Tan'Sh
Global Food Group Co., Limited

TANSH Global Food Group Co., Ltd
國際天食集團有限公司

(Formerly known as Xiao Nan Guo Restaurants Holdings Limited 小南國餐飲控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3666)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2017

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		**% Change**
	2017	2016	*Increase/*
	(unaudited)	(unaudited)	*(decrease)*
Revenue (RMB'000)	**942,914**	1,004,431	(6.1%)
Gross profit[1] (RMB'000)	**690,333**	709,851	(2.7%)
Gross margin[2]	**73.2%**	70.7%	2.5%
Profit for the period (RMB'000)	**30,687**	10,656	188.0%
Net profit margin[3]	**3.3%**	1.1%	2.2%
Earnings per share – Basic	**RMB1.41 cents**	RMB0.73 cents	
Number of restaurants (as at 30 June)[4]	**124**	137	

Notes:

1 The calculation of gross profit is based on revenue less cost of sales.

2 The calculation of gross margin is based on gross profit divided by revenue.

3 Net profit margin is calculated as profit for the period divided by revenue.

4 The number of restaurants included the 25 stores of Million Rank (HK) and excluded Mai Chi Ling licenced stores.

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of TANSH Global Food Group Co., Ltd (the "**Company**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2017 (the "**Reporting Period**") together with unaudited comparative figures for the corresponding period in the year 2016 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Six-month period ended 30 June 2017

	Notes	**Six-month period ended 30 June**	
		2017	2016
		RMB'000	*RMB'000*
		(unaudited)	(unaudited)
REVENUE	*4*	**942,914**	1,004,431
Cost of sales		**(252,581)**	(294,580)
Gross profit		**690,333**	709,851
Other income and gains	*4*	**12,489**	22,111
Selling and distribution expenses		**(575,196)**	(623,805)
Administrative expenses		**(72,253)**	(75,293)
Other expenses		**(5,229)**	(9,551)
Finance costs	*6*	**(7,877)**	(4,741)
PROFIT BEFORE TAX	*5*	**42,267**	18,572
Income tax expense	*7*	**(11,580)**	(7,916)
PROFIT FOR THE PERIOD		**30,687**	10,656
Attributable to:			
Owners of the Company		**31,101**	10,802
Non-controlling interests		**(414)**	(146)
		30,687	10,656
Earnings per share attributable to ordinary equity holders of the Company			
– Basic	*9*	**RMB1.41 cents**	RMB0.73 cents
– Diluted	*9*	**RMB1.41 cents**	RMB0.73 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six-month period ended 30 June 2017

	Six-month period ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
PROFIT FOR THE PERIOD	**30,687**	10,656
OTHER COMPREHENSIVE LOSS		
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(14,508)**	1,087
Net other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods	**(14,508)**	1,087
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:		
Equity investments designated as fair value through other comprehensive loss:		
Changes in fair value	**(79,860)**	(1,128)
Net other comprehensive loss not to be reclassified to profit or loss in subsequent periods	**(79,860)**	(1,128)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	**(94,368)**	(41)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	**(63,681)**	10,615
Attributable to:		
Owners of the Company	**(63,267)**	10,761
Non-controlling interests	**(414)**	(146)
	(63,681)	10,615

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2017

	Notes	**30 June 2017 *RMB'000* (unaudited)**	31 December 2016 *RMB'000* (audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**606,420**	675,545
Goodwill		**13,129**	13,532
Intangible assets		**41,226**	43,707
Non-current financial assets		**134,204**	224,470
Long-term rental deposits		**107,573**	107,379
Deferred tax assets		**78,980**	80,407
Pledged deposits	*12*	**40,000**	40,000
Loan to a non-controlling interest shareholder		**46,086**	47,498
Other long-term receivables		**25,169**	30,413
Total non-current assets		**1,092,787**	1,262,951
CURRENT ASSETS			
Inventories		**28,369**	37,509
Trade receivables	*10*	**20,086**	26,654
Prepayments, deposits and other receivables	*11*	**242,192**	205,039
Financial asset at fair value through profit or loss		**235**	242
Pledged deposits	*12*	**112,000**	20,000
Cash and cash equivalents	*12*	**131,533**	233,390
Total current assets		**534,415**	522,834
CURRENT LIABILITIES			
Trade payables	*13*	**54,035**	66,841
Interest-bearing bank loans		**386,871**	203,532
Income tax payable		**25,595**	21,365
Other payables and accruals	*14*	**125,898**	277,372
Deferred income		**2,586**	3,478
Total current liabilities		**594,985**	572,588
NET CURRENT LIABILITIES		**(60,570)**	(49,754)
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,032,217**	1,213,197

	30 June 2017	31 December 2016
	RMB'000	*RMB'000*
	(unaudited)	(audited)
NON-CURRENT LIABILITIES		
Long-term defer payment	**25,169**	30,413
Long-term payables	**73,499**	81,578
Interest-bearing bank loans	**34,788**	138,283
Deferred tax liabilities	**–**	481
Total non-current liabilities	**133,456**	250,755
Net assets	**898,761**	962,442
EQUITY		
Equity attributable to owners of the Company		
Issued capital	**18,393**	18,393
Reserves	**808,671**	871,938
	827,064	890,331
Non-controlling interests	**71,697**	72,111
Total equity	**898,761**	962,442

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2017

1. CORPORATE INFORMATION

TANSH Global Food Group Co., Ltd (formerly known as Xiao Nan Guo Restaurants Holdings Limited) is a limited liability company incorporated in the Cayman Islands. The registered address is located at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The principal activity of the Company is investment holding. The subsidiaries of the Company are principally engaged in the operation of restaurant chain stores in Mainland China, Hong Kong and other regions. There were no significant changes in the nature of the Group's principal activities during the Reporting Period.

In the opinion of the directors, the holding company and the ultimate holding company of the Company is TANSH Global Food Group Co., Ltd, which is incorporated in the Cayman Islands.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2017 have been prepared in accordance with International Accounting Standard ("**IAS**") 34 Interim Financial Reporting as well as with all the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Net current liability

As at 30 June 2017, the current liabilities of the Group exceeded its current assets by approximately RMB61 million. In the opinion of the Directors, the net current liability position was mainly caused by payment for remaining cash consideration of the acquisition transaction regarding the 9.82% interests in JMU limited (Formerly known as Wowo Limited) in 2016. The Directors have prepared these interim condensed consolidated financial statements on a going concern basis based on the cash flow which indicated the Group will generate sufficient operating cash inflows to meet its financial obligations when they fall due.

The interim condensed consolidated financial statements have been prepared under the historical cost convention except non-current financial assets and financial asset at fair value through profit or loss, which have been measured at fair value.

These interim condensed consolidated financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated. These interim condensed consolidated financial statements have not been audited. These interim condensed consolidated financial statements were approved and authorized for issue by the board of directors on 29 August 2017.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2016.

2.2 IMPACT OF REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016, except for the adoption of the revised International Financial Reporting Standards ("IFRSs") and interpretations effective as of 1 January 2017, noted below:

Amendments to IAS 7	*Disclosure Initiative*
Amendments to IAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*
Amendments to IFRS 12 included in *Annual Improvements 2014-2016 Cycle*	*Disclosure of Interests in Other Entities*

The adoption of these revised IFRSs had no significant financial effect on these financial statements.

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 2	*Classification and Measurement of Share-based Payment Transactions*[1]
Amendments to IFRS 4	*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
IFRS 15	*Revenue from Contracts with Customers*[1]
Amendments to IFRS 15	*Clarifications to IFRS 15 Revenue from Contracts with Customers*[1]
IFRS 16	*Leases*[2]
Amendments to IAS 40	*Transfers of Investment Property*[1]
IFRIC 22	*Foreign Currency Transactions and Advance Consideration*[1]
IFRIC 23	*Uncertainly over Income Tax Treatments*[2]
IFRS 17	*Insurance Contracts*[3]
Amendments to IFRS 1 included in *Annual Improvements 2014-2016 Cycle*	*First-time Adoption of International Financial Reporting Standards*[1]
Amendments to IAS 28 *included in Annual Improvements 2014-2016 Cycle*	*Investments in Associates and Joint Ventures*[1]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2019
3 Effective for annual periods beginning on or after 1 January 2021
4 No mandatory effective date yet determined but is available for adoption

The Group is in the process of making an assessment of the impact of these revised IFRSs upon initial application. So far, the Group considers that these new and revised IFRSs except for IFRS 16 are unlikely to have a significant impact on the Group's results of operations and financial position. The Group expects to adopt IFRS 16 on 1 January 2019. Given the nature of the Group's operations, IFRS 16 is expected to have impacts on the Group's consolidated financial statements. The Group has not completed its assessment of the full impact of adopting IFRS 16 and therefore the possible impacts on the Group's operating results and financial position have not been quantified.

3. OPERATING SEGMENT INFORMATION

The Group has the following two reportable operating segments based on their brands and services:

(a) TANSH Global Business (including main brands: Shanghai Min, Maison De L'Hui, the dining room, Oreno, Wolfgang Puck and The Boathouse)

(b) Million Rank (HK) Business (the business acquired in January 2015 which includes main brands: Pokka Café and Tonkichi)

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, dividend income, fair value gains/losses from the Group's financial instruments as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, pledged deposits, cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank loans, tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Period ended 30 June 2017

	TANSH Global *RMB'000* (unaudited)	Million Rank (HK) *RMB'000* (unaudited)	Total *RMB'000* (unaudited)
Segment revenue			
Sales to external customers	**800,782**	**142,132**	**942,914**
Revenue from continuing operations			**942,914**
Segment results	**50,891**	**27**	**50,918**
Reconciliation:			
Elimination of intersegment results			**31**
Dividend income from non-current financial assets			**400**
Interest income			**2,282**
Finance costs			**(7,877)**
Corporate and other unallocated expenses			**(3,487)**
Profit before tax			**42,267**
Segment assets	**790,727**	**502,224**	**1,292,951**
Reconciliation:			
Elimination of intersegment receivables			**(28,497)**
Corporate and other unallocated assets			**362,748**
Total assets			**1,627,202**
Segment liabilities	**221,598**	**88,086**	**309,084**
Reconciliation:			
Elimination of intersegment payables			**(28,497)**
Corporate and other unallocated liabilities			**447,254**
Total liabilities			**728,441**
Other segment information:			
Depreciation and amortization	**68,206**	**8,473**	**76,679**
Capital expenditure*	**14,141**	**366**	**14,507**

Period ended 30 June 2016

	TANSH Global *RMB'000* (unaudited)	Million Rank (HK) *RMB'000* (unaudited)	Total *RMB'000* (unaudited)
Segment revenue			
Sales to external customers	853,084	151,347	1,004,431
Revenue from continuing operations			1,004,431
Segment results	28,211	(776)	27,435
Reconciliation:			
Elimination of intersegment results			29
Dividend income from non-current financial assets			400
Equity-settled share option expense			(1,750)
Interest income			2,050
Finance costs			(4,741)
Loss on disposal of a subsidiary			(2,621)
Corporate and other unallocated expenses			(2,230)
Profit before tax			18,572
Segment assets	844,811	477,591	1,322,402
Reconciliation:			
Elimination of intersegment receivables			(31,979)
Corporate and other unallocated assets			331,605
Total assets			1,622,028
Segment liabilities	336,707	110,058	446,765
Reconciliation:			
Elimination of intersegment payables			(31,979)
Corporate and other unallocated liabilities			423,939
Total liabilities			838,725
Other segment information:			
Depreciation and amortization	72,945	11,427	84,372
Capital expenditure*	113,423	3,914	117,337

* Capital expenditure consists of additions to property, plant and equipment and intangible assets, including acquired assets from the acquisition of a subsidiary.

Geographical information

(a) Revenue from external customers

	Six-month period ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Mainland China	**677,542**	691,157
Hong Kong	**258,571**	301,379
Others	**6,801**	11,895
	942,914	1,004,431

The revenue information above is based on the location of the customers.

(b) Non-current assets

	30 June	31 December
	2017	2016
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Mainland China	**533,398**	593,265
Hong Kong	**234,305**	246,129
Others	**645**	769
	768,348	840,163

The non-current asset information above is based on the location of assets and excludes financial instruments and deferred tax assets.

Information about a major customer

Since no revenue from sales to a single customer amounted to 10% or more of the Group's revenue during the six-month period ended 30 June 2017 and 2016, segment information is not presented in accordance with IFRS 8 *Operating Segments*.

4. REVENUE, OTHER INCOME AND GAINS

Revenue, represents the net invoiced value of services rendered and goods sold, after allowances for returns and trade discounts, net of sales taxes and surcharges.

An analysis of revenue, other income and gains is as follows:

	Six-month period ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue		
Restaurant operations	**926,631**	990,905
Other revenue	**16,283**	13,526
	942,914	1,004,431
Other income		
Government grants	**5,446**	10,821
Compensation income for a store early terminated operation	**–**	4,900
Bank interest income	**2,282**	2,050
Membership fee income	**2,182**	1,983
Management fee	**–**	681
Dividend income from non-current financial assets	**400**	400
Foreign exchange differences	**–**	187
Others	**2,179**	1,089
	12,489	22,111

5. PROFIT BEFORE TAX

The Group's profit before tax arrived at after charging/(crediting):

	Six-month period ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Cost of inventories consumed	**252,581**	294,580
Depreciation	**75,162**	82,894
Amortisation of intangible assets	**1,517**	1,478
Minimum lease payments under operating lease on buildings	**181,225**	191,143
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	**227,552**	231,862
Equity-settled share option expense	**–**	1,750
Defined contribution pension scheme	**44,596**	56,657
	272,148	290,269
Bank interest income	**(2,282)**	(2,050)
Loss on disposal of a subsidiary	**–**	2,621
Loss on disposal of items of property, plant and equipment	**2,540**	6,810

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Six-month period ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest on bank loans	**9,198**	5,755
Less: Interest capitalised	**(1,321)**	(1,014)
	7,877	4,741

7. INCOME TAX

	Six-month period ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current – Mainland China charged for the period	**9,626**	7,382
Current – Hong Kong and elsewhere charged for the period	**502**	2,490
Deferred tax	**1,452**	(1,956)
Total tax charge for the period	**11,580**	7,916

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the Reporting Period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

Pursuant to Section 6 of the Tax Concessions Law (1999 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor-in-Council that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gain or appreciation shall apply to the Company or its operations.

Pursuant to the International Business Companies Act, 1984 (the "**IBC Act**") of the BVI, international business companies incorporated pursuant to the IBC Act enjoy a complete exemption from income tax. This includes an exemption from capital gains tax and all forms of withholding tax. Accordingly, the subsidiaries incorporated in the BVI are not subject to tax.

According to the PRC Corporate Income Tax ("**CIT**") Law, the applicable income tax rates for both domestic and foreign investment enterprises in the People's Republic of China (the "**PRC**" or "**China**") are unified at 25%.

According to the Macau Complementary Tax ("**MCT**") Law, taxable profits below MOP600,000 are exempted from tax, and taxable profits over MOP600,000 are subject to the rate of 12%.

8. DIVIDENDS

No interim dividend was proposed during the six-month period ended 30 June 2017. No final and interim dividend was declared in 2016.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share for the six-month period ended 30 June 2016 is based on the consolidated profit attributable to ordinary equity holders of the Company and weighted average number of ordinary shares of 1,473,792,975 in issue throughout the period, as adjusted to reflect the bonus element of 737,677,000 rights issue on 18 July 2016.

The calculation of basic earnings per share for the six-month period ended 30 June 2017 is based on the consolidated profit attributable to ordinary equity holders of the Company and weighted average number of ordinary shares of 2,205,531,000 in issue throughout the period.

The calculation of diluted earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	Six-month period ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	**31,101**	10,802
Number of shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation*	**2,205,531,000**	1,473,792,975
Effect of dilution – weighted average number of ordinary shares**: Share options	**–**	–
Number of ordinary shares used in the diluted earnings per share calculation	**2,205,531,000**	1,473,792,975

* Not taking into account 7,500,000 ordinary shares issued to Affluent Harvest Limited, a wholly-owned subsidiary of the Company.

** Since the exercise prices of these options exceeded the average market price of ordinary shares during the Reporting Period, there was no dilutive effect as of 30 June 2017.

10. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on cash and credit card settlement. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the Reporting Period, based on the invoice date, is as follows:

	30 June 2017	31 December 2016
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Within 1 month	**14,091**	18,307
1 to 2 months	**1,374**	2,792
2 to 3 months	**338**	1,030
Over 3 months	**4,283**	4,525
	20,086	26,654

All of the receivables were neither past due nor impaired and mainly relate to corporate customers and receivables from banks for credit cards settlement for whom there was no recent history of default.

11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Note	**30 June 2017**	31 December 2016
		RMB'000	*RMB'000*
		(unaudited)	(audited)
Deposits and other receivables		**95,021**	110,081
Prepaid expense		**21,840**	22,761
Amount due from companies owned by the Controlling Shareholder		**59,650**	50,110
Amount due from a director of major subsidiaries in Hong Kong		**54**	319
Receivables from a non-controlling interest	*(i)*	**12,047**	7,914
Prepayments		**53,580**	13,854
		242,192	205,039

(i) The balance of receivables from a non-controlling interest consisted of the current portion of long-term receivables with amount of RMB9,457,000 (31 December 2016: RMB5,367,000), the interest receivables of the loan to non-controlling interest with amount of RMB2,501,000 (31 December 2016: RMB2,037,000) and other short-term receivables.

11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (CONTINUED)

Amounts due from companies owned by the Controlling Shareholder are unsecured, interest-free and repayable on demand.

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

12. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	30 June 2017	31 December 2016
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Cash and bank balances	**131,533**	219,737
Time deposits with original maturity of less than three months	**112,000**	33,653
Time deposits with original maturity of over three months	**40,000**	40,000
	283,533	293,390
Less: Pledged time deposits for bank loans*:		
– Current portion	**(112,000)**	(20,000)
– Non-current portion	**(40,000)**	(40,000)
Cash and cash equivalents	**131,533**	233,390

* RMB152,000,000 of time deposits were pledged for bank loans of RMB137,996,000 borrowed by the Group.

The cash and bank balances and time deposits of the Group subsidiaries in Mainland China denominated in Renminbi ("**RMB**") amounted to RMB252,115,000 and RMB254,862,000 as at 30 June 2017 and 31 December 2016, respectively. The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and short-term deposits are deposited with creditworthy banks with no recent history of default.

13. TRADE PAYABLES

An aging analysis of the Group's trade payables as at the end of the Reporting Period, based on the invoice date, is as follows:

	30 June 2017 *RMB'000* **(unaudited)**	31 December 2016 *RMB'000* (audited)
Within 3 months	**49,497**	62,400
3 months to 1 year	**3,464**	2,048
Over 1 year	**1,074**	2,393
	54,035	66,841

The trade payables are non-interest-bearing and normally settled within 30 days after receiving the invoice.

14. OTHER PAYABLES AND ACCRUALS

	30 June 2017 *RMB'000* **(unaudited)**	31 December 2016 *RMB'000* (audited)
Payroll and welfare payables	**38,174**	53,813
Taxes other than corporate income tax	**516**	4,177
Other payables for construction in progress	**24,974**	28,222
Accruals and other payables	**55,636**	73,292
Payable related to the acquisition of a non-current financial asset	**–**	105,906
Current portion of the long term defer payment	**4,339**	3,578
Advance from customers	**2,259**	8,384
	125,898	277,372

The balance of other payables and accruals is unsecured, interest-free and repayable on demand.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

In the first half of 2017, a growth of national food and beverage revenue was flat from a year earlier. According to the data released by the National Bureau of Statistics, during the first half of 2017, total national food and beverage revenue amounted to RMB1,854.6 billion, representing an increase of 11.2% compared with the same period of 2016, while the leading edge in terms of growth rate of revenue of the catering enterprises above designated size continued to extended and reached 1.8%. In addition, catering brands were playing a more significant role in leadership and promotion.

In March 2017, The Ministry of Commerce issued the "Guiding Opinions of the Ministry of Commerce of the People's Republic of China, on Promoting the Transformation and Development of the Catering Industry". The aim of the initiative was to cultivate a number of chain and branded catering business, and to form the layout of development featuring a focus on popularized catering service, reasonable regional distribution, synergy between urban and rural areas, harmonized development of various business segments, as well as the catering service system designed to meet the multi-layer and diversified needs of consumption in 5 years . Driven by general demands, the catering market was following a new development trend characterized by the noticeable emergence of casual meals and coffee snacks as well as hot item/highly popular product model. As a result, the entire industry has witnessed new development vitality and continued to the depth, refinement of the direction of extension.

So far in 2017, the growth rate and business scope of catering take-away reached a new peak, which shows that a larger number of people in China have changed their consumption habits and take-away has already become a conventional dining style. According to the data predicted by a well-known take-away website, the scale of take-away market transactions will continue to increase by a high growth rate, which is expected to exceed RMB700 billion by 2020. In addition to the influence on the traditional catering market by O2O business (Online to Offline mode), the mode of catering retail makes a deeper multi-industry impact on the competitive market.

Financial performance

By the end of 30 June 2017, the Company had some achievements in a competitive and challenging market environment. In the first half of 2017, the net profit was RMB30.7 million, representing an increase of approximately RMB20.0 million in profit over the same period in 2016, which represents a growth rate of 188.0% and gross profit margin increased by 2.5% over the same period of last year.

Business review

In the first half of 2017, the Company persists in taking a comprehensive approach to the strategic upgrading and transformation, and achieved certain results in the aspects of rebuilding the supply chain system, formation of light asset brand profit model as well as organizational efficiency reform and mechanism innovation. Major initiatives adopted in the first half of 2017 are set out below:

Assigned strategic resources coordination in supply chain

The advantage continued effected due to the strengthened cooperation with Shanghai Zhongmin Supply Chain Management Co., Ltd (上海眾敏供應鏈管理有限公司) ("Zhongmin Supply Chain"). In addition, it is also affected by the outsourced of central factory and the reform program of the national government which is to replace the business tax with value-added tax. Direct stores costs and supply chain costs are continually optimized and controlled. The cost of sale ratio was reduced from 29.3% in the first half of 2016 to 26.8% in the same period in 2017.

Light asset model incubation tend towards more mature

The Company's asset-lite brands which has been incubated mature represented by the brand "the dining room", is going to more steady in respect of the profit model. As of the first half of 2017, the revenue of "the dining room" brand restaurant increased by 9.5% over the same period in 2016, and the same store revenue increased over the same period. Store operating profit of "the dining room" increased by 268.3% year on year. (The above data are all included the O2O business). It is fully indicating that the brand "the dining room" has formed a mass productions profit pattern.

The active partnership incentive mechanism reform further expanded and achieved remarkable results

The incentive mechanism of active partnership that the Company launched in 2016 has achieved some initial results. In the first half of 2017, the Company mainly promoted this mechanism in Mainland China stores except Beijing and Shanghai areas which required the sharing of risk responsibilities and results. As of 30 June 2017, owing to the reform of this mechanism, the operating profit increased by RMB11.3 million over the same period in 2016.

Organizational functions are streamlined and deepened to effectively reduce the management costs of the headquarter

In the first half of 2017, the Company continued to deepen the reform of flat management and market-oriented of headquarter and strictly controlled the management expenses budget of headquarter. The administrative expenses decreased to RMB3.0 million or representing a decrease of 4.0% in the first half of 2017 as compared to the corresponding period of last year.

Future outlook

With the advent of a comprehensive upgrade of consumption, China's catering industry has entered an important period of industrial restructuring; "new catering" will profoundly affect the future business forms of food and beverage industry. Currently, public catering, good quality take-away, international top-tier brand, industry scarce resources, high-growth single products/highly popular product have become important breakthroughs of the developments of catering enterprises.

On 2 August 2017, the Company issued an announcement on the Stock Exchange declaring that the Group was strategic renamed to the TANSH Global Food Group Co., Ltd, which will apply "Food is primary necessity. Let people enjoy the happiness of delicious food" as a new mission, to complete the strategic transformation from a multi-brand restaurant management enterprise to an integrated platform of brand development in catering industry. In the second half of 2017, under the leadership of Mrs. Wang Huimin, the Company will stick at focusing on three core business developments which are the integration development of brand catering, brand take-away and branded products. The Company will committee to collaborating with strategic partners to jointly build the catering industry chassis, restructuring the core competitiveness of Company and sustained profitability. The Company will continue to pursue strategic transformation, performing in accordance with the following strategies:

Incubating mature brand and leveraging joint development

In the second half of 2017, the Group will take its own brand "the dining room" that has incubated mature as the key object of expansion and joint development, increase the investment of direct stores in core cities in Mainland China, as well as the incubation and cultivation of lighter mode of the brand. At the same time, the Group will utilize the third-party resources to develop the third-party franchise business through the main output model which is "brand + supply chain" and speed up the large scale expansion of "the dining room" and the other derivative brands.

The Company will also cooperate with introduced brand POKKA café and the international brands Wolfgang Puck and Oreno to establish strategic business model and business development mode which are more in line with the development trend of China's catering industry. In the first half of 2017, the Group introduced a Japan's well-known chain of coffee brand DOUTOR. The Company will start the development plan of the cafe brand in the second half of the year.

New businesses layout of brand take-away and branded goods

In the first half of the year, the Company cooperated with several well-known Internet take-away platforms in China, and completed the network distribution which is represented by the "ShanghaiMin" and "the dining room" direct stores and brand take-away product optimization. It is expected that the revenue of the Company will be significantly increase due to the incremental factors of business via the above strategy in the future.

At the same time, the Company has emerged some branded goods by independent research and development such as "Jia Yan"and "Zhu Hao Mian", and the company is going to sell these products through the whole network terminal stores and online and offline sales channel such as new retail hypermarkets, third-party resource channels. It is believed that this business will bring visible increments for the profit in the future.

The use of strategic empowerment resources, vertical construction industry supply chain advantages

The company announced on 19 July 2017 a strategic cooperation intention with Japan's largest food distribution company NIPPON ACCESS, INC as well as Zhongmin Supply Chain Limited. Through advanced technology and experience in the field of food circulation of NIPPON ACCESS, INC, the Company can further enhance their abilities on supply chain management as well as research and development.

At the same time, the Company will continue to maintain the advantages of vertical research and development of standard products with Zhongmin Supply Chain platform. The Company can cooperate with some factories which can make standardized products, and it will improve products' quality and differentiation competitiveness, so as to reduce supply chain cost and strengthen the exporting capacity of brands and supply chain, consequently it can explore multi-dimensional profit competiveness.

Make full use of product standard advantage, start operating efficiency optimization reform

In the second half of 2017, after the full usage of standardized products and substantial simplification on Stock Keeping Unit (SKU) field in "Shanghai Min" and "the dining room", the company will comprehensively deepen the reform of the kitchen. Mainly through the contraction of kitchen area, importing advanced equipment, simplifying the types of work in kitchen, business process reform, standard operating processing precision and other measures, the Company will be committed to optimizing the store and human efficiency, and fully making the fine kitchen management.

FINANCIAL REVIEW

The Group's revenue for the first half of 2017 was RMB942.9 million and its gross profit during the period was RMB690.3 million, mainly due to declining costs brought by the increase in performance and supply chain reform of multi-brand strategic incubation in the first half of 2017. Net profit for the first half of 2017 was approximately RMB30.7 million, representing an increase of approximately RMB20.0 million from approximately RMB10.7 million in the corresponding period in 2016. As at 30 June 2017, the Group had total assets of RMB1,627.2 million.

As at 30 June 2017, the Group operated a restaurant network of 69 Shanghai Min restaurants, 3 Maison De L'Hui restaurants, 22 the dining room restaurants, 2 Oreno restaurants, 2 Wolfgang Puck restaurants, 1 The Boathouse restaurant and 25 restaurants under Million Rank (HK) brands, which covers some of the most affluent and fast-growing cities in China (Note(i)), Hong Kong and other regions. The following table sets forth the revenue and the number of the restaurants in operation, by geographical region and brand, during the periods for the six months ended 30 June 2017 and 2016, respectively.

	For the six months ended 30 June			
	2017		2016	
	Number of restaurants	**Revenue** *RMB'000* **(unaudited)**	Number of restaurants	Revenue *RMB'000* (unaudited)
China *(Note (i))*				
– Shanghai Min	**62**	**533,586**	69	571,696
– Maison De L'Hui	**3**	**33,446**	3	30,122
– the dining room	**16**	**62,708**	17	50,448
– Oreno	**1**	**10,244**	1	11,785
– Wolfgang Puck	**2**	**18,073**	2	12,443
– The Boathouse	**1**	**3,202**	1	1,137
Hong Kong				
– Shanghai Min	**7**	**68,882**	8	83,283
– the dining room	**6**	**50,404**	6	61,780
– Oreno	**1**	**6,136**	1	11,780
– Million Rank (HK) Brands *(Note (ii))*	**24**	**133,149**	28	144,536
Macau				
– Shanghai Min	**–**	**–**	–	4,273
– the dining room	**–**	**–**	–	811
– Million Rank (HK) Brands *(Note (ii))*	**1**	**6,801**	1	6,811
Total revenue of restaurant operations	**124**	**926,631**	137	990,905
Other revenue		**16,283**		13,526
Total revenue		**942,914**		1,004,431

Notes

(i) The People's Republic of China (the "PRC"), which for the purpose of this announcement and for geographical reference only, excludes Hong Kong, Macau and Taiwan.

(ii) Million Rank (HK) brand stores include 25 stores under 9 brands such as POKKA Café, Tonkichi in Hong Kong and Macau.

REVENUE

Revenue of the Group decreased by RMB61.5 million, or 6.1% from RMB1,004.4 million for the six months ended 30 June 2016 to RMB942.9 million for the six months ended 30 June 2017. This decrease was due to the Group's light asset strategy that contracted the number of stores during the period. At the same time, the gross profit margin of the Group as of 30 June 2017 was 73.2%, representing an increase of 2.5%, compared with 70.7% of the corresponding period in 2016.

Total Revenue of restaurant operations

Total revenue of restaurant operations decreased by RMB64.3 million, from RMB990.9 million for the six months ended 30 June 2016 to RMB926.6 million for the six months ended 30 June 2017, primarily reflecting:

- Due to the relocation, adjustment or closing stores of Shanghai Min in China, the number of stores of Shanghai Min was reduced by 7 as of 30 June 2017, which resulted in a decrease in revenue of RMB38.1 million;

- For the six months ended 30 June 2017, the revenue of dining room in Hong Kong decreased by RMB11.4 million, which was mainly due to the fact that the 2 stores of The dinning room closed and the 2 stores of the dining rooms in Hong Kong which were newly opened operating since June 2017, and have not yet yield;

- Shanghai Min and the dining room in Macau were disposed at the end of February 2016, which caused a decrease of revenue of RMB5.1 million.

Other revenue

Other revenue represents an increase by RMB2.8 million, from RMB13.5 million for the six months ended 30 June 2016 to RMB16.3 million for the six months ended 30 June 2017. Other revenue are mainly comprised of Mai Chi Ling income, value-added goods sales and O2O take-out revenue.

COST OF SALES AND INVENTORY

The cost of sales decreased by RMB42.0 million, from RMB294.6 million for the six months ended 30 June 2016 to RMB252.6 million, or 14.3% for the six months ended 30 June 2017.

The cost of sales accounted for the proportion of revenue decreased by 2.5% from 29.3% for the six months ended 30 June 2016 to 26.8% for the six months ended 30 June 2017, which primarily due to the strategic cooperation advantages as a result of cooperation between the Group and Zhongmin Supply Chain platform, which resulted in the decrease of cost of bulk purchase, and additionally, the strengthening of the menu optimization and the improvement of business cooperation model by the Group further optimized the inventory .

The inventory decreased by RMB9.1 million, or 24.4% from RMB37.5 million on 30 June 2016 to RMB28.4 million on 30 June 2017.

The inventory turnover days decreased by 5.7 days from 29.5 days for the six months ended 30 June 2016 to 23.8 days for the six months ended 30 June 2017.

OTHER INCOME AND GAINS

Other income and gains decreased by RMB9.6 million, from RMB22.1 million for the six months ended 30 June 2016 to RMB12.5 million for the six months ended 30 June 2017, which was mainly due to the decreasing subsidy from the reform of turnover tax in Mainland China.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution cost decreased by RMB48.6 million, or 7.8% from RMB623.8 million for the six months ended 30 June 2016 to RMB575.2 million for the six months ended 30 June 2017. Selling and distribution cost was mainly comprised of the labor costs, rental costs and depreciation expenses in relation to restaurants.

Labor costs decreased by RMB14.5 million, or 5.8% from RMB248.2 million for the six months ended 30 June 2016 to RMB233.7 million for the six months ended 30 June 2017. The labor costs representing the proportion of revenue increased from 24.7% for the six months ended 30 June 2016 to 24.8% for the six months ended 30 June 2017, which was mainly due to the reform of staff streamlining and efficiency optimization.

Rental costs decreased by RMB6.4 million, or 3.5% from RMB184.5 million for the six months ended 30 June 2016 to RMB178.1 million for the six months ended 30 June 2017 as a result of decrease in the number of stores. The rental costs represening the proportion of revenue increased from 18.4% for the six months ended 30 June 2016 to 18.9% for the six months ended 30 June 2017.

Depreciation expenses decreased by RMB3.5 million, or 4.6% from RMB76.1 million for the six months ended 30 June 2016 to RMB72.6 million for the six months ended 30 June 2017. The depreciation expenses as a percentage of the revenue increased from 7.6% for the six months ended 30 June 2016 to 7.7% for the six months ended 30 June 2017.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses representing the proportion of revenue decreased by RMB3.0 million, or 4.0% from RMB75.3 million for the six months ended 30 June 2016 to RMB72.3 million for the six months ended 30 June 2017 which is mainly due to the Company's reform of flat management and institutional streamlining on headquarter management function.

INCOME TAX EXPENSE

For the six months ended 30 June 2017, income tax expenses was RMB11.6 million, with an income tax rate of 27.4%, representing a decrease of 15.2% as compared to 42.6% for the six months ended 30 June 2016.

PROFIT FOR THE PERIOD

As a result of the foregoing, the profit for the period of the Group increased by RMB20.0 million, or 188.0% from RMB10.7 million for the six months ended 30 June 2016 to RMB30.7 million for the six months ended 30 June 2017. Net profit margin increased from 1.1% for the six months ended 30 June 2016 to 3.3% for the six months ended 30 June 2017.

DIVIDENDS PAYABLE

For the six months ended 30 June 2017, the Group did not pay any dividends. As at 30 June 2017, there were no outstanding dividends payable.

LIQUIDITY, CAPITAL RESOURCES AND CASH FLOW

The Group funded the liquidity and capital requirements primarily through cash inflows generated from the operating activities, shareholders' capital injection and bank loans.

As at 30 June 2017, the gearing ratio was 36.2%, and the ratio was net debt divided by the adjusted capital plus net debt. Net debt includes interest-bearing borrowings, trade payables and other payables and accruals, less cash and cash equivalents. Capital represents equity attributable to owners of the Company.

For the six months ended 30 June 2017, the Group had net cash inflows generated from operating activities of RMB12.1 million (for the six months ended 30 June 2016: RMB32.2 million). As at 30 June 2017, the Group had RMB131.5 million in cash and cash equivalents (30 June 2016: RMB184.9 million). The following table sets out certain information regarding the consolidated cash flows for the periods ended 30 June 2017 and 2016.

	For the six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Net cash flows generated from operating activities	**12,130**	32,225
Net cash flows used in investing activities	**(122,718)**	(98,607)
Net cash flows generated from financing activities	**11,009**	84,367
Net (decrease)/increase in cash and cash equivalents	**(99,579)**	17,985
Cash and cash equivalents at the beginning of the period	**233,390**	169,024
Effect on the net fluctuation foreign exchange rate	**(2,278)**	(2,118)
Cash and cash equivalents at the end of the period	**131,533**	184,891

OPERATING ACTIVITIES

Net cash inflow generated from operating activities decreased by RMB20.1 million, from RMB32.2 million for the six months ended 30 June 2016 to RMB12.1 million for the six months ended 30 June 2017. That was mainly attributable to the centralized procurement for the second half year by the Group in June.

INVESTING ACTIVITIES

For the six months ended 30 June 2017, net cash outflow used in investing activities was RMB122.7million, and RMB98.6 million for the same period in 2016. The increase was mainly due to the balance payment from the acquisition transaction of the 9.82% interests in JMU limited (formerly known as Wowo Limited) in 2016.

FINANCING ACTIVITIES

Net cash flow generated from financing activities decreased by RMB73.4 million from a cash inflow of RMB84.4 million for the six months ended 30 June 2016 to a cash inflow of RMB11.0 million for the six months ended 30 June 2017.

FOREIGN CURRENCY EXPOSURE

None of the Group's sales or purchases for the periods ended 30 June 2017 and 30 June 2016 is denominated in currencies other than the functional currency of the relevant subsidiaries. The Group's exposure to the risk of changes in foreign exchange rates is generated when loans are denominated in a different currency from the functional currency of the relevant subsidiaries of the Group, the Group has slight exposure to foreign exchange risk.

CONTINGENT LIABILITIES

There were no significant contingent liabilities for the Group as at 30 June 2017 and 31 December 2016.

OPERATING LEASE ARRANGEMENTS

As lessee

The Group leases certain of its offices and restaurant properties under operating lease arrangements. Leases for properties are negotiated for terms mainly ranging from 3 to 12 years.

At the end of each reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2017	2016
	30 June	31 December
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Within one year	**309,195**	278,423
In the second to fifth years, inclusive	**696,152**	795,232
After five years	**153,142**	269,748
	1,158,489	1,343,403

CAPITAL COMMITMENT

Capital commitments were approximately RMB13.2 million and RMB29.5 million respectively as at 30 June 2017 and 31 December 2016.

PLEDGED OF GROUP ASSETS

As at 30 June 2017, the interest-bearing bank loans of the Group was RMB421.7 million, of which bank loans of HK$159.0 million (equivalent to RMB138.0 million) were secured by the pledge of fixed deposits of RMB151.9 million by the Group. The entrust bank loan of RMB99.0 million was borrowed from Bank of Shanghai by the Company and were secured by the operating income right of the Group in respect of four restaurants located in Shanghai Disney Resort. The bank loans of the Group in respect of Million Rank (HK) amounted to RMB41.4 million and were secured by mortgages over building of Million Rank (HK).

SIGNIFICANT ACQUISITION AND DISPOSAL

For the six months ended 30 June 2017, there were no material acquisitions and disposals of subsidiaries or associated companies.

HUMAN RESOURCES

The salary level of employees in the restaurant industry in China has been generally increasing in recent years. Employee attrition levels tend to be higher in the food services industry than in other industries. The Group offers competitive wages and other benefits to the restaurant employees to manage employee attrition. As at 30 June 2017, the Group recruited about 3,679 employees in China, Hong Kong and other regions. For the six months ended 30 June 2017, total staff cost was RMB272.1 million, (for the six months ended 30 June 2016: RMB290.3 million), which was mainly due to the flat management structure of store operation, and the optimized reform of the kitchen structure.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

No important event affecting the operation, finance and future prospect of the Group from 30 June 2017 to the date of this announcement.

OTHER INFORMATION

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2017 (for the six months ended 30 June 2016: Nil).

CORPORATE GOVERNANCE CODE

The Company has adopted the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as its code of corporate governance. Except as disclosed below, for the six months period ended 30 June 2017, the Company has complied with the applicable code provisions in the CG Code.

Pursuant to code provision A.2.1 of the CG Code, the roles of chairlady and chief executive officer should be separated and should not be performed by the same individual. At present, the roles of the chairlady and the chief executive officer of the Company are performed by Ms. Wang Huimin as a result of the change of management members. The Board considers that this structure does not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high-quality individuals and meets regularly to discuss issues relating to the operations of the Company. The Board has full confidence in Ms. Wang Huimin and believes that having Ms. Wang Huimin performing the roles of the chairlady and the chief executive officer enables the Group to make and implement decisions promptly and efficiently which is beneficial to the Group as a whole. The Company will seek to re-comply with code provision A.2.1 by identifying and appointing a suitable and qualified candidate to the position of the chief executive officer in the future.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as a code of conduct of the Company regarding directors' transactions of securities. After specific enquires to all directors, all the Directors have confirmed that they have complied with the required standard of dealings set out in the Model Code for the six months ended 30 June 2017.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the six months period ended 30 June 2017, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Company has established the audit committee (the "**Audit Committee**") on 30 August 2011 with written terms of reference formulated in accordance with the Listing Rules and the CG Code. The primary duties of the Audit Committee are to review and supervise the Group's internal control and financial reporting process and to maintain an appropriate relationship with the Company's independent auditors.

The members of the Audit Committee include Mr. Lui Wai Ming, Mr. Weng Xiangwei, Dr. Wu Chun Wah and Mr. Lin Lijun. Mr. Lui Wai Ming is the chairman of the Audit Committee.

The Audit Committee has discussed with the management of the Company and the external auditor about the accounting principles and practices adopted by the Company and reviewed the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2017.

PUBLICATION OF INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.tanshglobal.com). The interim report of the Company for the six months ended 30 June 2017 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and made available for review on the aforesaid websites in due course.

By order of the Board
TANSH Global Food Group Co., Ltd
WANG Huimin
Chairlady

Shanghai, the People's Republic of China, 29 August 2017

As at the date of this announcement, the executive directors of the Company are Ms. WANG Huimin, Ms. ZHU Xiaoxia and Ms. WU Wen; the non-executive directors of the Company are Ms. WANG Huili and Mr. WENG Xiangwei; and the independent non-executive directors of the Company are Dr. WU Chun Wah, Mr. LUI Wai Ming and Mr. LIN Lijun.