Tan'Sh Global Food Group Co., Limited

TANSH Global Food Group Co., Ltd

國際天食集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3666)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2019

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		
	2019 (unaudited)	2018 (unaudited)	*% Change decrease*
Revenue (RMB'000)	**669,275**	770,085	(13.1%)
Gross profit[1] (RMB'000)	**473,499**	554,103	(14.5%)
Gross profit margin[2]	**70.7%**	72.0%	(1.3%)
(Loss)/profit for the period from continuing operations (RMB'000)	**(26,650)**	33,734	(179.0%)
Net (loss)/profit margin[3]	**(4.0)%**	4.4%	(8.4%)
(Loss)/earnings per share – Basic	**RMB(1.27) cents**	RMB1.37 cents	(192.7%)
Number of restaurants (as at 30 June)[4]	**94**	99	

Notes:

1. The calculation of gross profit is based on revenue less cost of sales (excluding the data of Million Rank Limited for the six months ended 30 June 2018, which was disposed as at 21 July 2018).

2. The calculation of gross profit margin is based on gross profit divided by revenue (excluding the data of Million Rank Limited for the six months ended 30 June 2018, which was disposed as at 21 July 2018).

3. Net (loss)/profit margin is calculated as (loss)/profit for the period from continuing operations divided by revenue.

4. The financial performance for the six-month period ended 30 June 2019 and 30 June 2018 have been presented excluding the discontinued operation regarding Million Rank Limited, which was disposed of on 21 July 2018.

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 2019 (the "**Reporting Period**") together with unaudited comparative figures for the corresponding period in the year 2018 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Six-month period ended 30 June 2019

	Notes	**Six-month period ended 30 June 2019** *RMB'000* **(unaudited)**	2018 *RMB'000* (unaudited)
CONTINUING OPERATIONS			
REVENUE	*4*	**669,275**	770,085
Cost of sales		**(195,776)**	(215,982)
Gross profit		**473,499**	554,103
Other income and gains	*4*	**6,636**	8,416
Selling and distribution expenses		**(420,243)**	(443,586)
Administrative expenses		**(56,000)**	(59,512)
Other expenses		**(16,739)**	(7,154)
Finance costs	*6*	**(17,036)**	(8,362)
(LOSS)/PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	*5*	**(29,883)**	43,905
Income tax credit/(expense)	*7*	**3,233**	(10,171)
(LOSS)/PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**(26,650)**	33,734
DISCONTINUED OPERATION			
Loss for the period from a discontinued operation		**–**	(2,977)
(LOSS)/PROFIT FOR THE PERIOD		**(26,650)**	30,757

	Notes	Six-month period ended 30 June 2019 RMB'000 (unaudited)	2018 RMB'000 (unaudited)
Attributable to:			
Owners of the parent		**(28,076)**	30,293
Non-controlling interests		**1,426**	464
		(26,650)	30,757
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic			
– For (loss)/profit for the period	*9*	**RMB(1.27) cents**	RMB1.37 cents
– For (loss)/profit from continuing operations	*9*	**RMB(1.27) cents**	RMB1.46 cents
Diluted			
– For (loss)/profit for the period	*9*	**RMB(1.27) cents**	RMB1.37 cents
– For (loss)/profit from continuing operations	*9*	**RMB(1.27) cents**	RMB1.46 cents

Details of the dividends declared for the period are disclosed in Note 8 to the interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six-month period ended 30 June 2019

	Six-month period ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
(LOSS)/PROFIT FOR THE PERIOD	**(26,650)**	30,757
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(281)**	639
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	**(281)**	639
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated as fair value through other comprehensive income/(loss):		
Changes in fair value	**3,998**	(30,808)
Income tax effect	**(22)**	173
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	**3,976**	(30,635)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**3,695**	(29,996)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	**(22,955)**	761
Attributable to:		
Owners of the parent	**(24,381)**	(395)
Non-controlling interests	**1,426**	1,156
	(22,955)	761

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2019

	Notes	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
NON-CURRENT ASSETS			
Property and equipment		**234,642**	298,346
Right-of-use assets		**419,898**	–
Other intangible assets		**4,455**	5,788
Equity investments designated at fair value through other comprehensive income		**21,873**	17,875
Long-term rental deposits		**81,761**	83,228
Deferred tax assets		**76,923**	69,056
Pledged deposits	*11*	**11,841**	11,660
Other long-term receivables		**45,127**	44,949
Total non-current assets		**896,520**	530,902
CURRENT ASSETS			
Inventories		**23,897**	17,965
Trade receivables	*10*	**13,343**	17,308
Prepayments, other receivables and other assets		**220,551**	233,946
Pledged deposits	*11*	**71,943**	–
Cash and cash equivalents	*11*	**225,723**	413,220
Total current assets		**555,457**	682,439
CURRENT LIABILITIES			
Trade payables	*12*	**114,910**	147,044
Other payables and accruals		**114,638**	122,691
Interest-bearing bank loans		**103,977**	189,683
Lease Liability		**129,790**	–
Tax payable		**13,353**	19,698
Dividends payable		**50,727**	–
Total current liabilities		**527,395**	479,116
NET CURRENT ASSETS		**28,062**	203,323
TOTAL ASSETS LESS CURRENT LIABILITIES		**924,582**	734,225

	Notes	**30 June 2019** *RMB'000* **(unaudited)**	31 December 2018 *RMB'000* (audited)
NON-CURRENT LIABILITIES			
Lease Liability		**319,326**	–
Long-term payables		**4,516**	59,569
Deferred tax liabilities		**7,654**	7,888
Total non-current liabilities		**331,496**	67,457
Net assets		**593,086**	666,768
EQUITY			
Equity attributable to owners of the parent			
Share capital	*13*	**18,393**	18,393
Other reserves		**570,759**	645,867
		589,152	664,260
Non-controlling interests		**3,934**	2,508
Total equity		**593,086**	666,768

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2019

1. CORPORATE AND GROUP INFORMATION

TANSH Global Food Group Co., Ltd is a limited liability company incorporated in the Cayman Islands. The registered office is located at 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 chain restaurants in Mainland China and Hong Kong. There were no significant changes in the nature of the Group's principal activities during the 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 information for the six months ended 30 June 2019 has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2018.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the adoption of the new and revised International Financial Reporting Standards ("**IFRSs**") effective as of 1 January 2019.

Amendments to IFRS 9	*Prepayment Features with Negative Compensation*
IFRS 16	*Leases*
Amendments to IAS 19	*Plan Amendment, Curtailment or Settlement*
Amendments to IAS 28	*Long-term Interests in Associates and Joint Ventures*
IFRIC 23	*Uncertainty over Income Tax Treatments*
Annual Improvements 2015-2017 Cycle	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23

Other than as explained below regarding the impact of IFRS 16 Leases and IFRIC 23 Uncertainty over Income Tax Treatments, the new and revised standards are not relevant to the preparation of the Group's interim condensed consolidated financial information. The nature and impact of the new and revised IFRSs are described below:

(a) Adoption of IFRS 16

IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have any financial impact on leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019, and the comparative information for 2018 was not restated and continues to be reported under IAS 17.

New definition of a lease

Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their standard-alone prices.

As a lessee – Leases previously classified as operating leases

The Group has lease contracts for various items of property and equipment. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under IFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low value assets (elected on a lease by lease basis) and short-term leases (elected by class of underlying asset). The Group has elected not to recognise right-of-use assets and lease liabilities for (i) leases of low-value assets (e.g. laptop computers and telephones); and (ii) leases, that at the commencement date, have a lease term of 12 months or less. Instead, the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

Impacts on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019. The Group elected to present the lease liabilities separately in the statement of financial position.

The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019. All these assets were assessed for any impairment based on IAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position.

The Group has used the following elective practical expedients when applying IFRS 16 at 1 January 2019:

- Applied the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application;

- Used hindsight in determining the lease term where the contract contains options to extend/terminate the lease;

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics;

- Relied on the entity's assessment of whether leases were onerous by applying IAS 37 "Provision, Contingent Liabilities and Contingent Assets" immediately before 1 January 2019 as an alternative to performing an impairment review;

- Excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The impacts arising from the adoption of IFRS 16 as at 1 January 2019 are as follows:

	Increase/(decrease) *RMB'000* (unaudited)
Assets	
Increase in right-of-use assets	506,193
Decrease in property and equipment	(21,647)
Decrease in prepayments, other receivables and other assets	(11,360)
Increase in total assets	473,186
Liabilities	
Increase in lease liabilities	527,565
Decrease in other payables and accruals	(634)
Decrease in long-term payables	(53,745)
Increase in total liabilities	473,186

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 is as follows:

	RMB'000 (unaudited)
Operating lease commitments as at 31 December 2018	745,600
Weighted average incremental borrowing rate as at 1 January 2019	5.53%
Discounted operating lease commitments as at 1 January 2019	656,739
Add: Payments for renew contract using hindsight practical expedient under IFRS16	26,110
Less: Commitments relating to short-term leases and those leases with a remaining lease term ending on or before 31 December 2019	(52,660)
Non-lease components under IFRS16 included in lease commitments as at 31 December 2018	(102,624)
Lease liabilities as at 1 January 2019	527,565

Summary of new accounting policies

The accounting policy for leases as disclosed in the annual financial statements for the year ended 31 December 2018 is replaced with the following new accounting policies upon adoption of IFRS 16 from 1 January 2019:

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less the accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. When the right-of-use assets relate to interests in leasehold land held as inventories, they are subsequently measured at the lower of cost and net realisable value in accordance with the Group's policy for "inventories". The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term. When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's policy for "investment properties".

Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or an estimated change to purchase the underlying asset.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases, to lease property for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. It considers all relevant factors that create an economic incentive for it to exercise the renewal. After the lease commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within the control of the Group and affects its ability to exercise the option to renew.

The Group included the renewal period as part of the lease term for leases of property due to the significance of these assets to its operations. These leases have a short non-cancellable period and there will be a significant negative effect on operation if a replacement is not readily available.

Amounts recognised in the interim condensed consolidated statement of financial position and profit or loss

The carrying amounts of the Group's right-of-use assets and lease liabilities and the movement during the period are as follow:

	Right-of-use assets	
	Leasehold improvements	**Lease liabilities**
	RMB'000	*RMB'000*
As at 1 January 2019	506,193	527,565
Additions	90	–
Depreciation charge	(86,699)	–
Interest expense	–	13,215
Payments	–	(91,926)
Exchange adjustment	314	262
As at 30 June 2019	419,898	449,116

The Group recognised rental expenses from short-term leases of RMB19,580,000 and variable lease expense not based on index or rate of RMB3,581,000 for the six months ended 30 June 2019.

(b) IFRIC 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as "uncertain tax positions"). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. Upon adoption of the interpretation, the Group considered whether it has any uncertain tax positions arising from the transfer pricing on its intergroup sales. Based on the Group's tax compliance and transfer pricing study, the Group determined that it is probable that its transfer pricing policy will be accepted by the tax authorities. Accordingly, the interpretation did not have any significant impact on the Group's interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

The Group operates as one business unit based on brands and services, there was only one reportable segment, the TANSH Global Business, in the Group.

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

Geographical information

(a) Revenue from external customers

	Six-month period ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Mainland China	**551,846**	639,102
Hong Kong	**117,429**	130,983
	669,275	770,085

The revenue information of continuing operations above is based on the locations of the customers.

(b) Non-current assets

	30 June	31 December
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Mainland China	**633,968**	333,073
Hong Kong	**106,788**	54,289
	740,756	387,362

The non-current asset information of continuing operations above is based on the locations of the 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 2019 and 2018, segment information is not presented in accordance with IFRS 8 *Operating Segments*.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Six-month period ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue from contracts with customers	**669,275**	770,085

Disaggregated revenue information for revenue from contracts with customers

	For the six months ended 30 June 2019
	RMB'000
Type of goods or services	
Restaurant operations	**652,226**
Sale of foods	**7,557**
Management fee from franchisee	**9,492**
Total revenue from contracts with customers	**669,275**

	For the six months ended 30 June 2019
	RMB'000
Timing of revenue recognition	
Goods and services transferred at a point in time	**659,783**
Services transferred over time	**9,492**
Total revenue from contracts with customers	**669,275**

	For the six months ended 30 June 2018 *RMB'000*
Type of goods or services	
Restaurant operations	759,542
Sale of foods	6,485
Management fee from franchisee	4,058
Total revenue from contracts with customers	770,085

	For the six months ended 30 June 2018 *RMB'000*
Timing of revenue recognition	
Goods and services transferred at a point in time	766,027
Services transferred over time	4,058
Total revenue from contracts with customers	770,085

Other income and gains

	Six-month period ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Government grants*	**1,544**	1,684
Dividend income from equity investments at fair value through other comprehensive income	**–**	400
Interest income	**4,508**	981
Management fee income	**210**	–
Gain on disposal of items of property and equipment	**–**	2,313
Gain on disposal of a subsidiary	**–**	2,673
Others	**374**	365
	6,636	8,416

* There is no unfulfilled conditions or contingencies attaching to government grants that had been recognized.

5. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax from continuing operations is arrived at after charging/(crediting):

	Six-month period ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Cost of inventories consumed	**195,776**	215,982
Depreciation of property and equipment	**44,907**	64,181
Amortisation of other intangible assets	**1,333**	1,342
Lease expenses	**23,161**	135,809
Depreciation of right-of-use assets	**86,699**	–
Impairment loss for fixed assets	**8,665**	–
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	**168,471**	173,131
Defined contribution pension scheme	**30,008**	32,773
	198,479	205,904
Interest income	**(4,508)**	(981)
Gain on disposal of a subsidiary*	**–**	(2,673)
Loss/(Gain) on disposal of items of property and equipment	**906**	(2,313)

* Gain on disposal of a subsidiary is included in "Other income and gains" in the consolidated statement of profit or loss.

6. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	Six-month period ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest on lease liabilities	**13,215**	–
Interest on bank loans	**3,894**	8,507
Less: Interest capitalised	**(73)**	(145)
	17,036	8,362

7. INCOME TAX

	Six-month period ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current – Mainland China charged for the period	**4,701**	12,115
Current – Hong Kong and elsewhere charged for the period	**114**	595
Deferred tax	**(8,048)**	(2,539)
Total tax (credited)/charged for the period from continuing operations	**(3,233)**	10,171
Total tax credited for the period from a discontinued operation	**–**	(193)
	(3,233)	9,978

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**") are unified at 25%.

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the period.

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.

8. DIVIDENDS

	Six-month period ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Final declared – RMB2.3 cents per ordinary share (2018: RMB1.0 cents per ordinary share)	**50,727**	22,055

No interim dividend was proposed during the six-month period ended 30 June 2019 (six-month period ended 30 June 2018: Nil).

On 28 June 2019, the annual general meeting of the Company approved to declare a final dividend of RMB0.023 per share of the Company for the year ended 31 December 2018. On 29 June 2018, the annual general meeting of the Company approved to declare a final dividend of RMB0.01 per share of the Company for the year ended 31 December 2017.

9. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic (loss)/earnings per share is based on the consolidated (loss)/profit attributable to ordinary equity holders of the parent and weighted average number of ordinary shares of 2,205,531,000 (30 June 2018: 2,205,531,000) in issue throughout the period.

The calculation of diluted (loss)/earnings per share amount is based on the (loss)/profit for the period attributable to ordinary equity holders of the parent. 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 (loss)/earnings per share are based on:

	Six-month period ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Earnings		
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation:		
From continuing operations	**(28,076)**	32,228
From a discontinued operation	**–**	(1,935)
	(28,076)	30,293
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**	2,205,531,000
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**	2,205,531,000

* Not taking into account the 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 period, there was no dilutive effect as of 30 June 2019 and 2018.

10. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on cash, credit card, Alipay and WeChat Pay settlement. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. 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 and net of loss allowance, is as follows:

	30 June 2019	31 December 2018
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Within 1 month	**8,810**	9,695
1 to 2 months	**974**	1,023
2 to 3 months	**363**	809
Over 3 months	**3,196**	5,781
	13,343	17,308

The Group applies the simplified approach to provide for expected credit losses prescribed in IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The Group overall considers the shared credit risk characteristics and the days past due of the trade receivables to measure the expected credit losses. As all of the receivables were neither past due nor impaired and relate to diversified customers for whom there was no recent history of default and there has not been a significant change in credit quality, the directors are of the opinion that no provision for impairment is necessary in respect of these balances.

11. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	30 June 2019	31 December 2018
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Cash and bank balances	**222,534**	409,506
Time deposits with maturity of less than three months	**73,907**	2,492
Time deposits with maturity of over three months	**13,066**	12,882
	309,507	424,880
Less: Pledged time deposits for bank loans:		
– Current portion	**(71,943)**	–
– Non-current portion	**(11,841)**	(11,660)
Cash and cash equivalents	**225,723**	413,220

As at 30 June 2019, RMB83,784,000 of time deposits were pledged for bank loans borrowed by the Group (31 December 2018: RMB11,660,000).

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("**RMB**") amounted to RMB208,460,000 (31 December 2018: RMB387,603,000). 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.

12. TRADE PAYABLES

An ageing 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 2019 *RMB'000* **(unaudited)**	31 December 2018 *RMB'000* (audited)
Within 3 months	**109,576**	125,275
3 months to 1 year	**4,655**	17,881
Over 1 year	**679**	3,888
	114,910	147,044

The trade payables are non-interest-bearing and normally settled within 2 months after receiving the invoice.

13. SHARE CAPITAL

Shares

	30 June 2019 *RMB'000* **(unaudited)**	31 December 2018 *RMB'000* (audited)
Authorised:		
Ordinary shares of HK$0.01 each	**10,000,000,000**	10,000,000,000
Issued and fully paid:		
Ordinary shares of HK$0.01 each	**2,213,031,000**	2,213,031,000
Equivalent to RMB'000	**18,393**	18,393

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	**Share capital** *RMB'000*	**Share premium account** *RMB'000*	**Capital redemption reserve** *RMB'000*	**Total** *RMB'000*
At 1 January 2018, 31 December 2018 and 30 June 2019	2,213,031,000	18,393	723,842	27	742,262

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

In the first half of 2019, the international environment experienced significant change, with the trade frictions between China and the United States evolving in complex ways, and adjustments to the domestic economic structural reform was constantly deepened. In face of the changing and uncertain domestic and overseas economic situations, China's GDP achieved a year-on-year growth of 6.3%, and the per capita disposable expenditure increased by 6.5%. The total revenue of catering industry in China had a year-on-year growth of 9.4%, slightly lower than the year-on-year growth in 2018, which remained higher than the increase in total sales of consumer goods in the society. Driven by slowdown in economic growth, consumption upgrade and Internet technology, business segmentation and pattern innovation have become new trends of the catering industry.

BUSINESS REVIEW

For the six months ended 30 June 2019, the Group's revenue amounted to RMB669.3 million, which comprised the revenue of restaurant operations of RMB652.2 million and other revenue of RMB17.1 million (including the revenue from Mai Chi Ling licensed stores of RMB9.5 million and sales of value-added goods of RMB7.6 million), with a decrease of RMB100.8 million or 13.1% from RMB770.1 million in the corresponding period of last year; the Group's gross profit amounted to RMB473.5 million, with a decrease of approximately RMB80.6 million or 14.5% from RMB554.1 million in the corresponding period of last year. During the six months ended 30 June 2019, the loss attributable to the parent company owner was approximately RMB28.1 million, representing a decrease of RMB58.4 million in the corresponding period of last year. The main reason for the profit decrease in this period was due to a decrease in revenue from restaurant operations, a closing cost incurred from adjustment of store layout and the impact of initial application of the Lease Standard of the International Financial Reporting Standard in 2019.

As of 30 June 2019, the Group operated a restaurant network of 61 "Shanghai Min" restaurants, 2 "Maison DeL' Hui" restaurants, 27 "The Dining Room" restaurants, one "Oreno" restaurant, two "Wolfgang Puck" restaurants and one "DOUTOR" café, which covers some of the most affluent and fast-growing cities in Mainland China (Note(ii)) and Hong Kong. The following table sets forth the revenue and the number of the restaurants in operation, by geographical region and brand, for the six-month period ended 30 June 2019 and 2018 respectively.

	For the six months ended 30 June			
	2019		2018	
	Number of restaurants *(Note (iii))*	**Revenue** ***RMB'000*** **(unaudited)**	Number of restaurants	Revenue *RMB'000* (unaudited)
The PRC *(Note (ii))*				
– Shanghai Min and Maison DeL'Hui	**58**	**432,440**	62	525,250
– The Dining Room	**19**	**76,519**	19	78,204
– Other brands *(Note (iv))*	**4**	**25,838**	4	25,105
Hong Kong				
– Shanghai Min	**5**	**50,509**	7	66,616
– The Dining Room	**8**	**66,920**	7	64,367
Total Revenue of restaurant operations *(Note (ii))*	**94**	**652,226**	99	759,542
Other revenue		**17,049**		10,543
Total Revenue		**669,275**		770,085

Notes:

(i) Total revenue of restaurant operations includes revenue of restaurant operations and takeaway business of restaurants.

(ii) The PRC (Mainland China), which for the purpose of this announcement and for geographical reference only, excludes Hong Kong, Macau and Taiwan.

(iii) The number of restaurants excludes licensed Mizhilian, Shanghai Min and The Dining Room stores.

(iv) Other brands include Oreno, Wolfgang Puck and DOUTOR.

In the first half of 2019, the Group strived for changing and improving the results of operations, focused on its core businesses and introduced the following reforms and measures:

1. Promotion of product reforms to improve customer experience

1) With an aim to reinforcing R&D capabilities, the Group underwent restructuring and strengthening of the research and development team in the beginning of the year, pursued improvement in and optimization on market survey and research, R&D and listing of new dishes as well as other procedures, thereby making significant improvement in creativity, quality and the pace of introduction of new dishes of various brands under the Group.

2) With an aim to increasing the product price-quality ratio, under the circumstances of relative deceleration in growth rate of the macroeconomy, the Group raised the overall price-quality ratio and customer satisfaction through cancellation of service fees of some brands, adjustment of product structure, introduction of new products with higher price-quality ratios and other methods.

2. Enhancement of brand influence through brand upgrade

The Group set up a key project team dedicated to advancing the optimization and upgrade of its core brands such as The Dining Room and Shanghai Min in the first half of 2019, and completed the opening of its first store of The Dining Room, an upgraded brand in Hong Kong, and after all-round upgrades in environment, products and services of the new brand, it received wide recognition from customers since the opening of its first store, with an increase in customer flow of more than 30% as compared to that before renovation. In the meantime, an upgraded brand of The Dining Room under the Company in the mainland undertook active preparation work, which was planned to be launched in the second half of 2019.

3. **Optimization of urban layout to raise operating efficiency**

The Group closed a total of six stores, reduced two direct sale cities in the first half of 2019, gradually optimizing store layout. After optimization of urban layout, the Group's direct sale stores business became even more concentrated in the three most developed urban clusters in the PRC, namely the Yangtze River Delta, Greater Bay Area and Beijing-Tianjin-Hebei region with Shanghai, Hong Kong, Beijing and Shenzhen as the hubs, whilst increasing operating efficiency, supply chain efficiency and management efficiency of the Company by way of improvement in the density of its urban stores.

4. **Optimization of headquarters' structure to improve management efficiency**

The Group constantly accelerated optimization of organizational structure in the first half of 2019, and reduced management fees whilst increasing market response rate as well as communication and management efficiency by adoption of flat management.

FINANCIAL REVIEW

REVENUE

Revenue of the Group decreased by RMB100.8 million, or 13.1% from RMB770.1 million for the six months ended 30 June 2018 to RMB669.3 million for the six months ended 30 June 2019.

Revenue of restaurant operations

Total revenue of restaurant operations decreased by RMB107.3 million, or 14.1% from RMB759.5 million for the six months ended 30 June 2018 to RMB652.2 million for the six months ended 30 June 2019:

- For the six months ended 30 June 2019, the revenue from newly opened stores increased by RMB44.0 million;
- A decrease of RMB72.7 million in revenue in the same store sales for the six months ended 30 June 2019 as compared to the six months ended 30 June 2018;
- A decrease of RMB78.6 million in revenue as a result of a decrease in the number of stores and suspension of business due to store renovation for the six months ended 30 June 2019.

Other revenue

For the six months ended 30 June 2019, other revenue amounted to RMB17.1 million, which mainly comprises of income from Mai Chi Ling licensed stores and sales of value-added goods.

COST OF SALES

The cost of sales decreased by RMB20.2 million, or 9.4% from RMB216.0 million for the six months ended 30 June 2018 to RMB195.8 million for the six months ended 30 June 2019.

The cost of sales as a percentage of revenue increased from 28.0% for the six months ended 30 June 2018 to 29.3% for the six months ended 30 June 2019.

OTHER INCOME

Other income decreased by RMB1.8 million from RMB8.4 million for the six months ended 30 June 2018 to RMB6.6 million for the six months ended 30 June 2019.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses decreased by RMB23.4 million, or 5.3% from RMB443.6 million for the six months ended 30 June 2018 to RMB420.2 million for the six months ended 30 June 2019.

Labor expenses increased by RMB1.9 million from RMB167.0 million for the six months ended 30 June 2018 to RMB168.9 million for the six months ended 30 June 2019. The labor costs as a percentage of revenue increased from 21.7% for the six months ended 30 June 2018 to 25.2% for the six months ended 30 June 2019. Dismissal compensation resulting from the closure of stores amounted to approximately RMB4.8 million.

Rental expenses decreased by RMB111.8 million, or 82.8% from RMB135.0 million for the six months ended 30 June 2018 to RMB23.2 million for the six months ended 30 June 2019. The rental expenses as a percentage of revenue decreased from 17.5% for the six months ended 30 June 2018 to 3.5% for the six months ended 30 June 2019, mainly due to the initial application of IFRS 16, while the related rental expenses were reflected as the depreciation right-of-use assets and the interest on lease liabilities.

Depreciation expenses increased by RMB71.4 million, or 123.3% from RMB57.9 million for the six months ended 30 June 2018 to RMB129.3 million for the six months ended 30 June 2019. The depreciation expenses as a percentage of the sale revenue increased from 7.5% for the six months ended 30 June 2018 to 19.3% for the six months ended 30 June 2019, which is mainly due to an increase in depreciation expenses on right-of-use assets as a result of the initial application of IFRS 16.

ADMINISTRATIVE EXPENSES

Administrative expenses decreased by RMB3.5 million, or 5.9% from RMB59.5 million for the six months ended 30 June 2018 to RMB56.0 million for the six months ended 30 June 2019, which is mainly due to the streamlining of staff in headquarters and efficiency optimization.

OTHER EXPENSES

Other expenses amounted to RMB16.7 million for the six months ended 30 June 2019 representing an increase of RMB9.5 million in the corresponding period of last year, which is mainly due to an impairment provision of RMB8.7 million for store assets in the current period.

FINANCE COSTS

Finance costs amounted to RMB17.0 million for the six months ended 30 June 2019, representing an increase of RMB8.7 million for the corresponding period of last year, which was mainly due to the interest on related lease liabilities of RMB13.2 million resulting from the initial adoption of IFRS 16.

INCOME TAX EXPENSE

Income tax expense decreased by RMB13.4 million from RMB10.2 million for the six months ended 30 June 2018 to RMB–3.2 million for the six months ended 30 June 2019.

(LOSS)/PROFIT FOR THE PERIOD

As a result of the foregoing reasons, the profit for the Reporting Period of the Group decreased by RMB60.4 million from RMB33.7 million for the six months ended 30 June 2018 to RMB–26.7 million for the six months ended 30 June 2019. Net profit margin decreased from 4.4% for the six months ended 30 June 2018 to –4.0% for the six months ended 30 June 2019.

DIVIDENDS PAYABLE

As at 30 June 2019, there were outstanding dividends payable amounting to RMB50.7 million.

LIQUIDITY, CAPITAL RESOURCES AND CASH FLOW

The Group funded our liquidity and capital requirements primarily through bank loans and cash inflows generated from the operating activities.

As at 30 June 2019, the Group's interest-bearing bank loans amounted to RMB104.0 million. The gearing ratio was 15.5%, and the gearing ratio was net debt divided by the adjusted capital plus net debt. Net debt includes interest-bearing bank 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 2019, the Group had net cash inflows generated from operating activities of RMB81.6 million (for the six months ended 30 June 2018: RMB30.1 million). As at 30 June 2019, the Group had RMB224.5 million in cash and cash equivalents (30 June 2018: RMB245.9 million). The following table sets out certain information regarding the consolidated cash flows for the periods ended 30 June 2019 and 2018.

	For the six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Net cash flows generated from operating activities	**81,612**	30,082
Net cash flows used in investing activities	**(14,751)**	(22,294)
Net cash flows used in financing activities	**(253,917)**	(67,722)
Net decrease in cash and cash equivalents	**(187,056)**	(59,934)
Cash and cash equivalents at the beginning of the period	**411,998**	305,224
Effect of foreign exchange rate changes, net	**(444)**	569
Cash and cash equivalents at the end of the period	**224,498**	245,859

OPERATING ACTIVITIES

Net cash inflow generated from operating activities increased by RMB51.5 million, from RMB30.1 million for the six months ended 30 June 2018 to RMB81.6 million for the six months ended 30 June 2019. That was mainly due to the rental payments in relation to the lease contracts being credited under cash used in financial activities as a result of the initial application of IFRS 16.

INVESTING ACTIVITIES

For the six months ended 30 June 2019, net cash flow used in investing activities was RMB14.8 million, and RMB22.3 million for the same period in 2018.

FINANCING ACTIVITIES

Net cash flow used in financing activities increased from RMB67.7 million for the six months ended 30 June 2018 to RMB253.9 million for the six months ended 30 June 2019. That was mainly due to the rental payments in relation to the lease contracts being credited under cash used in financial activities as a result of the initial application of IFRS 16.

FOREIGN CURRENCY EXPOSURE

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expenses are denominated in a different currency from the functional currency of the relevant subsidiaries of the Group). None of the Group's purchase for the six months ended 30 June 2019 and 30 June 2018 are denominated in currencies other than the functional currency of the relevant subsidiaries. The Group has minimal exposure to foreign exchange risk.

CONTINGENT LIABILITIES

A subsidiary of the Group is currently a defendant in a lawsuit brought by a party alleging that the subsidiary violated registered trademarks and unfair competition in Mainland China. The plaintiff claims for a compensation amounting to RMB10,000,000. The Group's attorney considers that the possibility and the amount of compensation cannot be estimated for the time being. Accordingly, the Company have not provided for any claim arising from the litigation, other than the related legal and other costs.

Except for those disclosed above, the Group did not have any material contingent liability.

CAPITAL COMMITMENT

Capital commitments were approximately RMB3.5 million and RMB7.4 million, respectively, as at 30 June 2019 and 31 December 2018.

PLEDGED OF GROUP ASSETS

As at 30 June 2019, bank loans of HK$18.1 million and the Company's borrowings of RMB68.3 million were guaranteed by the pledge of certain fixed deposits of RMB11.8 million and RMB71.9 million by the Group.

SIGNIFICANT ACQUISITION AND DISPOSAL

For the six months ended 30 June 2019, there were no other material acquisitions or disposals of the Group and its subsidiaries and associated companies.

Human resources

As at 30 June 2019, the Group employed approximately 2,081 staff in Mainland China and Hong Kong. In 2019, the Group continued to use a three-dimensional labor structure for full-time employees, hourly employees and trainees and also entered into long-term cooperation plans with a number of domestic institutions. The Group continued to carry out a number of incentive assessment policies formulated, so as to increase the overall income of employees and to achieve the sharing of benefits between the Company and employees, as well as to improve employee work enthusiasm.

For the six months ended 30 June 2019, total staff cost was RMB198.5 million, accounting for 29.7% of the revenue (for the six months ended 30 June 2018: RMB205.9 million), which mainly comprised wages and salaries.

III. STRATEGIC OUTLOOK

Continuous optimization of the Shanghai Min brand

In the second half of 2019, the Group plans to further improve customer experience and satisfaction by means of brand upgrade, product optimization, improvement in price-quality ratio and other methods. The Group will meet the needs of mid-range business banquet and that of ordinary family consumption, thus injecting new energy into a Shanghai local catering brand accumulating over 30-year experience, bringing better and newer dishes as well as better experiences to our customers.

Expansion of the league cooperation of The Dining Room brand

Undergoing 7 years of management and operation under the Group, The Dining Room has been successfully built as a leisure catering brand that is popular among youngsters. The Group plans to introduce a new generation of an upgraded brand of The Dining Room in core cities and commence the league cooperation business of The Dining Room brand by taking advantage of the restaurant management and operation ability, product R&D ability, and raw and supplementary material supply chain ability that it already has.

Development of efficient, leisure dining

The Group will attempt to introduce efficient Japanese and western casual dining models with novel patterns and innovative design, and expand its Japanese and western casual dining businesses in core cities, in combination of the Company's accumulated brand and product capabilities in western dining.

Construction of infrastructure of information systems

The Group plans to renovate and upgrade the POS, CRM and ERP systems, particularly enhance the application in mobile internet, strengthen its links with customers, realize online transaction data, and achieve streamlined management of the Group through smart dining and big data analysis.

SIGNIFICANT EVENTS SUBSEQUENT TO THE REPORTING PERIOD

The amounts due from related party Shanghai Hongshi Trading Co., Ltd. as of 30 June 2019 was RMB10,000,000, among which RMB1,744,000 has been received by the Group in August 2019.

The amounts due from related party JM (HK) Investment Company Limited and its subsidiaries as of 30 June 2019, amounting to RMB47,937,072, have been subsequently received by the Group in July 2019.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2019.

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. For the six months ended 30 June 2019, the Company has complied with the applicable code provisions set out in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (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 Reporting Period.

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

For the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

INTERIM RESULTS REVIEW

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, Dr. Wu Chun Wah and Mr. Zhang Zhenyu. 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 2019.

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 Reporting Period containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the aforesaid websites in due course.

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

Shanghai, the People's Republic of China, 30 August 2019

As at the date of this announcement, the executive directors of the Company are Ms. Baixuan Tiffany WANG and Mr. SUN Yong; the non-executive directors of the Company are Ms. WANG Huili and Ms. WU Wen; and the independent non-executive directors of the Company are Dr. WU Chun Wah, Mr. LUI Wai Ming and Mr. ZHANG Zhenyu.