

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

# TONIC

## TONIC INDUSTRIES HOLDINGS LIMITED

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

**(Stock Code: 978)**

### **CHANGE OF AUDITORS AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

#### **CHANGE OF AUDITORS**

The Board announces that Ernst & Young has resigned as the auditor of the Group with effect from 4 June 2010. The Board has resolved to appoint Anda CPA Limited as the new auditor of the Group to fill the casual vacancy following the resignation of Ernst & Young, and to hold office until the conclusion of the next annual general meeting of the Company.

#### **APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

The Board announces that Access Capital Limited has been appointed as the independent financial adviser to advise the independent board committee and the Independent Shareholders of the Company in respect of the Capital Reorganisation, the Group Reorganisation, the Subscription Agreement and the Whitewash Waiver and the appointment has been approved by the independent board committee of the Company.

Reference is made to the joint announcements dated 27 January 2010 and 26 February 2010 (the “Joint Announcements”) made jointly 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.

#### **CHANGE OF AUDITORS**

The Board of Company hereby announces that Ernst & Young resigned as the auditor of the Group with effect from 4 June 2010.

The Board announces further that following the resignation of Ernst & Young as auditor of the Group, the Board has resolved to appoint Anda CPA Limited (“**Anda**”) as the new auditor of the Group to fill the casual vacancy and to hold office until the conclusion of the next annual general meeting of the Company.

The reason for the change of the Group’s auditors is due to the fact that the Company could not reach consensus with Ernst & Young on the level of audit fees charged.

Ernst & Young has confirmed in its letter of resignation dated 2 June 2010 that there are no matters or circumstances connected with their resignation which it consider should be brought to the attention of the members or creditors of the Company or its subsidiaries. The Board also confirms that there are no matters or circumstances in respect of the change of the auditor which they consider should be brought to the attention of the holders of securities of the Company or members or creditors of the Company or its subsidiaries.

#### **APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

The Board announces that Access Capital Limited has been appointed as the independent financial adviser to advise the independent board committee and the Independent Shareholders of the Company in respect of the Capital Reorganisation, the Group Reorganisation, the Subscription Agreement and the Whitewash Waiver and the appointment has been approved by the independent board committee of the Company.

By Order of the Board  
**Tonic Industries Holdings Limited**  
**Ling Siu Man, Simon**  
*Chairman*

Hong Kong, 10 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.*

*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 statement in this announcement misleading.*