
HISTORY, REORGANISATION AND CORPORATE STRUCTURE

HISTORY AND BUSINESS DEVELOPMENT

Our Company acts as the holding company of our Group and was incorporated in the Cayman Islands as an exempted company with limited liability on 31 March 2020. Our history can be traced back to 2002, when our founders, Mr. Yang, together with Mr. Yang Zhenggui, who is Mr. Yang’s father, and Mr. Yang Shengyu, who is Mr. Yang’s brother, established Jiangxi Zhengwei under the initial name of “Nanchang Zhengwei Trading Company Limited” (南昌市正味貿易有限公司). For further details about Mr. Yang, please refer to the section headed “Directors and Senior Management” in this document.

We mainly produce, and to a lesser extent trade, dried food products and snacks in Jiangxi Province, and to a lesser extent, Sichuan Province and Hubei Province. Established in 2002, we first developed our business from producing dried food products. Leveraging our experience and established brand name in dried food production, we first expanded our business into snack production and introduced fragrant lotus seeds in early 2019. In view of the expected growth of the vegetable and meat snack market, we further launched our vegetable snacks in August 2019 and then our meat snacks in January 2021. Our Directors consider that vegetable and meat snacks have become increasingly popular in China with market potentials for our Group.

BUSINESS MILESTONES

The following table sets forth key developments and milestones of our Group since our establishment:

<u>Year</u>	<u>Event</u>
2002	Jiangxi Zhengwei was established in the PRC.
2004	We established and developed the “Shengyao (聲耀)” brand in the PRC.
2005	Nanchang Kaixing was established in the PRC.
2011	Our “Shengyao (聲耀)” brand was recognised as the “well-known Trademark in Jiangxi Province” (江西省著名商標) by the Jiangxi Administration for Industry and Commerce, and such recognition was successfully renewed in 2014.
2014	We established and developed the “Gangweifang (贛味坊)” brand in the PRC.

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Year	Event
2015	We were approved as Jiangxi Provincial Agricultural Industrialisation Leading Enterprises* (江西省農業產業化省級龍頭企業) by Department of Agricultural Affairs of Jiangxi Province* (江西省農業廳) and Department of Agricultural and Rural Affairs of Jiangxi Province* (江西省農業農村廳), and such recognition was successfully renewed in 2020.
2017	Guangchang Zhenglian was established in the PRC. Jiangxi Zhengwei was accredited as a “High and New Technology Enterprise” (高新技術企業). Shares of Jiangxi Zhengwei were quoted on the NEEQ (stock code: 871723). We acquired the Guangchang Plant. We were awarded 2017 A-grade Cooperative Partners* (2017年度A級合作夥伴) by Jiujiang Liansheng Supermarket Chain Company, Ltd.* (九江聯盛超市連鎖股份有限公司).
2018	We expanded our business into production of vegetable snacks. Guangchang Zhenglian was approved as “Leading Enterprise of Agricultural Industrialisation of Fuzhoushi” (撫州市農業產業化市級龍頭企業) by Fuzhou Agriculture Bureau* (撫州市農業局).
2019	Jiangxi Zhengwei was delisted from the NEEQ. Guangchang Zhenglian was accredited as a “High and New Technology Enterprise” (高新技術企業).
2021	We further expanded our production lines to produce meat snacks.

CORPORATE HISTORY

Our Company was incorporated in the Cayman Islands with limited liability on 31 March 2020. Our Company is an investment holding company and will be the proposed [REDACTED] company of our Group. Our Group comprises two investment holding companies, namely, Zhengwei International and Zhengwei Group and three operating subsidiaries, namely Jiangxi Zhengwei, Nanchang Kaixing and Guangchang Zhenglian. The following sets forth the major corporate history and shareholding changes.

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OUR OPERATING SUBSIDIARIES

Jiangxi Zhengwei

Jiangxi Zhengwei was established in the PRC on 4 January 2002 with an initial registered capital of RMB500,000 under the initial name of “Nanchang Zhengwei Trading Company Limited (南昌市正味貿易有限公司)”. On the date of its establishment, Jiangxi Zhengwei was owned by Mr. Yang Zhenggui, who is Mr. Yang’s father, Mr. Yang Shengyu, who is Mr. Yang’s brother, and Mr. Yang as to 84%, 12% and 4%, respectively. Jiangxi Zhengwei is principally engaged in production and sales of dried food products.

After a series of equity transfer and capital increase since the date of its establishment, at the commencement of the Track Record Period, the registered capital of Jiangxi Zhengwei was RMB13,266,667, and Jiangxi Zhengwei was owned by Mr. Yang, Ms. Lin (the spouse of Mr. Yang), Nanchang Tongli LP, Changnan Fund, Li Hui, Wu Bangjun, Fuzhou Digital Economy, Luo Zikang, Zhao Wenjun, Zheng Yongrong and Mr. Lan as to approximately 36.04%, 19.60%, 17.64%, 9.52%, 5.88%, 2.45%, 2.01%, 1.96%, 1.96%, 1.96% and 0.98% respectively.

Listing on and delisting from the NEEQ

In view of the quotation on the NEEQ, pursuant to a shareholders’ resolution on 13 December 2016, Jiangxi Zhengwei was transformed into a joint stock company with limited liability in the PRC. On 22 August 2017, Jiangxi Zhengwei was listed on the NEEQ under the stock code of 871723 and with a registered capital of RMB10,000,000. Subsequently, Jiangxi Zhengwei was delisted from the NEEQ on 9 August 2019. Upon the delisting, Jiangxi Zhengwei’s registered capital was increased to RMB13,266,667 before the [REDACTED]. As confirmed by our PRC Legal Advisers, the delisting of Jiangxi Zhengwei from the NEEQ was duly completed and the necessary approvals have been duly obtained. Based on the closing share price of Jiangxi Zhengwei of RMB15.83 on the last day when it was listed on the NEEQ, its market capitalisation was approximately RMB210,011,339 on that day.

Our Directors confirmed that, with which the Sole Sponsor concurs, (i) during the period in which the shares of Jiangxi Zhengwei were listed on the NEEQ, Jiangxi Zhengwei, its subsidiaries and directors were not involved in any breach of the applicable rules or regulations of the NEEQ in all material aspects; and (ii) there has not been any matter that need to be brought to the attention of the regulators and investors in Hong Kong in respect of Jiangxi Zhengwei’s listing on and delisting from the NEEQ. Our PRC Legal Advisers are of the view that during the period in which the shares of Jiangxi Zhengwei were listed on the NEEQ, (i) Jiangxi Zhengwei and its

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subsidiaries had complied with the applicable rules and regulations of the NEEQ in all material aspects; and (ii) to the best of their knowledge, none of the directors of Jiangxi Zhengwei was involved in any breach of the applicable rules or regulations of the NEEQ in all material aspects.

Reasons for delisting from the NEEQ and seeking the [REDACTED] on the Stock Exchange

Having considered the following factors:

- (i) the NEEQ is a market in the PRC open to qualified investors only, including the followings according to the then applicable Measures for Managing Investors Suitability on NEEQ* (全國中小企業股份轉讓系統投資者適當性管理辦法):
 - (a) PRC corporate or partnership enterprise investors with paid-up capital of more than RMB5.0 million;
 - (b) institutional investors, such as asset management products of securities companies, products of fund management companies and their subsidiaries, asset management products of futures companies, bank financial products, insurance products, trust products, private equity funds registered by trade associations, social security fund, pensions such as enterprise annuities, charitable funds and other social welfare funds, Qualified Foreign Institutional Investors, RMB Qualified Foreign Institutional Investors; and
 - (c) PRC natural persons with average daily financial assets within the latest 10 trading days over RMB5.0 million and experience in investment or financial field for more than two years, or PRC natural persons who have senior management experience in financial institutions.

In addition, the NEEQ adopts a market maker, negotiated transfer or investor competing transfer trading mechanism rather than continuous auction mechanism, which significantly limits investor discovery and order execution;

- (ii) the [REDACTED] will be in the interests of our Group’s future business development strategies, and would be beneficial to us and our Shareholders as a whole given the Stock Exchange, as a leading player of the international financial markets, could offer us direct access to the international capital markets, enhance our fund-raising capabilities and channels and broaden our Shareholders base. Accordingly, the [REDACTED] would provide us a viable source of capital to support our business growth;

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- (iii) the [REDACTED] on the Stock Exchange will further raise our business profile and thus, enhance our ability to attract new customers, business partners and strategic investors as well as to recruit, motivate and retain key management personnel for our Group’s business; and
- (iv) a dual [REDACTED] on both the Stock Exchange and the NEEQ would impose extra administrative, accounting and financial burden on us,

our Directors believe it is in the best interests of our Company and Shareholders to delist Jiangxi Zhengwei from the NEEQ and to apply for the [REDACTED] in Hong Kong.

Immediately after its delisting on the NEEQ, the registered capital of Jiangxi Zhengwei was approximately RMB13.27 million. Jiangxi Zhengwei became owned by Mr. Yang, Ms. Lin, Nanchang Tongli LP, Changnan Fund, Li Hui, Wu Bangjun, Fuzhou Digital Economy, Luo Zikang, Zhao Wenjun, Zheng Yongrong and Mr. Lan as to approximately 36.04%, 19.60%, 17.64%, 9.52%, 5.88%, 2.45%, 2.01%, 1.96%, 1.96%, 1.96% and 0.98% respectively.

Nanchang Kaixing

Nanchang Kaixing was established in the PRC on 28 November 2005 with an initial registered capital of RMB500,000. On the date of its establishment, Nanchang Kaixing was owned by Ms. Lin and Lin Decai, who is the cousin of Mr. Yang, as to 92% and 8%, respectively. Nanchang Kaixing is principally engaged in production and sales of dried food products.

After a series of equity transfer and capital increase, since 30 December 2016 and up to the Latest Practicable Date, Nanchang Kaixing became wholly-owned by Jiangxi Zhengwei with a registered capital of RMB5,000,000.

Guangchang Zhenglian

Guangchang Zhenglian was established in the PRC on 18 September 2017 with an initial registered capital of RMB5,000,000. Since the date of its establishment and up to the Latest Practicable Date, Guangchang Zhenglian had been wholly-owned by Jiangxi Zhengwei. Guangchang Zhenglian is principally engaged in production and sales of snacks.

After a series of capital increase, Guangchang Zhenglian had a registered share capital of RMB30,000,000.

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[REDACTED]

Details of the said [REDACTED] are summarised as below:

[REDACTED]	Mr. Lei	Mr. Su
Date of the agreement(s)	7 May 2019, 25 December 2019 and 22 December 2022	29 April 2019, 27 September 2020 and 22 December 2022
Amount of the consideration	RMB20,033,193.72 (equivalent to approximately HK\$23,513,138)	RMB13,157,895 (equivalent to approximately HK\$15,443,539)
Basis of the determination of the consideration	The valuation of Jiangxi Zhengwei of approximately RMB250,000,000 based on the net profit of Jiangxi Zhengwei for the year ended 31 December 2018 and the net profit guarantee of not less than 50% for the year ended 31 December 2019	The valuation of Jiangxi Zhengwei of approximately RMB250,000,000 based on the net profit of Jiangxi Zhengwei for the year ended 31 December 2018 and the net profit guarantee of not less than 50% for the year ended 31 December 2019
Settlement date of the consideration	30 December 2019	28 October 2020
Shareholding/equity interest in Jiangxi Zhengwei subscribed	Approximately 7.42%, which later become 7.05% after taking into consideration the [REDACTED] by Mr. Su	Approximately 5%
Effective acquisition cost per Share (Note 1)	Approximately RMB[REDACTED] (equivalent to approximately HK\$[REDACTED])	Approximately RMB[REDACTED] (equivalent to approximately HK\$[REDACTED])

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Discount to [REDACTED] of
[REDACTED] range

A discount to approximately [REDACTED]% over the [REDACTED] of the indicative [REDACTED] range. The discount takes into consideration (i) the timing of the [REDACTED], which was at an earlier stage that bears a relatively higher risk and faces more uncertainties in terms of a company's progress in its preparation for its proposed [REDACTED] on the Stock Exchange; and (ii) the strategic benefits to be brought by Mr. Lei

A discount to approximately [REDACTED]% over the [REDACTED] of the indicative [REDACTED] range. The discount takes into consideration (i) the timing of the [REDACTED], which was at an earlier stage that bears a relatively higher risk and faces more uncertainties in terms of a company's progress in its preparation for its proposed [REDACTED] on the Stock Exchange; and (ii) the strategic benefits to be brought by Mr. Su

[REDACTED]

For the purpose of business expansion and development and for general working capital

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Strategic benefits brought to our Group	Strengthening of our capital and shareholder base; and bringing potential collaborative effect to our Company with Mr. Lei’s extensive business and government network in the PRC given that Mr. Lei holds positions at a number of organisations in the PRC as detailed in the paragraph headed “Information regarding the [REDACTED] — Mr. Lei and Pluto Universal” in this section. Our Directors believe that with Mr. Lei’s strong connections with the local government, he can act as a channel to facilitate effective communications between the Group and the local government, and also enable the Group to obtain information on the latest government policies which are relevant to the Group’s business and development	Strengthening of our capital and shareholder base; and given the extensive managerial and financial experience of Mr. Su in the manufacturing industries, our Directors believe that we will continue to benefit from his input and professional advice on our Group’s strategic development and capital management, as well as improvement of our Company’s financial reporting and internal controls
Shareholding in our Company upon [REDACTED] (Note 2)	Approximately [REDACTED]%	Approximately [REDACTED]%
Special rights	Nil	Nil
Lock-up period	Each of the [REDACTED] agrees to a twelve months lock-up from the [REDACTED] in respect of the Shares held by them.	

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[REDACTED]

As Mr. Lei is the director of Jiangxi Zhengwei and thus a core connected person of the Company under Rule 8.24 of the Listing Rules, the Shares held by Mr. Lei are not regarded as part of the [REDACTED] for the purpose of Rule 8.08(1) of the Listing Rules

The Shares held by Mr. Su are regarded as part of the [REDACTED] for the purpose of Rule 8.08(1) of the Listing Rules as Mr. Su will not become a [REDACTED] of our Company upon [REDACTED]

Notes:

1. Calculated on the assumption that the [REDACTED] and the [REDACTED] is completed, but without taking into account any Shares which may be issued upon the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme.
2. Calculated without taking into account any Shares which may be issued upon the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme.

Investment by Mr. Lei

On 7 May 2019, Jiangxi Zhengwei and Mr. Lei entered into an investment agreement, and subsequently entered into a capital increase and share expansion agreement on 25 December 2019 to confirm the arrangement of the [REDACTED], pursuant to which Mr. Lei agreed to contribute RMB20,033,193.72 to Jiangxi Zhengwei, which was determined after arm's length negotiations with reference to the valuation of Jiangxi Zhengwei of approximately RMB250,000,000 based on the net profit of Jiangxi Zhengwei for the year ended 31 December 2018 and the net profit guarantee of not less than 50% for the year ended 31 December 2019. The increase in registered capital was paid up on 30 December 2019, among which RMB1,063,333 was credited as registered capital, and the remaining RMB18,969,860.72 was credited as statutory capital reserve. As a result, the registered capital of Jiangxi Zhengwei increased from RMB13,266,667 to RMB14,330,000. Upon completion of the capital increase, Jiangxi Zhengwei was owned by Mr. Yang, Ms. Lin, Nanchang Tongli LP, Changnan Fund, Mr. Lei, Li Hui, Wu Bangjun, Fuzhou Digital Economy, Luo Zikang, Zhao Wenjun, Zheng Yongrong and Mr. Lan as to approximately 33.37%, 18.14%, 16.33%, 8.81%, 7.44%, 5.44%, 2.27%, 1.86%, 1.81%, 1.81%, 1.81% and 0.91% respectively.

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As part of and upon completion of our Reorganisation, Pluto Universal, an investment holding company wholly-owned by Mr. Lei, became the owner as to approximately 7.05% shareholding in our Company. For details, please refer to the paragraph headed “Reorganisation” below in this section.

Investment by Mr. Su

On 29 April 2019, Jiangxi Zhengwei and Mr. Su entered into an investment agreement, and subsequently entered into a capital increase agreement on 27 September 2020 to confirm the arrangement of the [REDACTED], pursuant to which Mr. Su agreed to contribute RMB13,157,895 to Jiangxi Zhengwei, which was determined after arm’s length negotiations with reference to the valuation of Jiangxi Zhengwei of approximately RMB250,000,000 based on the net profit of Jiangxi Zhengwei for the year ended 31 December 2018 and the net profit guarantee of not less than 50% for the year ended 31 December 2019. The increase in registered capital was paid up on 28 October 2020, among which RMB754,000 was credited as registered capital, and the remaining RMB12,403,895 was credited as statutory capital reserve. As a result, the registered capital of Jiangxi Zhengwei increased from RMB14,330,000 to RMB15,084,000 and Jiangxi Zhengwei was converted from a PRC domestic company into a sino-foreign joint venture. Upon completion of the capital increase, Jiangxi Zhengwei was owned by Mr. Yang, Ms. Lin, Nanchang Tongli LP, Changnan Fund, Mr. Lei, Li Hui, Mr. Su, Wu Bangjun, Fuzhou Digital Economy, Zhao Wenjun, Luo Zikang, Zheng Yongrong and Mr. Lan as to approximately 31.70%, 17.24%, 15.51%, 8.37%, 7.05%, 5.17%, 5.00%, 2.16%, 1.77%, 1.73%, 1.72%, 1.72% and 0.86% respectively.

As part of and upon completion of our Reorganisation, Vantage Link, an investment holding company wholly-owned by Mr. Su, became the owner as to approximately 5% shareholding in our Company. For details, please refer to the paragraph headed “Reorganisation” below in this section.

As advised by our PRC Legal Advisers, each of the [REDACTED] was conducted in compliance with all applicable laws and regulations.

Information regarding the [REDACTED]

Mr. Lei and Pluto Universal

Pluto Universal, an investment holding company, was incorporated as a BVI business company with liability limited by shares incorporated under the laws of the BVI on 6 March 2020, and is wholly-owned by Mr. Lei. Mr. Lei was introduced to our Group through the introduction by a mutual friend of Mr. Lei and Mr. Yang, and has been one of the directors of Jiangxi Zhengwei since 31 December 2019. Mr. Lei decided to invest in our Group considering the business prospects and growth potential of our Group.

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Mr. Lei has over 28 years of experience in the fields of security and education. Prior to joining Jiangxi Zhengwei, Mr. Lei worked at Nanchang Public Security Bureau (南昌市公安局) as a special police officer in September 1993 till October 2007 with his last position as a crime investigation department officer. Mr. Lei was the principal of Leishi Training School (南昌雷式培訓學校) from February 2008 to February 2022 and is currently the chairman of the board of directors of Nanchang Leishi School (南昌市雷式學校) in Nanchang since September 2015. Mr. Lei was also a member of the 16th Nanchang Municipal People’s Congress (南昌市第十六屆人大代表), Standing Committee Member of the 16th Nanchang Municipal People’s Congress (南昌市第十六屆人大常委), and a member of the 12th Chinese People’s Political Consultative Conference of Jiangxi Province (中國人民政治協商會議江西省第十二屆委員會).

Mr. Su and Vantage Link

Vantage Link, an investment holding company, was incorporated as a BVI business company with liability limited by shares incorporated under the laws of the BVI on 20 February 2014, and is wholly-owned by Mr. Su. Mr. Su was introduced to our Group through the introduction by a mutual friend of Mr. Su and Mr. Yang. Mr. Su decided to invest in our Group considering the business prospects and growth potential of our Group.

Mr. Su has over 20 years of experience in accounting and financial management. He was an executive director and the chief financial officer of Huisen Household International Group Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 2127), from 10 September 2018 to 27 October 2021, who was responsible for the overall financial management and has joined the group of Huisen Household International Group Limited since January 2016. Mr. Su obtained a bachelor’s degree in accounting from Xiamen University in July 1993 and a master’s degree in accounting from Macquarie University, Australia in September 2010, and then became a certified public accountant of Australia in January 2011.

Our Company is also of the view that the [REDACTED]’ investments demonstrated their confidence in our Group’s operations and served as an endorsement of our Company’s performance, strengths and prospects. As at the Latest Practicable Date, save for their investment in our Group, and Mr. Lei being one of the directors of Jiangxi Zhengwei since 31 December 2019, each of Mr. Lei and Mr. Su did not have any past or present relationships (including, without limitation, family, trust, business, employment relationships) and did not enter into any agreements, arrangements or understanding with our Group, our Shareholders, Directors or senior management or any of their respective associates, and, to the best knowledge of our Directors having made reasonable enquiry, each of Mr. Lei and Mr. Su is an Independent Third Party.

As at the Latest Practicable Date, each of Mr. Lei and Mr. Su did not hold any directorship in public companies whose securities are listed on any securities market in Hong Kong or overseas.

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Lock-up undertakings by the [REDACTED]

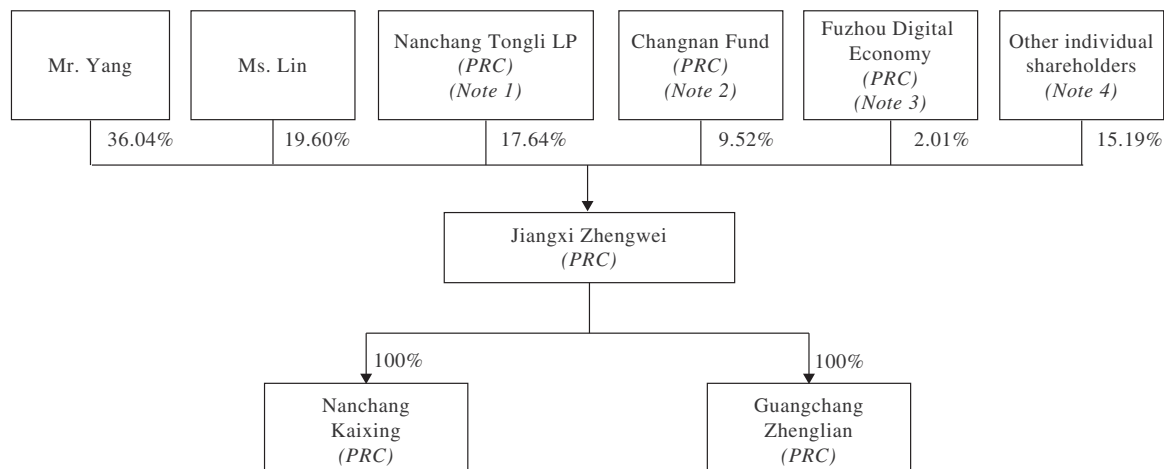
On 22 December 2022, each of the [REDACTED] together with their respective investment holding companies, namely Pluto Universal and Vantage Link respectively, entered into two separate supplemental agreements, pursuant to which, each of them have agreed that they will not, whether directly or indirectly, at any time during the period of twelve months following the [REDACTED], dispose of any of the Shares directly or indirectly held by them.

View of the Sole Sponsor

The Sole Sponsor is of the view that the [REDACTED] is in compliance with the Guidance Letters issued by the Stock Exchange, namely HKEx-GL43-12 (issued in October 2012 and updated in July 2013 and March 2017) and HKEx-GL29-12 (issued in January 2012 and updated in March 2017), as (i) the consideration payable under the [REDACTED] was fully settled more than 28 clear days prior to the date of the first submission of the [REDACTED] application to the Stock Exchange in relation to the [REDACTED]; and (ii) no special rights were granted to the [REDACTED] that will survive the [REDACTED] in respect of the [REDACTED]. The Guidance Letter HKEx-GL44-12 issued by the Stock Exchange in October 2012 and updated in March 2017 is not applicable to the [REDACTED] as no convertible instrument was issued.

REORGANISATION

The following chart sets forth our corporate structure immediately before the [REDACTED] and the Reorganisation:



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Notes:

- (1) Nanchang Tongli LP is a limited partnership established under the laws of the PRC, which is controlled and managed by Mr. Yang as the general partner.
- (2) Changnan Fund is a limited liability company established under the laws of the PRC, which is ultimately wholly-owned by Nanchang Science Industry and Information Technology Bureau (南昌縣科技和工業信息化局), a PRC government authority and an Independent Third Party.
- (3) Fuzhou Digital Economy is a company established under the laws of the PRC, which is wholly-owned by Fuzhou State-owned Assets Supervision and Administration Commission (撫州市國有資產監督管理委員會).
- (4) These include the aggregate personal interests of (i) Mr. Li Hui, who is an executive Director of the Company, as to approximately 5.88%, and (ii) Mr. Wu Bangjun, Mr. Luo Zikang, Mr. Zhao Wenjun, Mr. Zheng Yongrong and Mr. Lan, who are all Independent Third Parties (with Mr. Lan being a former employee of Jiangxi Zhengwei), as to approximately 2.45%, 1.96%, 1.96%, 1.96% and 0.98% respectively.

In preparation for the [REDACTED] and as part of the Reorganisation, we carried out the following steps:

1. Incorporation of Shengyao Investment, Trendy Peak, Prosperous Season, Best Talent, Chang Nan Financial, Pluto Universal, Mass Jovial, Cheerly Success and Vantage Link

Shengyao Investment

Shengyao Investment, an investment holding company, was incorporated as a BVI business company with liability limited by shares incorporated under the laws of the BVI on 4 March 2020. On the date of its incorporation, 50,000 shares of par value of US\$1.00 were allotted and issued to Mr. Yang. Since then and up to the Latest Practicable Date, Shengyao Investment had been wholly-owned by Mr. Yang.

Trendy Peak

Trendy Peak, an investment holding company, was incorporated as a BVI business company with liability limited by shares incorporated under the laws of the BVI on 4 March 2020. On the date of its incorporation, 50,000 shares of par value of US\$1.00 were allotted and issued to Ms. Lin. Since then and up to the Latest Practicable Date, Trendy Peak had been wholly-owned by Ms. Lin.

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Prosperous Season

Prosperous Season, an investment holding company, was incorporated as a BVI business company with liability limited by shares incorporated under the laws of the BVI on 6 March 2020. On the date of its incorporation, 50,000 shares of par value of US\$1.00 were allotted and issued to Nanchang Tongli LP. Since then and up to the Latest Practicable Date, Prosperous Season had been wholly-owned by Nanchang Tongli LP, a limited partnership which is controlled and managed by Mr. Yang as the general partner, who acquired and held approximately 0.43% of the interest in Nanchang Tongli LP since 20 May 2016. As the general partner, Mr. Yang is exclusively vested with power to manage, control, operate and make decision on the investment activities of Nanchang Tongli LP. The limited partners of Nanchang Tongli LP comprise 20 PRC individuals who are Independent Third Parties and acquired the interests in Nanchang Tongli LP during the period from 20 May 2016 to 29 April 2020. Amongst the 20 PRC individuals, six of them are employees of Jiangxi Zhengwei; and amongst the six employees, four of them are also Mr. Yang's relatives. No limited partners held 30% or more of the interest in Nanchang Tongli LP. To the best knowledge of our Directors, save as disclosed above, our Directors confirmed that all of the limited partners of Nanchang Tongli LP, including their controlled entities or close associates, have no past or present relationships or arrangements (including but not limited to business, employment, trust, fund flow, financing, guarantee or family relationship) with the Company or its major customer and suppliers, including their respective directors, shareholders, senior management, and any of their respective associates during the Track Record Period.

Immediately prior to the Reorganisation, Jiangxi Zhengwei was owned by Nanchang Tongli LP as to approximately 17.64%, whereby Nanchang Tongli LP acquired such equity interest as follows:-

- (i) on 26 September 2016, Mr. Yang entered into an equity interest transfer agreement with Nanchang Tongli LP to transfer his approximately 12% equity interest in Jiangxi Zhengwei to Nanchang Tongli LP at the consideration of RMB1.2 million, which was determined based on arm's length negotiations with reference to the then registered capital of Jiangxi Zhengwei. Upon completion of the transfer, Jiangxi Zhengwei was owned as to approximately 12% by Nanchang Tongli LP; and
- (ii) during the period from 6 September 2018 to 18 September 2018, Mr. Zhang Kai and Mr. Tan Huosheng transferred their respective shareholdings of 390,000 shares and 390,000 shares, representing approximately 3% and 3% equity interest in Jiangxi Zhengwei, respectively, through NEEQ to Nanchang Tongli LP at the respective consideration of RMB1,482,000 and RMB1,482,000. To the best knowledge, information and belief of our Directors having made all reasonable enquiries, the considerations were determined based on normal commercial terms and on an arm's length basis. To the best knowledge

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of our Directors, each of Mr. Zhang Kai and Mr. Tan Huosheng was a director of Jiangxi Zhengwei for the period from 23 December 2016 to 9 August 2018. Upon completion of the transfers, Jiangxi Zhengwei was owned as to approximately 18% by Nanchang Tongli LP, which was later diluted to approximately 17.64% on 3 December 2018 after the subscription of approximately 2.01% equity interest and the capital injection of RMB266,667 in Jiangxi Zhengwei by Fuzhou Digital Economy.

Best Talent

Best Talent, an investment holding company, was incorporated as a BVI business company with liability limited by shares incorporated under the laws of the BVI on 4 March 2020. On the date of its incorporation, 28,570, 11,905 and 9,525 shares of par value of US\$1.00 were allotted and issued to Mr. Li Hui, Mr. Wu Bangjun and Mr. Luo Zikang, respectively. Since then and up to the Latest Practicable Date, Best Talent had been owned by Mr. Li Hui, Mr. Wu Bangjun and Mr. Luo Zikang as to 57.14%, 23.81% and 19.05%, respectively.

Chang Nan Financial

Chang Nan Financial, an investment holding company, was incorporated as a BVI business company with liability limited by shares incorporated under the laws of the BVI on 16 March 2020. On the date of its incorporation, 50,000 shares of par value of US\$1.00 were allotted and issued to Changnan Fund. Since then up to the Latest Practicable Date, Chang Nan Financial had been wholly-owned by Changnan Fund, which is ultimately wholly-owned by Nanchang Science Industry and Information Technology Bureau* (南昌縣科技和工業信息化局), a PRC government authority and an Independent Third Party.

Pluto Universal

Pluto Universal, an investment holding company, was incorporated as a BVI business company with liability limited by shares incorporated under the laws of the BVI on 6 March 2020. On the date of its incorporation, 50,000 shares of par value of US\$1.00 were allotted and issued to Mr. Lei. Since then up to the Latest Practicable Date, Pluto Universal had been wholly-owned by Mr. Lei.

Mass Jovial

Mass Jovial, an investment holding company, was incorporated as a BVI business company with liability limited by shares incorporated under the laws of the BVI on 16 March 2020. On the date of its incorporation, 20,000, 20,000 and 10,000 shares of par value of US\$1.00 were allotted

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and issued to Mr. Zhao Wenjun, Mr. Zheng Yongrong and Mr. Lan respectively. Since then and up to the Latest Practicable Date, Mass Jovial had been owned by Mr. Zhao Wenjun, Mr. Zheng Yongrong and Mr. Lan as to 40%, 40% and 20% respectively.

Cheerly Success

Cheerly Success, an investment holding company, was incorporated as a BVI business company with liability limited by shares incorporated under the laws of the BVI on 6 March 2020. On the date of its incorporation, 50,000 shares of par value of US\$1.00 were allotted and issued to Fuzhou Digital Economy. Since then and up to the Latest Practicable Date, Cheerly Success had been owned by Fuzhou Digital Economy, which is wholly-owned by Fuzhou State-owned Assets Supervision and Administration Commission* (撫州市國有資產監督管理委員會).

Vantage Link

Vantage Link, an investment holding company, was incorporated as a BVI business company with liability limited by shares incorporated under the laws of the BVI on 20 February 2014. On 18 March 2014, 50,000 shares of par value of US\$1.00 each were allotted and issued to Mr. Su. Since then up to the Latest Practicable Date, Vantage Link had been wholly-owned by Mr. Su.

2. Incorporation of our Company, Zhengwei International and Zhengwei Group

Our Company

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on 31 March 2020, with an initial authorised share capital of US\$50,000 divided into 50,000 shares with par value of US\$1.00 each, of which one share was allotted and issued to the initial subscriber, which was then transferred to Shengyao Investment on the same day.

On the same day, 16,684, 9,070, 8,165, 4,765, 4,405, 3,710, 2,270, and 930 shares were allotted and issued to Shengyao Investment, Trendy Peak, Prosperous Season, Best Talent, Chang Nan Financial, Pluto Universal, Mass Jovial and Cheerly Success respectively, at the par value of US\$1.00 each. The nominal consideration was determined based on the value of the issued share capital of the Company. Upon completion of the said allotment and issue, our Company was owned by Shengyao Investment, Trendy Peak, Prosperous Season, Best Talent, Chang Nan Financial, Pluto Universal, Mass Jovial, and Cheerly Success as to 33.37%, 18.14%, 16.33%, 9.53%, 8.81%, 7.42%, 4.54% and 1.86% respectively.

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Zhengwei International

Zhengwei International, an investment holding company, was incorporated as a BVI business company with liability limited by shares incorporated under the laws of the BVI on 21 April 2020. On the date of its incorporation, 50,000 shares of par value of US\$1.00 was allotted and issued to our Company. Since then and up to the Latest Practicable Date, Zhengwei International had been wholly-owned by our Company.

Zhengwei Group

Zhengwei Group, an investment holding company, was incorporated as a limited liability company under the laws of Hong Kong on 12 May 2020. On the date of its incorporation, 10,000 ordinary shares were allotted and issued to Zhengwei International. Since then and up to the Latest Practicable Date, Zhengwei Group had been wholly-owned by Zhengwei International.

3. Increase of authorised share capital and subscription of Shares in our Company by Vantage Link

On 3 November 2020, the authorised share capital of the Company was increased from US\$50,000 divided into 50,000 shares of a par value of US\$1 each to US\$100,000 divided into 100,000 shares of a par value of US\$1 each by the creation of an additional 50,000 shares. On 3 November 2020, our Company and Vantage Link entered into a subscription agreement, pursuant to which our Company allotted and issued 2,632 shares to Vantage Link at the nominal consideration of US\$2,632. Upon completion of the said allotment, issue and subscription of shares, our Company became owned by Shengyao Investment, Trendy Peak, Prosperous Season, Best Talent, Chang Nan Financial, Pluto Universal, Vantage Link, Mass Jovial and Cheerly Success as to 31.70%, 17.24%, 15.51%, 9.05%, 8.37%, 7.05%, 5.00%, 4.31% and 1.77% respectively.

4. Nominee arrangement in respect of and disposal of the shares in Pingnan Anwang

With a view to expand the corporate customers network of our food production business in Fujian Province, Jiangxi Zhengwei entrusted Ms. Xu Huizhu and Ms. Lin Xiaoying to establish a subsidiary namely Pingnan Anwang in Fujian Province on 9 April 2020. The reason for entrusting Ms. Xu Huizhu and Ms. Lin Xiaoying to hold the shares in Pingnan Anwang on behalf of Jiangxi Zhengwei was because both of them resides in Pingnan County of Fujian Province, hence it was more convenient for them to deal with the establishment process of Pingnan Anwang. As at the date of its establishment, Pingnan Anwang was owned as to 80% and 20% by Ms. Xu Huizhu and Ms. Lin Xiaoying, respectively, who acted as nominee shareholders on behalf of Jiangxi Zhengwei

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for holding shares in Pingnan Anwang. To the best knowledge of our Directors, Ms. Xu Huizhu is the spouse of Mr. Yang Shengyu, who is Mr. Yang’s brother, whereas Ms. Lin Xiaoying is the cousin of Mr. Yang.

On 23 December 2020, Ms. Xu Huizhu and Ms. Lin Xiaoying, as the nominee shareholders, transferred their respective equity interest in Pingnan Anwang to Jiangxi Zhengwei at a total consideration of RMB2,000, which was determined based on the establishment expenses of Pingnan Anwang.

Pingnan Anwang was principally engaged in sales of dried food products and the total revenue of Pingnan Anwang for the year ended 31 December 2020 and the six months ended 30 June 2021 was nil and approximately RMB2.4 million, respectively. After approximately nine months of operation in Fujian Province, the Group was of the view that the expansion of the corporate customers network did not develop as expected as the customers in Fujian Province remained primarily supermarkets chain customers, which the Group could deal with from its headquarters in Jiangxi Province without the need to travel to Fujian Province. In order to streamline our business operation and reduce unnecessary expenses, Jiangxi Zhengwei decided to dispose of Pingnan Anwang. On 1 September 2021, Jiangxi Zhengwei as seller entered into an equity transfer agreement with Ms. Wei Liping as purchaser, whereby Jiangxi Zhengwei agreed to dispose the entire equity interest in Pingnan Anwang at the consideration of RMB1,936,081.69. Such consideration was determined based on an arm’s length basis between the parties with reference to the net asset value of Pingnan Anwang as at the date of the transfer. The reason for Ms. Wei Liping to acquire the entire equity interest in Pingnan Anwang was because she needed a ready-to-operate company established in Fujian Province for business needs. To the best knowledge of our Directors, Ms. Wei Liping is a businesswoman engaged in trading business in Fujian Province, who was referred to Mr. Yang by his friend and also an Independent Third Party.

Save as disclosed above, our Directors confirmed to their best knowledge that each of the sellers and purchaser have no past or present relationships or arrangements (including but not limited to business, employment, trust, fund flow, financing, guarantee or family relationship) with our Group, our Directors, Shareholders, senior management or their respective associates during the Track Record Period; and our Group did not have any business transactions or financing arrangements with any of the sellers, the purchaser or Pingnan Anwang during the Track Record Period.

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During the Track Record Period and up to the date of the disposal, Pingnan Anwang has fully complied with all applicable laws and regulations in the PRC and it was not subject to any potential liabilities or obligations. As advised by our PRC Legal Advisers, the disposal was properly and legally completed and all applicable regulatory approval in the PRC had been obtained.

5. Acquisition of Jiangxi Zhengwei by Zhengwei Group

On 1 June 2022 and 2 June 2022 respectively, each of Mr. Yang, Ms. Lin, Nanchang Tongli LP, Changnan Fund, Mr. Lei, Li Hui, Mr. Su, Wu Bangjun, Fuzhou Digital Economy, Zhao Wenjun, Luo Zikang, Zheng Yongrong and Mr. Lan entered into separate equity transfer agreements to transfer their respective equity interest of 31.70%, 17.24%, 15.51%, 8.37%, 7.05%, 5.17%, 5.00%, 2.16%, 1.77%, 1.73%, 1.72%, 1.72% and 0.86% in Jiangxi Zhengwei to Zhengwei Group at the aggregate nominal consideration of RMB1.00. The above transfer was completed and such consideration was fully settled on 8 June 2022. Upon completion of the said transfer, Jiangxi Zhengwei became wholly-owned by Zhengwei Group. As advised by our PRC Legal Advisers, the transfer was properly and legally completed and all applicable regulatory approval in the PRC had been obtained.

6. Share Subdivision

On 20 June 2022, pursuant to the written resolutions passed by our then Shareholders, each of the issued and unissued shares of a par value of US\$1.0 in the share capital of our Company was subdivided into 100 Shares of a par value of US\$0.01 each. As a result, the authorised share capital of our Company shall be US\$100,000 divided into 10,000,000 Shares of a par value of US\$0.01 each.

The steps and the transfer mentioned above were legally and properly completed and settled. Our Reorganisation was completed on 20 June 2022.

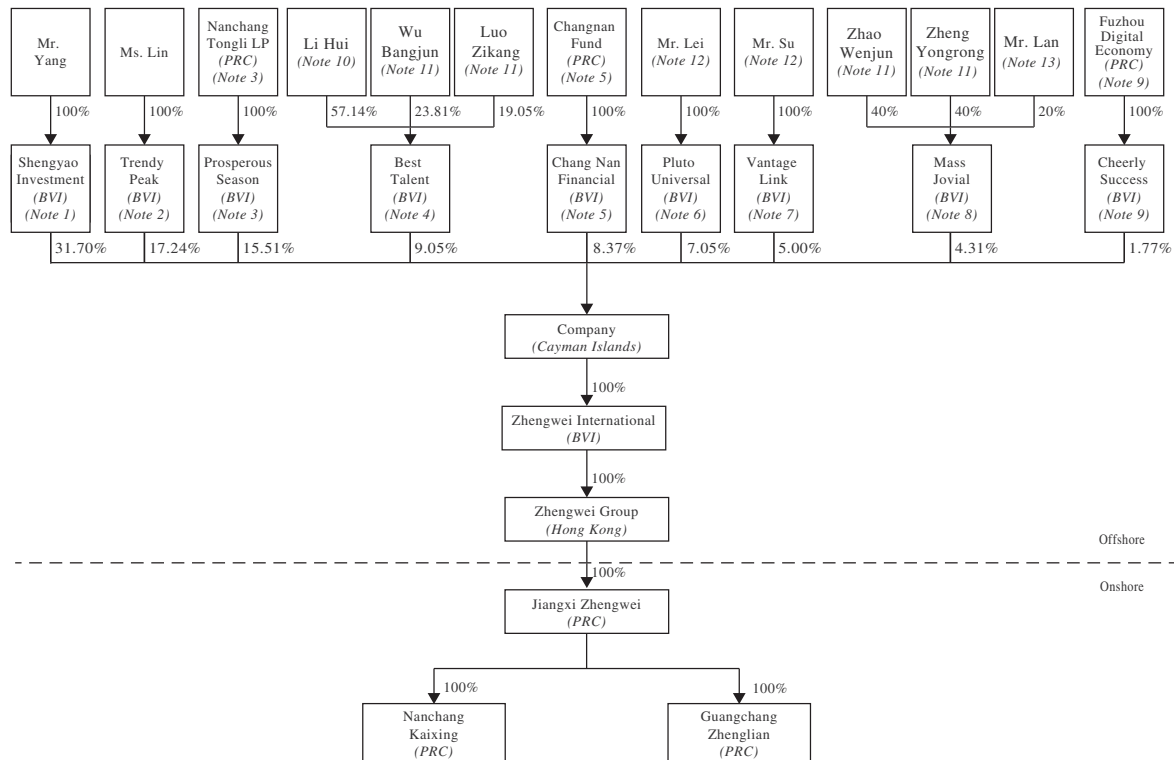
COMPLIANCE WITH PRC LAWS

Our PRC Legal Advisers have confirmed that all necessary approvals and permits required under PRC laws and regulations in connection with the Reorganisation have been obtained and the Reorganisation is in compliance with relevant PRC laws and regulations.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

GROUP STRUCTURE IMMEDIATELY AFTER THE REORGANISATION

The following chart sets forth our corporate structure immediately after the Reorganisation and prior to the [REDACTED]:



Notes:

- (1) Shengyao Investment is a company incorporated in the BVI with limited liability, which is wholly-owned by Mr. Yang.
- (2) Trendy Peak is a company incorporated in the BVI with limited liability, which is wholly-owned by Ms. Lin.
- (3) Prosperous Season is a company incorporated in the BVI with limited liability and wholly-owned by Nanchang Tongli LP, which is controlled and managed by Mr. Yang as the general partner.
- (4) Best Talent is a company incorporated in the BVI with limited liability, which is owned as to 57.14%, 23.81% and 19.05% by Mr. Li Hui, Mr. Wu Bangjun and Mr. Luo Zikang, respectively.
- (5) Chang Nan Financial is a company incorporated in the BVI with limited liability, which is wholly-owned by Changnan Fund, a limited liability company established under the laws of the PRC and is ultimately wholly-owned by Nanchang Science Industry and Information Technology Bureau (南昌縣科技和工業信息化局), a PRC government authority and an Independent Third Party.
- (6) Pluto Universal is a company incorporated in the BVI with limited liability, which is wholly-owned by Mr. Lei.

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- (7) Vantage Link is a company incorporated in the BVI with limited liability, which is wholly-owned by Mr. Su.
- (8) Mass Jovial is a company incorporated in the BVI with limited liability, which is owned as to 40%, 40% and 20% by Mr. Zhao Wenjun, Mr. Zheng Yongrong and Mr. Lan, respectively.
- (9) Cheerly Success is a company incorporated in the BVI with limited liability, which is wholly-owned by Fuzhou Digital Economy, a company established under the laws of the PRC and is wholly-owned by Fuzhou State-owned Assets Supervision and Administration Commission (撫州市國有資產監督管理委員會).
- (10) Mr. Li Hui is an existing employee of the Group and one of the executive Directors.
- (11) Mr. Wu Bangjun is the supervisor of Jiangxi Zhengwei, and therefore he is a connected person. On the other hand, each of Mr. Luo Zikang, Mr. Zhao Wenjun and Mr. Zheng Yongrong is an Independent Third Party.
- (12) Mr. Lei and Mr. Su are the [REDACTED] of the Company, save for their investment in the Group and Mr. Lei being one of the directors of Jiangxi Zhengwei since 31 December 2019, each of them is an Independent Third Party.
- (13) Mr. Lan is a former employee of the Group and an Independent Third Party.

Lock-up undertakings by the non-Controlling Shareholders

On 22 December 2022, each of Best Talent, Chang Nan Financial, Mass Jovial, Cheerly Success and their respective beneficial owners entered into separate deeds of lock-up undertakings, pursuant to which, each of them have agreed that they will not, whether directly or indirectly, at any time during the period of twelve months following the [REDACTED], dispose of any of the Shares directly or indirectly held by them.

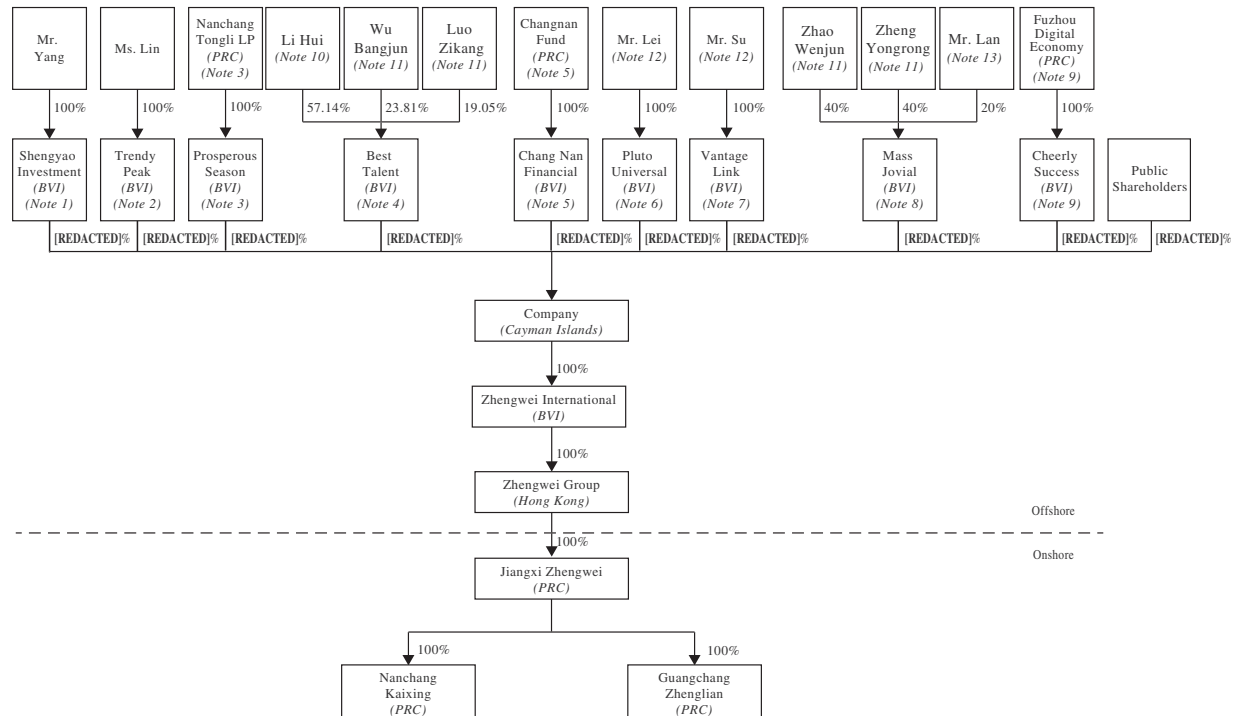
[REDACTED] and the [REDACTED]

Conditional upon the crediting of our Company’s share premium account as a result of the issue of the [REDACTED] pursuant to the [REDACTED], our Directors were authorised to allot and issue a total of [REDACTED] Shares credited as fully paid at par to our Shareholders whose names appear on the register of members of our Company, immediately prior to the [REDACTED], in proportion to their then respective shareholdings by way of capitalisation of the sum of US\$[REDACTED] standing to the credit of the share premium account of our Company and such Shares to be allotted and issued pursuant to the [REDACTED] shall carry the same rights as all Shares in issue or to be issued.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

GROUP STRUCTURE IMMEDIATELY FOLLOWING THE [REDACTED]

The following chart sets forth our corporate structure immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised):



Notes:

- (1) Shengyao Investment is a company incorporated in the BVI with limited liability, which is wholly-owned by Mr. Yang.
- (2) Trendy Peak is a company incorporated in the BVI with limited liability, which is wholly-owned by Ms. Lin.
- (3) Prosperous Season is a company incorporated in the BVI with limited liability, which is wholly-owned by Nanchang Tongli LP, which is controlled and managed by Mr. Yang as the general partner.
- (4) Best Talent is a company incorporated in the BVI with limited liability, which is owned as to 57.14%, 23.81% and 19.05% by Mr. Li Hui, Mr. Wu Bangjun and Mr. Luo Zikang, respectively.
- (5) Chang Nan Financial is a company incorporated in the BVI with limited liability, which is wholly-owned by Changnan Fund, a limited liability company established under the laws of the PRC and is ultimately wholly-owned by Nanchang Science Industry and Information Technology Bureau (南昌縣科技和工業信息化局), a PRC government authority and an Independent Third Party.
- (6) Pluto Universal is a company incorporated in the BVI with limited liability, which is wholly-owned by Mr. Lei.
- (7) Vantage Link is a company incorporated in the BVI with limited liability, which is wholly-owned by Mr. Su.

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- (8) Mass Jovial is a company incorporated in the BVI with limited liability, which is owned as to 40%, 40% and 20% by Mr. Zhao Wenjun, Mr. Zheng Yongrong and Mr. Lan, respectively.
- (9) Cheerly Success is a company incorporated in the BVI with limited liability, which is wholly-owned by Fuzhou Digital Economy, a company established under the laws of the PRC and is wholly-owned by Fuzhou State-owned Assets Supervision and Administration Commission* (撫州市國有資產監督管理委員會).
- (10) Mr. Li Hui is an existing employee of the Group and one of the executive Directors.
- (11) Mr. Wu Bangjun is the supervisor of Jiangxi Zhengwei, and therefore he is a connected person. On the other hand, each of Mr. Luo Zikang, Mr. Zhao Wenjun and Mr. Zheng Yongrong is an Independent Third Party.
- (12) Mr. Lei and Mr. Su are the [REDACTED] of the Company, save for their investment in the Group and Mr. Lei being one of the directors of Jiangxi Zhengwei since 31 December 2019, each of them is an Independent Third Party.
- (13) Mr. Lan is a former employee of the Group and an Independent Third Party.

The M&A Rules

According to the Provisions on Merger and Acquisition of Domestic Enterprises by Foreign Investor (關於外國投資者併購境內企業的規定) (the “**M&A Rules**”), which was jointly promulgated by MOFCOM, the State Assets Supervision and Administration Commission, the SAT, the SAMR, the CSRC, and the SAFE on 8 August 2006, and amended on 22 June 2009, “merger and acquisition of domestic enterprises by foreign investors” referred to in the M&A Rules shall mean any of the following where a foreign investor: (i) purchases the equity interest of a shareholder in a domestic non-foreign-invested enterprise (the “**domestic enterprise**”); (ii) subscribes for increased capital of a domestic enterprise so as to convert such domestic enterprise into a foreign-invested enterprise; (iii) establishes a foreign-invested enterprise through which it purchases and operates the assets of a domestic enterprise by agreement; or (iv) purchases the assets of a domestic enterprise by agreement and then invests such assets to establish a foreign-invested enterprise and operates the assets. According to Article 11 of the M&A Rules, the merger and acquisition of a domestic enterprise with or by a domestic enterprise, enterprise or individual, that has related party relationship with the target company, in the name of an overseas company legitimately incorporated or controlled by the domestic enterprise, enterprise or individual, shall be subject to examination and approval by MOFCOM.

As advised by our PRC Legal Advisers, Article 11 of the M&A Rules does not apply to our Reorganisation, because (i) at the time of acquisition of 5% equity interest in Jiangxi Zhengwei by Mr. Su, Mr. Su was a foreign investor and was independent from Jiangxi Zhengwei and its shareholders; and (ii) in the case of acquisition of 100% equity interest in Jiangxi Zhengwei by Zhengwei Group, Jiangxi Zhengwei was a sino-foreign joint-venture, therefore the acquisition of

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

the equity interests in Jiangxi Zhengwei by Zhengwei Group shall be subject to the relevant laws and regulations concerning the alteration of investor’s equities in foreign-invested enterprises rather than the M&A Rules.

ODI approval

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) which was promulgated by the MOFCOM on 6 September 2014 and became effective on 6 October 2014, the Administrative Measures for Overseas Investment by Enterprises (《企業境外投資管理辦法》) which was promulgated by the National Development and Reform Commission on 26 December 2017, and became effective on 1 March 2018, the Circular of SAFE on Further Simplifying and Improving the Direct Investment — related Foreign Exchange Administration Policies (《關於進一步簡化和改進直接投資外匯管理政策的通知》) (“**Circular 13**”) and other rules (collectively, “**ODI Rules**”), a domestic institution is required to undergo relevant procedures for offshore investment prior to its overseas direct investment and obtain relevant record-filing, approval, certificate or permit.

The onshore corporate shareholders have completed the registration/record-filing on 27 May 2022 in accordance with the ODI Rules in relation to their outbound direct investments as domestic institutions.

Circular 37

According to the Circular of the SAFE on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents’ Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》), or Circular 37, as modified by Circular 13, PRC residents, including PRC individuals, are required to file foreign exchange registration with designated banks before it injects assets or equity interest in an offshore special purpose vehicle which is directly established or indirectly controlled by the PRC residents for the purpose of investment and financing. In addition, in the event that any change of basic information (including PRC resident shareholders, name and operation term) or any change involving material events (including increase or decrease in investment amount, share transfer or exchange, or merger or division) arises in respect of the registered offshore special purpose vehicle, the foreign exchange registration shall be updated.

As advised by our PRC Legal Advisers, all PRC ultimate individual shareholders of our Company, who are PRC residents, have completed the foreign exchange registrations pursuant to Circular 37 and Circular 13 in relation to their offshore investments as PRC residents.