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TONIC

TONIC INDUSTRIES HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 978)

**PROPOSED CAPITAL REORGANISATION;
PROPOSED GROUP REORGANISATION AND CREDITOR SCHEME;
PROPOSED SUBSCRIPTION OF NEW SHARES
AND
PROPOSED ISSUE OF REMUNERATION SHARES**

PROGRESS OF THE CREDITOR SCHEME

**Financial adviser to
Tonic Industries Holdings Limited**



Reference is made to the Company's circular dated 28 June 2010, the joint announcement made by the Company and Skill China Limited dated 26 July 2010 and the announcement of the Company dated 2 August 2010 (the "Announcement"), in respect of, among other things, the proposed capital reorganisation, the proposed group reorganisation and creditor scheme, the proposed subscription of new shares and the proposed issue of remuneration shares. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcement.

The Board is pleased to announce that further to the Hong Kong Court Hearing on 3 August 2010 (Hong Kong time), the High Court of Hong Kong has made an order dated 3 August 2010, inter alia, granting the Company permission to convene a meeting of Creditors for the purpose of considering and, if thought fit, approving, the Creditor Scheme under the laws of Hong Kong.

Further to the hearings of the Court and the High Court of Hong Kong on 29 July 2010 (Cayman Islands time) and 3 August 2010 (Hong Kong time) respectively, the respective courts have granted the Company permission to convene a meeting of Creditors for the purpose of considering and, if thought fit, approving the Creditor Scheme. The Board announces that a Scheme Meeting will be held at 35/F., One Pacific Place, 88 Queensway, Hong Kong on 30 August 2010 at 10:30 a.m. (Hong Kong time) for such purpose.

The Company will make further announcements if and when there are material developments in relation to the progress of the Creditor Scheme.

As at the date of this announcement, Completion is still subject to certain conditions precedent being fulfilled (or, if applicable, waived). Further announcement(s) will be made to inform the Shareholders and potential investors of any further developments as and when appropriate. **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

Hong Kong, 11 August 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement 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.