

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purpose only and does not constitute an invitation or a solicitation of an offer to acquire, purchase or subscribe for securities or an invitation to enter into an agreement to do any such things, nor is it calculated to invite any offer to acquire, purchase or subscribe for any securities.



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)

VOLUNTARY ANNOUNCEMENT PROPOSED PLACING OF BONDS

INTRODUCTION

This is a voluntary announcement made by the Board of the Company, in relation to the proposed placing of bonds by the Company in the aggregate principal amount of no more than HK\$100,000,000 (the “Bonds”). The principal purpose of this placing is for the expansion of current production capacities, working capital and potential acquisitions.

PLACING OF BONDS

The Board is pleased to announce that on 17 September 2015, the Company and PC Securities Limited (the “Placing Agent”) entered into a placing agreement (the “Placing Agreement”) pursuant to which the Company has agreed to appoint the Placing Agent, and the Placing Agent has agreed to act as the placing agent for the Company during the Placing Period to procure on a best efforts basis Placees (whether with the Placing Agent itself being a subscriber, as nominee or otherwise) to subscribe for the Bonds in one or more tranches subject to the terms and conditions contained in the Placing Agreement. The Placing Agent shall: (1) use its best endeavours to ensure that the Placees are not a connected person of the Company; (2) ensure that each Placee is and will be a professional investor (as defined in the SFO) when it subscribes for the Bonds; and (3) the terms of the Placing Letter will not be in breach of the terms of the Placing Agreement.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

The Board is of the view that the terms of the Placing Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable, and are in the interest of the Company and its shareholders as a whole. The principal terms of the Bonds are as follows:

1. Issuer : the Company
2. Placing Agent : PC Securities Limited
3. Aggregate maximum principal amount : HK\$100,000,000
4. Maturity Date : the date falling twenty-four months after the issue of the Bonds (or, if that is not a Business Day, the first Business Day thereafter), unless previously redeemed or purchased and cancelled as provided in the Terms and Conditions

5. Interest : at the rate of 7% per annum (calculated on a 365-day per year basis) accrued from and including the date of its issue to and including the Maturity Date, payable semi-annually in arrear.
6. Issue price : 100% of the principal amount of the Bonds.
7. Redemption : Unless previously redeemed or purchased and cancelled as provided in the Terms and Conditions, the Company shall redeem each Bond duly issued by it which remains outstanding by 4:00 p.m. (Hong Kong time) on the Maturity Date at 100% of the principal amount.

In accordance with the Terms and Conditions, the Bonds may be redeemed in any of the following circumstances:

- (a) the Bonds may be redeemed at the option of the Company in whole, but not in part, at their principal amount together with interest accrued to, but excluding the date fixed for redemption, if the Company has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands or Hong Kong or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 25 September 2015 and such obligation cannot be avoided by the Company taking reasonable measures available to it; and

- (b) at any time following the occurrence of a Change of Control (as defined in Condition 7), any Bondholder will have the right, at such holder's option, to require the Company to redeem all, but not some only, of that holder's Bonds on the Change of Control Put Settlement Date (as defined in the Terms and Conditions) at 101% of their principal amount together with accrued interest up to (but excluding) such Change of Control Put Settlement Date.

8. Use of proceeds : For the expansion of current production capacities, working capital and potential acquisitions.

The Company will further update the shareholders and potential investors of the Company in respect of the subscription of the Bonds in accordance with the Listing Rules if and when required.

Completion of the placing of the Bonds under the Placing Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. As the placing of the Bonds may or may not proceed, shareholders and potential investors of the Company are urged to exercise caution when dealing in the securities of the Company.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“Agency Agreement” the agency agreement to be entered into between the Company, the Bank of New York Mellon, acting through its London Branch as fiscal agent and paying agent and the Bank of New York Mellon (Luxembourg) S.A. as registrar and transfer agent in respect of each tranche of Bonds, as amended or supplemented from time to time

“Board” the board of Directors

“Bond(s)”	the two-year 7% per annum coupon unlisted bonds in the principal amount of up to HK\$100,000,000 to be issued by the Company in one or more tranches and to be placed pursuant to the Placing Agreement or, as the context may require, any part of the outstanding principal amount thereof
“Bondholder”	means a person in whose name the Bond is registered in the register of Bondholders, and “holder” in relation to a Bond has a corresponding meaning
“Company”	Ping Shan Tea Group Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange
“Condition”	the conditions stipulated in the Terms and Conditions
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rule Governing the Listing of Securities on the Stock Exchange

“Placee”	means any individuals, corporations, institutional or other investors, except Cayman Islands residents, to whom the Placing Agent has procured to subscribe for Bonds
“Placing Letter”	The agreement between the Placing Agent and each person who agrees to subscribe for any Bonds
“Placing Period”	Three (3) months commencing from the date of the Placing Agreement, and subject to and at the discretion of the Company, a further 3-month period immediately thereafter
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Terms and Conditions”	The terms and conditions of the Bonds, which are appended to the Agency Agreement
“%”	per cent

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

Hong Kong, 17 September 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.