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

**COMPLETION OF DISCLOSEABLE TRANSACTION
DISPOSAL OF THE EQUITY INTEREST IN A SUBSIDIARY**

The Board announces that the disposal of the entire issued share capital of Tonic Appliances was completed on 21 December 2007.

Reference is made to the announcement of the Company dated 29 November 2007 and the circular of the Company dated 17 December 2007 (the "Circular") regarding the disposal of the entire issued share capital of Tonic Appliances. Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as defined in the Circular.

The Board announces that the Completion had taken place on 21 December 2007. The amount of HK\$5,609,826, being the consideration (subject to adjustment) of the Disposal had been deposited into the bank account of the Company.

On 24 January 2008, the Company and the Purchaser agreed the Completion Net Asset Value of Tonic Appliances was HK\$3,687,499. As the Completion Net Asset Value is less than the Management Accounts Net Value (which was HK\$3,718,160) by HK\$30,661, the Company will, according to the terms of the Sale and Purchase Agreement, pay over the amount of HK\$61,322 (being two times of HK\$30,661) to the Purchaser.

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

Hong Kong, 25 January 2008

As at the date of this announcement, the Board comprises Mr. Ling Siu Man, Simon, Mr. Wong Ki Cheung, Ms. Li Fung Ching, Catherine, Mr. Au Wai Man 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.