

**TONIC INDUSTRIES HOLDINGS LTD:  
TWO SUBSIDIARIES ARE SUED FOR \$HK15 MILLION-PLUS**

Two wholly owned subsidiaries of [Tonic Industries Holdings Ltd \(\)](#) (Code: 978, Main Board, The Stock Exchange of Hongkong Ltd) have been sued in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) for a little more than \$HK15 million.

The 2 subsidiaries are Tonic Electronics Ltd () and Tonic Trading Development Ltd ().

The Plaintiffs in HKSAR High Court Action, Numbers 1815 and 1816, are both J.C. Electronic Company Ltd.

The 2 Statements of Claim, attached to the Writs of Summons, are, in essence, identical.

The Plaintiff alleges that between August 21, 2008, and April 21, 2009, in the case of Action Number 1815, Tonic Trading Development Ltd agreed to buy from the Plaintiff, some printed circuit boards, but an amount of money in respect of the purported agreement is still outstanding.

That amount of money is alleged as being \$HK4,743,443.67.

It is alleged that the Defendant *'has refused and/or failed to pay the total outstanding sum ...'*.

With regard to Action Number 1816, it is alleged that between September 1, 2008, and May 9, 2009, Tonic Electronics Ltd agreed to buy from the Plaintiff, some printed circuit Boards, but an amount of money in respect of this purported agreement remains outstanding.

That amount of money is alleged as being \$HK10,541,664.26.

The same allegation is made as in Action Number 1815 in that the Defendant *'has refused and/or failed to pay the total outstanding sum ...'*.

Tonic Industries Holdings Ltd is in the business of design, manufacture and trading in consumer electronic products and components and home appliances products.

For the Financial Year, ended March 31, 2009, the company reported a Loss Attributable to Shareholders of about \$HK174.89 million on a Turnover of about \$HK2.06 billion.

The 2009-Year was the first Fiscal Year that the company had not turned in a positive Bottom Line since at least the 2005-Year.

As at the 2009 Balance Sheet Date, Tonic Industries Holdings Ltd had cash and bank balances of about \$HK36.76 million.

Current Liabilities, however, exceeded Current Assets by about \$HK211.48 million.

The aggregate borrowings of the company, as at the 2009 Balance Sheet Date, were about \$HK399 million (2008: \$HK518 million).

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