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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)

**(1) AMENDMENTS TO THE 2019 SHARE AWARD SCHEME AND
GRANT OF 2019 AWARDED SHARES; AND
(2) ADOPTION OF NEW SHARE AWARD SCHEME**

**(1) AMENDMENTS TO THE 2019 SHARE AWARD SCHEME AND GRANT OF
2019 AWARDED SHARES**

Amendments to the 2019 Share Award Scheme

Reference is made to the announcement of Company dated 20 December 2019 in relation to, among others, the adoption of the 2019 Share Award Scheme.

Pursuant to the rules of the 2019 Share Award Scheme, the Board may alter the terms and conditions of the 2019 Share Award Scheme in any respect by a resolution of the Board. The maximum number of Shares which may be granted to a selected employee under the 2019 Share Award Scheme (the “**Selected Employee**”) at any one time or in aggregate may not exceed 1% of the issued share capital of the Company as at 20 December 2019, being the adoption date of the 2019 Share Award Scheme (the “**Individual Participant Limit**”).

In order to strengthen the retention of the Company’s core management team to enabling mid-term and long-term structural reform and transformation of the Company, the Board resolved to revise the Individual Participant Limit to five (5%) per cent. of the Company’s issued share capital as at the Amendment Date.

The Board considered that the above amendment would not affect adversely in any material respect the subsisting rights of any Selected Employee under the 2019 Share Award Scheme. Save as aforesaid, all other terms of the 2019 Share Award Scheme remain unchanged and effective.

Grant of 2019 Awarded Shares

On 25 November 2021, based on the recommendation of the remuneration committee of the Company, the Board (including all independent non-executive Directors) resolved to grant a total of 173,390,975 2019 Awarded Shares to two Selected Employees, who are directors of the Group and also connected persons (as defined in the Listing Rules) pursuant to the Amended 2019 Scheme at nil consideration.

The 173,390,975 2019 Awarded Shares represent approximately 7.83% of the issued share capital of the Company as at the date of this announcement. Based on the closing price of HK\$0.062 per Share on the Date of Grant, the market value of the 173,390,975 2019 Awarded Shares in aggregate is HK\$10,750,240.45.

Details of the 2019 Share Award Grantees are set out below:

2019 Share Award Grantees	Position	Number of 2019 Awarded Shares
Mr. Gu Dorson	Executive Director	110,651,550
Ms. Ping Guoqin	Executive Director	<u>62,739,425</u>
Total		<u>173,390,975</u>

The 173,390,975 2019 Awarded Shares granted to the 2019 Share Award Grantees will be satisfied by Shares purchased or to be purchased from the secondary market by the Trustee, which will be held by the Trustee on trust for the 2019 Share Award Grantees and will be transferred to them at no cost upon vesting of their respective 2019 Awarded Shares.

The 2019 Awarded Shares shall be vested in the 2019 Share Award Grantees subject to the terms of the Amended 2019 Scheme and shall be vested in three tranches of which: (a) 34% of the 2019 Awarded Shares shall be vested on the Date of Grant; (b) 33% of the 2019 Awarded Shares shall be vested on the first anniversary date of the Date of Grant; and (c) 33% of the 2019 Awarded Shares shall be vested on the second anniversary date of the Date of Grant.

Mr. Gu Dorson and Ms. Ping Guoqin are Directors and thus are connected persons of the Company under Chapter 14A of the Listing Rules. The 173,390,975 2019 Awarded Shares granted to them will form part of their remuneration package under their respective service contracts and therefore, will be exempt from the reporting, announcement and independent shareholders' approval requirements under Rules 14A.73(6) and 14A.95 of the Listing Rules.

Mr. Gu Dorson and Ms. Ping Guoqin have abstained from voting on the relevant resolutions in the Board meeting to approve the grant of the 2019 Awarded Shares to themselves.

(2) ADOPTION OF THE NEW SHARE AWARD SCHEME

On 25 November 2021, the Board further resolved to adopt the New Share Award Scheme. The purposes and objectives of the New Share Award Scheme are to recognize the contribution by certain employees and to give incentives to them in order to retain them for continual operation and development of the Group.

A summary of the principal terms of the New Share Award Scheme is set out below.

Purpose and Objective

The purposes and objectives of the New Share Award Scheme are to recognize the contribution by certain employees and to give incentives to them in order to retain them for continual operation and development of the Group and to attract suitable personnel for further development of the Group.

Duration

The New Share Award Scheme shall be valid and effective for a term of three (3) years commencing from the Adoption Date.

Administration

The New Share Award Scheme shall be subject to the administration of the Board or the Execution Committee in accordance with the terms of the New Share Award Scheme. The decision of the Board or the Execution Committee with respect to any matter arising under the New Share Award Scheme (including the interpretation of any provision) shall be final and binding.

The Board may appoint a New Trustee to assist with the administration and vesting of the New Awarded Shares to be granted pursuant to the New Share Award Scheme. If a New Trustee is appointed, the New Trustee shall hold the New Trust Fund in accordance with the terms of the New Trust Deed to be entered between the Company and the New Trustee in relation to the New Share Award Scheme.

In the event that a New Trustee is appointed, there shall be constituted under the New Trust an Investment Advisory Committee formed by the New Selected Employees (as defined below) which shall have such powers and functions as stipulated under the New Share Award Scheme.

Scheme Limit

The Board or the Execution Committee shall not make any further award of New Awarded Shares which will result in the number of the Shares awarded by the Board or the Execution Committee under the New Share Award Scheme exceeding in aggregate ten (10) per cent. of the number of Shares in issue as at the Adoption Date.

The maximum number of shares which may be awarded to a New Selected Employee under the New Share Award Scheme shall not exceed one (1) per cent. of the Shares in issue as at the Adoption Date.

Operation of the New Share Award Scheme

The Board or the Execution Committee may from time to time cause to be paid a Contributed Amount to the New Trust by way of settlement or otherwise contributed by the Company or any of its subsidiary as directed by the Board or the Execution Committee which shall constitute part of the New Trust Fund, for the purchase or subscription (as the case may be) of Shares and other purposes set out in the rules of the New Share Award Scheme and the New Trust Deed.

In connection with the implementation of the New Share Award Scheme, if a New Trustee is appointed, the Investment Advisory Committee may from time to time instruct the New Trustee in writing to purchase Shares on the Stock Exchange, which are to be held by the New Trustee for the benefit of the New Selected Employees under the New Trust on and subject to the terms and conditions of the rules of the New Share Award Scheme and the New Trust Deed.

If a New Trust is established, in the event that the New Awarded Shares are to be allotted and issued as new Shares under the general mandate or specific mandate for the purpose of the New Trust, the Board or the Execution Committee shall cause an amount equal to the subscription monies of such new Shares to be allotted and issued be transferred from the resources of the Company or its subsidiaries as soon as reasonably practicable but in any event not later than five business days prior to the allotment and issuance of such Shares as subscription monies for the new Shares and cause to issue and allot such new Shares to the New Trustee, which shall be held upon trust for the relevant selected employee(s) subject to the terms and conditions set out in the New Share Award Scheme and in the New Trust Deed.

Notwithstanding the above, the Board or the Execution Committee may, at its absolute discretion, procure the Company to allot and issue new Shares to the New Selected Employee directly upon vesting, subject to compliance with the Listing Rules and all applicable laws and regulations, and in such event, no funds are required to be paid to the New Trustee.

Grant of the New Awarded Shares

Subject to the rules of the New Share Award Scheme, the Board or the Execution Committee may, from time to time, at its absolute discretion select any employee of the Group for participation in the New Share Award Scheme as a selected employee under the New Share Award Scheme (“**New Selected Employee**”), and grant such number of New Awarded Shares to any New Selected Employee at no consideration and in such number and on and subject to such terms and conditions as it may in its absolute discretion determine.

In determining the number of New Awarded Shares to be granted to any New Selected Employee, the Board or the Execution Committee shall take into consideration matters including, but without limitation to,

- (i) the present contribution and expected contribution of the relevant New Selected Employee to the profits of the Group;
- (ii) the general financial condition of the Group;
- (iii) the Group’s overall business objectives and future development plan; and
- (iv) any other matter which the Board or the Execution Committee considers relevant.

Vesting of the New Awarded Shares

Prior to the Vesting Date, any New Award made under the rules of the New Share Award Scheme shall be personal to the New Selected Employee to whom it is made and shall not be assignable and no New Selected Employee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the New Awarded Shares referable to him pursuant to such New Award.

Subject to the rules of the New Share Award Scheme, a New Selected Employee shall not have any interest or rights (including the right to receive dividends and right to vote) in the New Awarded Shares prior to the Vesting Date. All cash income and the sale proceeds of non-scrip distribution declared in respect of a Share held upon the New Trust will be applied towards (a) the payment of the fees, costs and expenses of the New Trust and (b) the remainder, if any, remain as part of the New Trust Fund.

Disqualification of the New Selected Employee

In the event that prior to or on the Vesting Date, a New Selected Employee is found to be an Excluded Person or is deemed to cease to be an Employee, including but not limited to the following circumstances:

- (a) where such person has committed any act of fraud or dishonesty or serious misconduct, whether or not in connection with his employment or engagement by any member of the Group and whether or not it has resulted in his employment or engagement being terminated by the relevant member of the Group;

- (b) where such person has been declared or adjudged to be bankrupt by a competent court or governmental body or has failed to pay his debts as they fall due (after the expiry of any applicable grace period) or has entered into any arrangement or composition with his creditors generally or an administrator has taken possession of any of his assets;
- (c) where such person has been convicted of any criminal offence; or
- (d) where such person has been convicted of or is being held liable for any offence under or any breach of the SFO or other securities laws or regulations in Hong Kong or any other applicable laws or regulations in force from time to time,

the relevant New Award made to such New Selected Employee shall automatically lapse forthwith and the relevant New Awarded Shares shall not vest on the relevant Vesting Date but shall remain part of the New Trust Fund.

Restriction

No New Award shall be made by the Board or the Execution Committee and if a New Trustee is appointed, no instructions to acquire any Shares shall be given to the New Trustee under the New Share Award Scheme pursuant to its rules where dealings in the Shares are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time, including but not limited to the following circumstances:

- (a) after an event involving inside information in relation to affairs or securities of the Company has occurred or a matter involving inside information in relation to the securities of the Company has been the subject of a decision, until such inside information has been publicly announced in accordance with the applicable laws and the Listing Rules;
- (b) during the period of 60 days immediately preceding the publication date of the annual results for any financial period of the Company or, if shorter, the period from the end of the relevant financial period up to the publication date of the results;
- (c) during the period of 30 days immediately preceding the publication date of the interim results for any financial period of the Company or, if shorter, the period from the end of the relevant half-year period of the financial period up to the publication date of the results; or
- (d) in any circumstance which is prohibited under the Listing Rules, the SFO or any other law or regulation or where any requisite approval from any governmental or regulatory authority has not been granted.

Alteration of the New Share Award Scheme

The New Share Award Scheme may be amended in any respect by a resolution of the Board provided that no such amendment shall operate to affect materially and adversely any subsisting rights of any New Selected Employee pursuant to the rules of the New Share Award Scheme.

Non-transferrable

Any New Award made shall be personal to the New Selected Employee to whom it is made and shall not be assignable.

Termination

The New Share Award Scheme shall terminate on the earlier of: (i) the third (3rd) anniversary date of the Adoption Date; and (ii) such date of early termination as determined by the Board by a resolution of the Board, provided that such termination shall not affect any subsisting rights of any New Selected Employee under the New Share Award Scheme.

Upon termination (whether due to early termination or upon expiry of the term of the New Share Award Scheme), no further Shares shall be granted.

The New Share Award Scheme does not constitute a share option scheme nor an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. No Shareholders' approval is required to adopt the New Share Award Scheme and this announcement is made on a voluntary basis.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings ascribed to them below:

“2019 Awarded Shares”	in respect of a selected employee under the 2019 Share Award Scheme, such number of Shares as awarded by the Board
“2019 Share Award Grantees”	being Mr. Gu Dorson and Ms. Ping Guoqin
“2019 Share Award Scheme”	the share award scheme adopted by the Board on 20 December 2019
“Adoption Date”	25 November 2021, the date on which the New Share Award Scheme is adopted by the Company
“Amended 2019 Scheme”	the 2019 Share Award Scheme adopted by the Board on 20 December 2019 and amended on the Amendment Date
“Amendment Date”	25 November 2021, the date on which the 2019 Share Award Scheme is amended by the Company
“Associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Company”	TANSH Global Food Group Co., Ltd (國際天食集團有限公司), whose shares are listed on the Stock Exchange (stock code: 3666)
“Contribution Amount”	cash paid or made available to the New Trust by way of settlement or otherwise contributed by the Company and/or its subsidiaries as permitted under the New Share Award Scheme to the New Trust as determined by the Board or the Execution Committee from time to time
“Date of Grant”	25 November 2021, the date on which the 2019 Awarded Shares were granted to the 2019 Share Award Grantees
“Employee”	any employee (including without limitation any executive director) of any member of the Group

“Excluded Person”	any Employee who is resident in a place where the award of the New Awarded Shares and/or the vesting and transfer of the New Awarded Shares pursuant to the terms of the New Share Award Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the Execution Committee or the New Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Employee
“Execution Committee”	a committee comprising of all executive Directors of the Company from time to time and delegated with the power and authority by the Board to administer the New Share Award Scheme
“Group”	the Company and its subsidiaries
“Investment Advisory Committee”	the investment advisory committee which may be formed pursuant to the New Share Award Scheme
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Award”	an award of the New Awarded Shares by the Board or the Execution Committee to a selected employee pursuant to the New Share Award Scheme
“New Awarded Shares”	in respect of a selected employee under the New Share Award Scheme, such number of Shares as awarded by the Board or the Execution Committee
“New Share Award Scheme”	the share award scheme adopted by the Company on the Adoption Date in its present or any amended form
“New Trust”	the New Share Award Scheme trust from which Shares may be granted to a selected employee pursuant to the New Share Award Scheme
“New Trustee”	a professional trustee which the Company may appoint to assist with the administration of the New Share Award Scheme
“New Trust Deed”	a trust deed in relation to the New Share Award Scheme to be entered into between the Company and the New Trustee (as restated, supplemented and amended from time to time)

“New Trust Fund”	the funds and properties to be held under the New Trust and managed by the New Trustee for the benefit of the Employees (other than the Excluded Person)
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each (or such other nominal amount as shall result from a sub-division or consolidation of such shares from time to time) in the share capital of the Company
“Shareholder”	holder(s) of issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trustee”	Bank of Communications Trustee Limited (which is independent and not connected with the Company) and any additional or replacement trustees, being the trustee or trustees for the time being to be declared in the Trust Deed
“Trust Deed”	a trust deed in relation to the 2019 Share Award Scheme for the Company entered into between the Company and the Trustee on 14 January 2020 (as restated, supplemented and amended from time to time)
“Vesting Date”	in respect of a selected employee under the New Share Award Scheme, the date on which his/her entitlement to the New Awarded Shares is vested in such selected employee in accordance with the New Share Award Scheme

By Order of the Board
TANSH Global Food Group Co., Ltd
Gu Dorson
Chairman

Shanghai, the People’s Republic of China, 25 November 2021

As at the date of this announcement, the executive Directors are Mr. Gu Dorson and Ms. Ping Guoqin, the non-executive Directors are Ms. Wang Huili and Ms. Wu Wen, and the independent non-executive Directors are Mr. Lui Wai Ming, Mr. Zhang Zhenyu and Ms. Li Yuping.