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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the annual report for the year ended 30 June 2014 (the “Annual Report”) issued by China Tianyi Holdings Limited (the “Company”), in relation to, among other matters, the subscription of new shares (the “Subscription”) under general mandate as announced by the Company dated 24 February 2014, 5 March 2014 and 27 March 2014. Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as defined in the Annual Report.

The Board would like to clarify the specific disclosure requirements under paragraph 11 of Appendix 16 to the Listing Rules in the Annual Report relating to the Subscription as below:

Issue of shares by subscription of new shares with less than six allottees under general mandate by the Subscription Agreement entered into by the Company and the Subscriber on 21 February 2014:

1. Reasons for the Subscription are that the Directors considered that the entering into of the Subscription Agreement represents and is for providing an opportunity to broaden the capital base and the Shareholder base of the Company by bringing in an international top notch investor.
2. The class of equity securities issued under the Subscription was the ordinary shares of the Company.
3. 103,888,000 Shares were issued, with nominal value of HK\$0.01 per Share, in aggregate nominal value of HK\$1,038,880 under the Subscription.
4. The Subscription Price was HK\$1.12 per Share.
5. The net price per Subscription Share was HK\$1.12 per Share.

6. The Subscriber, Templeton Strategic Emerging Markets Fund, IV, LDC, is a fund formed to make strategic investments throughout emerging markets. The Subscriber is managed by Templeton Asset Management Ltd.'s Emerging Markets Group, which has more than 50 investment professionals based in 18 offices located throughout emerging market countries. Templeton Emerging Markets Group is headed by Dr. Mark Mobius, who has over 40 years of emerging markets investment experience. The group manages over US\$47 billion as of 31 December 2013.

Franklin Resources, Inc. [NYSE: BEN] is a global investment management organization operating as Franklin Templeton Investments. Franklin Templeton Investments provides global and domestic investment management solutions managed by its Franklin, Templeton, Mutual Series, Bissett, Fiduciary Trust, Darby, Balanced Equity Management and K2 investment teams. Franklin Resources, Inc. has more than 65 years of investment experience and over \$850 billion in assets under management by its subsidiaries as of 31 January 2013.

7. The closing price per Share as quoted on the Stock Exchange on 21 February 2014, being the date of the Subscription Agreement was HK\$1.22.
8. The net proceeds from the Subscription have been fully used by the Company for the capital expenditure and working capital.

All other information on the Annual Report for the year ended 30 June 2014 remains true and accurate.

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

Hong Kong, 23 January 2015

As at the date of this announcement, the Board comprises: Mr. SIN Ke and Mr. SAN Kwan as executive Directors; Mr. TSANG Sze Wei Claudius as non-executive Director; and Mr. ZENG Jianzhong, Mr. ZHUANG Weidong and Mr. ZHUANG Xueyuan as independent non-executive Directors.