
HISTORY, REORGANISATION AND GROUP STRUCTURE

OVERVIEW

The history of our Group can be traced back to November 2002 when Rujian International was founded. At the time of its establishment, the registered capital of Rujian International was RMB1 million and was held as to 85% by Mr. Wang and 15% by Ms. Zhu Jue, who was an employee of Rujian International. Mr. Wang provided all of the funding of the registered capital, and the 15% equity interests were registered in the name of Ms. Zhu Jue on trust for the benefit of Mr. Wang until December 2006. The trust arrangement in Rujian International was put in place in compliance with the statutory requirements on the number of equity-holders of limited company because, pursuant to the PRC Company Law, prior to 1 January 2006, a natural person was not allowed to invest and establish a limited company with a single equity-holder (一人有限責任公司). For the biography of Mr. Wang, please refer to the section headed “Directors, Senior Management and Employees” in this document.

As an incentive to serve Rujian International in December 2006, Mr. Wang had arranged the legal ownership and beneficial interest of the 15% equity interests of Rujian International held by Ms. Zhu Jue to be transferred to Ms. Wang Jing, who was the then sales manager of Rujian International. For details, please refer to the paragraph headed “Corporate Development — Rujian International” below in this section.

Our Group launched the first series of DHA products in 2007. For further information of our products, please refer to the paragraph headed “Business — Our Products” in this document.

MILESTONES

The table below sets out some of our major events and milestones in the development of our business:

Year	Events
2007	Launch of Numans series of DHA products
2010	Launch of Numans probiotics products
2012	Launch of Numans Vitamin D products
2015	Received Parenting Net Mothers’ Reputable Choice in 2015 — Popular Pregnancy Preparatory Product* (2015年度育兒網媽媽口碑之選 — 年度人氣備孕用品) award from Parenting Net* (育兒網), a parenting website in the PRC

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Year	Events
2017	<p>Received Consumers’ Favourite Nutritional Product Brand* (消費者最喜愛的營養品品牌) conferred by Leyou Babies to Kids (樂友孕嬰童)</p> <p>Received 2017 Product Quality Award* — Golden Wheat Awards (2017年度母嬰類品質類大獎 — 金麥獎) conferred by Taobao World Media Co., Ltd.* (淘寶天下傳媒有限公司)</p>
2019	<p>The 5th Cherry Award — Children and Infant Nutritional Product Brand Annual Best Performance Award* (第五屆櫻桃大賞 — 年度嬰兒營養品品牌最佳表現力大獎) from Myguancha.com (母嬰行業觀察) and Cherry Award Assessment Committee* (櫻桃大賞評委會)</p>
2020	<p>Received The 6th Cherry Award — Children and Infant Nutritional Product Brand Annual Best Performance Award* (第六屆櫻桃大賞 — 年度嬰幼兒營養品品牌最佳表現力大獎) from Myguancha.com (母嬰行業觀察)</p> <p>Received the China Children Industry Award — Annual Best Brand Award* (中國嬰童產業原點獎 — 年度最佳品牌力獎) conferred by China Children Industry Award Committee* (中國嬰童產業原點獎組委會)</p>
2021	<p>Received China Nutritional Products Ginkgo Award* — Industry-wide Sales Prize* (中國營養品銀杏獎 — 行業全域營銷獎) conferred by Beijing Yunxuan Zhongtong Culture Media Co., Ltd.* (北京雲宣中童文化傳媒有限公司) and Maternal and Infant Nutritional Products Commentary* (《母嬰營養品評論》)</p> <p>Received Parenting Net Mothers’ Reputable Choice 2021* — Popular Baby Nutritional Product* (2021年度育兒網橙品清單媽媽口碑之選 — 寶寶用品年度人氣營養品) and Parenting Net Mothers’ Reputable Choice 2021* — Popular Maternal Medicine/Nutritional Product* (2021年度育兒網橙品清單媽媽口碑之選 — 媽媽用品年度人氣藥品營養品) from Parenting Net* (育兒網), a parenting website in the PRC</p> <p>Received China Children Industry Award — Annual Best Brand Award* (中國嬰童產業原點獎 — 年度最佳品牌獎) conferred by China Children Industry Award Committee* (中國嬰童產業原點獎組委會) and Beijing Yunxuan Zhongtong Culture Media Co. Ltd.* (北京雲宣中童文化傳媒有限公司)</p>

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Year	Events
	Received The 7th Cherry Award — Children and Infant Nutritional Product Brand Annual Best Performance Award* (第七屆櫻桃大賞 — 年度嬰幼兒營養品品牌最佳表現力大獎) from Myguancha.com (母嬰行業觀察) and Cherry Award Assessment Committee* (櫻桃大賞評委會)
2022	Received the China Nutritional Products Ginkgo Award 2022* — Industry Leader Award* (中國營養品銀杏獎 — 2022年度行業引領獎) conferred by Beijing Yunxuan Zhongtong Culture Media Co., Ltd.* (北京雲宣中童文化傳媒有限公司) and Maternal and Infant Nutritional Products Commentary* (《母嬰營養品評論》)
	Received Tmall Children and Infant Food Industry Award* — Item of the Year Award — Infant Nutritional Products* (2022年度天貓嬰童食品行業獎 — 年度超級單品獎 — 年度寶寶營養品) from Tmall (天貓國際)
2023	Received the FY 2023 Category Captain of the Year* (2023財年天貓國際品類冠軍營) from Tmall (天貓國際)
	Received the FY 23 Tmall Global Maternal and Infant Industry Purple Star Thunder Award* (FY 23天貓國際母嬰行業紫曜雷霆獎) from Tmall (天貓國際)

CORPORATE DEVELOPMENT

Our Group

As at the Latest Practicable Date, our Group comprised our Company, a BVI company, a Hong Kong company, 4 PRC companies and a company incorporated in the Republic of Seychelles. The following table sets out some brief details of our Company and our subsidiaries as at the Latest Practicable Date:

Entity	Date of incorporation/ establishment	Place of incorporation/ establishment	Amount of registered capital/ issued share capital	Amount of paid up capital	Principal activities
Our Company	21 January 2019	Cayman Islands	HK\$380,000	HK\$0.2	Investment holding
Honat Management	18 August 2009	BVI	US\$10,100	US\$10,100	Investment holding
Numans HK	6 June 2006	Hong Kong	HK\$200	HK\$200	Investment holding and holding intellectual properties
Rujian International	12 November 2002	PRC	RMB1,000,000	RMB1,000,000	Import of raw materials

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Entity	Date of incorporation/ establishment	Place of incorporation/ establishment	Amount of registered capital/ issued share capital	Amount of paid up capital	Principal activities
Gold Nemans	20 December 2010	PRC	HK\$5,000,000	HK\$5,000,000	Sales of nutritional products
Hontat Nutritional	6 April 2011	PRC	HK\$5,000,000	HK\$5,000,000	Sales of nutritional products
Aumay Dairy	9 November 2017	PRC	RMB10,000,000	RMB10,000,000	Sales of nutritional products
Numans Sales	16 January 2014	Republic of Seychelles	US\$50	US\$50	Sales of nutritional products

Our Company

Our Company is an exempted company incorporated in the Cayman Islands with limited liability on 21 January 2019. On the date of its incorporation, the initial Share was issued to the initial subscriber who is an independent third party, and transferred to Far-East Fortune. The initial authorised share capital of our Company is HK\$380,000 divided into 380,000,000 Shares of a par value of HK\$0.001 each. On the same date, Far-East Fortune applied for, and the Company allotted and issued to Far-East Fortune 99 Shares in our Company fully paid up by cash at par.

As a result of the transfer of the entire issued shares of Hontat Management to our Company as described in “Hontat Management” below, an additional of 100 Shares were allotted and issued, credited as fully paid, to Far-East Fortune on 28 March 2019.

Hontat Management

Hontat Management was incorporated as an investment holding company in the BVI with limited liability on 18 August 2009. The number of authorised shares of Hontat Management is 50,000 shares of US\$1.00 each. At the time of activation in March 2010, Hontat Management was owned as to 60% by Ms. Cui and 40% by Mr. Wang.

On 24 June 2010, Ms. Cui, at the direction of Mr. Wang, transferred her 15% interests in Hontat Management to Ms. Wang Jing for nil consideration and her remaining 45% interests in Hontat Management to Mr. Wang for nil consideration. Subsequent to the transfer, Hontat Management was owned as to 85% by Mr. Wang and 15% by Ms. Wang Jing.

Ms. Wang Jing was an employee of our Group since January 2005. As an incentive, Mr. Wang directed Ms. Cui to transfer to Ms. Wang Jing 15% of the shareholding in Hontat Management on 24 June 2010. The issue price of such shares has not been paid up and Ms. Wang Jing assumed the issue price owing to Hontat Management from Ms. Cui and such issue price was set-off by the dividend payment of Hontat Management for the year ended 31 December 2010. On 31 December 2015, Ms. Wang Jing ceased to participate in the management of our Group and the 15% shareholding in Hontat Management should be transferred back to Mr. Wang. Instead of transferring the said shares back to Mr. Wang, Ms. Wang Jing has been holding such shares as nominee for and on behalf of Mr. Wang.

HISTORY, REORGANISATION AND GROUP STRUCTURE

As part of the Reorganisation, on 27 March 2019, Ms. Wang Jing transferred the legal ownership of 15% shareholding in Hontat Management to Mr. Wang for nil consideration. Subsequent to the transfer, the trust arrangement mentioned above has ceased and Hontat Management is wholly owned by Mr. Wang.

On 28 March 2019, Mr. Wang (as vendor) entered into a sale and purchase agreement with our Company (as purchaser), pursuant to which Mr. Wang transferred the entire issued shares of Hontat Management to our Company in consideration of allotting and issuing 100 Shares in our share capital, credited as fully paid to Far-East Fortune. Subsequent to the transfer, Hontat Management is directly and wholly owned by our Company.

Numans HK

Numans HK, a company incorporated in Hong Kong, engages in investment holding and holding intellectual properties activities. At the time of its incorporation on 6 June 2006, the initial Share was issued to the initial subscriber, who is an independent third party. At the time of activation in November 2006, the initial Share was transferred to Mr. Zhang Jingbin, and 100 shares and 99 shares in Numans HK were allotted, issued to, and fully paid by Mr. Jiang Junping and Mr. Zhang Jingbin who were independent third parties, respectively at a total subscription price of HK\$199, and that Numans HK was owned as to 50% by Mr. Jiang Junping and 50% by Mr. Zhang Jingbin. On 18 August 2010, Mr. Zhang Jingbin transferred his 50% interests in the issued share capital in Numans HK to Mr. Wang for a consideration of HK\$100. On the same date, Mr. Jiang Junping transferred his 35% interests in the issued share capital in Numans HK to Mr. Wang for a consideration of HK\$70 and his remaining 15% interests in the issued share capital in Numans HK to Ms. Wang Jing for a consideration of HK\$30. Subsequent to the transfer, Numans HK was owned as to 85% by Mr. Wang and 15% by Ms. Wang Jing. Mr. Wang used to serve at a company out of our Group with Mr. Zhang Jingbin and did not have any relationship with Mr. Jiang Junping. The spouse of Mr. Zhang Jingbin was interested in one of our regional distributors prior to the Track Record Period to which our sales amounted to approximately RMB0.2 million for FY2020 and during the Track Record Period, no sales was recorded. To the best of the knowledge of our Directors, Numans HK was a shelf company prior to its acquisition by Mr. Wang and Ms. Wang Jing in August 2010, and save as disclosed above, our Group does not have any past or present relationship with Mr. Jiang Junping and Mr. Zhang Jingbin. Mr. Wang believed that such offshore structure would also be more attractive on possible equity fund raising exercise by, in particular, overseas investors, who were then believed to be more familiar with the offshore/Hong Kong capital market and legal system.

On 17 January 2011, Mr. Wang and Ms. Wang Jing transferred their respective interests in Numans HK to Hontat Management for a consideration of US\$170 and US\$30 respectively. Subsequent to the transfer, Numans HK was directly and wholly owned by Hontat Management.

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Rujian International

Rujian International was established in the PRC on 12 November 2002. At the time of the establishment of Rujian International, its paid up registered capital was RMB1 million. Rujian International was then owned as to 85% by Mr. Wang and 15% by Ms. Zhu Jue, an employee of Rujian International, respectively. For details of the trust arrangement between Mr. Wang and Ms. Zhu Jue, please refer to this paragraph headed “Overview” above in this section.

On 28 December 2006, Ms. Zhu Jue, at the direction of Mr. Wang, entered into an equity transfer agreement with Ms. Wang Jing for the transfer of her 15% equity interests in Rujian International at RMB0.15 million, which were determined based on the then paid up registered capital of Rujian International in the amount of RMB1 million. The consideration was fully settled in cash and transfer was completed on the same date. Subsequent to the transfer, Rujian International was owned as to 85% by Mr. Wang and 15% by Ms. Wang Jing respectively.

On 5 July 2017, Mr. Wang and Ms. Wang Jing entered into an equity transfer agreement with Numans HK for the transfer of their equity interests in Rujian International to Numans HK at a consideration of RMB0.85 million and RMB0.15 million, respectively, which were determined based on the then paid up registered capital of Rujian International in the amount of RMB1 million. The transfer was completed in September 2017 and subsequent to the transfer, Rujian International was wholly owned by Numans HK.

Gold Nemans

Gold Nemans was established in the PRC on 20 December 2010. At the time of the establishment of Gold Nemans, its registered capital was HK\$5 million and was wholly owned by Numans HK. Its registered capital was fully paid up by Numans HK on 8 October 2012.

Hontat Nutritional

Hontat Nutritional was established in the PRC on 6 April 2011. At the time of establishment of Hontat Nutritional, its registered capital was HK\$5 million and was then wholly owned by Ms. Cui. Its paid up registered capital was fully settled by Ms. Cui by 10 January 2013.

On 25 October 2013, Ms. Cui entered into an equity transfer agreement with Far-East Fortune for the transfer of her equity interests in Hontat Nutritional at HK\$5 million, which were determined based on the then paid up registered capital of Hontat Nutritional in the amount of HK\$5 million. The transfer was completed on 3 July 2014. Subsequent to the transfer, Hontat Nutritional was wholly owned by Far-East Fortune.

On 22 October 2018, Far-East Fortune (as vendor) and Numans HK (as purchaser) entered into a sale and purchase agreement, pursuant to which Far-East Fortune transferred its entire equity interests in Hontat Nutritional to Numans HK for a consideration of HK\$5 million in cash, which was determined based on the registered capital of Hontat Nutritional. The transfer was completed on 13 December 2018. Subsequent to the transfer, Hontat Nutritional was entirely owned by Numans HK.

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Aumay Dairy

Aumay Dairy was established in the PRC on 9 November 2017. At the time of the establishment of Aumay Dairy, its registered capital was RMB10 million and was wholly owned by Gold Nemans.

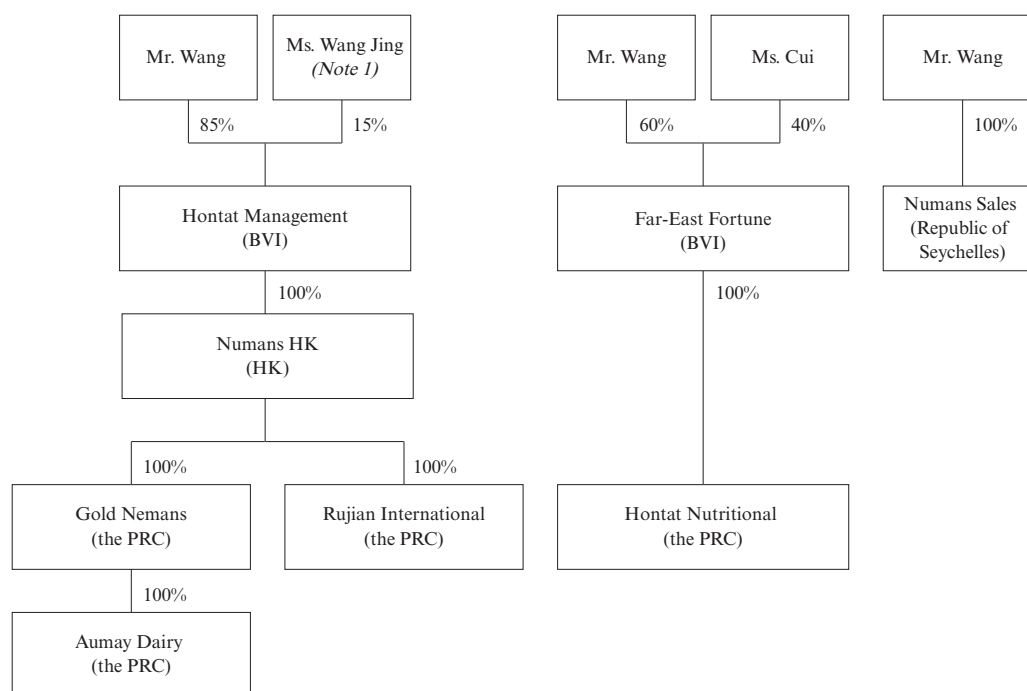
Numans Sales

Numans Sales was incorporated in the Republic of Seychelles on 16 January 2014. The authorised capital of Numans Sales is US\$100,000 and is made up of one class and series of shares divided into 100,000 shares of US\$1.00 par value with one vote for each share. On 13 January 2017, Numans Sales was activated and 50 shares of Numans Sales were first allotted and issued, as fully paid to Mr. Wang for a consideration of US\$50. Subsequent to the allotment, Numans Sales was wholly owned by Mr. Wang.

As part of the Reorganisation, on 28 March 2019, Mr. Wang (as vendor) and Hontat Management (as purchaser) entered into a sale and purchase agreement, pursuant to which Mr. Wang transferred the entire issued shares of Numans Sales to Hontat Management in consideration of Hontat Management allotting and issuing 100 Shares in our share capital to Mr. Wang, credited as fully paid. Subsequent to the transfer, Numans Sales was entirely owned by Hontat Management.

REORGANISATION

The shareholding and group structure of our Group prior to our Reorganisation is as follows:



Note 1: The 15% shareholding in Hontat Management is held by Ms. Wang Jing as nominee for and on behalf of Mr. Wang.

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Our Group underwent the Reorganisation prior to [REDACTED] which involved the following steps:

1. Acquisition of the entire issued capital of Hontat Nutritional by Numans HK

On 22 October 2018, Far-East Fortune (as vendor) and Numans HK (as purchaser) entered into a sale and purchase agreement, pursuant to which Far-East Fortune transferred the entire equity interests of Hontat Nutritional to Numans HK for a consideration of HK\$5,000,000 in cash, which was determined based on the registered capital of Hontat Nutritional.

Subsequent to the transfer, Hontat Nutritional was entirely owned by Numans HK.

2. Acquisition of the 31% equity interests in Far-East Fortune by Mr. Wang

Prior to the Reorganisation, Far East Fortune is held as to 40% by Ms. Cui and 60% by Mr. Wang. In order to rationalise the shareholding percentage between Mr. Wang and Ms. Cui in our Group, on 31 December 2018, Ms. Cui transferred 31% shareholding in Far-East Fortune to Mr. Wang, which is calculated based on the net asset value of Hontat Nutritional attributable to our Group, at a consideration of HK\$122,000. The transfer was completed on 31 December 2018.

3. Incorporation of the Company

The Company is an exempted company incorporated in the Cayman Islands with limited liability on 21 January 2019. On the date of its incorporation, the fully paid initial Share was issued to Sharon Pierson, an independent third party, and transferred to Far-East Fortune. The initial authorised share capital of the Company was HK\$380,000 divided into 380,000,000 Shares of a par value of HK\$0.001 each. On the same date, Far-East Fortune applied for, and the Company allotted and issued to Far-East 99 Shares in the Company fully paid up by cash at par.

As a result of the transfer of the entire issued shares of Hontat Management to our Company as described in “6. Acquisition of the entire issued capital of Hontat Management by our Company” below, an additional of 100 Shares were allotted and issued, credited as fully paid, to Far-East Fortune on 28 March 2019.

4. Acquisition of the 15% equity interests in Hontat Management by Mr. Wang

On 27 March 2019, Ms. Wang Jing transferred the legal ownership of 15% shareholding in Hontat Management to Mr. Wang for nil consideration. Subsequent to the transfer, the trust arrangement in relation to Ms. Wang Jing holding the interests in Hontat Management as nominee for Mr. Wang mentioned above has ceased and Hontat Management is wholly owned by Mr. Wang. For the reasons of the transfer, please refer to the paragraph “Corporate Development — Hontat Management” in this section above.

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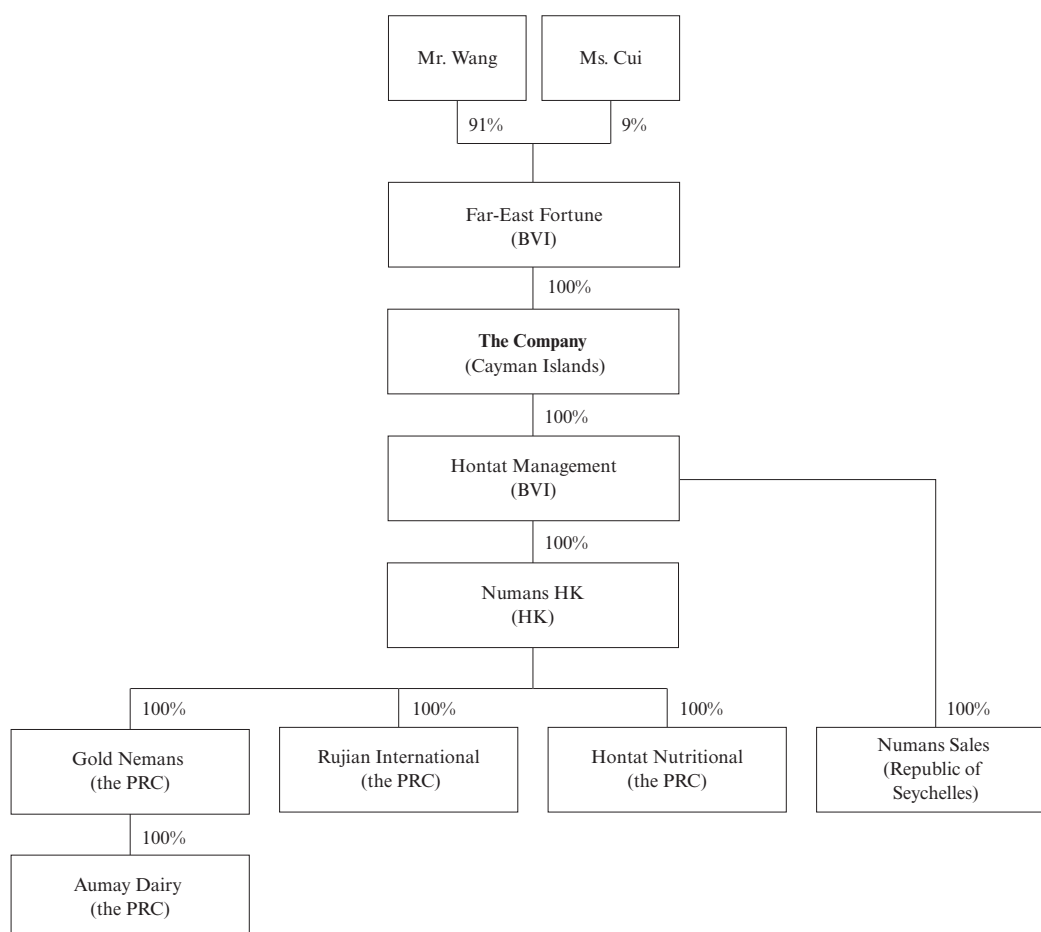
5. Acquisition of the entire issued capital of Numans Sales by Hontat Management

On 28 March 2019, Mr. Wang (as vendor) and Hontat Management (as purchaser) entered into a sale and purchase agreement, pursuant to which Mr. Wang transferred the entire issued shares of Numans Sales to Hontat Management in consideration of Hontat Management allotting and issuing 100 Shares to Mr. Wang, credited as fully paid. Subsequent to the transfer, Numans Sales was entirely owned by Hontat Management.

6. Acquisition of the entire issued capital of Hontat Management by our Company

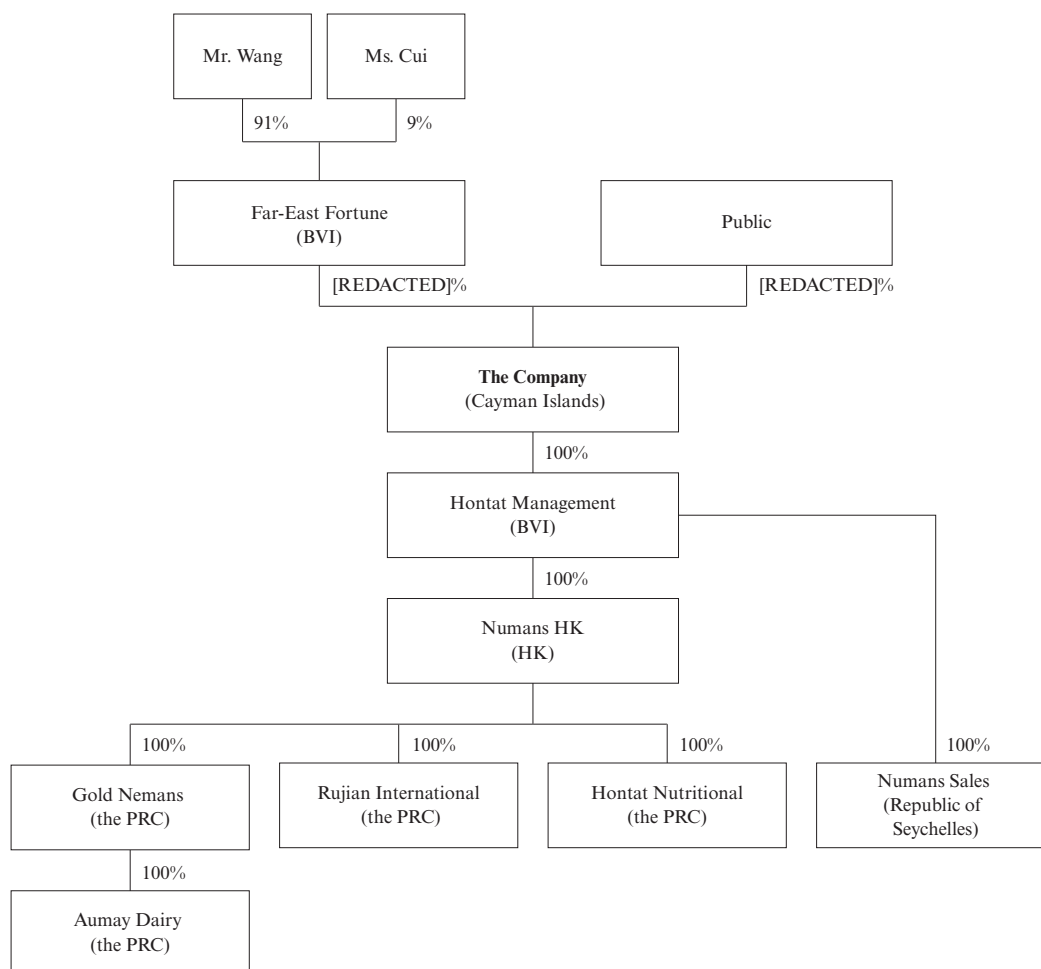
On 28 March 2019, Mr. Wang (as vendor) entered into a sale and purchase agreement with our Company (as purchaser), pursuant to which Mr. Wang transferred the entire issued shares of Hontat Management to our Company in consideration of allotting and issuing 100 Shares, credited as fully paid to Far-East Fortune. Subsequent to the transfer, Hontat Management is directly and wholly owned by our Company.

The following chart shows the shareholding structure of our Company immediately after the Reorganisation but before completion of the Capitalisation Issue and the [REDACTED]:



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The following chart shows the shareholding structure of our Company immediately following completion of the Capitalisation Issue and the [REDACTED] (assuming that the [REDACTED] and the options which may be granted under the Share Option Scheme are not exercised at all):



Each of the acquisitions and equity transfers pursuant to the Reorganisation has been properly and legally completed and settled, including all applicable regulatory approvals having been obtained.

M&A RULES

Pursuant to the Provisions on the Merger and Acquisition of Domestic Enterprises by Foreign Investors of MOFCOM* (《商務部關於外國投資者併購境內企業的規定》) which was amended in June 2009 (the “**M&A Rules**”), where a domestic individual or enterprise intends to implement a merger and acquisition of his/her/its related non-foreign-invested company in the name of an offshore company which he/she/it lawfully establishes or controls, such merger and acquisition shall be subject to the examination and approval of the MOFCOM. As advised by our PRC Legal Advisers, for the equity transfer of Mr. Wang and Ms. Wang Jing in Rujian International to Numans HK, as described in the paragraph headed “Corporate Development — Rujian International” in this section, as Mr. Wang, the ultimate equity owner of Numans

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HK, at the time of the equity transfer, had been Hong Kong permanent resident, he is not subject to the M&A Rules and not subject to the examination and approval of the MOFCOM. As advised by our PRC Legal Advisers, for the acquisition of the entire issued capital of Hontat Nutritional by Numans HK, as described in the paragraph headed “Reorganisation” in this section as Hontat Nutritional is a foreign-invested company, the M&A Rules is not applicable to the acquisition. However, such equity transfer and acquisition are subject to the relevant record filing requirements stipulated in the Interim Measures for Record-filing Administration over the Establishment and Change of Foreign-invested Enterprises* (《外商投資企業設立及變更備案管理暫行辦法》) promulgated by the MOFCOM on 8 October 2016 and amended on 30 July 2017 and 29 June 2018. Rujian International had completed the record-filing of the equity transfer on 17 September 2017 and registered the equity transfer with the local Administration for Market Regulation on 30 September 2017. Hontat Nutritional had completed the record-filing of the change of investor resulting from the aforesaid acquisition on 7 November 2018 and registered the change of investor with the local Administration for Market Regulation on 13 December 2018. Our PRC Legal Advisers advised that all approvals, permits, registration or filing required by applicable PRC Laws for the aforesaid acquisition has been obtained or completed.

FOREIGN EXCHANGE REGISTRATION UNDER SAFE CIRCULAR NO. 37 AND SAFE CIRCULAR NO. 13

Pursuant to the SAFE Circular No. 37 and the SAFE Circular No. 13, where domestic individual residents conduct investment in offshore special purpose vehicles with their legitimate onshore and offshore assets or equities, they must register with relevant banks with respect to their investments. For details, please see the paragraph headed “Regulatory Overview — Regulations on Foreign Exchange Control” in this document.

As Mr. Wang and Ms. Cui are permanent residents of Hong Kong, our PRC Legal Advisers confirmed that they are not required to effect registration as required under the SAFE Circular No. 37 and the SAFE Circular No. 13.

SHARE OPTION SCHEME

Please refer to the paragraph headed “Statutory and General Information — 3. Further information about our Directors and substantial Shareholders — 3.5. Share Option Scheme” in Appendix IV to this document for a summary of the principal terms of the Share Option Scheme.