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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)

**COMPLETION OF THE ISSUE OF CONVERTIBLE BONDS
UNDER GENERAL MANDATE**

The Board is pleased to announce that the conditions precedent under the Subscription Agreement were fulfilled and the Completion took place on 18 May 2012. The Convertible Bonds in an aggregate principal amount of HK\$232,800,000 were issued to the Subscriber in accordance with the terms of the Subscription Agreement.

Reference is made to the announcement of China Tianyi Holdings Limited (the “**Company**”) dated 9 May 2012 in relation to the issue of convertible bonds under the General Mandate (the “**Announcement**”). Terms used in this announcement shall have the same meanings as defined in the Announcement unless otherwise stated.

ISSUE OF CONVERTIBLE BONDS

The Board is pleased to announce that the conditions precedent under the Subscription Agreement were fulfilled and the Completion took place on 18 May 2012. The Convertible Bonds in an aggregate principal amount of HK\$232,800,000 were issued to CITIC Capital China Access Fund Limited (the “**Subscriber**”) in accordance with the terms of the Subscription Agreement.

Assuming there is no change in the existing shareholding of the Company and no adjustment to the Conversion Price, a total of 123,174,603 Conversion Shares will be allotted and issued upon full conversion of the Convertible Bonds at the Conversion Price, representing approximately 10.19% of the issued share capital of the Company as at the date of this announcement, and approximately 9.25% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares at the Conversion Price.

Set out below is the shareholding structure of the Company (a) as at the date of this announcement; and (b) immediately upon full conversion of the Convertible Bonds at the Conversion Price, assuming there being no other change in the issued share capital and shareholding structure of the Company since the date of this announcement and none of the Existing Bonds has been exercised (*Note 3*):

	As at the date of this announcement		Immediately upon full conversion of the Convertible Bonds	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Key Wise Group Limited (<i>Note 1</i>)	555,608,145	45.97	555,608,145	41.71
Mr. San Kwan (an executive Director) (<i>Note 2</i>)	2,600,000	0.22	2,600,000	0.20
Mr. Liao Yuang-whang (the Chief Executive Officer of the Company)	1,020,000	0.08	1,020,000	0.08
Public Shareholders				
The Subscriber	0	0	123,174,603	9.25
Other public Shareholders	649,444,582	53.73	649,444,582	48.76
Total	<u>1,208,672,727</u>	<u>100%</u>	<u>1,331,847,330</u>	<u>100%</u>

Note 1: Mr. Sin Ke beneficially owns 51% interest in Cheer Sky Limited, which in turn beneficially owns 49% interest in Key Wise Group Limited. Ms. Hong Man Na, the spouse of Mr. Sin Ke, beneficially owns 51% interest in Key Wise Group Limited. Therefore, Mr. Sin Ke is deemed, or taken to be, interested in the 555,608,145 Shares held by Key Wise Group Limited under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). In addition, Mr. Sin Ke holds 6,000,000 share options granted pursuant to the share option scheme of the Company.

Note 2: Mr. San Kwan holds 5,400,000 share options granted pursuant to the share option scheme of the Company.

Note 3: As at the date of this announcement, none of the Existing Bonds issued on 28 May 2010 as disclosed in the Company's announcements dated 14 May 2010 and 31 May 2010 respectively had been exercised.

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

Hong Kong, 18 May 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 Xueyuan and Mr. ZHUANG Weidong as independent non-executive Directors.