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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)*

### JOINT ANNOUNCEMENT MANDATORY UNCONDITIONAL CASH OFFER BY



**FOR AND ON BEHALF OF SKILL CHINA LIMITED  
FOR ALL THE ISSUED SHARES OF HK\$0.01 EACH  
IN TONIC INDUSTRIES HOLDINGS LIMITED  
(OTHER THAN THOSE SHARES ALREADY OWNED OR AGREED TO  
BE ACQUIRED BY SKILL CHINA LIMITED)**

**DESPATCH OF THE COMPOSITE DOCUMENT  
APPOINTMENT AND RESIGNATION OF DIRECTORS  
CHANGE IN COMPOSITION OF THE REMUNERATION COMMITTEE  
AND EXECUTIVE COMMITTEE  
CHANGE OF AUTHORISED REPRESENTATIVE  
AND  
APPOINTMENT OF COMPANY SECRETARY**

**Financial adviser to  
Tonic Industries Holdings Limited**



**Financial adviser to  
Skill China Limited**



#### DESPATCH OF THE COMPOSITE DOCUMENT

The Composite Document together with the Form of Acceptance have been despatched to the Shareholders on 10 December 2010. The Offer will open for acceptance on and from 10 December 2010 and the latest time and date for acceptance of the Offer is 4:00 p.m. on 31 December 2010. An expected timetable is set out below in this joint announcement.

**Independent Shareholders are strongly advised to read the Composite Document carefully, including the recommendations from the Independent Board Committee and the advice from Access Capital, before deciding whether or not to accept the Offer. Independent Shareholders and/or potential investors of the Company are advised to exercise caution when dealing in the Shares.**

#### **APPOINTMENT AND RESIGNATION OF DIRECTORS**

The board is pleased to announce that the Board had approved the appointments of the Proposed Directors, namely, Dr. So, Mr. Mak Bing Kau, Mr. Ng Wai Hung and Mr. Lau Cheuk Lun, as the executive Directors, all with effect from 11 December 2010, being the day immediately after the posting of the Composite Document.

The Board also announces that Mr. Ling Siu Man, Simon, Mr. Wong Ki Cheung and Ms. Li Fung Ching, Catherine who are the executive Directors, have tendered their resignations as executive Directors and such resignations will take effect from the earliest date permitted under the Takeovers Code. It is expected that the resignations of the Outgoing Directors will become effective on 1 January 2011 after the close of the Offer.

#### **CHANGE IN COMPOSITION OF THE REMUNERATION COMMITTEE AND THE EXECUTIVE COMMITTEE**

Changes in the composition of the remuneration committee and the executive committee are set out in this joint announcement.

#### **CHANGE OF AUTHORISED REPRESENTATIVE AND APPOINTMENT OF COMPANY SECRETARY**

Mr. Ling Siu Man, Simon and Ms. Li Fung Ching, Catherine have resigned as the authorised representative of the Company with effect from 11 December 2010. Dr. So and Mr. Lau Cheuk Lun have been appointed as the authorised representative of the Company with effect from 11 December 2010. Mr. Lau has also been appointed as the company secretary of the Company with effect from 11 December 2010.

Reference is made to (i) the joint announcement dated 5 October 2010 issued by the Company and the Offeror in relation to, among other things, the Offer; (ii) the joint announcement dated 3 December 2010 issued by the Company and the Offeror in relation to the completion of the Capital Reorganisation, Group Reorganisation and the Subscription; and (iii) the composite offer and response document jointly issued by and on behalf of the Company and the Offeror dated 10 December 2010 (the “**Composite Document**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Composite Document.

## DESPATCH OF THE COMPOSITE DOCUMENT

The Composite Document containing, among other things, (i) the expected timetable in respect of the Offer, (ii) a letter from Quam Capital, the financial adviser to the Offeror, (iii) a letter from the Board, (iv) a letter of recommendation from the Independent Board Committee, and (v) a letter of advice from Access Capital, the independent financial adviser to the Independent Board Committee, together with the Form of Acceptance, has been despatched to the Shareholders on 10 December 2010 in accordance with the Takeovers Code.

The Offer will open for acceptance on and from 10 December 2010 and the latest time and date for acceptance of the Offer is 4:00 p.m. on 31 December 2010.

## EXPECTED TIMETABLE

An expected timetable of the Offer is set out below:

Offer opens for acceptance . . . . . Friday, 10 December 2010

Latest time and date for acceptance of  
the Offer (*Notes 1 & 3*) . . . . . 4:00 p.m. on Friday, 31 December 2010

Closing Date (*Note 1*) . . . . . Friday, 31 December 2010

Announcement of the results of the Offer or as to  
whether the Offer has been revised or extended,  
on the website of the Stock Exchange (*Note 1*) . . . . . by 7:00 p.m. on  
Friday, 31 December 2010

Latest date of posting of remittances in respect of  
valid acceptances received on or before the latest time  
for acceptance of the Offer (*Note 2*) . . . . . Monday, 10 January 2011

### Notes:

1. The latest time for acceptance of the Offer is 4:00 p.m. on Friday, 31 December 2010. The Offer, which is unconditional, will be closed on Friday, 31 December 2010 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. The Offeror reserves the right to extend the Offer until such date it may determine pursuant to the Takeovers Code. The Offeror will issue an announcement on Friday, 31 December 2010 as to whether the Offer has been revised, extended or expired and, in relation to any extension of the Offer, to state either the next closing date or that the Offer will remain open until further notice.
2. Payment will be made as soon as possible, but in any event within 10 days of the date of receipt by the Registrar, from the Shareholders accepting the Offer, of the valid requisite documents. Please refer to the paragraph headed "Settlement" in Appendix I to the Composite Document.
3. Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except in the circumstances as set out in paragraph 4 headed "Right of withdrawal" in Appendix I to the Composite Document.

All time references contained in this joint announcement refer to Hong Kong time and dates.

## **RECOMMENDATIONS OF THE INDEPENDENT BOARD COMMITTEE**

Independent Shareholders are strongly advised to read the Composite Document carefully, including the recommendations from the Independent Board Committee and the advice from Access Capital, before deciding whether or not to accept the Offer.

### **IMPORTANT**

**Independent Shareholders and/or potential investors of the Company are advised to exercise caution when dealing in the Shares. The Offeror and the Company remind their respective associates of the dealing restrictions under the Takeovers Code and to disclose their permitted dealings, if any, in any securities of the Company.**

### **APPOINTMENT OF DIRECTORS**

The board is pleased to announce that the Board had approved the appointments of proposed new directors of the Company (the “Proposed Directors”), namely, Dr. So, Mr. Mak Bing Kau, Mr. Ng Wai Hung and Mr. Lau Cheuk Lun, as the executive Directors, all with effect from 11 December 2010, being the day immediately after the posting of the Composite Document.

Set out below are the biographical details of the Proposed Directors:

**Dr. So Shu Fai**, aged 59, is an executive director of SJM Holdings Limited and is currently the Chairman of Shenzhen Super Perfect Optics Limited. He is an independent non-executive director of SHK Hong Kong Industries Limited (formerly known as Yu Ming Investments Limited), which is 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 was an executive director of Shun Tak Holdings Limited (listed on the Stock Exchange) from 1991 to 2009. Dr. So is a member of the 11th National Committee of the Chinese People’s Political Consultative Conference (“CPPCC”), a member of the Committee of Foreign Affairs of the National Committee of CPPCC, a consultant to the Committee for Liaison with Hong Kong, Macau, Taiwan and Overseas Chinese of the Beijing Municipal Committee of CPPCC, 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, a member of the board of directors of The University of Hong Kong Foundation for Educational Development and Research, as well as a committee member of the 8th China Federation of Literary and Art Circles. 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.

As at the date of this joint announcement, save for his indirect interest in the Subscription Shares, Dr. So does not have any other interest in the Shares within the meaning of Part XV of the SFO.

**Mr. Mak Bing Kau**, aged 61, graduated from the University of Hong Kong with a First Class Honours Bachelor of Science degree in Electrical Engineering in 1973, and subsequently obtained a Master of Science degree in Electrical Engineering from the same University. He joined the Hongkong Electric Co., Ltd. (“HEC”), one of the two power companies in Hong Kong, in 1973 and had since held various key engineering positions in HEC, including Chief Engineer in technical services and Acting General Manager (Transmission & Distribution). He retired from HEC in late 2009 and has since been appointed as an honorary lecturer of the Electrical & Electronic Engineering Department of the University of Hong Kong. Mr. Mak is a Chartered Engineer, a Fellow of the Institution of Electrical Engineers and also a Corporate Member of the Hong Kong Institution of Engineers. He is active in engineering and community services, including serving as the Chairman of the UK’s Institution of Electrical Engineers (Hong Kong Branch), an adviser of the Electrical Engineering Department of the Hong Kong Polytechnic University as well as a member of the Electrical Safety Advisory Committee of the Government of the Hong Kong Special Administrative Region.

As at the date of this joint announcement, Mr. Mak does not have any interest in the Shares within the meaning of Part XV of the SFO.

**Mr. Ng Wai Hung**, aged 61, graduated from the Hong Kong Technical College in 1976, received his MBA from the Asia International Open University in 1993. Mr. Ng is a co-founder of SAE Magnetics (H.K.) Ltd. in 1980 which began from a manufacturer of recording heads for floppy disk drives, Mr. Ng has managed to transform the company to now the largest independent manufacturer of state-of-the-art magnetic recording heads for hard disk drives (HDD), In Dongguan where SAE’s manufacturing facility locates, Mr. Ng has established close working relationships with foreign investors and government officials of the city. Furthermore, Mr. Ng plays many active roles in community services in various institutions, for example, he founded the Hong Kong Critical Components Manufacturers Association (HKCCMA) in 1998, serves the business and professional communities including the Chairman of the Science and Technology Committee of the Asia Pacific Academy for Productivity and Innovation, the Board of Governors of the East-West Strategic Development Commission, and the council member of the Better Hong Kong Foundation.

As at the date of this joint announcement, Mr. Ng does not have any interest in the Shares within the meaning of Part XV of the SFO.

**Mr. Lau Cheuk Lun**, aged 56, is currently the Finance Director of Shenzhen Super Perfect Optics Limited. Mr. Lau has worked in Toronto, Canada for CIBA Vision Canada Inc. for 16 years until 2005, the most recent post being Chief Financial Officer. In January 2006, Mr. Lau joined Bio Treat Technology Limited, a publicly listed company on Singapore Stock Exchange, as Chief Financial Officer, until June 2010, after which he joined Shenzhen Super Perfect Optics Limited. Mr. Lau holds several accounting designations namely, A.C.A (England and Wales), C.P.A. (Hong Kong) and F.C.C.A. (U.K.).

As at the date of this joint announcement, Mr. Lau does not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed herein, the Proposed Directors do not have any other relationship with any directors, senior management or substantial or controlling shareholder of the Company and have not held any directorship in other listed public companies in the last three years.

Each of the Proposed Directors does not have a service contract with the Company but is subject to retirement by rotation and re-election at annual general meeting and vacation of office in accordance with the provisions of the bye-laws of the Company. Each of Dr. So, Mr. Mak Bing Kau, Mr. Ng Wai Hung and Mr. Lau Cheuk Lun will be entitled to receive a fixed annual remuneration of HK\$300,000, HK\$200,000, HK\$200,000 and HK\$660,000 respectively.

Save as disclosed above, the Board is not aware of any matter in relation to the appointments of the newly appointed Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and any other matter that needs to be brought to the attention of the shareholders of the Company.

## **RESIGNATION OF DIRECTORS**

The Board also announces that Mr. Ling Siu Man, Simon, Mr. Wong Ki Cheung and Ms. Li Fung Ching, Catherine who are the executive Directors, have tendered their resignations as executive Directors (the “**Outgoing Directors**”) and such resignations will take effect from the earliest date permitted under the Takeovers Code. It is expected that the resignations of the Outgoing Directors will become effective on 1 January 2011 after the close of the Offer.

The resignation of the aforesaid resigning Directors is due to change in control of the Company following the Completion. They have confirmed that they have no disagreement with the Board and that they are not aware of any matter relating to their resignations that need to be brought to the attention of the shareholders of the Company.

## **CHANGES IN COMPOSITION OF THE REMUNERATION COMMITTEE AND THE EXECUTIVE COMMITTEE**

The Board approved the following changes in the composition of the remuneration committee and the executive committee, all with effect from 11 December 2010, being the day immediately after the posting of the Composite Document:

- (i) Ms. Li Fung Ching, Catherine has resigned as member of the remuneration committee. Dr. So has been appointed as member of the remuneration committee; and
- (ii) Mr. Ling Siu Man, Simon has resigned as chairman and member of the executive committee and Ms. Li Fung Ching, Catherine has resigned as member of the executive committee. Dr. So has been appointed as chairman and member of the executive committee and Mr. Lau Cheuk Lun has been appointed as member of the executive committee.

## **CHANGE OF AUTHORISED REPRESENTATIVE AND APPOINTMENT OF COMPANY SECRETARY**

The Board also announces that Mr. Ling Siu Man, Simon and Ms. Li Fung Ching, Catherine have resigned from the position of authorised representative of the Company effective on 11 December 2010. Each of Mr. Ling Siu Man, Simon and Ms Li Fung Ching, Catherine has confirmed that they are not aware of any matters which should be brought to the notice of the Board, the shareholders of the Company or the Stock Exchange in connection with their aforesaid resignations.

Dr. So and Mr. Lau Cheuk Lun have been appointed as the authorised representative of the Company effective on 11 December 2010. Mr. Lau has also been appointed as the company secretary of the Company effective on 11 December 2010.

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, 10 December 2010

*As at the date of this joint 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 joint announcement, there are three directors of the Offeror 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 joint 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 joint 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 joint announcement the omission of which would make any statements in this joint announcement misleading.*

*The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the Group and its associates) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Group and its associates) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.*