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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)

ADJOURNMENT OF EGM AND TERMINATION OF PLACING AGREEMENT

RESUMPTION OF TRADING

We refer to the circular of our Company (the “Circular”) and the notice of the extraordinary general meeting of our Company dated 20 June 2013. Terms used in this announcement shall have the same meanings as defined in the Circular.

Our Board of Directors announces that it will propose to adjourn the EGM to be held on 8 July 2013 and the Placing Agreement, which was expected to be completed on 9 July 2013, has been terminated by agreement of the parties. If so consented to by the Shareholders at the EGM, the EGM will be adjourned until further notice.

The adjournment of the EGM and the termination of the Placing Agreement would give the Company more time to obtain the land use rights certificate for the whole parcel of land No. G54 for Yonghuafu in Nanjing prior to closing of the Acquisition, which was expected to take place on or before 11 July 2013, would allow the Company to re-evaluate the financing options available to the Company in connection with the Acquisition, and would give the Shareholders more time to consider the Acquisition.

The new date for the EGM to approve the Acquisition and related matters will be notified to the Shareholders by way of an announcement and a supplemental circular will be despatched to the Shareholders in due course. Further details of any financing arrangements, which may include a placing of shares in the Company, will also be announced as and when appropriate.

The Company believes that the land use rights certificate will not be obtained on or before 11 July 2013, the expected closing of the Acquisition. The Company will continue to take the necessary steps to obtain such certificate as soon as possible.

The legal advice given by our PRC legal advisers, Shu Jin Law Firm, namely that if the land use rights certificate can be obtained before 31 July 2015, as far as the obtaining of the land use rights certificate is concerned, there will be no risk for the Enlarged Group to perform its obligations under the existing pre-sale contracts that have been entered into, remains unchanged.

* For identification purpose only

As disclosed in the Circular, CMPD is currently the real estate flagship of China Merchants Group. Our Group will continue to be developed as CMPD's overseas business platform and our Company, CMPD and Eureka have re-affirmed their intention to complete the Acquisition as soon as practicable and, in any event, by 31 December 2013, being the long stop date as provided in the share purchase agreement in relation to the Acquisition.

SHAREHOLDERS OF THE COMPANY AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN THEY DEAL OR CONTEMPLATE DEALING IN THE SHARES OR OTHER SECURITIES OF THE COMPANY.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

Trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 2 July 2013 at the request of the Company pending the publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 4 July 2013.

By Order of the Board
Tonic Industries Holdings Limited
Mr. Huang Peikun
Chairman

Hong Kong, 3 July 2013

As at the date of this announcement, the Board comprises Mr. Huang Peikun, Dr. So Shu Fai, Mr. Liu Zhuogen and Mr. Yu Zhiliang as executive Directors; Ms. Liu Ning as non-executive Director and Dr. Wong Wing Kuen, Albert, Ms. Chen Yanping and Dr. Shi Xinping as independent non-executive Directors.