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**Tan'Sh**

Global Food Group Co., Limited

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**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)**

## **INSIDE INFORMATION**

### **TERM SHEET IN RELATION TO POSSIBLE DISPOSAL**

This announcement is made by TANSH Global Food Group Co., Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

#### **POSSIBLE DISPOSAL**

The board (the “**Board**”) of directors (“**Directors**”) of the Company announces that on 13 February 2018 (after trading hours), Bright Charm Developments Limited (“**Proposed Vendor**”), a wholly-owned subsidiary of the Company, entered into a non-legally binding (unless otherwise specified therein) term sheet (the “**Term Sheet**”) with the Potential Purchasers (as defined below). Pursuant to the Term Sheet, the Proposed Vendor intends to sell, and the Potential Purchasers intends to purchase, 65% of the issued share capital of Million Rank Limited (“**Target Company**”, together with its subsidiaries “**Target Group**”), which is a company incorporated in the British Virgin Islands (the “**Possible Disposal**”).

As at the date of this announcement, the Target Company is held as to 65% by the Proposed Vendor. The Target Company is an investment holding company and the Target Group is principally engaged in operating restaurants in Hong Kong and Macau under a portfolio of brands mainly in the casual dining segment of western and Japanese cuisines.

## TERM SHEET

Set out below are the principal terms of the Term Sheet:

Date: 13 February 2018 (after trading hours)

Parties: (i) Bright Charm Developments Limited;

(ii) a connected person (as defined in the Listing Rules) at subsidiary level and/or its shareholder (“**1st Purchaser**”); and

(iii) an independent third party (and/or his nominee) (“**2nd Purchaser**”).

(The 1st Purchaser and the 2nd Purchaser are collectively referred to as the “**Potential Purchasers**”)

(The Proposed Vendor, the 1st Purchaser and the 2nd Purchaser are collectively referred to as the “**Parties**”)

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the 2nd Purchaser and its ultimate beneficial owner (if any) are third parties independent of the Company and its connected persons.

### Assets to be disposed of

The Proposed Vendor intends to sell, and the Potential Purchasers intends to purchase, 65% of the issued share capital of the Target Company (“**Sale Shares**”).

### Earnest Money

The 2nd Purchaser shall pay HK\$10,000,000 (the “**Earnest Money**”) in cash as refundable earnest money for the Possible Disposal into an escrow account of an escrow agent (“**Escrow Agent**”) pursuant to a legally binding escrow agreement (“**Escrow Agreement**”) to be entered into between the Proposed Vendor and the Potential Purchasers.

In the event that the Parties enter into a legally binding definitive transaction document in respect of the Possible Disposal (the “**Definitive Agreement**”), the 2nd Purchaser shall serve a notice in writing to the Escrow Agent and direct the Escrow Agent to pay the Earnest Money to the Proposed Vendor upon the signing of the Definitive Agreement, which shall be applied as part of the payment of the consideration for the Possible Disposal (“**Consideration**”).

In the event that no Definitive Agreement has been entered into among the Parties, the Earnest Money is a sum refundable to the 2nd Purchaser in accordance with the terms of the Escrow Agreement.

The Consideration and the manner of payment shall be further negotiated between the Proposed Vendor and the Potential Purchasers and shall be determined in the Definitive Agreement.

### **Exclusivity**

Subject to the payment of the Earnest Money to the Escrow Agent, the Proposed Vendor agrees that it will not, for a period from the date of depositing the Earnest Money to the Escrow Agent up to 30 June 2018 (or such period as the Parties may vary in writing, the “**Exclusivity Period**”) take any action to solicit, initiate, encourage or assist the submission of any proposal, negotiation or offer from any person or entity relating to the Sale Shares or any substantial part of the business or assets of the Target Company, or attend any discussions for any such purposes, other than the Potential Purchasers’ proposal for the Possible Disposal, and the Proposed Vendor shall notify the Potential Purchasers promptly of any inquiries by any third parties regarding the foregoing.

### **Due Diligence Review**

After the signing of the Term Sheet and during the Exclusivity Period, the 2nd Purchaser shall be entitled to engage its legal advisers, financial advisers, professional accountants and other professionals to conduct a due diligence review (whether on legal, accounting, financial, operational, properties or other aspects that the 2nd Purchaser may reasonably consider necessary) on, audit, value and otherwise inspect the Target Company and the Target Group and its assets, properties, liabilities, activities and operations.

### **Definitive Agreement**

The Proposed Vendor and the Potential Purchasers will negotiate in good faith to execute the Definitive Agreement within 60 days from the date of this Term Sheet.

### **GENERAL**

The Possible Disposal under the Term Sheet, if materialised, may constitute a major transaction and a connected transaction at the subsidiary level of the Company under the Listing Rules. The Company will make further announcement(s) as and when appropriate and comply with all other applicable requirements under the Listing Rules in this regard.

**The Board would like to emphasise that as the Term Sheet is not legally binding (except certain provisions as provided therein) and the Possible Disposal may or may not proceed, shareholders and investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

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

Shanghai, the People's Republic of China, 13 February 2018

*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.*