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PING SHAN

PING SHAN TEA GROUP LIMITED

坪山茶業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 364)

ANNOUNCEMENT ADJUSTMENT TO WARRANTS EXERCISE PRICE

Reference is made to the announcement of Ping Shan Tea Group Limited (the “Company”) dated 21 January 2014 (the “Notes and Warrants Announcement”) in relation to, among other things, the issue of the Warrant in an aggregate value of HK\$131,560,000, the announcement dated 1 December 2014 (the “Adjustment Announcement”) in relation to adjustment of the Initial Conversion Price and Exercise Price (retrospectively) from 11 September 2014, the announcement dated 22 December 2014 for clarification on the adjustment of the Initial Conversion Price and Exercise Price (the “Clarification Announcement”), and the announcement dated 30 April 2015 whereby 868,000,000 Options (as defined below) were granted (the “Options Announcement”). Unless the context otherwise requires, the capitalized terms and conditions used herein shall have the same meaning as those used in the Notes and Warrants Announcement.

In accordance of with clause 4(A)(9) of the Warrants Instrument, the Exercise Price of the Warrant Shares has been adjusted from HK\$0.15 to HK\$0.099 per Warrant Share, with retrospective effect from 30 April 2015 as a result of the Grant of Options by the Company.

Reference is made to the Notes and Warrants Announcement, Adjustment Announcement, Clarification Announcement and Options Announcement. Unless the context otherwise requires, the capitalized terms and conditions used herein shall have the same meaning as those used in the Notes and Warrants Announcement.

GRANT OF OPTIONS

Pursuant to the Options Announcement, the Company has granted 868,000,000 share options (the “Options”) which entitle the grantees to subscribe for a total of 868,000,000 new Shares at the price of HK\$0.099 per Share.

ADJUSTMENT TO THE EXERCISE PRICE OF THE WARRANTS

Pursuant to clause 4(A)(9) of the Warrants Instrument, if the Company grants any options to subscribe for Shares at a price per Share which is less than the Exercise Price then in force, the Exercise Price shall be adjusted to such lower price. Such adjustment shall become effective on the date of grant of such Options.

Therefore, pursuant to Section 4(A)(9) of the Warrants Instrument, the Exercise Price has been adjusted from HK\$0.15 to HK\$0.099 per Warrant Share. Given the adjustment should take effect from the grant date of the Options, the adjustment took effect retrospectively from 30 April 2015.

As of the date of this announcement, the Convertible Notes has been redeemed in full and none of the Warrants has been exercised for subscription of any Shares.

The adjustment of the Exercise Price has resulted in total number of Warrant Shares to be allotted and issued by the Company upon exercise of the Warrants currently outstanding being 1,328,888,888, representing an increase by 822,888,888 Shares as compared with the number of Warrant Shares to be allotted and issued based on the Exercise Price as disclosed in the Notes and Warrants Announcement. Under the General Mandate, there is still 39,995,010 new Shares remained unutilized to cover the Warrant Shares. For the Warrant Shares in excess of such 39,995,010 new Shares permitted under the General Mandate, the Company may redeem

or repurchase all or a portion of the Warrantholder's Warrants by cash pursuant to the terms and conditions of the Warrants Instrument, and the settlement amount shall be a price equal to the black scholes value, which shall be determined by the merchant bank approved in writing by all the Warrantholders applying the volatility used in the Company's most recently audited financials in respect of a whole financial year. Such settlement methods were also disclosed in Section B of the Clarification Announcement.

By Order of the Board of
Ping Shan Tea Group Limited
Cai Yangbo
Executive Director

Hong Kong, 29 June 2015

As at the date of this announcement, the executive directors of the Company are Mr. Cai Zhenrong, Mr. Cai Zhenyao, Mr. Cai Zhenying, Mr. Cai Yangbo and Mr. Choi Wing Toon. The independent non-executive directors of the Company are Mr. Lawrence Gonzaga, Ms. Choy So Yuk, BBS, JP and Mr. Yuen Chun Fai.