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# TONIC

**TONIC INDUSTRIES HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands  
with limited liability)*

**(Stock Code: 978)**

**SKILL CHINA LIMITED**

*(Incorporated in the British Virgin Islands  
with limited liability)*

**PROPOSED CAPITAL REORGANISATION;  
PROPOSED GROUP REORGANISATION AND CREDITOR SCHEME; AND  
PROPOSED SUBSCRIPTION OF NEW SHARES AND APPLICATION FOR  
THE GRANTING OF THE WHITEWASH WAIVER**

**DESPATCH OF THE CIRCULAR  
PROFIT WARNING  
AND  
CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

Financial adviser to  
Tonic Industries Holdings Limited  
 **SOMERLEY LIMITED**

Financial adviser to  
Skill China Limited  
 **華富嘉洛  
企業融資**

Reference is made to the joint announcements dated 27 January 2010, 26 February 2010 and 24 June 2010 (the “Joint Announcements”) made by the Company and Skill China Limited in respect of, among other things, the proposed capital reorganisation, the proposed group reorganisation and creditor schemes, the proposed subscription of new shares and application for the granting of the whitewash waiver. Unless otherwise defined, capitalised terms used herein shall have the same meanings as in the Joint Announcements.

## **DESPATCH OF THE CIRCULAR**

The Directors announce that the circular dated 28 June 2010 (the “Circular”) containing, among other things, (i) information on the proposed restructuring of the Company involving the Capital Reorganisation, the Group Reorganisation, the Creditor Scheme, the Subscription and the Whitewash Waiver (the “Restructuring Proposal”); (ii) a letter of recommendation from the independent board committee of the Company (the “Independent Board Committee”) in respect of the Restructuring Proposal, the Whitewash Waiver and the transactions contemplated thereunder; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the Restructuring Proposal, the Whitewash Waiver and the transactions contemplated thereunder; and (iv) a notice of the EGM, has been despatched to the Shareholders on 28 June 2010.

Shareholders are advised to read carefully the contents of the Circular, in particular, the letter of recommendation from the Independent Board Committee and the letter of advice from the independent financial adviser before considering the resolutions to approve the Restructuring Proposal, the Whitewash Waiver and the transactions contemplated thereunder.

## **PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors of the Company that the audited results of the Group for the 9 months ended 31 December 2009 recorded an increased loss attributable to equity holders of the Company of approximately HK\$767,316,000, as compared to approximately HK\$95,571,000 for the corresponding period of 2008 mainly due to, among other things, the significant stock written off and impairment of assets during the period. The net assets of the Group has been decreased from approximately HK\$386,680,000 as at 31 March 2009 to net liabilities of HK\$400,212,000 as at 31 December 2009, mainly due to the decrease in total assets of the Group.

Detailed information regarding the result of the Group for the 9 months ended 31 December 2009 has been disclosed in the Circular, which includes the financial information of the Group for each of the three financial years ended 31 March 2009 and for the nine months ended 31 December 2009.

## **CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

The Board wishes to announce that the principal place of business of the Company in Hong Kong will be changed to Flat K2, Block 2, 2/F., Kaiser Estate, 51 Man Yue Street, Hunghom, Kowloon, Hong Kong, with effective from 1 July 2010.

**Shareholders and potential investors should be aware that the Completion is subject to the satisfaction and/or waiver of the conditions precedent set out in the Subscription Agreement which may or may not be obtained. Shareholders and potential investors are therefore advised to exercise caution when dealing in the securities of the Company.**

By order of the Board  
**Tonic Industries Holdings Limited**  
**LING Siu Man, Simon**  
*Chairman & Managing Director*

By order of the board of directors of  
**Skill China Limited**  
**Chan Wai Dune**  
*Director*

Hong Kong, 28 June 2010

*As at the date of this announcement, the Board comprises Mr. Ling Siu Man, Simon, Mr. Wong Ki Cheung and Ms. Li Fung Ching, Catherine as Executive Directors and Mr. Pang Hon Chung, Mr. Cheng Tsang Wai and Dr. Chung Hing Wah, Paul as Independent Non-executive Directors.*

*As at the date of this announcement, there are three directors of the Subscriber namely Dr. So Shu Fai, Mr. Ge Zhang and Mr. Chan Wai Dune.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Concert Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than opinions expressed by the Concert Group) 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 statements in this announcement misleading.*

*The directors of the Subscriber jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than opinions expressed by the Group) 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 statements in this announcement misleading.*