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TONIC
TONIC INDUSTRIES HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 978)

**TERMINATION OF SUBSCRIPTION AGREEMENT
UNDER GENERAL MANDATE**

Reference is made to the announcement of Tonic Industries Holdings Limited (the “Company”) dated 24 July 2009 in relation to, among other things, the subscription of shares under general mandate. The Board of Directors (the “Board”) announces that the Subscription Agreement was terminated on 28 October 2009. According to the Subscription Agreement, the Subscriber has the right to terminate its obligations if any occurrence of any nature which may materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole. The Subscriber regarded that the litigations of the Group may adversely affect the business position of the Company. Accordingly, the Company, Success Forever Limited and the Subscriber mutually agreed to terminate the Subscription Agreement.

As stated in the Announcement, the net proceeds of the Subscription were for capital expenditure and the related research and investigation costs for the investment in wind energy projects, the manufacture of certain components of wind energy equipment and other related products. The Company has not invested in any wind energy related project yet. The Board considers that the termination of the Subscription Agreement shall have no material adverse impact on the financial and business positions of the Company.

By order of the Board
Tonic Industries Holdings Limited
Ling Siu Man, Simon
Chairman and Managing Director

Hong Kong, 29 October 2009

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