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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)

REDEMPTION OF CONVERTIBLE BONDS DUE ON 28 MAY 2012

On 28 May 2012, the Company redeemed the Convertible Bonds of an aggregate amount of US\$24,200,000, being 110% of all the outstanding principal amount of the Convertible Bonds, in accordance with the terms and conditions of the Convertible Bonds. The Convertible Bonds were issued on 28 May 2010 and has matured on the second anniversary of the issue date in accordance with the terms and conditions thereof.

Upon the redemption, the Convertible Bonds have been cancelled and the Subscribers ceased to hold any convertible bonds issued by the Company.

Reference is made to the announcement of the Company dated 14 May 2010 (the “**Announcement**”) in relation to the Convertible Bonds. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that on 28 May 2012, the Company redeemed the Convertible Bonds of an aggregate amount of US\$24,200,000, being 110% of all the outstanding principal amount of the Convertible Bonds, in accordance with the terms and conditions of the Convertible Bonds. The Convertible Bonds were issued on 28 May 2010 and have matured on the second anniversary of the issue date in accordance with the terms and conditions thereof. The Board considers that the redemption of the Convertible Bonds has no material adverse impact on the existing business of the Group.

Upon the redemption, the Convertible Bonds have been cancelled and Sequoia Capital China Growth Fund I, L.P., Sequoia Capital China Growth Partners Fund I, L.P., Sequoia Capital China GF Principals Fund I, L.P. (collectively, the “**Subscribers**”), which are managed by Sequoia Capital China Advisors Limited, ceased to hold any convertible bonds issued by the Company.

As at the date of this announcement, the Company only has the convertible bonds due on 2015 (the “**2015 Convertible Bonds**”) with the outstanding principal amount of HK\$232,800,000.

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 2015 Convertible Bonds at the initial conversion price of HK\$1.89 per new Share to be allotted and issued to the holders of the 2015 Convertible Bonds (subject to adjustments), assuming there being no other change in the issued share capital and shareholding structure of the Company since the date of this announcement:

	As at the date of this announcement		Immediately upon full conversion of the 2015 Convertible Bonds	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Key Wise Group Limited (<i>Note 1</i>)	555,608,145	45.97	555,608,145	41.71
Mr. San Kwan (<i>an executive Director</i>) (<i>Note 2</i>)	2,600,000	0.22	2,600,000	0.20
Mr. Liao Yuang-whang (<i>the Chief Executive Officer of the Company</i>)	1,020,000	0.08	1,020,000	0.08
Public Shareholders				
CITIC Capital China Access Fund Limited	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.

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

Hong Kong, 28 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 Weidong and Mr. ZHUANG Xueyuan as independent non-executive Directors.