Sciences *honoris causa* by the University of Macau in 2012, and the Honorary University Fellowship by The University of Hong Kong in 2005.

Dr So is a Chartered Secretary and a Fellow member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. He graduated with a Bachelor of Science degree from The University of Hong Kong in 1973, and received a doctoral degree in Management Studies from IMC/Southern Cross University in 2001.

Relationship with Directors, senior management or substantial/controlling shareholders

Other than the relationship arising from his being an executive Director and himself a shareholder of the Company, Dr. So does not have any relationship with any other Director, senior management or substantial shareholders (as defined in the Listing Rules, or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in the securities of the Company

Dr. So is a shareholder of the Company by virtue his controlling interests in Skill China Limited through Fortune Alliance Group Ltd. and in turn Jointprofit Limited which he owns 100%. Skill China Limited holds 32,054,066 shares, or 3.00%, in the issued share capital of the Company.

Length of service and emoluments

Dr. So has not entered into any service contract with the Company but subject to retirement by rotation at the annual general meetings of the Company in accordance with the articles of association of the Company.

Dr. So is entitled to an annual remuneration of HK\$40,000 which has been determined by reference to his experience and responsibilities, the Company's performance and remuneration policy and the prevailing market conditions.

Matters that need to be brought to the attention of Shareholders

Save as disclosed above, there is no information relating to Dr. So which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

B. MR. YU ZHILIANG**Position and Experience**

Mr. Yu Zhiliang, aged 34, joined the Company as an executive Director on 2 June 2012. Mr. Yu is also the Group Chief Financial Controller, with effect from 29 June 2012.

Mr. Yu has been serving as a chief financial officer of China Merchants Property (Xiamen) Co. Ltd. (招商局地產(廈門)有限公司) since 2010. Mr. Yu worked as a director of China Merchants Properties Development Ltd. (招商局置業有限公司) and he was a director of Wahsheung Finance Ltd. (華商財務有限公司). He received a bachelor degree in accounting from Xiamen University (廈門大學) and obtained an MBA degree in finance at the Chinese University of Hong Kong. Mr. Yu is an accountant of the PRC.

Relationship with Directors, senior management or substantial/controlling shareholders

Other than the relationship arising from his being an executive Director of the Company, Mr. Yu is related with Mr. Huang Peikun, Mr. Liu Zhuogen and Ms. Liu Ning in their respective positions within the CMPD Group, Mr. Yu does not have any relationship with any other Director, senior management or substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in the securities of the Company

Mr. Yu does not have any interests in the securities of the Company within the meaning of Part XV of the SFO.

Length of service and remuneration

Mr. Yu has not entered into any service contract with the Company but has signed an appointment letter with the Company, terms of which, among others, has a term which continues until terminated by either party by giving the other party a written notice of not less than three months but subject to retirement by rotation at the annual general meetings of the Company in accordance with the articles of association of the Company.

Mr. Yu is entitled to an annual remuneration of HK\$40,000 which has been determined by reference to his experience and responsibilities, the Company's performance and remuneration policy and the prevailing market conditions.

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

Save as disclosed above, there is no information relating to Mr. Yu which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

C. DR. WONG WING KUEN, ALBERT**Position and Experience**

Dr. Wong Wing Kuen, Albert, aged 61, joined the Company as an independent non-executive Director on 2 June 2012. Dr. Wong is the chairman of the Audit Committee and a member of the Remuneration Committee of the Board.

Dr. Wong is currently the managing director of Charise Financial Planning Limited, a private professional consulting firm in Hong Kong. He is also serving as an independent non-executive director of APAC Resources Limited, a company listed on the Stock Exchange (Stock Code: 1104), an independent non-executive director of Solargiga Energy Holdings Limited, a company listed on the Stock Exchange (Stock Code: 757) and a non-executive director of Rare Earths Global Limited, a company listed in AIM market of the London Stock Exchange.

Dr. Wong holds a Doctor of Philosophy in Business Administration degree from the Bulacan State University, Republic of the Philippines. Dr. Wong received a bachelor degree in commerce from a joint programme of Shenzhen University (深圳大學) and Clayton University, Missouri, USA. He also received both a bachelor degree and a master degree in business administration from Nottingham Trent University, UK. Dr. Wong is a fellow member of the Institute of Chartered Secretaries and Administrators, a fellow member of the Hong Kong Institute of Chartered Secretaries, a fellow member of the Taxation Institute of Hong Kong, a member of the Hong Kong Securities Institute, a fellow member of Association of International Accountants, a fellow member of Society of Registered Financial Planners, Hong Kong, a member of the Chartered Institute of Arbitrators, an associate member of the Chartered Institute of Bankers in Scotland and a full member of Macau Society of Certified Practising Accountants. Dr. Wong is a Registered Financial Planner of Hong Kong, a certified tax adviser of Hong Kong, a certified accountant of Australia and Ireland and a Registered Financial Planner (level two) of the PRC.

Relationship with Directors, senior management or substantial/controlling shareholders

Other than the relationship arising from his being an independent non-executive Director of the Company, chairman of the Audit Committee and a member of the Remuneration Committee of the Board, Dr. Wong does not have any relationship with any other Director, senior management or substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in the securities of the Company

Dr. Wong does not have any interests in the securities of the Company within the meaning of Part XV of the SFO.

Length of service and remuneration

Dr. Wong has not entered into any service contract with the Company but has signed an appointment letter with the Company, terms of which, among others, has a term which continues until terminated by either party by giving the other party a written notice of not less than three months but subject to retirement by rotation at the annual general meetings of the Company in accordance with the articles of association of the Company.

Dr. Wong is entitled to an annual remuneration of HK\$80,000 which has been determined by reference to his experience and responsibilities, the Company's performance and remuneration policy and the prevailing market conditions.

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

Save as disclosed above, there is no information relating to Dr. Wong which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

Dr. Wong meets the independence guidelines set out in Rule 3.13 of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING

TONIC INDUSTRIES HOLDINGS LIMITED

東力實業控股有限公司*

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NOTICE IS HEREBY GIVEN that an annual general meeting (“AGM”) of Tonic Industries Holdings Limited (the “Company”) will be held at Golden Dynasty Court, Macau Jockey Club, Hong Kong Club House, 3/F, Shun Tak Centre, Connaught Road Central, Hong Kong on Friday, 26 April 2013 at 11:30 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors (the “Directors”) and auditors of the Company for the nine months ended 31 December 2012;
2. To re-elect the retiring Directors of the Company and to authorise the board of Directors (the “Board”) to fix their remuneration;
3. To re-appoint Deloitte Touche Tohmatsu as auditors of the Company until the conclusion of the next annual general meeting and authorize the Board to fix their remuneration;

By order of the Board
Chan Wing Yan
Company Secretary

Hong Kong, 2 April 2013

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, Wanchai, 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. In relation to the re-election of Directors under item 2, the Directors wish to state that such re-election will be voted upon individually of each Director.
4. 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.
5. 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.

* *For identification purpose only*