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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)

UPDATE ON WINDING UP PETITION

This announcement is made by Ping Shan Tea Group Limited (the “**Company**”) on a voluntary basis. Reference is made to the announcements of the Company dated 15 September 2017 and 26 September in relation to the winding up petition (“**Petition**”) received by the Company from PC Securities Limited (the “**Petitioner**”) on 15 September 2017.

The Company would like to update the Shareholders as follows:

1. The Company is in the course of negotiating with the Petitioner for an amicable disposal of the Petition out of the court.
2. In case such settlement cannot be reached before the Court hearing scheduled to be heard on 15 November 2017, the Company will defend the Petition vigorously with available defences to protect the interests of the Company and its shareholders.
3. The Company has received a letter from the solicitors for the Petitioner on 30 September 2017 that the Petitioner will be agreeable to the validation order. The Company has instructed its legal adviser to commence the preparation of the application to the Court for the validation order.

As at the date hereof, the Company has the following outstanding indebtedness:

Description of the indebtedness	Settlement and negotiation status
The bonds in the outstanding principal amount of HK\$234,000,000, US\$2,100,000 to the Petitioner	The Company is negotiating with the Petitioner for settlement with a view to setting aside the Petition.
The bonds in the outstanding principal amount of HK\$44,700,000 to the Petitioner	The parties are negotiating for settlement.
The debenture in the outstanding principal amount of HK\$2,100,000 issued to Yuan Hongqin	The parties are negotiating for settlement. The Company targets to reach settlement by November 2017.
The debenture in the outstanding principal amount of HK\$10,000,000 issued to Zou Weiping	The parties have reached settlement.
The debenture in the outstanding principal amount of HK\$10,000,000 issued to Zou Xiaohong	The parties have reached settlement.
The debenture in the outstanding principal amount of HK\$3,000,000 issued to Fok Yee Man	The parties are negotiating for settlement. The Company targets to reach settlement by November 2017.
The debenture in the outstanding principal amount of HK\$6,000,000 issued to Wang Guoqing	The Company will settle the amount by instalments.
The debenture in the outstanding principal amount of HK\$7,000,000 issued to Lou Cheng	The Company will settle the amount by instalments.
The convertible bond in outstanding principal amount of HK\$131,450,000 to Teya Holdings Limited	The parties are negotiating for settlement. The Company targets to reach settlement by December 2017.

Description of the indebtedness	Settlement and negotiation status
The convertible bond in outstanding principal amount of HK\$54,950,000 to Great Vantage Investments Limited	The parties are negotiating for settlement. The Company targets to reach settlement by December 2017.
The convertible bond in outstanding principal amount of HK\$65,730,000 to Templeton Strategic Emerging Markets Fund III, LDC	The parties are negotiating for settlement. The Company targets to reach settlement by December 2017.
The convertible bond in outstanding principal amount of HK\$25,820,000 to Ample Gold International Limited	The parties are negotiating for settlement. The Company targets to reach settlement by December 2017.
The promissory notes in outstanding principal amount of HK\$32,942,000 to Asia Equity Value Limited	The parties are negotiating for settlement. The Company targets to reach settlement by December 2017.
The Company will make further announcement(s) to keep its shareholders and investors informed of any significant development of the Petition as and when appropriate.	

Shareholders of the Company and potential investors should accordingly exercise caution when dealing in the securities of the Company.

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

Hong Kong, 13 October 2017

As at the date of this announcement, the executive Directors are Mr. Cai Zhenrong, Mr. Cai Zhenyao, Mr. Cai Zhenying, Mr. Cai Yangbo and Mr. Choi Wing Toon. The independent non-executive Directors are Mr. Lawrence Gonzaga, Ms. Choy So Yuk, BBS, JP, Mr. Chin Hon Siang and Mr. Lin Hann Ruey.