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**中國天溢控股有限公司**  
**China Tianyi Holdings Limited**

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

**(Stock code: 00756)**

**ANNOUNCEMENT**

**Recent Business Development**

**Expected Expansion of Orange Farms And Processing Capacity In Chongqing  
Tapping Into Opportunities From the PRC's Twelfth Five-Year Plan**

The board (the “**Board**”) of directors (the “**Directors**”) of China Tianyi Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to inform the Company’s shareholders of the Group’s recent business development. The National Development and Reform Commission and Ministry of Industry and Information Technology of the PRC jointly issued the “Twelfth Five-Year Development Plan For the Food Industry 《食品工業「十二五」發展計劃》” (the “**Plan**”) recently. According to the Plan, in order to develop end-products that meet consumers’ demand and to form a product mix that matches demand, the development of concentrated orange juice business will be focused in Chongqing, Hubei and Sichuan, etc.

The Group is the leading frozen concentrated orange juice producer in the People’s Republic of China (the “**PRC**”), and currently operates approximately 61,000 mu (1mu = 0.165 acres) of orange farms. In response to the implementation of the Central Government’s No. 1 document (中央一號文件) of 2012, the Chongqing municipal government has introduced development plan for the citrus industry. It is expected that there will be an orderly increase of approximately 100,000 to 120,000 mu of farms growing new species of oranges in Kai County of Chongqing, the place of origin of Jincheng oranges (錦橙) in the PRC. Desirable species will be selected to grow in these farms so as to enlarge the output of sweet oranges (甜橙), thereby significantly raising the supply of oranges for processing.

The Chongqing Kai County government has signed a cooperation agreement with the Group. Under the agreement, no other similar processing companies will be introduced in the local area as long as the Group has sufficient capacity to process all the oranges produced in the surrounding areas. The Group will also be benefitted from favourable government policies including land concessions, tax reduction and funds for Industrial Development in the Three Gorges Reservoir Area (三峽庫區產業發展基金).

Due to the above, the Group expects to increase approximately 30,000 mu of self-operated orange farms in Kai County of Chongqing by the end of 2012. It is anticipated that these new farms will provide the Group with an additional supply of approximately 90,000 tonnes of oranges (including 55,000 tonnes of fresh oranges and 35,000 tonnes of oranges for processing). It is expected that the Group’s total orange output will increase by 75% year-on-year by the end of 2012.

The Group will continue to develop in line with the State's "Twelfth Five-Year Plan", improving its strategic planning for setting up processing facilities in the PRC's three major citrus plantation areas (i.e. Chongqing, Hunan, Fujian). The Group will continue to consolidate its leading position in the PRC's frozen concentrated orange juice ("FCOJ") industry.

According to the Group's interim results for the six months ended 31 December 2011, the sales of the Group's concentrated orange juice products amounted to approximately RMB226 million, representing an increase of approximately 74% when compared to the same period last year. Sales of FCOJ rose by approximately 139% (compare to the same period last year) to approximately RMB125 million. The increase was mainly attributable to the surge in domestic demand for orange juice, year-on-year increase in products' selling price and ample supply of oranges for processing.

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

By Order of the Board  
**China Tianyi Holdings Limited**  
**Sin Ke**  
*Chairman of the Board*

Hong Kong, 26 March 2012

*As at the date of this announcement, the Board comprises: Mr. SIN Ke and Mr. SAN Kwan as executive Directors; and Mr. Zeng Jianzhong, Mr. ZHUANG Weidong and Mr. ZHUANG Xueyuan as independent non-executive Directors.*