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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
RESULT OF THE CREDITOR SCHEME MEETING**

**Financial adviser to
Tonic Industries Holdings Limited**



SOMERLEY LIMITED

Reference is made to the circular dated 28 June 2010 jointly published by the Company and the Subscriber, the joint announcements made by the Company and the Subscriber dated 26 July 2010 and 5 October 2010 (the “**Joint Announcement**”), and the announcements of the Company dated 2 August 2010, 11 August 2010, 27 August 2010, 30 August 2010, 28 September 2010 and 12 October 2010, 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 Joint Announcement.

The Board announces that the Creditor Scheme was duly approved by a majority in number (i.e. over 50% in number) of the Creditors together representing no less than 75% in value of the Creditors present and voting in person or by proxy at the meeting of the Creditors held on 28 October 2010.

The Company will make an application to the Hong Kong Court for it to hear the Company’s petition to sanction the Creditor Scheme. A hearing date has yet to be fixed.

The Court will hear the Company’s petitions to sanction the Creditor Scheme and confirm the Capital Reduction on 16 November 2010 (Cayman Islands time).

The release of this announcement does not necessarily mean that the Creditor Scheme will be successfully implemented and completed. The Company will make further announcement(s) if and when there are material developments in relation to the progress of the Creditor Scheme.

Pursuant to Rule 8.2 of the Takeovers Code, the Offer Document containing the terms of the Offer should normally be despatched to the Shareholders within 21 days of the date of the Joint Announcement, or such later date as the Executive may approve. As the Offer is subject to Completion of the Subscription, an application has been made to the Executive pursuant to Rule 8.2 of the Takeovers Code for its consent to extend the date of the despatch of the Offer Document within seven (7) days upon the Completion of the Subscription Agreement, which is expected to be on or before 31 December 2010.

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, 28 October 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.