UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM F-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Bon Natural Life Limited

(Exact name of Registrant as specified in its charter)

Cayman Islands	**2833**	**Not applicable**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

C601, Gazelle Valley, No.69 Jinye Road.
Xi'an Hi-tech Zone, Xi'an, China
0086-29-88318908 x805

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

The Crone Law Group P.C.
500 Fifth Ave, Suite 938
New York, NY 10110
Phone: (646) 861-7891

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Approximate date of commencement of proposed sale to the public: **As soon as practicable after the effective date of this Registration Statement.**

If any of the securities being registered on the Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box [X]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933. [X]

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 7(a)(2)(B) of the Securities Act. [ ]

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CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER SHARE	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (2)	AMOUNT OF REGISTRATION FEE
Ordinary Shares, par value $0.0001 per share (3)	2,300,000(1)	$ 5.00	$ 11,500,000	$ 1,492.70
Underwriter's warrants (3)(4)	184,000	$ —	$ —	$ —
Ordinary Shares to be issued upon exercise of Underwriter's warrants(3)	184,000	$ 5.00	$ 920,000	$ 119.42
Total Registration Fee				**$ 1,612.12**

(1) Includes (a) 2,000,000 ordinary shares; and (b) up to 300,000 ordinary shares that may be purchased by the underwriter pursuant to its option to purchase additional shares.

(2) Estimated solely for the purpose of determining the amount of registration fee in accordance with Rule 457(a) under the Securities Act of 1933.

(3) Pursuant to Rule 416 under the Securities Act, the securities being registered hereunder include such indeterminate number of additional ordinary shares as may be issued after the date hereof as a result of share splits, share dividends or similar transactions.

(4) In accordance with Rule 457(g) under the Securities Act, because the shares of the registrant's ordinary shares underlying the underwriters' warrants ("Underwriter Warrants") are registered hereby, no separate registration fee is required with respect to the warrants registered hereby.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SECTION 8(a), MAY DETERMINE.

This is a confidential draft submission to the U.S. Securities and Exchange Commission on July 13, 2020 and is not being filed under the Securities Act of 1933, as amended.



PROSPECTUS
BON NATURAL LIFE LIMITED

2,000,000 Ordinary Shares

INITIAL PUBLIC OFFERING

This is the initial public offering of Bon Natural Life Limited. We are offering 2,000,000 ordinary shares, par value US$0.0001 per share (the "Shares"). We expect that the initial public offering price of the Shares will be US$5.00 per Share.

Prior to this offering, there has been no public market for our ordinary shares. We intend to apply to list our ordinary shares on the Nasdaq Capital Market under the symbol "BNL."

	Offering Price per Share	Underwriting Discounts and Commissions [1]	Proceeds to Us, Before Expenses
Per Share	$ 5.00	$ 0.40	$ 4.60
Total [2]	$ 10,000,000	$ 800,000	$ 9,200,000

(1) See "Underwriting" for additional disclosure regarding underwriting compensation payable by us including a non-accountable expense allowance of 1% of the gross proceeds of the Offering.

(2) We have granted the underwriters the right to purchase up to an additional 300,000 Shares to cover over-allotments.

The purchase of the securities offered through this prospectus involves a high degree of risk. See section entitled "Risk Factors" starting on page 12.

We are an "emerging growth company" under applicable U.S. federal securities laws and are eligible for reduced public company reporting requirements.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The underwriter expects to deliver the Shares against payment in U.S. dollars to purchasers on or about_____, 2020.

Newbridge Securities Corporation

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You should rely only on the information contained in this prospectus. We have not authorized anyone to provide information different from that contained in this prospectus. We are offering to sell, and seeking offers to buy, Shares only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our Shares.

Until _____ 2020, (25 days after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to unsold allotments or subscriptions.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements appearing elsewhere in this prospectus. In addition to this summary, we urge you to read the entire prospectus carefully, especially the risks of investing in our Shares discussed under "Risk Factors," before deciding whether to invest in our Shares.

Conventions that Apply to this Prospectus

Unless otherwise indicated or the context otherwise requires, references in this prospectus to:

- "Shares" are to our ordinary shares, par value $0.0001 per share;
- "China" or the "PRC" are to the People's Republic of China, excluding, for the purposes of this prospectus only, Hong Kong, Macau and Taiwan;
- "RMB" or "Renminbi" are to the legal currency of the People's Republic of China;
- "Yuan" or "¥" are to the primary unit of account of the Renminbi (RMB), the legal currency of the People's Republic of China.
- "US$," "U.S. dollars," "$," or "dollars" are to the legal currency of the United States;
- "Xi'an App-Chem" are to Xi'an App-Chem Bio(Tech) Co., Ltd., an entity incorporated in the PRC or, depending on the context, Xi'an App-Chem Bio(Tech) Co., Ltd. and its subsidiaries; and
- "Bon Natural Life," "the Company," "we," "us," "our company" or "our" are to Bon Natural Life Limited a Cayman Islands corporation, its subsidiaries and its consolidated affiliated entities.
- "Xi'an CMIT" are to Xi'an Cell and Molecule Information Technology Limited, our Wholly Foreign-Owned Enterprise incorporated in the PRC
- "Tea Essence" are to Tea Essence Limited, our direct wholly owned subsidiary incorporated in Hong Kong.

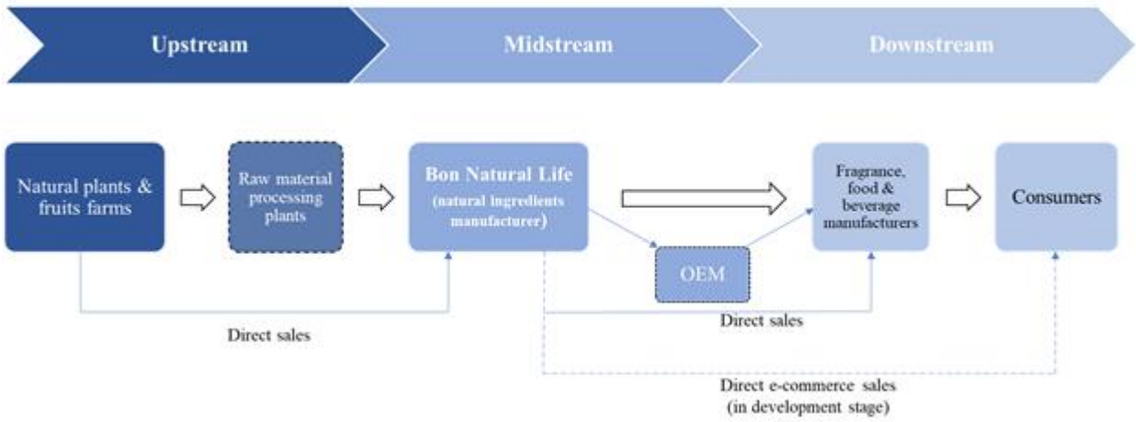
Unless the context indicates otherwise, all information in this prospectus assumes no exercise by the underwriter of its over-allotment option. Our reporting currency is the U.S. Dollar. The functional currency of Xi'an App-Chem and of our operating subsidiaries in the PRC is the Renminbi.

Our Business

Our business focuses on the manufacturing of personal care ingredients, such as plant extracted fragrance compounds to perfume and fragrance manufacturers, natural health supplements such as powder drinks and bioactive food ingredient products mostly used as food additives and nutritional supplements by our customers. The Company is devoted to providing high quality and competitive prices and a stable supply of products and services for the functional food, personal care, natural medicine and other industries. We provide these products and services for third party customers, as well as for our own proprietary brands. With "nourish life with natural essence" as the business concept, and "becoming an innovator (leader) of natural functional ingredients and an integrated supplier of great health industry" as the goal, after more than 14 years of efforts, the company has formed four technology platforms respectively for natural product large-scale separation, natural product safety improvement, natural product activity enhancement, and natural product function compounding.

Our business is operated through Xi'an App-Chem Bio(Tech)Co., Ltd., a corporation formed in the People's Republic of China in April of 2006. Xi'an App-Chem was listed on National Equities Exchange and Quotations ("NEEQ") in China on June 8, 2016 and voluntarily ceased the listing on May 31, 2019 to pursue listing on a senior exchange in the United States. The company is located in the state-level Xi'an Hi-tech Development Zone, and operates through nine wholly owned or majority controlled subsidiaries – (i) Shaanxi App-Chem Health Industry Co., Ltd. (in Chinese "陕西天美健康产业有限公司"); (ii) Shaanxi App-Chem Ag-tech Co., Ltd. (in Chinese "陕西天美有机农业科技有限公司"); (iii) Xi'an Yanhuang TCM Medical Research and Development Co., Ltd. (in Chinese "西安炎黄经方医药研发有限公司"); (iv) Balikun Tianmei Bio (Tech) Co., Ltd. (in Chinese "巴里坤天美生物科技有限公司"); (v) App-Chem Bio (Tech) (Guangzhou) Co., Ltd. (in Chinese "天美生物科技（广州）有限公司"); (vi) Tongchuan Dietary Therapy Health Technology Co., Ltd. (in Chinese "铜川膳方家健康科技有限公司"); (vii) Xi'an Dietary Therapy Health Management Co., Ltd. (in Chinese "西安膳方家健康管理有限公司"); (viii) Tianjin Yonghexiang Bio (Tech) Co., Ltd. (in Chinese "天津雍和祥生物科技有限公司") and (ix) Gansu Baimeikang Bioengineering Co., Ltd. (in Chinese "甘肃百美康生物工程有限公司"). Our industry and commercial focus is sometimes referred to as the "Great Health" or "Big Health" space. As opposed to conventional medicine focused on pharmaceutical drugs and hospital procedures, these terms refer to the use of natural ingredients to manage and improve health and well-being throughout the human life cycle.

Value chain analysis



The upstream of the natural ingredient and nutritional supplement market and the flavor and fragrance market in the PRC mainly refers to raw material suppliers, such as natural plants and fruit farms, which provide plant tissues, roots, leaves and fruits to be used for the manufacture of various products for these industries.

Midstream manufacturers, such as Bon Natural Life, though our operating companies in China, procure raw materials through direct purchases or dealers and produce natural ingredients and nutritional supplements as well as plant-compounds for fragrance and perfume manufacturers.

Our products are then sold to various downstream food and beverage, and fragrance and perfume manufacturers, mostly in the PRC, but also abroad to customers such as International Flavor & Fragrance, Inc, Mars Wrigley, Fridal, Syrimise AG, and others. Using our products as part of their ingredients, downstream food and beverage producers and fragrance will produce finished products, such as food and beverage additives, nutritional supplements, and fragrance that eventually get sold to end-consumers.

Our Strengths

Innovation in Manufacturing Methods and Product Development

- Xi'an App-Chem is a supplier of personal care ingredients, and we seek to be a leader in the bio-manufacturing of natural products and health solutions in immunity and digestion by leveraging our proprietary natural essence extraction technology to focus on human micro-biome as a therapeutic target. Together with our operating subsidiaries, we hold several patents issued by the PRC, relating primarily to composition and processing techniques for products and product ingredients.

- We use bio-manufacturing technology to produce substances such as sclareol, sclareolide, ambroxide, extracted from Clary sage (Salvia sclarea L.), a very aromatic herbaceous plant, to replace ambergris (ambroxide is a substitute of ambergris which is originated from sperm whale), novel probiotics stachyose, and natural antioxidant apple polyphenol. Our ambroxide is made using our proprietary technology, which we believe can be done at a lower cost, than the processes used by some of our competitors. Our stachyose manufacturing process features a very high productivity rate (over 1,000-ton capacity), and, we believe, a higher product purity, and faster and more extensive proliferation of probiotics than the primary competing substance, chrysanthemum powder.

- Xi'an App-Chem is listed as a key enterprise with ensured supplies in the COVID-19 prevention and control period by various Chinese government agencies during the COVID-19 pandemic due to its immunity boosting products such as stachyose.

- Our process for manufacturing apple polyphenol (a source of anti-oxidants) allows us to achieve a high product anti-oxidant content of 70% to 90%, higher than some of our competitors' products.

- Xi'an App-Chem is currently in the development stage in producing innovative new over-the-counter products using natural, functional ingredients intended for the precise regulation and control of the humane micro-biome. Examples include our ***Bon Natural Micro-eco Hair Repair Shampoo,***; ***DuiJiuDangGe (JiuGe)***; ***Tianmei Jinghao Nutrition Powder***; and ***Gout Ease (Feng Qing Ping)***.

A Stable Supply Chain for Raw Materials for the Fragrance, Food and Beverage Industries

- Xi'an App-Chem seeks to have a stable supply chain for raw materials, which is important in the natural ingredient field. The company's management team, through its operating experience, is constantly improving their selection of various natural raw material sources, supply chain management, supplier selection, and risk and quality control.

Advantages in Cost Control

- The Company's management team believes that its bio-manufacturing technology gives it an average cost advantage in producing its natural ingredients (i.e., products such as Ambroxide, stachyose, apple polyphenol and other types of natural-ingredient products).

Professional and Efficient Sales Team and Branding

- There are twelve people in our sales team, among whom four have professional backgrounds in biology, chemistry, medicine, pharmacy, and related fields. Six of our sales professionals majored in English, international trade and related fields. Our sales professionals have an average of over five years of relevant work experience. Two of them have been stationed abroad to work on a long-term basis. With more than ten years of accumulated experience, we have forged a sales system worldwide (mainly in Europe, East Asia, and North America).

Our Challenges

We May Face Competition from Other Companies Currently In Other Categories of the Natural Ingredients and Health Solutions Industry.

- Because of the and recent growth of our existing business, we may face new direct competition from some counterparts engaged in other categories of the natural products and ingredients business, such as Chenguang Biotech from China, which is engaged in natural colors, Layn, which engaged in natural sweeteners, and European companies like DSM, Symrise, and Givaudan (GIV). These firms may seek to compete directly with Xi'an App-Chem in its existing businesses. The size, financial strength, technology foundation and development capabilities of the above-mentioned companies are strong, and potential competition from these firms will be a key competitive challenge in the near future.

Larger, more Developed Food and Ingredient Companies May Seek to Compete in Our Industry in the Near Future.

- The rapid development of human micro-biome technology has resulted in rapid commercialization in the related products of immune health and digestive health, which has increasingly attracted the attention of some large-scale companies. For example, the French large-scale food company *Danone Group* recently announced that it continues to place the gut and its micro-biome at the core of its health strategy to deliver the company's mission "bringing health through food to as many people as possible." Such large companies might change the current landscape of the industry, either directly or through mergers and acquisitions. These companies may challenge us by seeking to secure key raw material sources for their products and to acquire stability, reliability and cost advantages for their supply chains. Because of the strong capital and brand strength of such companies, they might pose challenges to us in the future.

We May Face Additional Competition from New Entrants to the Health Industry

- The Big Health industry has experienced sustained and rapid growth worldwide, based on the rapid development of information technology and life science technology in recent years. Prompted by the serious emergency caused by the global COVID-19, consumers and public administrators around the world have paid more attention to basic health issues than ever before, especially to immune health. At the core of immune health, and at the core of our business focus, is the precise adjustment and control of human micro-biome by natural probiotics. This area has drawn a wide external attention, which may cause firms outside the health industry to seek market entry. In the future, some of the new entrants may become our competitive challengers.

Our Current Sales and Distribution Network May Be Insufficient to Support Our Planned Growth.

- We currently sell our products through our direct sales force and distribution channel. Although our sales and distribution network is sufficient for our existing needs, it may be insufficient to meet future product demand as we continue to grow our business. As we begin to expand our production capacity, an insufficient distribution network may hinder our ability to meet demand and to grow our revenues accordingly.

Our Strategy for Meeting Potential Challenges

- First, we intend to meet our possible competitive challenges by giving full play to our advantages (mainly technology, products, and supply chain) to attain greater advantage in terms of quality, cost, and supply stability. We intend to use these advantages to secure a larger market share and to boost our rapid development and expansion of our capabilities. Due to the high technical barriers to entry in our field, including the complexity of the raw materials involved and the inherent product quality challenges, we believe potential competitors seeking to enter our market will require three to five years to enter the market and launch truly competitive products. We believe this will allow us to press our advantages described above and stay ahead of new competition.

- Second, using the capital raised in this offering, we intend to accelerate our business growth and market expansion, taking full advantage of rapid industrial advancements empowered by information technology and life science technology. Our improved financial strength after a successful equity offering, combined with a sustained growth of market demand in the Big Health industry (driven in part by the COVID-19 pandemic), will enhance our ability to tackle various challenges.

- Third, we will actively seek opportunities for collaboration and cooperation with large-scale enterprises that focus on human micro-biome-related businesses (such as Guangzhou Wanglaoji Pharmaceutical, JDB, Wahaha, Mengniu, Yili, Chr. Hansen, etc.), including cooperation in product sales, strategic business relationships, and, if possible, equity investment.

- Fourth, we intend to invest some of our available cash generated from operations and capital raising to add additional teams to our direct sales force, to expand our geographic reach with new distribution channels into other provinces within China and overseas, and to establish more sales online.

We also face other challenges, risks and uncertainties that may materially and adversely affect our business, financial condition, results of operations and prospects. You should consider the risks discussed in “Risk Factors” and elsewhere in this prospectus before investing in our Shares.

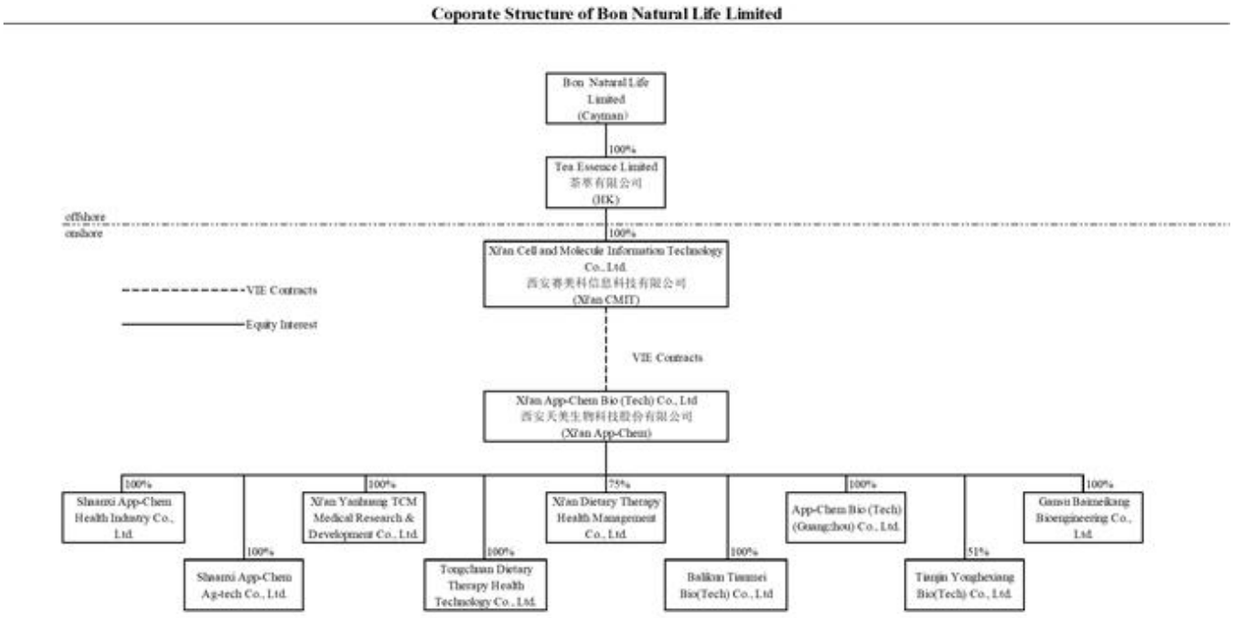
Corporate History and Structure

We commenced our natural products and ingredients business through Xi'an App-Chem Bio(Tech) Co., Ltd. ("Xi'an App-Chem"), a corporation formed in the People's Republic of China in April of 2006. On April 23, 2006, Xi'an App-Chem received its Business License (Registration No.: 6101012116403) from the Xi'an Administration for Industry and Commerce.

On December 11, 2019, Bon Natural Life Limited was incorporated under the laws of the Cayman Islands as our offshore holding company to facilitate financing and offshore listing. Bon Natural Life Limited subsequently established a Wholly Foreign-Owned Enterprise ("WOFE") in PRC China, Xi'an CMIT Information and Technology Co., Ltd. ("Xi'an CMIT"). Xi'an CMIT is wholly owned by our direct subsidiary in Hong Kong, Tea Essence. Due to PRC legal restrictions on foreign ownership in companies that engage in online sales China, we carry out our business through Xi'an App-Chem, a domestic PRC company, the equity interests in which are held by PRC citizens. Xi'an CMIT entered into a series of contractual arrangements, including a Loan Agreement, an Exclusive Service Agreement, a Shares Pledge Agreement, an Exclusive Option Agreement, and a Proxy Agreement and Power of Attorney, with Xi'an App-Chem and its shareholders, and obtained spousal consent letters by the spouses of the shareholders of Xi'an App-Chem on May 28, 2020. These shareholders are Yongwei Hu, Jing Liu, Wei Wang, Jianli Liu, Fangfang Dong, Kai Zhang, Huixia Guan, Yizhen Jia, Yanna An, and Weihua Liu, collectively holding 100% of equity interest in Xi'an App-Chem.

As a result of these contractual arrangements, we have effective control over, and are the primary beneficiary of, Xi'an App-Chem. Xi'an App-Chem is therefore our consolidated variable interest entity, or consolidated VIE, which generally refers to an entity in which we do not have any equity interests but whose financial results are consolidated into our consolidated financial statements in accordance with U.S. GAAP because we have effective financial control over, and are the primary beneficiary of, that entity. We treat Xi'an App-Chem and its subsidiaries as our consolidated affiliated entities under U.S. GAAP and have consolidated their financial results in our consolidated financial statements in accordance with U.S. GAAP. However, those contractual arrangements may not be as effective in providing operational control as direct ownership. See "Risk Factors—Risks Related to Our Corporate Structure" and "Risk Factors—Risks Related to Doing Business in China."

The following diagram illustrates our corporate structure, including our subsidiary, the VIE, and the VIE's subsidiaries, as of the date of this prospectus:



Note: Shareholders of Xi'an App-Chem are Yongwei Hu, Jin Liu, Wei Wang, Jianli Liu, Fangfang Dong, Kai Zhang, Huixia Guan, Yizhen Jia, Yanna An, and Weihua Liu.

Corporate Information

Our address is C601, Gazelle Valley, No.69 Jinye RD.Xi'an Hi-tech Zone, Xi'an, China. Our phone number is 0086-29-88318908 x.805. Our website is http://www.bnlus.com. Information contained on, or available through, our website does not constitute part of, and is not deemed incorporated by reference into, this prospectus. Our registered office in the Cayman Islands is located at the Office of Sertus Incorporations (Cayman) Limited, Sertus Chambers, Governors Square, Suite # 5-204, 23 Lime Tree Bay Avenue, P.O. Box 2547, Grand Cayman, KY1-1104, Cayman Islands. Our agent for service of process in the United States is The Crone Law Group P.C., 500 Fifth Ave, Suite 938, New York, NY 10110.

Implications of Being an Emerging Growth Company

We qualify as an "emerging growth company" pursuant to the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements compared to those that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002 in the assessment of the emerging growth company's internal control over financial reporting. The JOBS Act also provides that an emerging growth company does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards. However, we have elected to "opt out" of this provision and, as a result, we will comply with new or revised accounting standards as required when they are adopted for public companies. This decision to opt out of the extended transition period under the JOBS Act is irrevocable.

We will remain an emerging growth company until the earliest of (a) the last day of the fiscal year during which we have total annual gross revenues of at least US$1.07 billion; (b) the last day of our fiscal year following the fifth anniversary of the completion of this offering; (c) the date on which we have, during the preceding three-year period, issued more than US$1.0 billion in non-convertible debt; or (d) the date on which we are deemed to be a "large accelerated filer" under the Securities Exchange Act of 1934, as amended, or the Exchange Act, which would occur if the market value of our Shares that are held by non-affiliates exceeds US$700 million as of the last business day of our most recently completed second fiscal quarter. Once we cease to be an emerging growth company, we will not be entitled to the exemptions provided in the JOBS Act discussed above.

Implications of Our Foreign Private Issuers Status

Because we are a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including: (i) the rules under the Exchange Act requiring the filing of quarterly reports on Form 10-Q or current reports on Form 8-K with the SEC; (ii) the sections of the Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the Exchange Act; (iii) the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and (iv) the selective disclosure rules by issuers of material nonpublic information under Regulation FD.

We will be required to file an annual report on Form 20-F within four months of the end of each fiscal year. In addition, we intend to publish our results on a quarterly basis through press releases, distributed pursuant to the rules and regulations of the Nasdaq Stock Exchange. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. As a result, you may not be afforded the same protections or information, which would be made available to you, were you investing in a U.S. domestic issuer.

Impact of the Covid-19 Pandemic

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. On March 11, 2020, the World Health Organization categorized it as a pandemic. In response to the COVID-19 outbreak, governments around the global have implemented measures such as lockdowns, travel restrictions, and closures of businesses and schools.

Due to the outbreak and spread of COVID-19, in the beginning of February, we had to temporary suspend our manufacturing and sales activities due to government restrictions on business activities. During the temporary business closure period, our employees had very limited access to our manufacturing facilities, and as a result, we experienced difficulty delivering our products to our customers on a timely basis. In addition, due to the COVID-19 outbreak, some of our customers or suppliers may experience financial distress, delay or default on their payments, reduce the scale of their business, or suffer disruptions in their business due to the outbreak. Any increased difficulty in collecting accounts receivable, delayed raw materials supply, bankruptcy of small and medium businesses, or early termination of agreements due to deterioration in economic conditions could negatively impact our results of operations. We resumed our work on March 2, 2020. In light of the current circumstances and available information, for the period from January to May 2020, our revenues could be approximately 14% lower as compared to the same period of last year, to approximately $5.6 million. At the same time, our employee salaries and benefits as well as some fixed overhead costs did not decrease during the period when we were temporarily closed. As a result, our net income could be approximately 10% lower as compared to the same period of last year, to approximately $0.96 million for the period of January to May 2020. Although we resumed operations on March 2, 2020, the extent of the impact of COVID-19 on our results of operations and financial condition for fiscal year 2020 will depend on future developments, including the duration and spread of the outbreak and the impact on our customers, which are still uncertain and cannot be reasonably estimated at this point of time.

Our assets primarily include cash, accounts receivable, inventories, prepaid expense and other current assets, property, plant and equipment and intangible assets. As of May 31, 2020, based on the unaudited and unconsolidated financial statements of our VIE, Xi'an App-chem and its major subsidiaries, our total current assets amounted to approximately $7.7 million, and our total assets amounted to approximately $20.1 million. Nothing came to our attention that would cause us to believe that the COVID-19 outbreak had negatively impacted our current and total assets, as compared to the September 30, 2019 balance.

In response to the significant impact of the COVID-19 pandemic, we have taken timely measures to mitigate the impact of COVID-19 on our business and or employees:

(i) In late January 2020, as the COVID-19 outbreak started in China before the Chinese Spring Festival holiday leave, we immediately took steps to communicate with our employees to share the up-to-date and relevant information about COVID-19 among our employees, and agreed to provide financial support to our employees, such as emergency assistance and regular payroll payments during the outbreak;

(ii) In order to ensure the safety of our employees, we provided flexible and remote work options, leveraging technology to communicate and collaborate from a distance. For employees who had to travel for personal or business purposes, we required them to perform 14-day self-isolation before returning to the workplace;

(iii) We reopened our office and manufacturing facilities in early March of 2020 and we purchased and delivered to our employees medical equipment and supplies (such as thermometers, antibacterial products, masks, and gloves). We also implemented office workplace health and safety measures, including workplace entrance registration procedures for all employees and restricted office access from visitors; and

(iv) In order to continue to serve our customers, we utilized online tools to keep close contact with our customers for sales orders and rescheduled some of the product delivery time with our customers.

As of the date of this prospectus, the COVID-19 outbreak in China appears to have slowed down and most provinces and cities have resumed some business activities under the guidance and support of the government; however, the extent of the impact of COVID-19 on our business, operational and financial performance will depend on certain developments including the duration of the outbreak, the possibility of a second wave of infections and future demand for our products. Today, while our offices and manufacturing facilities remain open and business activities have fully resumed, we are closely monitoring all developments and are following the guidelines issued by local and national health authorities. We strive to accommodate and support our employees, while also maintaining our commitments to our customers. We are still continuing to carry out the above measures and expect the aforementioned negative impact will gradually mitigate in the future as the COVID-19 outbreak continues to become more controlled in China. Nevertheless, due to the uncertainty on future developments, which cannot be predicted with confidence at this time, we are not able to assess the overall or long-term effect the COVID-19 outbreak may have on our financial results and business operations. Although we believe the adverse market conditions will continue to affect our business, results of operations, financial conditions and liquidity in the near-term, we are confident that our ongoing efforts to mitigate the negative impacts of COVID-19 will help us assure our growth aspects in the long run.

The Offering

Securities Being Offered	2,000,000 Shares (or 2,300,000 Shares if the underwriter exercises its over-allotment option in full).
Offering Price	$5.00 per Share.
Securities Issued and to be Issued	5,800,000 of our ordinary shares are issued and outstanding as of the date of this prospectus.
Number of Shares Outstanding After the Offering If All the Shares Are Sold	A total of 7,800,000 Shares will be issued and outstanding following the close of this offering (or 8,100,000 Shares if the underwriter exercises its over-allotment option in full). In addition, we have agreed to issue warrants to the representative of the underwriters to purchase a number of ordinary shares equal to 8% of the total number of ordinary shares sold in this offering at a price equal to the offering price, exercisable for five years. As a result, warrants to purchase up to 160,000 ordinary shares (or 184,000 shares if the underwriter exercises its over-allotment option in full) will be outstanding following the close of this offering.
Use of Proceeds	Our proceeds from this offering will be approximately $9,200,000 before expenses. We intend to use these proceeds for working capital, to expand our sales network, research and development, and to expand our production capacity. Please see "Use of Proceeds" for additional information.
Lock-up	We, our directors, officers and all of our existing shareholders, subject to certain exceptions, have agreed with the underwriter not to sell, transfer or dispose of any ordinary shares or similar securities for a period of 180 days after the date of this prospectus. See "Shares Eligible for Future Sales" and "Underwriting."
Listing	We intend to apply to list our ordinary shares on the Nasdaq Capital Market under the symbol "BNL." Our Shares and shares will not be listed on any other stock exchange or traded on any automated quotation system.

Summary Consolidated Financial Data

The following summary consolidated financial data for the years ended September 30, 2019 and 2018 has been derived from our audited consolidated financial statements included elsewhere in this prospectus. Our consolidated financial statements are prepared and presented in accordance with accounting principles generally accepted in the United States of America, or U.S. GAAP. Our historical results are not necessarily indicative of results expected for future periods. You should read this Summary Consolidated Financial Data section together with our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

	Fiscal Year Ended September 30, 2019 (audited)	Fiscal Year Ended September 30, 2018 (audited)
Balance Sheet Data		
Cash	$ 293,771	$ 820,856
Total Assets	$ 19,560,412	$ 16,644,916
Total Liabilities	$ 12,297,066	$ 12,098,471
Total Bon Natural Life Limited Stockholder's Equity	$ 6,838,351	$ 4,546,445

	Fiscal Year Ended September 30, 2019 (audited)	Fiscal Year Ended September 30, 2018 (audited)
Statement of Operations		
Revenue	$ 16,396,018	$ 10,781,636
Net Income for Reporting Period	$ 2,562,636	$ 223,376

RISK FACTORS

An investment in our Shares involves significant risks. You should consider carefully all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in our Shares. Any of the following risks could have a material and adverse effect on our business, financial condition and results of operations. In any such case, the market price of our Shares could decline, and you may lose all or part of your investment.

Risks Related To Our Financial Condition and Business Model

Our failure to appropriately respond to changing consumer preferences and demand for new products or product enhancements could significantly harm our customer relationships and product sales and harm our financial condition and operating results.

Our business is subject to changing consumer trends and preferences, especially with respect to weight management; targeted nutrition; energy, sports, and fitness; and other nutrition products. Our continued success depends in part on our ability to anticipate and respond to these changes, and we may not respond in a timely or commercially appropriate manner to such changes. Furthermore, the nutritional supplement industry is characterized by rapid and frequent changes in demand for products and new product introductions and enhancements. Our failure to accurately predict these trends could negatively impact consumer opinion of our products and cause the loss of sales. Our short term new product development primarily focuses on health supplements, such as various powder drink products seeking to i) boost immunity; ii) prevent indigestion; iii) prevent respiratory infection; iv) prevent allergic skin reaction; v) improve sleep quality; vi) prevent memory loss and vii) alleviate anxiety. In terms of product enhancements, we are also working on increasing the purity of our bioactive food ingredients, such as our ultra-pure stachyose as a dietary supplement for infants, flavanols to seek intestine health improvement, procyanidin b2 to seek to promote hair growth, and high soluble and low residue sclareolide to seek weight management. The success of our new product offerings and enhancements depends upon a number of factors, including our ability to:

- accurately anticipate customer needs;
- innovate and develop new products or product enhancements that meet these needs;
- successfully commercialize new products or product enhancements in a timely manner;
- price our products competitively;
- manufacture and deliver our products in sufficient volumes and in a timely manner; and
- differentiate our product offerings from those of our competitors.

If we do not introduce new products or make enhancements to meet the changing needs of our customers in a timely manner, some of our product offerings could be rendered obsolete, which could negatively impact our revenues, financial condition and operating results.

If we are unable to build sufficient distribution network to meet increasing demand of our products, our ability to execute on our business plan as outlined in this prospectus will be impaired.

We sell our products through our direct sales force and distribution channel. Although our sales and distribution satisfy our existing business needs, they might be insufficient to meet demand for our products as we continue to grow our business, which could result in harm to our sales and business operations, financial condition and results of operations. To mitigate such risk, we intent to invest our internally generated cash from operations and capital to be raised to add additional teams to our direct sales force, expand our geographic reach with new distribution channels into other provinces within China and overseas, and establish more sales online. If our planned efforts to expand our sales and distribution channels are not effective, our ability to execute on our business plan and to realize continued growth with be impaired.

Production difficulties, quality control problems, inaccurate forecasting and reliance on third-party suppliers could harm our business.

Production difficulties, quality control problems, inaccurate forecasting and our reliance on third party suppliers to manufacture and deliver products that meet our specifications in a timely manner could harm our business. We could experience production difficulties with respect to our products, including the availability of raw materials, components, packaging and products that do not meet our specifications and quality control standards. These production difficulties and quality problems could result in stock outages or shortages in our markets with respect to such products, harm our sales, or create inventory write-downs for unusable products.

The inability to obtain adequate supplies of raw materials for products at favorable prices, or at all, could have a material adverse effect on our business, financial condition, or results of operations.

We acquire our raw materials for the manufacture of our products from third-party suppliers. Materials used in manufacturing our products are purchased through purchase order, often invoking pre-negotiated supply agreements. We have very few long-term agreements for the supply of these materials. There is a risk that any of our suppliers could discontinue selling raw materials to us. Although we believe that we could establish alternate sources for most of our products, any delay in locating and establishing relationships with other sources could result in product shortages or back orders for products, with a resulting loss of net sales. In certain situations, we may be required to alter our products or to substitute different products from another source. There can be no assurance that suppliers will provide the raw materials that are needed by us in the quantities that we request or at the prices that we are willing to pay. Because we do not control the actual production of certain raw materials, we are also subject to delays caused by any interruption in the production of these materials, based on conditions not within our control, including weather, crop conditions, transportation interruptions, strikes by supplier employees, and natural disasters or other catastrophic events.

Nutritional supplement products may be supported by only limited availability of conclusive clinical studies.

Our products include nutritional supplements that are made from vitamins, minerals, herbs, and other substances for which there is a long history of human consumption. Some of our products contain innovative ingredients or combinations of ingredients. Although we believe that all of our products are safe when taken as directed, there is little long-term experience with human consumption of certain of these product ingredients or combinations of ingredients in concentrated form. Furthermore, because we are highly dependent on consumers' perception of the efficacy, safety, and quality of our products, as well as similar products distributed by other companies, we could be adversely affected in the event that those products prove or are asserted to be ineffective or harmful to consumers or in the event of adverse publicity associated with any illness or other adverse effects resulting from consumers' use or misuse of our products or similar products of our competitors.

Disruptions Resulting from the Covid-19 Pandemic Have Had a Material Negative Impact on Our Results of Operations, and Pose Continuing Additional Risks to Our Operations.

In December 2019, a novel strain of COVID-19 was reported in Wuhan, China. On March 11, 2020, the World Health Organization categorized it as a pandemic. To reduce the spread of the COVID-19, the Chinese government has employed measures including city lockdowns, quarantines, travel restrictions, suspension of business activities and school closures. Due to difficulties resulting from the COVID-19 outbreak, including, but not limited to, the temporary closure of the Company's factory and operations beginning in early February, limited support from the Company's employees, delayed access to raw material supplies and inability to deliver products to customers on a timely basis, the Company's business was negatively impacted and is expected to generate lower revenue and net income during the period from February to April 2020. The Company resumed operations on March 2, 2020 and, as such, the extent of the impact of COVID-19 on the Company's results of operations and financial condition will depend on future developments, including the duration and spread of the outbreak and the impact on the Company's customers, which are still uncertain and cannot be reasonably estimated at this point of time. In light of the current circumstances and available information, for the period from January to May 2020, our revenues could be approximately 14% lower as compared to the same period of last year, to approximately $5.6 million. At the same time, our employee salaries and benefits as well as some fixed overhead costs did not decrease during the period when we were temporarily closed. As a result, our net income could be approximately 10% lower as compared to the same period of last year, to approximately $0.96 million for the period of January to May 2020. Although we resumed operations on March 2, 2020, the extent of the impact of COVID-19 on our results of operations and financial condition for fiscal year 2020 will depend on future developments, including the duration and spread of the outbreak and the impact on the Company's customers, which are still uncertain and cannot be reasonably estimated at this point of time.

We may face increased competition from new and existing firms with greater capital resources, which could cause our market share and profitability to decline if we do not successfully meet competitive challenges.

Because of the strong prospects and recent growth of our existing business, we may face new direct competition from some counterparts engaged in other categories of the natural products and ingredients business, such as Chenguang Biotech from China, which is engaged in natural colors, Layn, which engaged in natural sweeteners, and European counterparts like DSM, Symrise, and Givaudan (GIV). These firms may seek to compete directly with Xi'an App-Chem in its existing businesses to some extent. The size, financial strength, technology foundation and development capabilities of the above-mentioned companies are strong, and potential competition from these firms will be a key competitive challenge in the near future. In addition, large and well-developed food and food ingredient companies may seek to enter the nutritional health space. These companies may challenge us by seeking to secure key raw material sources for their products and to acquire stability, reliability and cost advantages for their supply chains. Because of the strong capital and brand strength of such companies, they might pose challenges to us in the future. If we are unable to continue to expand, innovate, and collaborate to improve our market position in the face of new competition, our market share, revenues, and profitability will be adversely affected.

If we do not obtain substantial additional financing, including the financing sought in this offering, our ability to execute on our business plan as outlined in this prospectus will be impaired.

Our plans for business expansion and development are dependent upon our raising significant additional capital, including the capital sought in this offering. Our plans call for significant new investments in research and development, marketing, expanded productions capacity, and working capital for raw materials and other items. Management estimates that our capital needs for expansion will be approximately $15 million. Although we expect the proceeds of this offering and our net earnings to substantially fund our planned growth and development, our management will be required to properly and carefully administer and allocate these funds. Should our capital needs be higher than estimated, or should additional capital be required after the close of this offering, we will be required to seek additional investments, loans or debt financing to fully pursue our business plans. Such additional investment may not be available to us on terms which are favorable or acceptable. Should we be unable to meet our full capital needs, our ability to fully implement our business plan will be impaired.

If we are unable to retain key personnel and hire new key personnel, we may not be able to implement our business plan.

Our ability to succeed depends upon the experience and contributions of our key personnel, and in particular, our founder and CEO, Mr. Hu. The loss of the services of these individuals, if they are not adequately replaced, could have a substantial adverse effect on our financial condition, results of operations, and prospects. Our future success will also depend on our ability to identify, attract, and retain additional qualified personnel as we expand our operations. There is no guarantee that we will be successful in identifying, attracting, and retaining such personnel. Consequently, the loss of any of those individuals may have a substantial effect on our future success or failure. We may have to recruit qualified personnel with competitive compensation packages, equity participation, and other benefits that may affect the working capital available for our operations. Management may have to seek to obtain outside independent professionals to assist them in assessing the merits and risks of any business proposals as well as assisting in the development and operation of many company projects. No assurance can be given that we will be able to obtain such needed assistance on terms acceptable to us. Our failure to attract additional qualified employees or to retain the services of key personnel could have a material adverse effect on our operating results and financial condition.

Because we are an "emerging growth company," we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies."

We are an "emerging growth company" as defined under the *Jumpstart our Business Startups Act* ("**JOBS Act**"). We will remain an "emerging growth company" for up to five years, or until the earliest of:

(i) the last day of the first fiscal year in which our total annual gross revenues exceed $1.07 billion,

(ii) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Securities Exchange Act of 1934, which would occur if the market value of our ordinary shares that is held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter, or

(iii) the date on which we have issued more than $1 billion in non-convertible debt during the preceding three-year period.

As an "emerging growth company", we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" including, but not limited to:

- not being required to comply with the auditor attestation requirements of section 404(b) of the *Sarbanes-Oxley Act* ("Sarbanes Oxley") (we also will not be subject to the auditor attestation requirements of section 404(b) as long as we are a "smaller reporting company", which includes issuers that had a public float of less than $75 million as of the last business day of their most recently completed second fiscal quarter);

- reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements; and

- exemptions from the requirements of holding a non-binding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

In addition, section 107 of the JOBS Act provides that an "emerging growth company" can take advantage of the extended transition period provided in section 7(a)(2)(B) of the Securities Act of 1933 (the "Securities Act") for complying with new or revised accounting standards. Under this provision, an "emerging growth company" can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. However, we are choosing to "opt out" of such extended transition period and, as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

Risks Related to Our Corporate Structure

If the PRC government finds that the agreements that establish the structure for conducting certain of our operations in China do not comply with PRC regulations relating to the relevant industries, or if these regulations or the interpretation of existing regulations changes in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.

Foreign investment in the value-added telecommunication services industry in China is extensively regulated and subject to numerous restrictions. Pursuant to the *Special Management Measures for the Market Entry of Foreign Investment (Negative List) (2019)*, or the *2019 Negative List*, published by the National Development and Reform Commission, and the Ministry of Commerce, or the MOFCOM, on June 30, 2019, and effective on July 30, 2019, with a few exceptions, foreign investors are not allowed to own more than 50% of the equity interests in a value-added telecommunication services provider and any primary foreign investor must have experience in providing value-added telecommunications services overseas and maintain a good track record.

We are a Cayman Islands company and our PRC subsidiary is considered a foreign-invested enterprise. Accordingly, our PRC subsidiary is not eligible to operate value-added telecommunications services in China. To ensure strict compliance with the PRC laws and regulations, we conduct such business activities through Xi'an App-Chem, our consolidated affiliated entity, and its subsidiaries. Xi'an CMIT, our wholly-owned subsidiary in China, has entered into a series of contractual arrangements with Xi'an App-Chem and its shareholders, which enable us to (1) exercise effective control over Xi'an App-Chem, (2) receive substantially all of the economic benefits and absorb substantially all of the economic losses of Xi'an App-Chem, and (3) have an exclusive option to purchase all or part of the shares and assets in Xi'an App-Chem when and to the extent permitted by PRC laws. Because of these contractual arrangements, we have control over and are the primary beneficiary of Xi'an App-Chem and hence consolidate its financial results as our variable interest entity under U.S. GAAP.

In the opinion of our PRC counsel, Chamzon Law Firm, (i) the ownership structures of Xi'an CMIT and Xi'an App-Chem, currently do not and immediately after giving effect to this offering will not result in violation of PRC laws and regulations currently in effect; and (ii) the agreements under the contractual arrangements between Xi'an CMIT, Xi'an App-Chem and its shareholders governed by PRC laws are valid, binding and enforceable against each party thereto in accordance with their terms and applicable PRC laws and regulations currently in effect, and do not result in violation of PRC laws or regulations currently in effect, except for the pledged shares in Xi'an App-Chem is still pending for registration with the local branch of the State Administration for Market Regulation (the "SAMR"), before completion of which, the pledge over the shares in Xi'an App-Chem would not be deemed validly created. However, we have been further advised by our PRC counsel that there are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations, and rules. Thus, the PRC regulatory authorities may take a view contrary to the opinion of our PRC legal counsel. It is uncertain whether any new PRC laws or regulations relating to variable interest entity structure will be adopted or if adopted, what they would provide. If the PRC government finds that our contractual arrangements do not comply with its restrictions on foreign investment, or if the PRC government otherwise finds that we, Xi'an App-Chem, or any of its subsidiaries are in violation of PRC laws or regulations or lack the necessary permits or licenses to operate our business, the relevant PRC regulatory authorities, would have broad discretion in dealing with such violations or failures, including, without limitation:

- revoking the business licenses and/or operating licenses of such entities;
- discontinuing or placing restrictions or onerous conditions on our operation through any transactions between our PRC subsidiary and consolidated affiliated entities;
- imposing fines, confiscating the income from our PRC subsidiary or consolidated affiliated entities, or imposing other requirements with which such entities may not be able to comply;
- requiring us to restructure our ownership structure or operations, including terminating the contractual arrangements with our variable interest entity and deregistering the equity pledges of our variable interest entity, which in turn would affect our ability to consolidate, derive economic interests from, or exert effective control over our variable interest entity; or
- restricting or prohibiting our use of the proceeds of this offering to finance our business and operations in China.

Any of these actions could cause significant disruption to our business operations and severely damage our reputation, which would in turn materially and adversely affect our business, financial condition and results of operations. If any of these occurrences result in our inability to direct the activities of our variable interest entity that most significantly impact its economic performance, and/or our failure to receive the economic benefits from our variable interest entity, we may not be able to consolidate the entity in our consolidated financial statements in accordance with U.S. GAAP.

We rely on contractual arrangements with our variable interest entity and its shareholders for a substantial portion of our business operations, which may not be as effective as direct ownership in providing operational control.

We have relied and expect to continue to rely on contractual arrangements with Xi'an App-Chem and its shareholders to operate our business. For a description of these contractual arrangements, see "Corporate and Structure." These contractual arrangements may not be as effective as direct ownership in providing us with control over our variable interest entity. For example, our variable interest entity and its shareholders could breach their contractual arrangements with us by, among other things, failing to conduct its operations in an acceptable manner or taking other actions that are detrimental to our interests.

If we had direct ownership of Xi'an App-Chem, we would be able to exercise our rights as a shareholder to effect changes in the board of directors of Xi'an App-Chem, which in turn could implement changes, subject to any applicable fiduciary obligations, at the management and operational level. However, under the current contractual arrangements, we rely on the performance by our variable interest entity and its shareholders of their obligations under the contracts to exercise control over our variable interest entity. The shareholders of our consolidated variable interest entity may not act in the best interests of our company or may not perform their obligations under these contracts. Such risks exist throughout the period in which we intend to operate certain portion of our business through the contractual arrangements with our variable interest entity. If any dispute relating to these contracts remains unresolved, we will have to enforce our rights under these contracts through the operations of PRC laws and arbitration, litigation and other legal proceedings and therefore will be subject to uncertainties in the PRC legal system. Therefore, our contractual arrangements with our variable interest entity may not be as effective in ensuring our control over the relevant portion of our business operations as direct ownership would be.

Any failure by our variable interest entity or its shareholders to perform their obligations under our contractual arrangements with them would have a material and adverse effect on our business.

If our variable interest entity or its shareholders fail to perform their respective obligations under the contractual arrangements, we could be limited in our ability to enforce the contractual arrangements that give us effective control over our business operations in the PRC and may have to incur substantial costs and expend additional resources to enforce such arrangements. We may also have to rely on legal remedies under PRC laws, including seeking specific performance or injunctive relief, and claiming damages, which we cannot assure you will be effective under PRC laws. For example, if the shareholders of Xi'an App-Chem refuse to transfer their equity interest in Xi'an App-Chem to us or our designee if we exercise the purchase option pursuant to these contractual arrangements, or if they otherwise act in bad faith toward us, then we may have to take legal actions to compel them to perform their contractual obligations. We may not be able to obtain consent and cooperation from all the shareholders in further actions with respect to Xi'an App-Chem, such as the transferring the shareholders' respective equity interests in Xi'an App-Chem to our designee. In addition, if any third parties claim any interest in such shareholders' equity interests in Xi'an App-Chem, our ability to exercise shareholders' rights or foreclose the share pledge according to the contractual arrangements may be impaired. If these or other disputes between the shareholders of our variable interest entity and third parties were to impair our control over Xi'an App-Chem, our ability to consolidate the financial results of our variable interest entity would be affected, which would in turn result in material adverse effect on our business, operations and financial condition. All the agreements under our contractual arrangements are governed by PRC laws and provide for the resolution of disputes through arbitration in China. Accordingly, these contracts would be interpreted in accordance with PRC laws and any disputes would be resolved in accordance with PRC legal procedures. The legal system in the PRC is not as developed as in some other jurisdictions, such as the United States. As a result, uncertainties in the PRC legal system could limit our ability to enforce these contractual arrangements. Meanwhile, there are very few precedents and little formal guidance as to how contractual arrangements in the context of a variable interest entity should be interpreted or enforced under PRC laws. There remain significant uncertainties regarding the ultimate outcome of such arbitration should legal action become necessary. In addition, under PRC laws, rulings by arbitrators are final, parties cannot appeal the arbitration results in courts, and if the losing parties fail to carry out the arbitration awards within a prescribed time limit, the prevailing parties may only enforce the arbitration awards in PRC courts through arbitration award recognition proceedings, which would require additional expenses and delay. In the event we are unable to enforce these contractual arrangements, or if we suffer significant delay or other obstacles in the process of enforcing these contractual arrangements, we may not be able to exert effective control over our variable interest entity, and our ability to conduct our business may be negatively affected.

The shareholders of our variable interest entity may have potential conflicts of interest with us, which may materially and adversely affect our business and financial condition.

The shareholders of Xi'an App-Chem may have potential conflicts of interest with us. These shareholders may breach, or cause our variable interest entity to breach, or refuse to renew, the existing contractual arrangements we have with them and our variable interest entity, which would have a material and adverse effect on our ability to effectively control our variable interest entity and receive economic benefits from it. For example, the shareholders may be able to cause our agreements with Xi'an App-Chem to be performed in a manner adverse to us by, among other things, failing to remit payments due under the contractual arrangements to us on a timely basis. We cannot assure you that when conflicts of interest arise, any or all of these shareholders will act in the best interests of our company or such conflicts will be resolved in our favor. Currently, we do not have any arrangements to address potential conflicts of interest between these shareholders and our company. If we cannot resolve any conflict of interest or dispute between us and these shareholders, we would have to rely on legal proceedings, which could result in disruption of our business and subject us to substantial uncertainty as to the outcome of any such legal proceedings.

Contractual arrangements in relation to our variable interest entity may be subject to scrutiny by the PRC tax authorities and they may determine that we or our PRC variable interest entity owe additional taxes, which could negatively affect our financial condition and the value of your investment.

Under applicable PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities within ten years after the taxable year when the transactions are conducted. We could face material and adverse tax consequences if the PRC tax authorities determine that the VIE contractual arrangements were not entered into on an arm's length basis in such a way as to result in an impermissible reduction in taxes under applicable PRC laws, rules and regulations, and adjust income of Xi'an App-Chem in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, result in a reduction of expense deductions recorded by Xi'an App-Chem for PRC tax purposes, which could in turn increase its tax liabilities without reducing our PRC subsidiary's tax expenses. In addition, the PRC tax authorities may impose late payment fees and other penalties on Xi'an App-Chem for the adjusted but unpaid taxes according to the applicable regulations. Our financial position could be materially and adversely affected if our variable interest entity's tax liabilities increase or if it is required to pay late payment fees and other penalties.

We may lose the ability to use, or otherwise benefit from, the licenses, approvals and assets held by our variable interest entity, which could severely disrupt our business, render us unable to conduct some or all of our business operations and constrain our growth.

As part of our contractual arrangements with our variable interest entity, our variable interest entity holds certain assets, licenses and permits that are critical to our business operations, including the Value-added Telecommunications License. The contractual arrangements contain terms that specifically obligate our variable interest entity's shareholders to ensure the valid existence of the variable interest entity and restrict the disposal of material assets of the variable interest entity. However, in the event the variable interest entity's shareholders breach the terms of these contractual arrangements and voluntarily liquidate any of our variable interest entity, or our variable interest entity declares bankruptcy and all or part of its assets become subject to liens or rights of third-party creditors, or are otherwise disposed of or encumbered without our consent, we may be unable to conduct some or all of our business operations or otherwise benefit from the assets held by the variable interest entity, which could have a material adverse effect on our business, financial condition and results of operations. Furthermore, under the contractual arrangements, our variable interest entity may not, in any manner, sell, transfer, mortgage or dispose of their material assets or legal or beneficial interests in the business without our prior consent. If any of our variable interest entity undergoes a voluntary or involuntary liquidation proceeding, its shareholders or unrelated third-party creditors may claim rights to some or all of the assets of the variable interest entity, thereby hindering our ability to operate our business as well as constrain our growth.

Uncertainties exist with respect to the interpretation and implementation of the newly enacted Foreign Investment Law and its implementing rules, and how they may impact our business, financial condition and results of operations.

The variable interest entity structure has been adopted by many PRC-based companies, including us, to obtain necessary licenses and permits in the industries that are currently subject to foreign investment restrictions in China. The MOFCOM published a discussion draft of the *Proposed Foreign Investment Law* in January 2015, or the *2015 Draft FIL*, according to which, variable interest entities that are controlled via contractual arrangements would also be deemed as foreign-invested entities, if they are ultimately "controlled" by foreign investors.

In March 2019, the PRC National People's Congress, or the NPC, promulgated the *PRC Foreign Investment Law*, or the *Foreign Investment Law*, and in December 2019, the State Council promulgated the *Implementing Regulations of the Foreign Investment Law of PRC*, or the *FIE Implementing Regulations*, to further clarify and elaborate the relevant provisions of the *Foreign Investment Law*. The *Foreign Investment Law* and the *FIE Implementing Regulations* both became effective from January 1, 2020 and replaced the major existing laws and regulations governing foreign investment in the PRC. Pursuant to the *Foreign Investment Law*, "foreign investments" refer to investment activities conducted by foreign investors (including foreign natural persons, foreign enterprises or other foreign organizations) directly or indirectly in the PRC, which include any of the following circumstances: (i) foreign investors setting up foreign-invested enterprises in the PRC solely or jointly with other investors, (ii) foreign investors obtaining shares, equity interests, property portions or other similar rights and interests of enterprises within the PRC, (iii) foreign investors investing in new projects in the PRC solely or jointly with other investors, and (iv) investment in other methods as specified in laws, administrative regulations, or as stipulated by the State Council.

The *Foreign Investment Law* and *FIE Implementing Regulations* do not introduce the concept of "control" in determining whether a company would be considered as a foreign-invested enterprise, nor do they explicitly provide whether the variable interest entity structure would be deemed as a method of foreign investment. However, the *Foreign Investment Law* has a catch-all provision that includes into the definition of "foreign investments" made by foreign investors in China in other methods as specified in laws, administrative regulations, or as stipulated by the State Council, and as the *Foreign Investment Law* and *FIE Implementing Regulations* are newly adopted and relevant government authorities may promulgate more laws, regulations or rules on the interpretation and implementation of the *Foreign Investment Law*, the possibility cannot be ruled out that the concept of "control" as stated in the 2015 *Draft FIL* may be embodied in, or the variable interest entity structure adopted by us may be deemed as a method of foreign investment by, any of such future laws, regulations, and rules.

If our variable interest entity is deemed as a foreign-invested enterprise under any of such future laws, regulations, and rules, and any of the businesses that we operate were to be in the "negative list" for foreign investment and therefore be subject to foreign investment restrictions or prohibitions, further actions required to be taken by us under such laws, regulations and rules may materially and adversely affect our business, financial condition and results of operations. Furthermore, if future laws, administrative regulations or rules mandate further actions to be taken by companies with respect to existing contractual arrangements, we may face substantial uncertainties as to whether we can complete such actions in a timely manner, or at all. Failure to take timely and appropriate measures to cope with any of these or similar regulatory compliance challenges could materially and adversely affect our current corporate structure, business, financial condition and results of operations.

Risks Related to Legal Uncertainty and Doing Business in China

Changes in China's economic, political or social conditions or government policies could have a material adverse effect on our business and operations.

All of our assets and operations are located in China. Accordingly, our business, financial condition, results of operations and prospects may be influenced to a significant degree by political, economic and social conditions in China generally. The Chinese economy differs from the economies of most developed countries in many respects, including the level of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. Although the Chinese government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets, and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in China is still owned by the government. In addition, the Chinese government continues to play a significant role in regulating industry development by imposing industrial policies. The Chinese government also exercises significant control over China's economic growth through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy, and providing preferential treatment to particular industries or companies.

While the Chinese economy has experienced significant growth over the past decades, growth has been uneven, both geographically and among various sectors of the economy, and the rate of growth has been slowing since 2012. Any adverse changes in economic conditions in China, in the policies of the Chinese government or in the laws and regulations in China could have a material adverse effect on the overall economic growth of China. Such developments could adversely affect our business and operating results, lead to reduction in demand for our services and adversely affect our competitive position. The Chinese government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall Chinese economy but may have a negative effect on us. For example, our financial condition and results of operations may be adversely affected by government control over capital investments or changes in tax regulations. In addition, in the past the Chinese government has implemented certain measures, including interest rate adjustment, to control the pace of economic growth. These measures may cause decreased economic activity in China, which may adversely affect our business and operating results.

We may incur material product liability claims, which could increase our costs and harm our financial condition and operating results.

Our ingestible products include milk thistle extracts, apple polyphenol and other ingredients and are classified as foods or raw materials of dietary supplements and, unlike prescription medication, our product formulas are not subject to pre-market regulatory approval with respect to medical efforts in China in which our products are distributed. Our products could contain contaminated substances, and some of our products contain some ingredients that do not have long histories of human consumption. We rely upon published and unpublished safety information including clinical studies on ingredients used in our products. We do not conduct or sponsor clinical studies of our products. Previously unknown adverse reactions resulting from human consumption of these ingredients could occur. As a marketer of dietary and nutritional supplements and other products that are ingested by consumers or applied to their bodies, we may be subjected to various product liability claims, including that (i) the products contain contaminants, (ii) the products include inadequate instructions as to their uses, or (iii) the products include inadequate warnings concerning side effects and interactions with other substances. It is possible that widespread product liability claims could increase our costs, and adversely affect our revenues and operating income.

Food safety regulations regarding the raw ingredients for our products may restrict, inhibit or delay our ability to sell our products.

Before 2018, the China Food and Drug Administration, or the **CFDA**, had the regulatory authority to oversee, administer and enforce all laws, regulations and rules concerning the food industry business operations in China. After the institutions reformed, the CFDA has been abolished, and relevant regulatory authority has been taken over by the State Administration for Market Regulation, or the **SAMR**, under the State Council.

The food industry is subject to extensive regulations in China. The PRC laws and regulations governing the food industry primarily consist of the *PRC Food Safety Law* (2009), as last amended in 2018; the *Implementation Regulation for the Food Safety Law of PRRC* (2009), or the *Food Safety Regulation*, as amended in 2019; the *Administrative Measures for Food Production Licensing* (2010), or the *Food Production Licensing Rule*, as amended in 2020; and the *Administrative Measures for Food Business Licensing* (2015), or the *Food Business Licensing Rule***,** as amended in 2017. Under the *PRC Food Safety Law* and the *Food Safety Regulation*, food product manufacturers and business operators shall obtain the required food production permits; food producers and business operators are subject to regular quality inspection and supervision by the local governmental agencies and their product permits may be revoked if they no longer meet the standards and requirements for food production and operation; food-producing enterprises shall establish and implement food safety management systems, such as ingredient inspection and acceptance, production process safety management, storage management, equipment management, and substandard product management systems; and packaging of pre-packed food shall bear a label which states manufacturing permit serial number; among other things. The State Council implements a licensing system for food product manufacture and distribution. According to the *Food Production Licensing Rule*, a food production license must be obtained prior to engaging in food production activities in the PRC. The *Food Business Licensing Rule* requires food business operators to obtain a food business license for each business entity engaging in food business operations. We have obtained the required Food Production Licenses and Food Business Licenses for related products. In order for our business to continue, we must continue to comply with all government inspection and licensing requirements. If we were to have an unsatisfactory inspection, or otherwise fail to comply with government safety regulations in all respects, our ability to continue operations and to continue to sell our products may be inhibited or delayed. Additionally, the term of Food Production Licenses and Food Business Licenses is 5 years. We have been closely monitoring the status of all the permits and have applied for renewal before the relevant licenses expired. The failure to renew the relevant licenses and/or registrations may subject us to fines or sanctions which will have negative impact on our production.

Uncertainties with respect to the PRC legal system could adversely affect us.

The PRC legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value.

In 1979, the PRC government began to promulgate a comprehensive system of laws and regulations governing economic matters in general. The overall effect of legislation over the past three decades has significantly enhanced the protections afforded to various forms of foreign investments in China. However, China has not developed a fully integrated legal system, and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in China. In particular, the interpretation and enforcement of these laws and regulations involve uncertainties. Since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or tort claims. In addition, the regulatory uncertainties may be exploited through unmerited or frivolous legal actions or threats in attempts to extract payments or benefits from us.

Furthermore, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all and may have retroactive effect. As a result, we may not be aware of our violation of any of these policies and rules until sometime after the violation. In addition, any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention.

You may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing actions in China against us or our management named in the prospectus based on foreign laws.

We are a company incorporated under the laws of the Cayman Islands, we conduct substantially all of our operations in China, and substantially all of our assets are located in China. In addition, all our senior executive officers reside within China for a significant portion of the time and most are PRC nationals. As a result, it may be difficult for our shareholders to effect service of process upon us or those persons inside China. In addition, China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the Cayman Islands and many other countries and regions. Therefore, recognition and enforcement in China of judgments of a court in any of these non-PRC jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or impossible.

Shareholder claims that are common in the United States, including securities law class actions and fraud claims, generally are difficult to pursue as a matter of law or practicality in China. For example, in China, there are significant legal and other obstacles to obtaining information needed for shareholder investigations or litigation outside China or otherwise with respect to foreign entities. Although the local authorities in China may establish a regulatory cooperation mechanism with the securities regulatory authorities of another country or region to implement cross-border supervision and administration, such regulatory cooperation with the securities regulatory authorities in the Unities States have not been efficient in the absence of mutual and practical cooperation mechanism. According to Article 177 of the *PRC Securities Law* which is amended in December 2019, no overseas securities regulator is allowed to directly conduct investigation or evidence collection activities within the territory of the PRC. Accordingly, without the consent of the competent PRC securities regulators and relevant authorities, no organization or individual may provide the documents and materials relating to securities business activities to overseas parties.

We may rely on dividends and other distributions on equity paid by our PRC subsidiary to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiary to make payments to us could have a material and adverse effect on our ability to conduct our business.

We are a Cayman Islands holding company and we rely principally on dividends and other distributions on equity from our PRC subsidiary for our cash requirements, including for services of any debt we may incur. The ability of our PRC subsidiary to pay dividends and other distributions on equity, in turn, depends on the payment they receive from our variable interest entity as service fees pursuant to certain contractual arrangements among our PRC subsidiary, our variable interest entity and its shareholders entered into to comply with certain restrictions under PRC laws on foreign investment.

Additionally, our subsidiary's ability to distribute dividends is based upon its distributable earnings. Current PRC regulations permit our PRC subsidiary to pay dividends to their respective shareholders only out of their accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, our PRC subsidiary, our variable interest entity and its subsidiaries are required to set aside at least 10% of their after-tax profits each year, if any, to fund a statutory reserve until such reserve reaches 50% of their registered capital. These reserves are not distributable as cash dividends. If our PRC subsidiary incurs debt on its own behalf in the future, the instruments governing the debt may restrict its ability to pay dividends or make other payments to us. Any limitation on the ability of our PRC subsidiary to distribute dividends or other payments to its shareholders could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our businesses, pay dividends or otherwise fund and conduct our business.

To address the persistent capital outflow and the RMB's depreciation against the U.S. dollar in the fourth quarter of 2016, the People's Bank of China and the State Administration of Foreign Exchange, or SAFE, have implemented a series of capital control measures in the subsequent months, including stricter vetting procedures for China-based companies to remit foreign currency for overseas acquisitions, dividend payments and shareholder loan repayments. For instance, the *Circular on Further Improving Reform of Foreign Exchange Administration and Optimizing Genuineness and Compliance Verification*, or the *SAFE Circular 3*, issued on January 26, 2017, provides that the banks shall, when dealing with dividend remittance transactions from domestic enterprise to its offshore shareholders of more than US$50,000, review the relevant board resolutions, original tax filing form and audited financial statements of such domestic enterprise based on the principal of genuine transaction. The PRC government may continue to strengthen its capital controls and our PRC subsidiary's dividends and other distributions may be subject to tightened scrutiny in the future. Any limitation on the ability of our PRC subsidiary to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business.

In addition, the *PRC Enterprise Income Tax Law* and its implementation rules provide that a withholding tax at a rate of 10% will be applicable to dividends payable by Chinese companies to non-PRC-resident enterprises unless reduced under treaties or arrangements between the PRC central government and governments of other countries or regions where the non-PRC resident enterprises are tax resident. Pursuant to the *Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income*, the withholding tax rate in respect to the payment of dividends by a PRC enterprise to a Hong Kong enterprise may be reduced to 5% from a standard rate of 10% if the Hong Kong enterprise directly holds at least 25% of the PRC enterprise. Under the *Circular of the State Administration of Taxation on the Issues concerning the Application of the Dividend Clauses of Tax Agreements*, or *SAT Circular 81*, promulgated by the State Administration of Taxation, or the SAT, on February 20, 2009, a Hong Kong resident enterprise must meet the following conditions, among others, in order to apply the reduced withholding tax rate: (i) it must be a company; (ii) it must directly own the required percentage of equity interests and voting rights in the PRC resident enterprise; and (iii) it must have directly owned such required percentage in the PRC resident enterprise throughout the 12 months prior to receiving the dividends. Nonresident enterprises are not required to obtain pre-approval from the relevant tax authority in order to enjoy the reduced withholding tax. Instead, nonresident enterprises and their withholding agents may, by self-assessment and on confirmation that the prescribed criteria to enjoy the tax treaty benefits are met, directly apply the reduced withholding tax rate, and file necessary forms and supporting documents when performing tax filings, which will be subject to post-tax filing examinations by the relevant tax authorities. Accordingly, our Hong Kong subsidiary may be able to benefit from the 5% withholding tax rate for the dividends it receives from our PRC subsidiary, if it satisfies the conditions prescribed under the *SAT Circular 81,* and other relevant tax rules and regulations. However, if the relevant tax authorities consider the transactions or arrangements we have are for the primary purpose of enjoying a favorable tax treatment, the relevant tax authorities may adjust the favorable withholding tax in the future. Accordingly, there is no assurance that the reduced 5% will apply to dividends received by our Hong Kong subsidiary from our PRC subsidiary. This withholding tax will reduce the amount of dividends we may receive from our PRC subsidiary.

The custodians or authorized users of our controlling non-tangible assets, including chops and seals, may fail to fulfill their responsibilities, or misappropriate or misuse these assets.

Under the PRC laws, legal documents for corporate transactions, including agreements and contracts, are executed using the chop or seal of the signing entity or with the signature of a legal representative whose designation is registered and filed with relevant PRC market regulation authorities.

In order to secure the use of our chops and seals, we have established internal control procedures and rules for using these chops and seals. In any event that the chops and seals are intended to be used, the responsible person will submit the application which will then be verified and approved by authorized employees in accordance with our internal control procedures and rules. In addition, in order to maintain the physical security of our chops, we generally have them stored in secured locations accessible only to authorized employees. Although we monitor such authorized employees, the procedures may not be sufficient to prevent all instances of abuse or negligence. There is a risk that our employees could abuse their authority, for example, by entering into a contract not approved by us or seeking to gain control of one of our subsidiaries or our VIE. If any employee obtains, misuses or misappropriates our chops and seals or other controlling non-tangible assets for whatever reason, we could experience disruption to our normal business operations. We may have to take corporate or legal action, which could involve significant time and resources to resolve and divert management from our operations.

PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of this offering to make loans to or make additional capital contributions to our PRC subsidiary, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

We are an offshore holding company conducting our operations in China through our PRC subsidiary and VIE. We may make loans to our PRC subsidiary and VIE subject to the approval from governmental authorities and limitation of amount, or we may make additional capital contributions to our PRC subsidiary in China.

Any loans to our PRC subsidiary in China, which is treated as foreign-invested enterprises under PRC laws, are subject to PRC regulations and foreign exchange loan registrations. For example, loans by us to our PRC subsidiary in China to finance their activities cannot exceed statutory limits and must be registered with the local counterpart of the SAFE. In addition, a foreign-invested enterprise shall use its capital pursuant to the principle of authenticity and self-use within its business scope. The capital of a foreign-invested enterprise shall not be used for the following purposes: (i) directly or indirectly used for payment beyond the business scope of the enterprises or the payment prohibited by relevant laws and regulations; (ii) directly or indirectly used for investment in securities investments other than banks' principal-secured products unless otherwise provided by relevant laws and regulations; (iii) the granting of loans to non-affiliated enterprises, except where it is expressly permitted in the business license; and (iv) paying the expenses related to the purchase of real estate that is not for self-use (except for the foreign-invested real estate enterprises).

SAFE promulgated the *Circular of the State Administration of Foreign Exchange on Reforming the Management Approach regarding the Settlement of Capital of Foreign-invested Enterprises*, or S*AFE Circular 19*, effective June 2015, in replacement of the *Circular on the Relevant Operating Issues Concerning the Improvement of the Administration of the Payment and Settlement of Foreign Currency Capital of Foreign-Invested Enterprises*, the *Circular of the State Administration of Foreign Exchange on Relevant Issues Concerning Strengthening the Administration of Foreign Exchange Businesses*, and the *Circular on Further Clarification and Regulation of the Issues Concerning the Administration of Certain Capital Account Foreign Exchange Businesses*. Although *SAFE Circular 19* allows RMB capital converted from foreign currency-denominated registered capital of a foreign-invested enterprise to be used for equity investments within China, it also reiterates the principle that RMB converted from the foreign currency-denominated capital of a foreign-invested company may not be directly or indirectly used for purposes beyond its business scope. Thus, it is unclear whether SAFE will permit such capital to be used for equity investments in China in actual practice. SAFE promulgated the *Circular of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account*, or *SAFE Circular 16*, effective on June 9, 2016, which reiterates some of the rules set forth in *SAFE Circular 19*, but changes the prohibition against using RMB capital converted from foreign currency-denominated registered capital of a foreign-invested company to issue RMB entrusted loans to a prohibition against using such capital to issue loans to non-associated enterprises. Violations of *SAFE Circular 19* and *SAFE Circular 16* could result in administrative penalties. *SAFE Circular 19* and *SAFE Circular 16* may significantly limit our ability to transfer any foreign currency we hold, including the net proceeds from this offering, to our PRC subsidiary, which may adversely affect our liquidity and our ability to fund and expand our business in China.

On October 23, 2019, SAFE issued the *Circular of the State Administration of Foreign Exchange on Further Promoting the Facilitation of Cross-border Trade and Investment*, or *SAFE Circular 28*, which took effect on the same day. *SAFE Circular 28*, subject to certain conditions, allows foreign-invested enterprises whose business scope does not include investment, or the non-investment foreign-invested enterprises, to use their capital funds to make equity investments in China. Since *SAFE Circular 28* was issued only recently, its interpretation and implementation in practice are still subject to substantial uncertainties.

In light of the various requirements imposed by PRC regulations on loans to and direct investment in PRC entities by offshore holding companies, we cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans to our PRC subsidiary or our variable interest entity or future capital contributions by us to our PRC subsidiary in China. As a result, uncertainties exist as to our ability to provide prompt financial support to our PRC subsidiary or our variable interest entity when needed. If we fail to complete such registrations or obtain such approvals, our ability to use the proceeds we expect to receive from this offering and to capitalize or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

Fluctuations in exchange rates could have a material and adverse effect on our results of operations and the value of your investment.

The value of the Renminbi against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions in China and by China's foreign exchange policies. On July 21, 2005, the PRC government changed its decade-old policy of pegging the value of the Renminbi to the U.S. dollar, and the Renminbi appreciated more than 20% against the U.S. dollar over the following three years. Between July 2008 and June 2010, this appreciation halted and the exchange rate between the Renminbi and the U.S. dollar remained within a narrow band. Since June 2010, the Renminbi has fluctuated against the U.S. dollar, at times significantly and unpredictably. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the Renminbi and the U.S. dollar in the future.

Significant revaluation of the Renminbi may have a material and adverse effect on your investment. For example, to the extent that we need to convert U.S. dollars we receive from this offering into Renminbi for our operations, appreciation of the Renminbi against the U.S. dollar would have an adverse effect on the Renminbi amount we would receive from the conversion. Conversely, if we decide to convert our Renminbi into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or for other business purposes, appreciation of the U.S. dollar against the Renminbi would have a negative effect on the U.S. dollar amount available to us.

Very limited hedging options are available in China to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and we may not be able to adequately hedge our exposure or at all. In addition, our currency exchange losses may be magnified by PRC exchange control regulations that restrict our ability to convert Renminbi into foreign currency.

Governmental control of currency conversion may limit our ability to utilize our revenues effectively and affect the value of your investment.

The PRC government imposes controls on the convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. We receive substantially all of our revenues in Renminbi. Under our current corporate structure, our Cayman Islands holding company primarily relies on dividend payments from our PRC subsidiary to fund any cash and financing requirements we may have. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval of the SAFE by complying with certain procedural requirements. Specifically, under the existing exchange restrictions, without prior approval of SAFE, cash generated from the operations of our PRC subsidiary in China may be used to pay dividends to our company. However, approval from or registration with appropriate governmental authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. As a result, we need to obtain SAFE approval to use cash generated from the operations of our PRC subsidiary and variable interest entity to pay off their respective debt in a currency other than Renminbi owed to entities outside China, or to make other capital expenditure payments outside China in a currency other than Renminbi. The PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our shareholders, including holders of our Shares.

Certain PRC regulations may make it more difficult for us to pursue growth through acquisitions.

Among other things, the *Rules on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors*, or the *M&A Rules*, promulgated by six PRC regulatory agencies in 2006 and amended in 2009, established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time-consuming and complex. The *M&A Rules* require, among other things, that the MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor acquires control of a PRC domestic enterprise, if (i) any important industry is concerned, (ii) such transaction involves factors that have or may have an impact on the national economic security, or (iii) such transaction will lead to a change in control of a domestic enterprise which holds a famous trademark or PRC time-honored brand. Moreover, the *Anti-Monopoly Law* promulgated by the Standing Committee of the NPC which became effective in 2008 requires that transactions that are deemed concentrations and involve parties with specified turnover thresholds must be cleared by the MOFCOM before they can be completed. In addition, PRC national security review rules which became effective in September 2011 require acquisitions by foreign investors of PRC companies engaged in military-related or certain other industries that are crucial to national security be subject to security review before consummation of any such acquisition. We may pursue potential strategic acquisitions that are complementary to our business and operations. Complying with the requirements of these regulations to complete such transactions could be time-consuming, and any required approval processes, including obtaining approval or clearance from the MOFCOM, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject our PRC resident beneficial owners or our PRC subsidiary to liability or penalties, limit our ability to inject capital into our PRC subsidiary, limit our PRC subsidiary's ability to increase its registered capital or distribute profits to us, or may otherwise adversely affect us.

In July 2014, SAFE promulgated the *Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles*, or *SAFE Circular 37*, to replace the *Circular on Relevant Issues Concerning Foreign Exchange Administration for Domestic Residents' Financing and Roundtrip Investment through Offshore Special Purpose Vehicles*, or *SAFE Circular 75*, which ceased to be effective upon the promulgation of *SAFE Circular 37*. *SAFE Circular 37* requires PRC residents (including PRC individuals and PRC corporate entities) to register with local branches of SAFE in connection with their direct or indirect offshore investment activities. *SAFE Circular 37* is applicable to our shareholders who are PRC residents and may be applicable to any offshore acquisitions that we make in the future.

Under *SAFE Circular 37*, PRC residents who control, or have prior to the implementation of SAFE Circular 37 controlled, directly or indirectly of offshore special purpose vehicles, or SPVs, will be required to register such investments with the SAFE or its local branches. The term "control" under *SAFE Circular 37* is broadly defined as the operation rights, beneficiary rights or decision-making rights acquired by PRC residents in the SPVs, by means of acquisition, trust, proxy, voting rights, repurchase, convertible bonds or other arrangements. In addition, any PRC resident who is a direct or indirect shareholder of an SPV, is required to update its filed registration with the local branch of SAFE with respect to that SPV, to reflect any material change. Moreover, any subsidiary of such SPV in China is required to urge the PRC resident shareholders to update their registration with the local branch of SAFE. If any PRC shareholder of such SPV fails to make the required registration or to update the previously filed registration, the subsidiary of such SPV in China may be prohibited from distributing its profits or the proceeds from any capital reduction, share transfer or liquidation to the SPV, and the SPV may also be prohibited from making additional capital contribution into its subsidiary in China. On February 13, 2015, the SAFE promulgated a *Circular on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment*, or *SAFE Circular 13*, which became effective on June 1, 2015. Under *SAFE Circular 13*, applications for foreign exchange registration of inbound foreign direct investment and outbound overseas direct investment, including those required under the *SAFE Circular 37*, will be filed with qualified banks instead of the SAFE. The qualified banks will directly examine the applications and accept registrations under the supervision of the SAFE.

These regulations may have a significant impact on our present and future structuring and investment. We have requested or intend to take all necessary measures to require our shareholders who to our knowledge are PRC residents to make the necessary applications, filings and amendments as required under these regulations. We further intend to structure and execute our future offshore acquisitions in a manner consistent with these regulations and any other relevant legislation. However, because it is presently uncertain how the SAFE regulations and any future legislation concerning offshore or cross-border transactions will be interpreted and implemented by the relevant government authorities in connection with our future offshore financings or acquisitions, we cannot provide any assurances that we will be able to comply with, qualify under, or obtain any approvals required by the regulations or other legislation. Furthermore, we cannot assure you that any PRC shareholders of our company or any PRC company into which we invest will be able to comply with those requirements. Any failure or inability by such individuals or entities to comply with SAFE regulations may subject us to fines or legal sanctions, such as restrictions on our cross-border investment activities or our PRC subsidiary's ability to distribute dividends to, or obtain foreign exchange-denominated loans from, our company or prevent us from making distributions or paying dividends. As a result, our business operations and our ability to make distributions to you could be materially and adversely affected.

Furthermore, as these foreign exchange regulations are still relatively new and their interpretation and implementation have been constantly evolving, it is unclear how these regulations, and any future regulation concerning offshore or cross-border transactions, will be interpreted, amended and implemented by the relevant governmental authorities. For example, we may be subject to a more stringent review and approval process with respect to our foreign exchange activities, such as remittance of dividends and foreign-currency-denominated borrowings, which may adversely affect our financial condition and results of operations. In addition, if we decide to acquire a PRC domestic company, we cannot assure you that we or the owners of such company, as the case may be, will be able to obtain the necessary approvals or complete the necessary filings and registrations required by the foreign exchange regulations. This may restrict our ability to implement our acquisition strategy and could adversely affect our business and prospects.

Any failure to comply with PRC regulations regarding the registration requirements for employee stock incentive plans of overseas, publicly listed company may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

Pursuant to *SAFE Circular 37*, PRC residents who participate in share incentive plans in overseas non-publicly-listed companies may submit applications to SAFE or its local branches for the foreign exchange registration with respect to offshore special purpose companies before they obtain the incentive shares or exercise the share options. In the meantime, our directors, executive officers and other employees who are PRC citizens or who are non-PRC citizens residing in the PRC for a continuous period of not less than one year, subject to limited exceptions, and who have been granted incentive share awards by us, may follow the *Circular of the State Administration of Foreign Exchange on Issues Relating to the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Listed Company*, or the *SAFE Circular 7*, promulgated by the SAFE in 2012. Pursuant to the *SAFE Circular 7*, PRC citizens and non-PRC citizens who reside in China for a continuous period of not less than one year who participate in any stock incentive plan of an overseas publicly listed company, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent, which could be the PRC subsidiaries of such overseas listed company, and complete certain other procedures. In addition, an overseas entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. We and our executive officers and other employees who are PRC citizens or non-PRC citizen residing in the PRC for a continuous period of not less than one year and who have been granted options will be subject to these regulations when our company becomes an overseas listed company upon the completion of this offering. Failure to complete the SAFE registrations may subject them to fines of up to RMB300,000 for entities and up to RMB50,000 for individuals, and legal sanctions and may also limit our ability to contribute additional capital into our PRC subsidiary and limit our PRC subsidiary's ability to distribute dividends to us.

The SAT has issued certain circulars concerning employee share options and restricted shares. Under these circulars, our employees working in China who exercise share options or are granted restricted shares will be subject to PRC individual income tax. Our PRC subsidiary has obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income taxes of those employees who exercise their share options. If our employees fail to pay or we fail to withhold their income taxes according to relevant laws and regulations, we may face sanctions imposed by the tax authorities or other PRC governmental authorities.

If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders.

Under the *PRC Enterprise Income Tax Law* and its implementation rules, an enterprise established outside of the PRC with "de facto management body" within the PRC is considered a "resident enterprise" and will be subject to the enterprise income tax on its global income at the rate of 25%. The implementation rules define the term "de facto management body" as the body that exercises full and substantial control and overall management over the business, productions, personnel, accounts and properties of an enterprise. In 2009, the SAT issued the *Circular of the State Administration of Taxation on Issues Concerning the Identification of Chinese-controlled Overseas Registered Enterprises as Resident Enterprises in accordance with the Actual Standards of Organizational Management*, or the *SAT Circular 82*, which provides certain specific criteria for determining whether the "de facto management body" of a PRC-controlled enterprise that is incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners, the criteria set forth in the circular may reflect the SAT's general position on how the "de facto management body" text should be applied in determining the tax resident status of all offshore enterprises. According to *SAT Circular 82*, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its "de facto management body" in China and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (i) the places where the senior management and senior management departments responsible for the daily production, operation and management of the enterprise perform their duties are mainly located within the territory of the PRC; (ii) decisions relating to the enterprise's financial matters (such as money borrowing, lending, financing and financial risk management) and human resource matters (such as appointment, dismissal and salary and wages) are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC. In addition, the SAT issued the *Bulletin of the State Administration of Taxation on Printing and Distributing the Administrative Measures for Income Tax on Chinese-controlled Resident Enterprises Incorporated Overseas (Trial Implementation)* in 2011, providing more guidance on the implementation of *SAT Circular 82*. This bulletin clarifies matters including resident status determination, post determination administration, and competent tax authorities. In January 2014, the SAT issued the *Bulletin of the State Administration of Taxation on Issues concerning the Determination of Resident Enterprises Based on the Standards of Actual Management Institutions*, or *SAT Bulletin 9*. According to *SAT Bulletin 9*, a Chinese-controlled offshore incorporated enterprise that satisfies the conditions prescribed under the *SAT Circular 82* for being recognized as a PRC tax resident must apply for being recognized as a PRC tax resident to the competent tax authority at the place of registration of its main investor within the territory of China.

We believe that Bon Natural Life Limited is not a PRC resident enterprise for PRC tax purposes. See "Regulation—Regulations Relating to Tax—Enterprise Income Tax." However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." If the PRC tax authorities determine that Bon Natural Life Limited or any of our offshore subsidiaries is a PRC resident enterprise for enterprise income tax purposes, we and our offshore subsidiary will be subject to PRC enterprise income on their worldwide income at the rate of 25%, which would materially reduce our net income. Furthermore, if we are treated as a PRC tax resident enterprise, we may be required to withhold a 10% withholding tax from dividends we pay to our shareholders that are non-resident enterprises. In addition, non-resident enterprise shareholders may be subject to PRC tax on gains realized on the sale or other disposition of ordinary shares, if such income is treated as sourced from within the PRC. Furthermore, if we are deemed a PRC resident enterprise, dividends payable to our non-PRC individual shareholders and any gain realized on the transfer of ordinary shares by such shareholders may be subject to PRC tax at a rate of 20% unless a reduced rate is available under an applicable tax treaty. It is unclear whether non-PRC shareholders of Bon Natural Life Limited would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that Bon Natural Life Limited is treated as a PRC resident enterprise.

We may incur liability for unpaid taxes, including interest and penalties.

In the normal course of business, our Company may be subject to challenges from various PRC taxing authorities regarding the amounts of taxes due. PRC taxing authorities may take the position that the Company owes more taxes than it has paid. The Company recorded tax liabilities of $1.58 million as of September 30, 2019, mostly related to unpaid value added taxes ("VAT" tax) because certain VAT tax invoices on the Company's construction-in-progress project have not been received and included in the Company's VAT tax return filing as of September 30, 2019. It is possible that the tax liability of the Company for past taxes may be higher than those amounts, if the PRC authorities determine that we are subject to interest and penalties or that we have not paid the correct amount.

Although the Company's management believes it may be able to negotiate with local PRC taxing authorities to settle current tax liabilities within one year, and a reduction to any interest or penalties thereon, we have no guarantee that we will be able to negotiate such a reduction. To the extent our Company is able to negotiate such amounts, national-level taxing authorities may take the position that localities are without authorities to reduce such liabilities, and such PRC taxing authorities may attempt to collect unpaid taxes, interest and penalties in amounts greatly exceeding management's estimates.

We face uncertainty with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies.

On February 3, 2015, the SAT issued a *Bulletin of State Administration of Taxation on Several Issues concerning the Enterprise Income Tax on the Indirect Transfer of Properties by Non-resident Enterprises*, or *SAT Bulletin 7*, which came into effect on February 3, 2015, but will also apply to cases where their PRC tax treatments are not yet concluded. Pursuant to *SAT Bulletin 7*, an ''Indirect Transfer'' of PRC assets, including a transfer of equity interests in an unlisted non-PRC holding company of a PRC resident enterprise, by non-PRC resident enterprises may be re-characterized and treated as a direct transfer of the underlying PRC assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax, and the transferee or other person who is obligated to pay for the transfer is obligated to withhold the applicable taxes, currently at a rate of 10% for the transfer of equity interests in a PRC resident enterprise.

On October 17, 2017, the SAT issued the *Bulletin of the State Administration of Taxation on Issues Concerning the Withholding of Non-resident Enterprise Income Tax at Source*, or *SAT Bulletin 37*, which came into effect on December 1, 2017. The *SAT Bulletin 37* further clarifies the practice and procedure of the withholding of non-resident enterprise income tax.

Where a non-resident enterprise transfers taxable assets in China indirectly by disposing of the equity interests of an overseas holding company, the non-resident enterprise as either transferor or transferee, or the PRC entity whose equity is transferred, may report such Indirect Transfer to the relevant tax authority. Under the "substance over form" principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such Indirect Transfer may be subject to PRC enterprise income tax, and the transferee or other person who is obligated to pay for the transfer is obligated to withhold the applicable taxes, currently at a rate of 10% for the transfer of equity interests in a PRC resident enterprise. Both the transferor and the transferee may be subject to penalties under PRC tax laws if the transferee fails to withhold the taxes and the transferor fails to pay the taxes.

We face uncertainties as to the reporting and other implications of certain past and future transactions where PRC taxable assets are involved. Our company may be subject to filing obligations or taxed if our company is transferor in such transactions, and we may be subject to withholding obligations if our company is a transferee in such transactions, under *SAT Bulletin 7* and *SAT Bulletin 37*. For transfer of shares in our company by investors that are non-PRC resident enterprises, our PRC subsidiary may be requested to assist in the filing under *SAT Bulletin 7* and *SAT Bulletin 37*. As a result, we may be required to expend valuable resources to comply with *SAT Bulletin 7* and *SAT Bulletin 37* or to request the relevant transferors from whom we purchase taxable assets to comply with these circulars, or to establish that our company should not be taxed under these circulars, which may have a material adverse effect on our financial condition and results of operations.

If our preferential tax treatments and government subsidies are revoked or become unavailable or if the calculation of our tax liability is successfully challenged by the PRC tax authorities, we may be required to pay tax, interest and penalties in excess of our tax provisions.

The Chinese government has provided tax incentives to our variable interest entity in China, including reduced enterprise income tax rates. For example, under the *PRC Enterprise Income Tax Law* and its implementation rules, the statutory enterprise income tax rate is 25%. However, the income tax of an enterprise that has been determined to be a high and new technology enterprise can be reduced to a preferential rate of 15%. According to the Administrative Measures for the Accreditation of High-tech Enterprises promulgated by three PRC regulatory agencies, including SAT, the qualification of high and new enterprise is effective for a renewable three-year permitted. If our variable interest entity fails to renew the qualification of high and new enterprise, our variable interest entity will be subject to the statutory enterprise income tax rate of 25%. In addition, our variable interest entity enjoys local government subsidies. Any increase in the enterprise income tax rate applicable to our PRC subsidiary or our variable interest entity in China, or any discontinuation, retroactive or future reduction or refund of any of the preferential tax treatments and local government subsidies currently enjoyed by our variable interest entity in China, could adversely affect our business, financial condition, and results of operations.

Further, in the ordinary course of our business, we are subject to complex income tax and other tax regulations, and significant judgment is required in the determination of a provision for income taxes. Although we believe our tax provisions are reasonable, if the PRC tax authorities successfully challenge our position and we are required to pay tax, interest, and penalties in excess of our tax provisions, our financial condition and results of operations would be materially and adversely affected.

Our failure to fully comply with PRC labor-related laws may expose us to potential penalties.

Companies operating in China are required to participate in mandatory employee social security schemes that are organized by municipal and provincial governments, including pension insurance, unemployment insurance, childbirth insurance, work-related injury insurance, medical insurance and housing provident funds. Such schemes have not been implemented consistently by the local governments in China given the different levels of economic development in different locations, but generally require us to make contributions to employee social security plans at specified percentages of the salaries, bonuses and certain allowances of our eligible full-time employees, up to a maximum amount specified by the local government from time to time. We have accrued in financial statements but not made full contributions to the social insurance and housing provident funds in accordance for our eligible full-time employees as required by the relevant PRC laws and regulations. As the date of this prospectus, none of our variable interest entity and its subsidiaries had received any notice from local authorities or any claim or request from the employees in this regard. Our failure to make full contributions to social insurance and to comply with applicable PRC labor-related laws regarding housing funds may subject us to late payment penalties and other fines or labor disputes, and we could be required to make up the contributions for these plans, which may adversely affect our financial condition and results of operations.

According to applicable PRC laws and regulations, employers must open social insurance registration accounts and housing provident fund accounts and pay social insurance and housing provident funds for employees. Our PRC subsidiary or some subsidiaries of our variable interest entity have not opened social insurance registration accounts or housing provident fund accounts. We may be subject to penalties imposed by the local social insurance authorities and the local housing provident fund management centers for failing to discharge our obligations in relation to payment of social insurance and housing provident funds as an employer.

Risks Related to Our Shares and This Offering

An active trading market for our ordinary shares may not develop and the trading price for our Shares may fluctuate significantly.

We intend to apply to list our Shares on the Nasdaq Capital Market. We have no current intention to seek a listing for our ordinary shares on any stock exchange. Prior to the completion of this offering, there has been no public market for our ordinary shares, and we cannot assure you that a liquid public market for our Shares will develop. If an active public market for our Shares does not develop following the completion of this offering, the market price and liquidity of our Shares may be materially and adversely affected. The initial public offering price for our Shares was determined by negotiation between us and the underwriter based upon several factors, and we can provide no assurance that the trading price of our Shares after this offering will not decline below the initial public offering price. As a result, investors in our securities may experience a significant decrease in the value of their Shares.

The trading price of our Shares is likely to be volatile, which could result in substantial losses to investors.

The trading price of our Shares is likely to be volatile and could fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors, including the performance and fluctuation of the market prices of other companies with business operations located mainly in China that have listed their securities in the United States. In addition to market and industry factors, the price and trading volume for our Shares may be highly volatile for factors specific to our own operations, including the following:

- variations in our revenues, earnings and cash flow;
- announcements of new investments, acquisitions, strategic partnerships or joint ventures by us or our competitors;
- announcements of new offerings, solutions and expansions by us or our competitors;

- changes in financial estimates by securities analysts;
- detrimental adverse publicity about us, our services or our industry;
- additions or departures of key personnel;
- release of lock-up or other transfer restrictions on our outstanding equity securities or sales of additional equity securities; and
- potential litigation or regulatory investigations.

Any of these factors may result in large and sudden changes in the volume and price at which our Shares will trade.

In the past, shareholders of public companies have often brought securities class action suits against those companies following periods of instability in the market price of their securities. If we were involved in a class action suit, it could divert a significant amount of our management's attention and other resources from our business and operations and require us to incur significant expenses to defend the suit, which could harm our results of operations. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our financial condition and results of operations.

Certain existing shareholders have substantial influence over our company and their interests may not be aligned with the interests of our other shareholders.

Upon the completion of this offering, our directors and officers will collectively own an aggregate of 54.15% of the total voting power of our outstanding ordinary shares immediately after the completion of this offering, assuming the underwriter does not exercise its over-allotment option. As a result, they have substantial influence over our business, including significant corporate actions such as mergers, consolidations, sales of all or substantially all of our assets, election of directors and other significant corporate actions.

They may take actions that are not in the best interest of us or our other shareholders. This concentration of ownership may discourage, delay or prevent a change in control of our company, which could deprive our shareholders of an opportunity to receive a premium for their shares as part of a sale of our company and may reduce the price of the Shares. These actions may be taken even if they are opposed by our other shareholders, including those who purchase Shares in this offering. In addition, the significant concentration of share ownership may adversely affect the trading price of the Shares due to investors' perception that conflicts of interest may exist or arise. For more information regarding our principal shareholders and their affiliated entities, see "Principal Shareholders."

If securities or industry analysts do not publish research or reports about our business, or if they adversely change their recommendations regarding our Shares, the market price for our Shares and trading volume could decline.

The trading market for our Shares will be influenced by research or reports that industry or securities analysts publish about our business. If one or more analysts who cover us downgrade our Shares, the market price for our Shares would likely decline. If one or more of these analysts cease to cover us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the market price or trading volume for our Shares to decline.

The sale or availability for sale of substantial amounts of our Shares could adversely affect their market price.

Sales of substantial amounts of our Shares in the public market after the completion of this offering, or the perception that these sales could occur, could adversely affect the market price of our Shares and could materially impair our ability to raise capital through equity offerings in the future. The Shares sold in this offering will be freely tradable without restriction or further registration under the Securities Act, and shares held by our existing shareholders may also be sold in the public market in the future subject to the restrictions in Rule 144 and Rule 701 under the Securities Act and the applicable lock-up agreements. There will be 7,800,000 Shares outstanding immediately after this offering, or 8,100,000 Shares if the underwriter exercises its over-allotment option in full. In connection with this offering, we, our directors and officers and our existing shareholders have agreed not to sell any ordinary shares for 180 days after the date of this prospectus without the prior written consent of the underwriter, subject to certain exceptions. However, the underwriter may release these securities from these restrictions at any time, subject to applicable regulations of the Financial Industry Regulatory Authority, Inc. We cannot predict what effect, if any, market sales of securities held by our significant shareholders or any other shareholder or the availability of these securities for future sale will have on the market price of our Shares. See "Underwriting" and "Shares Eligible for Future Sale" for a more detailed description of the restrictions on selling our securities after this offering.

Negative publicity may harm our brand and reputation and have a material adverse effect on our business.

Negative publicity about us, including our services, management, business model and practices, compliance with applicable rules, regulations and policies, or our network partners may materially and adversely harm our brand and reputation and have a material adverse effect on our business. We cannot assure you that we will be able to defuse any such negative publicity within a reasonable period of time, or at all. Additionally, allegations, directly or indirectly against us, may be posted on the internet by anyone on a named or anonymous basis, and can be quickly and widely disseminated. Information posted may be inaccurate, misleading and adverse to us, and it may harm our reputation, business or prospects. The harm may be immediate without affording us an opportunity for redress or correction. Our reputation may be negatively affected as a result of the public dissemination of negative and potentially inaccurate or misleading information about our business and operations, which in turn may materially adversely affect our relationships with our customers, employees or business partners, and adversely affect the price of our Shares.

Because we do not expect to pay dividends in the foreseeable future after this offering, you must rely on price appreciation of our Shares for return on your investment.

We currently intend to retain most, if not all, of our available funds and any future earnings after this offering to fund the development and growth of our business. As a result, we do not expect to pay any cash dividends in the foreseeable future. Therefore, you should not rely on an investment in our Shares as a source for any future dividend income.

Our board of directors has complete discretion as to whether to distribute dividends. Even if our board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in our Shares will likely depend entirely upon any future price appreciation of our Shares. There is no guarantee that our Shares will appreciate in value after this offering or even maintain the price at which you purchased the Shares. You may not realize a return on your investment in our Shares and you may even lose your entire investment in our Shares.

Our management will have significant discretion over our use of the net proceeds from this offering and we may use these proceeds in ways with which you may not agree.

Our management's intended used of the net proceeds of this offering is as set forth below under "Use of Proceeds." The Use of Proceeds disclosed in this prospectus describes the broad categories of management's planned use of funds and does not represent a detailed budget or a legally binding commitment to any specific expenditure. Our management will have considerable discretion in deciding how to apply these proceeds. You will not have the opportunity to assess whether the proceeds are being used appropriately before you make your investment decision. You must rely on the judgment of our management regarding the application of the net proceeds of this offering. We cannot assure you that the net proceeds will be used in a manner that would improve our results of operations or increase our Share price.

The approval of the China Securities Regulatory Commission may be required in connection with this offering under PRC laws.

The *M&A Rules*, which were adopted in 2006 by six PRC regulatory agencies, including the China Securities Regulatory Commission, or the CSRC, purport to require offshore special purpose vehicles that are controlled by PRC companies or individuals and that have been formed for the purpose of seeking a public listing on an overseas stock exchange through acquisitions of PRC domestic companies or assets to obtain CSRC approval prior to publicly listing their securities on an overseas stock exchange. The interpretation and application of the regulations remain unclear, and this offering may ultimately require approval from the CSRC. If CSRC approval is required, it is uncertain whether it would be possible for us to obtain the approval and any failure to obtain or delay in obtaining CSRC approval for this offering would subject us to sanctions imposed by the CSRC and other PRC regulatory agencies.

Our PRC legal counsel, Chamzon Law Firm, has advised us that, based on its understanding of the current PRC laws and regulations, we will not be required to submit an application to the CSRC for the approval of the listing and trading of our Shares on the Nasdaq Capital Market because (i) our wholly foreign-owned PRC subsidiary was established by foreign direct investment, rather than through a merger or acquisition of equity interest or assets of a PRC domestic company owned by PRC companies or individuals as defined under the *M&A Rules* that are the beneficial owners of the Company, and (ii) no provision in the *M&A Rules* clearly classifies contractual arrangements as a type of transaction subject to the *M&A Rules*.

However, as a principle under *PRC Securities Law*, most recently amended in 2019 by the Standing Committee of the NPC, any direct or indirect issuance of securities abroad by domestic companies, or any listing and trading of securities abroad by such companies, is subject to approval by CSRC. Our PRC legal counsel has further advised us that there remains some uncertainty as to how the *M&A Rules* will be interpreted or implemented in the context of an overseas offering, and its opinions summarized above are subject to any new laws, rules and regulations or detailed implementations and interpretations in any form relating to the *M&A Rules*. We cannot assure you that relevant PRC government agencies, including the CSRC, would reach the same conclusion as our PRC counsel, and hence we may face regulatory actions or other sanctions from the CSRC or other PRC regulatory agencies. These regulatory agencies may impose fines and penalties on our operations in China, limit our ability to pay dividends outside of China, limit our operating privileges in China, delay or restrict the repatriation of the proceeds from this offering into China or take other actions that could have a material adverse effect on our business, financial condition, results of operations and prospects, as well as the trading price of the Shares. The CSRC or other PRC regulatory agencies also may take actions requiring us, or making it advisable for us, to halt this offering before settlement and delivery of the Shares offered hereby. Consequently, if you engage in market trading or other activities in anticipation of and prior to settlement and delivery, you do so at the risk that settlement and delivery may not occur. In addition, if the CSRC or other regulatory agencies later promulgate new rules or explanations requiring that we obtain their approvals for this offering, we may be unable to obtain a waiver of such approval requirements, if and when procedures are established to obtain such a waiver. Any uncertainties and/or negative publicity regarding such approval requirements could have a material adverse effect on the trading price of the Shares.

You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under Cayman Islands law.

We are an exempted company incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our memorandum and articles of association, the Companies Law (2020 Revision) of the Cayman Islands and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary duties of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a less developed body of securities laws than the United States. Some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, Cayman Islands companies may not have standing to initiate a shareholder derivative action in a federal court of the United States.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records or to obtain copies of lists of shareholders of these companies. Our directors have discretion under our articles of association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

Certain corporate governance practices in the Cayman Islands, which is our home country, differ significantly from requirements for companies incorporated in other jurisdictions such as the United States. To the extent we choose to follow home country practice with respect to corporate governance matters, our shareholders may be afforded less protection than they otherwise would under rules and regulations applicable to U.S. domestic issuers.

As a result of all of the above, our public shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the board of directors or controlling shareholders than they would as public shareholders of a company incorporated in the United States. For a discussion of significant differences between the provisions of the Companies Law of the Cayman Islands and the laws applicable to companies incorporated in the United States and their shareholders, see "Description of Share Capital—Differences in Corporate Law."

Certain judgments obtained against us by our shareholders may not be enforceable.

We are a Cayman Islands company and substantially all of our assets are located outside of the United States. Substantially all of our current operations are conducted in China. In addition, all of our current directors and officers are nationals and residents of countries other than the United States. Substantially all of the assets of these persons are located outside the United States. As a result, it may be difficult or impossible for you to bring an action against us or against these individuals in the United States in the event that you believe that your rights have been infringed under the U.S. federal securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and of China may render you unable to enforce a judgment against our assets or the assets of our directors and officers. For more information regarding the relevant laws of the Cayman Islands and China, see "Enforceability of Civil Liabilities."

Because our initial public offering price is substantially higher than our net tangible book value per share, you will experience immediate and substantial dilution.

If you purchase Shares in this offering, you will pay more for your Shares than the amount paid by our existing shareholders for their ordinary shares on a per Share basis. As a result, you will experience immediate and substantial dilution of approximately US$3.07 per Share, representing the difference between the initial public offering price of US$5.00 per Share, and our pro forma as adjusted net tangible book value per Share as of September 30, 2019, immediately upon the completion of this offering, and the net proceeds to us from this offering.

We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to United States domestic public companies.

Because we are a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including: (i) the rules under the Exchange Act requiring the filing of quarterly reports on Form 10-Q or current reports on Form 8-K with the SEC; (ii) the sections of the Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the Exchange Act; (iii) the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and (iv) the selective disclosure rules by issuers of material nonpublic information under Regulation FD.

We will be required to file an annual report on Form 20-F within four months of the end of each fiscal year. In addition, we intend to publish our results on a quarterly basis through press releases, distributed pursuant to the rules and regulations of the Nasdaq Stock Exchange. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. As a result, you may not be afforded the same protections or information, which would be made available to you, were you investing in a U.S. domestic issuer.

As a foreign private issuer, we are permitted to, and we will, rely on exemptions from certain Nasdaq Stock Exchange corporate governance standards applicable to domestic U.S. issuers. This may afford less protection to holders of our shares.

We are exempted from certain corporate governance requirements of the Nasdaq Stock Exchange by virtue of being a foreign private issuer. We are required to provide a brief description of the significant differences between our corporate governance practices and the corporate governance practices required to be followed by domestic U.S. companies listed on the Nasdaq Stock Exchange. The standards applicable to us are considerably different than the standards applied to domestic U.S. issuers. For instance, we are not required to:

- have a majority of the board be independent (although all of the members of the audit committee must be independent under the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act);
- have a compensation committee or a nominating or corporate governance committee consisting entirely of independent directors;
- have regularly scheduled executive sessions with only independent directors; or
- have executive sessions of solely independent directors each year.

We have relied on and intend to continue to rely on some of these exemptions. As a result, you may not be provided with the benefits of certain corporate governance requirements of the Nasdaq Stock Exchange.

We are an emerging growth company within the meaning of the Securities Act and may take advantage of certain reduced reporting requirements.

We are an "emerging growth company," as defined in the JOBS Act, and we may take advantage of certain exemptions from requirements applicable to other public companies that are not emerging growth companies including, most significantly, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002 for so long as we are an emerging growth company until the earliest of (a) the last day of the fiscal year during which we have total annual gross revenues of at least US$1.07 billion; (b) the last day of our fiscal year following the fifth anniversary of the completion of this offering; (c) the date on which we have, during the preceding three-year period, issued more than US$1.0 billion in non-convertible debt; or (d) the date on which we are deemed to be a "large accelerated filer" under the Exchange Act, which would occur if the market value of our Shares that are held by non-affiliates exceeds US$700 million as of the last business day of our most recently completed second fiscal quarter.

We will incur increased costs as a result of being a public company, particularly after we cease to qualify as an "emerging growth company."

We are a public company and expect to incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the SEC and the Nasdaq Stock Exchange, impose various requirements on the corporate governance practices of public companies. As a company with less than US$1.07 billion in revenues for our last fiscal year, we qualify as an "emerging growth company" pursuant to the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, in the assessment of the emerging growth company's internal control over financial reporting and permission to delay adopting new or revised accounting standards until such time as those standards apply to private companies. However, we have elected to "opt out" of this provision and, as a result, we will comply with new or revised accounting standards as required when they are adopted for public companies. This decision to opt out of the extended transition period under the JOBS Act is irrevocable.

We expect these rules and regulations to increase our legal and financial compliance costs and to make some corporate activities more time-consuming and costly. After we are no longer an "emerging growth company," we expect to incur significant expenses and devote substantial management effort toward ensuring compliance with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 and the other rules and regulations of the SEC. For example, as a result of becoming a public company, we will need to increase the number of independent directors and adopt policies regarding internal controls and disclosure controls and procedures. We also expect that operating as a public company will make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. In addition, we will incur additional costs associated with our public company reporting requirements. It may also be more difficult for us to find qualified persons to serve on our board of directors or as executive officers. We are currently evaluating and monitoring developments with respect to these rules and regulations, and we cannot predict or estimate with any degree of certainty the amount of additional costs we may incur or the timing of such costs.

If we fail to establish and maintain proper internal financial reporting controls, our ability to produce accurate financial statements or comply with applicable regulations could be impaired.

Prior to this offering, we were a private company with limited accounting personnel and other resources with which to address our internal controls and procedures. Our management has not completed an assessment of the effectiveness of our internal controls over financial reporting, and our independent registered public accounting firm has not conducted an audit of our internal control over financial reporting. In the course of auditing our consolidated financial statements for the years ended September 30, 2019 and 2018, we identified several material weaknesses in our internal control over financial reporting and other control deficiencies as of September 30, 2019. A "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

The material weaknesses identified to date relate to (i) a lack of accounting staff and resources with appropriate knowledge of generally accepted accounting principles in the United States ("U.S. GAAP") and SEC reporting and compliance requirements; (ii) a lack of sufficient documented financial closing policies and procedures; (iii) a lack of independent directors and an audit committee; (iv) lack of risk assessment in accordance with the requirement of COSO 2013 framework and (v) a lack of an effective review process by the accounting manager which led to material audit adjustments to the financial statements.

Following the identification of the material weaknesses and control deficiencies, we plan to continue to take remedial measures including (i) hiring more qualified accounting personnel with relevant U.S. GAAP and SEC reporting experience and qualifications to strengthen the financial reporting function and to set up a financial and system control framework; (ii) implementing regular and continuous U.S. GAAP accounting and financial reporting training programs for our accounting and financial reporting personnel; (iii) setting up an internal audit function as well as engaging an external consulting firm to assist us with assessment of Sarbanes-Oxley compliance requirements and improvement of overall internal control; and (iv) appointing independent directors, establishing an audit committee, and strengthening corporate governance.

We plan to take measures to remedy these material weaknesses. The implementation of these measures may not fully address the material weaknesses in our internal control over financial reporting, and we cannot conclude that they have been fully remedied. Our failure to correct theses material weaknesses or our failure to discover and address any other material weaknesses could result in inaccuracies in our financial statements and could also impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis. As a result, our business, financial condition, results of operations and prospects, as well as the trading price of our Ordinary Shares, may be materially and adversely affected. Moreover, ineffective internal control over financial reporting significantly hinders our ability to prevent fraud. Upon the completion of this offering, we will become a public company in the United States subject to the Sarbanes-Oxley Act of 2002. Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, will require that we include a report from management on our internal control over financial reporting in our annual report on Form 20-F beginning with our annual report for the fiscal year ending September 30, 2020. In addition, once we cease to be an "emerging growth company" as such term is defined in the JOBS Act, our independent registered public accounting firm must attest to and report on the effectiveness of our internal control over financial reporting. Our management may conclude that our internal control over financial reporting is not effective. Moreover, even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm, after conducting its own independent testing, may issue a report that is qualified if it is not satisfied with our internal controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from us. In addition, after we become a public company, our reporting obligations may place a significant strain on our management, operational and financial resources and systems for the foreseeable future. We may be unable to timely complete our evaluation testing and any required remediation.

There can be no assurance that we will not be a passive foreign investment company, or PFIC, for U.S. federal income tax purposes for any taxable year, which could result in adverse U.S. federal income tax consequences to U.S. holders of our ordinary shares.

A non-U.S. corporation will be a passive foreign investment company, or PFIC, for any taxable year if either (1) at least 75% of its gross income for such year consists of certain types of "passive" income; or (2) at least 50% of the value of its assets (based on an average of the quarterly values of the assets) during such year is attributable to assets that produce passive income or are held for the production of passive income (the "asset test"). Based on our current and expected income and assets (taking into account the expected cash proceeds and our anticipated market capitalization following this offering), we do not presently expect to be a PFIC for the current taxable year or the foreseeable future. However, no assurance can be given in this regard because the determination of whether we are or will become a PFIC is a fact-intensive inquiry made on an annual basis that depends, in part, upon the composition of our income and assets. Fluctuations in the market price of our Shares may cause us to become a PFIC for the current or subsequent taxable years because the value of our assets for the purpose of the asset test may be determined by reference to the market price of our Shares. The composition of our income and assets may also be affected by how, and how quickly, we use our liquid assets and the cash raised in this offering.

If we were to be or become a PFIC for any taxable year during which a U.S. Holder (as defined in "Taxation—United States Federal Income Tax Considerations") holds our ordinary shares, certain adverse U.S. federal income tax consequences could apply to such U.S. Holder. See "Taxation—United States Federal Income Tax Considerations—Passive Foreign Investment Company Rules."

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND INDUSTRY DATA

This prospectus contains forward-looking statements that involve risks and uncertainties. We use words such as anticipate, believe, plan, expect, future, intend and similar expressions to identify such forward-looking statements. The actual results could differ materially from our forward-looking statements. Our actual results are most likely to differ materially from those anticipated in these forward-looking statements for many reasons, including the risks faced by us described in this Risk Factors section and elsewhere in this prospectus. This prospectus also contains certain data and information that we obtained from various government and private publications. Statistical data in these publications also include projections based on a number of assumptions. The Chinese nutritional and dietary supplements market may not grow at the rate projected by market data, or at all. Failure of this market to grow at the projected rate may have a material and adverse effect on our business and the market price of our Shares. In addition, the rapidly changing nature of the nutritional and dietary supplements industry results in significant uncertainties for any projections or estimates relating to the growth prospects or future condition of our market. Furthermore, if any one or more of the assumptions underlying the market data are later found to be incorrect, actual results may differ from the projections based on these assumptions. You should not place undue reliance on these forward-looking statements.

USE OF PROCEEDS

The net proceeds to us from the sale of 2,000,000 ordinary shares (or 2,300,000 ordinary shares if the over-allotment option is exercised in full) offered at a public offering price of $5.00 per share will vary depending upon the total number of shares sold. The following table summarizes, in order of priority the anticipated application of the proceeds we will receive from this Offering:

		Amount	Percent
GROSS OFFERING	**$**	**10,000,000**	100%
Commission and Expense Allowance	$	900,000	9.0%
Estimated Offering expenses	$	450,000	4.5%
Net Proceeds	**$**	**8,650,000**	**86.5%**
USE OF NET PROCEEDS			
Expansion of Production Capacity[1]	$	2,600,000	11.56%
Sales and Distribution Network Expansion[2]	$	1,500,000	20.81%
Research and Development[3]	$	1,600,000	13.87%
Working Capital[4]	$	2,950,000	53.76%
TOTAL APPLICATION OF NET PROCEEDS	**$**	**8,650,000**	**100.00%**

[1] We intend to use approximately $2,600,000, or 30.1% of the net offering proceeds, to increase production capacity by expanding our physical plants.

[2] We intend to use approximately $1,500,000, or 17.3% of the net offering proceeds, to expand our sales and distribution network.

[3] We intend to use approximately $1,600,00, or 18.5% of the net offering proceeds, to invest in continued research and development.

[4] We intend to use approximately $2,950,000, or 34.1% of the net offering proceeds, for working capital purposes.

In using the proceeds of this offering, we are permitted under PRC laws and regulations as an offshore holding company to provide funding to our PRC subsidiaries only through loans or capital contributions and to our variable interest entity only through loans. Subject to satisfaction of applicable government registration and approval requirements, we may extend inter-company loans to our PRC subsidiaries or make additional capital contributions to our PRC subsidiaries to fund their capital expenditures or working capital. We cannot assure you that we will be able to obtain these government registrations or approvals on a timely basis, if at all. See “Risk Factors—Risks Related to Doing Business in China— PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of this offering to make loans to or make additional capital contributions to our PRC subsidiary, which could materially and adversely affect our liquidity and our ability to fund and expand our business.”

CAPITALIZATION

The following table sets forth our capitalization as of September 30, 2019 presented on:

- An actual basis; and
- a pro forma as adjusted basis to give effect to the issuance and sale of the 2,000,000 Shares by us in this offering at an assumed initial public offering price of US$5.00 per share, after deducting the estimated underwriting commissions and estimated offering expenses.

The pro forma and pro forma as adjusted information below is illustrative only and our capitalization following the completion of this offering is subject to adjustment based on the initial public offering price of our ordinary shares. You should read this table in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this prospectus.

	As of September 30, 2019 (Presented in US$)	
	Actual	**Pro forma as adjusted (2)**
Long term debt	1,432,716	1,432,716
Par Value Amount of Ordinary Shares		
Ordinary Shares, 5,800,000 shares issued and outstanding as of September 30, 2019 [(1)]; pro forma without over-allotment reflects 7,800,000 shares issued and outstanding	580	780
Additional paid in capital	5,040,093	13,410,781
Statutory reserve	257,409	257,409
Retained earnings	2,368,512	2,368,512
Other comprehensive income (loss)	(828,243)	(828,243)
Total Bon Natural Life Limited shareholders' equity (deficit)	6,838,351	15,209,239
Total capitalization	8,271,067	16,641,955

(1) Retrospectively restated for effect of a 1 for 3 reverse stock split on June 24, 2020.

(2) Reflects the sale of ordinary shares in this offering at an assumed initial public offering price of $5.00 per share, and after deducting the estimated underwriting discounts and estimated offering expenses payable by us, assuming the Underwriter's over-allotment option has not been exercised. The pro forma as adjusted information is illustrative only, and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing. Additional paid-in capital reflects the net proceeds we expect to receive, after deducting the underwriting discounts and estimated offering expenses payable by us. We estimate that such net proceeds will be approximately $8,370,888 assuming the Underwriter has not exercised the over-allotment option. The net proceeds of $8,370,888 are calculated as follows: $10,000,000 gross offering proceeds, less underwriting discounts and commissions of $800,000, underwriter non-accountable expense allowance of $100,000 and estimated offering expenses of $729,112. The pro forma as adjusted total equity of $15,209,239 is the sum of the net proceeds of $8,370,888 and the actual equity of $6,838,351.

DILUTION

Purchasers of our securities in this offering will experience immediate and substantial dilution in the net tangible book value of their ordinary shares from the initial public offering price.

The historical net tangible book value as of September 30, 2019 was $6,699,979 (as calculated by subtracting intangible assets of $138,372 from the actual equity of $6,838,351) or approximately $1.16 per share. Historical net tangible book value per share of ordinary shares is equal to our total tangible assets less total liabilities, divided by the number of shares of ordinary shares outstanding as of September, 2019. Adjusted to give effect to the receipt of net proceeds, after deducting the estimated underwriting discounts and offering expenses payable by us, from the sale of 2,000,000 ordinary shares for $10,000,000, net tangible book value will be approximately $1.93 per share. This will represent an immediate increase of approximately $0.77 per share to existing stockholders and an immediate and substantial dilution of approximately $3.07 per share to new investors purchasing our securities in this offering. Dilution in pro forma net tangible book value per share represents the difference between the amount per share paid by purchasers of shares of our ordinary shares in this offering and the pro forma net tangible book value per share of our ordinary shares immediately following this offering.

The following table sets forth as of September 30, 2019 the number of shares of ordinary shares purchased from us and the total consideration paid by our existing stockholders and by new investors in this offering if new investors purchase the maximum offering, assuming a purchase price in this offering of $5.00 per share of ordinary shares.

	Number	Percent	Amount
Existing Stockholders	5,800,000	74.36%	$ 5,040,673
New Investors	2,000,000	25.64%	$ 10,000,000
Total	7,800,000	100.00%	$ 15,040,673

ENFORCEABILITY OF CIVIL LIABILITIES

We are incorporated in the Cayman Islands to take advantage of certain benefits associated with being a Cayman Islands exempted company, such as:

- political and economic stability;
- an effective judicial system;
- a favorable tax system;
- the absence of exchange control or currency restrictions; and
- the availability of professional and support services.

However, certain disadvantages accompany incorporation in the Cayman Islands. These disadvantages include:

- the Cayman Islands has a less developed body of securities laws as compared to the United States and provides significantly less protection to investors; and
- Cayman Islands companies may not have standing to sue before the federal courts of the United States.

Our constituent documents do not contain provisions requiring that disputes, including those arising under the securities laws of the United States, between us, our officers, directors and shareholders, be arbitrated.

Substantially all of our operations are conducted in China, and substantially all of our assets are located in China. A majority of our directors and executive officers are nationals or residents of jurisdictions other than the United States and most of their assets are located outside the United States. As a result, it may be difficult for a shareholder to effect service of process within the United States upon these persons, or to enforce against us or them judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States.

We have appointed The Crone Law Group P.C., located at 500 Fifth Ave, Suite 938, New York, NY 10110 as our agent upon whom process may be served in any action brought against us under the securities laws of the United States.

We have been informed that it is uncertain whether the courts of the Cayman Islands will allow shareholders of our company to originate actions in the Cayman Islands based upon securities laws of the United States. In addition, there is uncertainty with regard to Cayman Islands law related to whether a judgment obtained from the U.S. courts under civil liability provisions of U.S. securities laws will be determined by the courts of the Cayman Islands as penal or punitive in nature. If such determination is made, the courts of the Cayman Islands will not recognize or enforce the

judgment against a Cayman Islands company, such as our company. As the courts of the Cayman Islands have yet to rule on making such a determination in relation to judgments obtained from U.S. courts under civil liability provisions of U.S. securities laws, it is uncertain whether such judgments would be enforceable in the Cayman Islands. We have been further advised us that although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, a judgment obtained in such jurisdiction will be recognized and enforced in the courts of the Cayman Islands at common law, without any re-examination of the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, provided such judgment:

(a) is given by a foreign court of competent jurisdiction;

(b) imposes on the judgment debtor a liability to pay a liquidated sum for which the judgment has been given;

(c) is final;

(d) is not in respect of taxes, a fine or a penalty; and

(e) was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands.

Chamzon Law Firm, our counsel as to PRC laws, has advised us that there is uncertainty as to whether the courts of China would:

- recognize or enforce judgments of United States courts obtained against us or our directors or officers predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States; or
- entertain original actions brought in each respective jurisdiction against us or our directors or officers predicated upon the securities laws of the United States or any state in the United States.

Chamzon Law Firm has further advised us that the recognition and enforcement of foreign judgments are provided for under the *PRC Civil Procedures Law*. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the *PRC Civil Procedures Law* based either on treaties between China and the country where the judgment is made or on principles of reciprocity between jurisdictions. The PRC does not have any treaties or other forms of reciprocity with the United States or the Cayman Islands that provide for the reciprocal recognition and enforcement of foreign judgments. In addition, according to the *PRC Civil Procedures Law*, courts in the PRC will not enforce a foreign judgment against us or our directors and officers if they decide that the judgment violates the basic principles of PRC laws or national sovereignty, security or public interest. As a result, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the United States or in the Cayman Islands. Under the *PRC Civil Procedures Law*, foreign shareholders may originate actions based on PRC laws against a company in the PRC for disputes relating to contracts or other property interests, the PRC court may accept a course of action based on the laws or the parties' express

mutual agreement in contracts choosing PRC courts for dispute resolution if (a) the contract is signed and/or performed within the PRC, (b) the subject of the action is located within the PRC, (c) the company (as defendant) has seizable properties within the PRC, (d) the company has a representative organization within the PRC, or (e) other circumstances prescribed under the PRC laws. The action may be initiated by a shareholder through filing a complaint with the PRC court. The PRC court will determine whether to accept the complaint in accordance with the *PRC Civil Procedures Law*. The shareholder may participate in the action by itself or entrust any other person or PRC legal counsel to participate on behalf of such shareholder. Foreign citizens and companies will have the same rights as PRC citizens and companies in an action unless the home jurisdiction of such foreign citizens or companies restricts the rights of PRC citizens and companies.

In addition, it will be difficult for U.S. shareholders to originate actions against us in the PRC in accordance with PRC laws because we are incorporated under the laws of the Cayman Islands and it will be difficult for U.S. shareholders, by virtue only of holding our ordinary shares, to establish a connection to the PRC for a PRC court to have jurisdiction as required under the PRC Civil Procedures Law.

SUMMARY CONSOLIDATED FINANCIAL AND OPERATING DATA

The following selected financial data for the years ended September 30, 2019 and 2018 has been derived from our audited consolidated financial statements included elsewhere in this prospectus. Our consolidated financial statements are prepared and presented in accordance with accounting principles generally accepted in the United States of America, or U.S. GAAP. Our historical results are not necessarily indicative of results expected for future periods. You should read this selected financial data together with our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

Balance Sheet Data (Presented in $USD)

Balance Sheet Data	Fiscal Year Ended September 30, 2019 (audited)	Fiscal Year Ended September 30, 2018 (audited)
Cash	293,771	820,856
Accounts receivable, net	5,236,270	2,554,145
Inventories, net	2,603,864	9,396,643
Total current assets	8,579,432	13,450,864
Property, plant and equipment, net	9,498,052	3,010,732
Total assets	19,560,412	16,644,916
Short term loans, including current portion of long-term loans	3,873,471	2,639,872
Accounts payable	3,220,857	3,426,024
Due to related parties	1,165,865	533,527
Tax payable	1,577,176	98,636
Total current liabilities	10,864,350	8,749,655
Long term loans	1,400,894	3,348,816
Total liabilities	12,297,066	12,098,471
Shareholders' equity	$ 6,838,351	$ 4,546,445

Statements of Operations Data (Presented in $USD)

Statement of Operations Data	Fiscal Year Ended September 30, 2019 (audited)	Fiscal Year Ended September 30, 2018 (audited)
Revenue	$ 16,396,018	$ 10,781,636
Cost of revenue	(11,113,922)	(8,408,962)
Total operating expenses	(2,106,923)	(1,770,532)
Net income from operations	3,175,173	602,142
Net income	$ 2,562,636	$ 223,376
Basic and diluted earnings per share	$ 0.44	$ 0.04

Exchange Rate Information

Our financial statements are presented in US Dollars.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Key Financial Performance Indicators

In assessing our financial performance, we consider a variety of financial performance measures, including principal growth in net revenue and gross profit, our ability to control costs and operating expenses to improve our operating efficiency and net income. Our review of these indicators facilitates timely evaluation of the performance of our business and effective communication of results and key decisions, allowing our business to respond promptly to competitive market conditions and different demands and preferences from our customers. The key measures that we use to evaluate the performance of our business are set forth below and are discussed in greater details under "Results of Operations":

Net Revenue

Our net revenue is equal to gross revenue minus sales returns and sales incentives that we offer to our customers. Our net revenue is driven by changes in the number of customers, sales volume, selling price, and mix of products sold. Our products are sold with no right of return and we do not provide other credits or sales incentive to customers. As a result, sales incentives and product returns do not have material impact on our revenues.

We sell our products to our customers in three broad product categories: fragrance compounds, health supplemental powder drinks and bioactive food ingredients, which accounted for 41.1%, 26.5% and 32.4% of our total revenue for the year ended September 30, 2019, and accounted for 30.4%, 18.0% and 51.6% of our total revenue for the year ended September 30, 2018, respectively. Sales volume of our fragrance compounds and health supplemental powder drinks increased by 171.8% and 125.8% in fiscal 2019 as compared to fiscal 2018 and sales volume of our bioactive food ingredients decreased by 96.3%. Although sales volume of our bioactive food ingredients decreased, average selling price of our bioactive food ingredients increased by 2,653.8% because we adjusted the product offerings in 2019 and eliminated certain low margin products out of the bioactive food ingredient category, while retaining higher margin products in order to improve our profitability. The total number of customers are 132 and 138 customers in fiscal year 2019 and 2018, respectively, however, average customer order size increased in 2019 as compared to 2018 because of our successful marketing efforts. As a result of these change in product mix, change in sales volume and changes in average selling price, our total revenue increased by 52.1% in fiscal 2019 as compared to fiscal 2018.

Gross Profit

Gross profit is equal to net revenue minus cost of goods sold. Cost of goods sold primarily includes inventory costs (raw materials, labor, packaging cost, depreciation and amortization, third-party products purchase price, freight costs and overhead). Cost of goods sold generally changes as our production costs change, as these are affected by factors including the market price of raw materials, labor productivity, and in changes to the customer and product mix. Our cost of revenues accounted for 67.8% and 78.0% of our total revenue for the fiscal year 2019 and 2018, respectively. We expect our cost of revenues to increase as we further expand our operations in the future. Our gross margin was 32.2% for fiscal year 2019, an increase by 10.2% from gross margin of 22.0% in fiscal year 2018. Our gross profit and gross margin are affected by the different product mix of sales during each reporting period. Our gross margin increases when more products with lower costs and higher margin are sold, while our gross margin decreases when more products with higher costs and lower margin are sold. In fiscal year 2019, more products with lower costs and higher margin were sold. These factors led to the increase in our gross profit and gross margin. See detailed discussion under "–Results of Operation".

Operating Expenses

Our operating expenses consist of selling expenses, general and administrative expenses and research and development expenses.

Our selling expenses primarily include salary and welfare benefit expenses paid to our sales personnel, advertising expenses to increase the awareness of our brand, shipping ad delivery expenses, expenses incurred for our business travel, meals and other sales promotion and marketing activities related expenses. Our selling expenses accounted for 1.7% and 3.0% of our total revenue for the years ended September 30, 2019 and 2018, respectively. We expect that our overall selling expenses, including but not limited to, advertising expenses, brand promotion expenses and salaries, will increase in the foreseeable future if our business further grows.

Our general and administrative expenses primarily consist of employee salaries, welfare and insurance expenses, depreciation, bad debt reserve expenses, inspection and maintenance expenses, office supply and utility expenses, business travel and meals expenses, land and property taxes and professional service expenses. General and administrative expenses were 8.0% and 8.3% of our revenue for the years ended September 30, 2019 and 2018, respectively. We expect our general and administrative expenses, including, but not limited to, salaries and business consulting expenses, to continue to increase in the foreseeable future, as we plan to hire additional personnel and incur additional expenses in connection with the expansion of our business operations. We expect our professional fees for legal, audit, and advisory services to increase as we become a public company upon the completion of this offering.

Our research and development expenses primarily consist of salaries, welfare and insurance expenses paid to our employees involved in the research and development activities, materials and supplies used in the development and testing of our new products, depreciation, and other miscellaneous expenses. Research and development expenses were 3.2% and 5.2% of our revenue for the years ended September 30, 2019 and 2018, respectively. As we continue to develop new products and diversify our product offerings to satisfy customer demand, we expect our research and development expenses to continue to increase in the foreseeable future.

Results of Operations for the Years Ended September 30, 2019 and 2018

Comparison of Results of Operations for the Years Ended September 30, 2019 and 2018

The following table summarizes the results of our operations during the fiscal years ended September 30, 2019 and 2018, respectively, and provides information regarding the dollar and percentage increase or (decrease) during such years.

	For the Years Ended September 30,					
	2019		2018		Variance	
	Amount	% of revenue	Amount	% of revenue	Amount	%
REVENUE	$16,396,018	100.0%	$10,781,636	100.0%	$5,614,382	52.1%
COST OF REVENUE	11,113,922	67.8%	8,408,962	78.0%	2,704,960	32.2%
GROSS PROFIT	5,282,096	32.2%	2,372,674	22.0%	2,909,422	122.6%
OPERATING EXPENSES						
Selling expenses	273,841	1.7%	318,541	3.0%	(44,700)	(14.0)%
General and administrative expenses	1,310,215	8.0%	895,901	8.3%	414,314	46.2%
Research and development expenses	522,867	3.2%	556,090	5.2%	(33,223)	(6.0)%
Total operating expenses	2,106,923	12.9%	1,770,532	16.4%	336,391	(19.0)%
INCOME FROM OPERATIONS	3,175,173	19.4%	602,142	5.6%	2,573,031	427.3%
OTHER INCOME (EXPENSE)						
Interest expense, net	(330,919)	(2.0)%	(285,217)	(2.6)%	(45,702)	16.0%
Other income, net	145,576	0.9%	88,729	0.8%	56,847	64.1%
Total other expense, net	(185,343)	(1.1)%	(196,488)	(1.8)%	11,145	(27.9)%
INCOME BEFORE INCOME TAX PROVISION	2,989,830	18.2%	405,654	3.8%	2,584,176	637.0%
PROVISION FOR INCOME TAXES	427,194	2.6%	182,278	1.7%	244,916	134.4%
NET INCOME	$ 2,562,636	15.6%	$ 223,376	2.1%	$2,339,260	1,047.2%

Revenues

We currently produce our products for our customers in three broad product categories: fragrance compounds, health supplemental powder drinks and bioactive food ingredients.

As compared to fiscal 2018, our revenues for the year ended September 30, 2019 increased by $5,614,382, or approximately 52.1%. The increase in revenue was primarily attributable to i) the increase of 171.8% and 125.8% in sales volume from fragrance ingredients and health supplement (powder drinks), respectively due to customers positive response to the fragrance compounds produced with our newly developed microbiol fermentation process and molecular distillation technology, which resulted in increased purity and improved quality as well as higher yield. In addition, the increase in sales volume was also due to our elevated marketing efforts in health supplement (powder drinks) products and ii) 2,653.8% increase in average selling price of bioactive food ingredient products sold in fiscal 2019 as compared to fiscal 2018 due to our strategic shift in this product category to improve profitability by shifting from lower selling price and gross margin products, such as apple juice concentrate, and focused on promoting the sales of higher selling price products such as apple polyphenol, iii) 245.2% increase of sales to overseas customers and 20.7% increase in domestic sales in fiscal 2019 as compared to fiscal 2018, partially offset by iv) 96.3% decrease in sales volume from bioactive ingredient products sold in fiscal 2019 as compared to fiscal 2018, a result of our shift to lower sales volume but higher selling price and margin products particularly in bioactive food ingredients, and v) a 24.3% decrease in average selling price from fragrance ingredient products in fiscal 2019 as compared to fiscal 2018.

The following table summarizes the breakdown of revenues by categories for the periods indicated.

	Revenues For the Years Ended September 30,					
	2019		**2018**		**Change**	**Change**
	US$	%	US$	%	**Amount**	**%**
	(Amount in US$, except percentage)					
Fragrance compounds	6,738,274	41.1%	3,277,668	30.4%	3,460,606	105.6%
Health supplements (powder drinks)	4,342,490	26.5%	1,943,722	18.0%	2,398,768	123.4%
Bioactive food ingredients	5,315,254	32.4%	5,560,246	51.6%	-244,992	-4.4%
Total Revenue	**16,396,018**	100.0%	**10,781,636**	100.0%	**5,614,382**	52.1%

Revenues from sales of our fragrance compound products

Our fragrance compound products primarily include natural compounds extracted from plants for cosmetic applications, such as sclareolide and ambroxide, a sustainable replacement to ambergris, a secretion by sperm whales. Revenues from sales of our fragrance compound products increased by 105.6% or $3,460,606 to $6,738,274 for the year ended September 30, 2019 from $3,277,668 for the year ended September 30, 2018. This increase was primarily attributable to (i) 171.8% increase in sales volume from 14,432 kilograms in fiscal 2018 to 39,222 kilograms in fiscal 2019 due to our newly developed microbiol fermentation process and molecular distillation technology to improve the purity of active ingredients and quality of our ambroxide products. The new production process further enhanced our competitiveness in pricing and value proposition to our customers by leveraging our cost advantage thanks to the improved production efficiency and higher yield after we implemented the new production technique, and partially offset by (ii) 20.4% decrease in average RMB selling price due to our sales promotion of our newly introduced product, Clary Sage loncrete ester, launched in fiscal 2019, which we did not have any sales in fiscal 2018 and has lower average selling price than the other products in this category and (iii) 5.2% negative impact from exchange rate due to appreciation of US dollars against RMB.

Revenues from sales of our health supplement (powder drinks) products

Our health supplement (powder drinks) products primarily include stachyose series with benefits such as intestine rejuvenation and probiotic proliferation acceleration, and milk thistle extracts with benefits to protect liver and lower blood sugar. Revenues from sales of health supplement (powder drinks) products incased by 123.4% or $2,398,768 to $4,342,490 for the year ended September 30, 2019 from $1,943,722 for the prior year. This increase was due to an (i) 125.8% increase in sales volume from 96,065 cases in fiscal 2018 to 216,949 cases in fiscal 2019, a reflection of continuity of our successful market penetration in response to rising demand of these products in the marketplace since 2018. and a (ii) 4.2% increase of average selling price, and partially offset by (iii) 5.2% negative impact from exchange rate due to appreciation of US dollars against RMB.

Revenues from sales of our bioactive food ingredient products

Our bioactive food ingredient products primarily include fruit juice concentrates and extracts for a variety of health benefits that can't be sufficiently sourced from daily dietary intakes, such as fruit concentrates, apple polyphenol, rich in anti-oxidant and derived from apple, and phloretin, an anti-oxidant with skin discoloration effect extracted from leaves and roots of apple, pear and other fruits. Revenues from sales of our bioactive food ingredient products decreased by 4.4% or $244,922 to $5,315,254 for the year ended September 30, 2019 from $5,560,246 for the prior year. The decrease was mainly attributable to (i) 96.3% decrease in sales volume, partially offset by (ii) a 2,653.8% increase in average selling price. We sold 59,554 kilogram for the year ended September 30, 2019, a decrease of 1,568,569 kilogram, as compared to the prior year. In 2018, the higher sales volume was because we sold more juice concentrates to customers with lower selling price and lower margin. However, in 2019, we sold more high-value-added powder drink products such as apple polyphenols to customers with higher selling price and margin as we shift our focus to optimize product mix in pursuit of overall profitability strategy.

Cost of Revenues

Our cost of revenues primarily consists of inventory costs (raw materials, labor, packaging cost, depreciation and amortization, freight costs and overhead) and business tax. Cost of revenues generally changes as our production costs change, which are affected by factors including the market price of raw materials, or labor productivity, and as the customer and product mix changes.

Our cost of revenues increased by $2,704,959, or 32.2%, from $8,408,962 for the year ended September 30, 2018 to $11,113,922 for the year ended September 30, 2019. The increase in our cost of revenues was due to 74.7% and 143.4% increases in costs of revenues from our fragrance compound and health supplement (powder drinks) products in fiscal 2019 as compared to fiscal 2018 and partially offset a 23.2% decrease in cost of revenues from our bioactive food ingredient products sold in fiscal 2019 as compared to fiscal 2018.

	For the years ended September 30,			
	2019	2018	Change	
	Amount	Amount	Amount	%
Cost of revenues – Fragrance compound products	$ 4,608,532	$ 2,638,344	$ 1,970,190	74.7%
Cost of revenues – Health supplement (powder drinks)	$ 3,032,290	$ 1,245,704	$ 1,786,587	143.4%
Cost of revenues – Bioactive food ingredients	$ 3,473,098	$ 4,524,915	$ (1,051,817)	(23.2)%
Total cost of revenues	**$ 11,113,922**	**$ 8,408,962**	**$ 2,704,959**	**32.2%**

Cost of Revenues from sales of our fragrance compound products

The 74.7% increase in cost of revenues for our fragrance compound products from $2,638,344 for the year ended September 30, 2018 to $4,608,532 for the year ended September 30, 2018 was mainly attributable to (i) an 171.8% increase in sales volume, which was mainly attributable to our competitive pricing and high value proposition with products in this category, such as Ambroxide produced by our new microbiol fermentation and molecular distillation process to get higher yield and better quality while lowering down the unit cost (ii) partially offset by a decrease of 32.4% in weighted average unit cost from Clary Sage Concrete , a new product introduced in fiscal year 2019 with 83.0% lower weighted average unit cost compared to that in this category and (iii) 5.2% negative impact from exchange rate due to appreciation of US dollars against RMB.

Cost of Revenues from sales of our health supplement (powder drinks) products

The 143.4% increase in cost of revenues for our health supplement (powder drinks) products from 1,245,704 for the year ended 2018 to $3,032,290 for the year ended September 30, 2019 is mainly attributable to (i) an increase of 125.8% in sales volume from products in this category sold in fiscal 2019 as compared to those in fiscal 2018 and (ii) an increase of 13.4% in weighted average unit cost in fiscal 2019 as compared to those in fiscal 2018, a continuity of our successful market penetration in response to rising demand of these products in the marketplace since 2018; (iii) 5.2% negative impact from exchange rate due to appreciation of US dollars against RMB.

Cost of Revenues from sales of our bioactive food ingredient products

The 23.2% decrease in cost of revenues for our bioactive food ingredient products from $4,524,915 for the year ended 2018 to $3,473,098 for the year ended September 30, 2019 is mainly attributable to (i) decreased sales volume of our apple juice concentrate, as a result of our shifting our business focus to promote higher margin products under this category; (ii) 5.2% negative impact from exchange rate due to appreciation of US dollars against RMB, and partially offset by (iii) a 4.9% increase in weighted average RMB unit cost from other products in this category, such as apple polyphenol, milk thistle extracts and stachyose, sold in fiscal 2019 as compared to fiscal 2018.

Gross Profit

Gross profit for the year ended September 30, 2019 increased by $ 2,909,422, or approximately 123% from $2,372,674 for the year ended September 30, 2018 to $5,282,096 for the year ended 2019. Our gross margin increased by 10.2% from 22.0% in fiscal year 2018 to 32.2% in fiscal year 2019.

Gross profit from sales of our fragrance compound products

Gross profit from sales of our fragrance compound products in fiscal 2019 increased by 230.4% as compared to fiscal 2018. The increase was primarily attributable to (i) an 105.6% increase in revenues from $3,277,668 in the year ended September 30, 2018 to $6,738,274 in the year ended September 30, 2019 and (ii) an increase in gross margin by 12.1% from 19.9% in fiscal 2018 to 32.0% in fiscal 2019 as we sold more products with lower cost and higher margins, for instance, Ambroxide which was produced by our newly developed microbiol fermentation process and molecular distillation technology to increase the purity of active ingredients and to improve quality as well.

Gross profit from sales of our health supplement (powder drinks) products

Gross profit from sales of our fragrance compound products in fiscal 2019 increased by 88.7% as compared to fiscal 2018. The increase was primarily attributable to (i) an 123.4% increase in revenues from $1,943,722 in the year ended September 30, 2018 to $4,342,490 in the year ended September 30, 2019 and partially offset by (ii) a decrease in gross margin by 5.7% from 36.3% in fiscal 2018 to 30.6% in fiscal 2019 due to an increase in weighted average unit cost in this product category when we incurred additional costs to improve the purity of active ingredients in our health supplement (power drinks) products. For example, our stachyose product's active ingredients have been increased to 80% in fiscal 2019 from the range of 60% to 70% in fiscal 2018. This enables us to increase the selling price to certain extent to improve our profitability.

Gross profit from sales of our bioactive food ingredient products

Gross profit from sales of our bioactive food ingredient products in fiscal 2019 increased by 76.0% as compared to fiscal 2018. Although revenues in this category slightly decreased in fiscal 2019 as compared to fiscal 2018 due to decreased sales volume of our lower margin apple juice concentrate, we shifted our business focus to promote the sales of some higher margin products to our customers at higher selling price. As a result, gross margin of our bioactive ingredient products increased by 16.0% from 19.1% in fiscal 2018 to 35.1% in fiscal 2019.

Selling expenses

Selling expenses for the year ended September 30, 2019 decreased by $44,700, or approximately 14.0% as compared to the prior year. This decrease was mainly due to i) a decrease of $14,786 product marketing and promotion expenses because the Company focused on marketing and promotion on a lower quantity of products after significant reduction of lower value added products and a product mix shift towards more higher value-added but low volume products to customers, , ii) a decrease of $21,815 conference and office rent fees, and iii) a decrease of $27,976 salary and welfare related to sales delivery personnel as the company utilizing more online marketing services, partially offset by iv) an increase of $30,861 for product shipping fees when our sales to international markets increased.

General and administrative expenses

General and administrative expenses for the year ended September 30, 2019 increased by $414,314, or approximately 46.2% as compared to the prior year. The increase was mainly attributable to of i) an increase of $336,625 in professional fees including auditing, legal and consulting services, ii) an increase of $23,065 entertainment fees, iii) an increase of $54,633 office rent and miscellaneous office expenses to support our expanded business activities.

Research and development ("R&D") expenses

Research and development expenses for the year ended September 30, 2019 decreased by $33,223, or approximately 6.0% as compared to the prior year. The decrease was mainly due to i) a decrease of $190,859 materials consumption in R&D activities, partially offset by an increase of $127,065 related to external consulting service to improve R&D process, and iii) an increase of $25,907 in salaries and welfare related to R&D personnel.

Other income (expenses)

Other income (expenses) primarily include interest income generated from our bank deposits, interest expenses incurred on our borrowings from various banks and financial institutions, unrealized foreign currency exchange gain due to our export sales and government subsidiary. A change in our other income (expenses) was interest expenses and a government subsidy.

Interest expense for the year ended September 30, 2019 increased by $46,729, or approximately 16.3% as compared to the prior year. The increase was mainly attributable to $46,729 interest expenses related to increased average loan balances we carried in fiscal 2019 as compared to fiscal 2018.

Government subsidy income primarily relate to local government's cash award to High and New Technology Enterprises ("HNTEs") based on their financial performance to encourage entrepreneurship and stimulate local economies. Such awards are granted on a case-by-case basis by various local governments. The Company's VIE, Xi'an App-chem was approved as a HNTE and received government subsidy in the form of an export sales refund and cash awards based on our annual financial performance. The Company recognizes government subsidies as other operating income when they are received because they are not subject to any past or future conditions, there are no performance conditions or conditions of use, and they are not subject to future refunds. Government subsidies received in the form of a grant and recognized as other operating income totaled $140,295 and $67,608 for the years ended September 30, 2019 and 2018, respectively.

Provision for Income Taxes

Our provision for income taxes was $427,194 in fiscal year ended September 30, 2019, an increase of $244,916, or 134.4% from $182,278 in fiscal year ended September 30, 2018 due to our increased taxable income. Under the EIT Law, domestic enterprises and Foreign Investment Enterprises ("FIEs") are usually subject to a unified 25% enterprise income tax rate while preferential tax rates, tax holidays and even tax exemption may be granted on a case-by-case basis. EIT grants preferential tax treatment to High and New Technology Enterprises ("HNTEs"). Under this preferential tax treatment, HNTEs are entitled to an income tax rate of 15%, subject to a requirement that they re-apply for their HNTE status every three years. The corporate income taxes for the years ended September 30, 2019 and 2018 were reported at a blended reduced rate as a result of Xi'an App-chem being approved as a HNTE and enjoying a 15% reduced income tax rate, but subsidiaries of Xi'an App-chem are subject to a 25% income tax rate. The impact of the tax holidays noted above decreased foreign taxes by $314,080 and $176,290 for the years ended September 30, 2019 and 2018, respectively. The benefit of the tax holidays on net income per share (basic and diluted) $0.05 and $0.00 for the years ended September 30, 2019 and 2018, respectively.

Net income

As a result of the foregoing, our net income increased from $223,376 for the fiscal year ended December 31, 2018 to $2,562,636 for the fiscal year ended December 31, 2019.

Liquidity and Capital Resources

As reflected in the Company's consolidated financial statements, the Company had negative working capital of $2.3 million as of September 30, 2019. In addition, the Company is currently constructing a new manufacturing plant. As of the date of this report, the Company had future minimum capital expenditure commitment on its construction-in-progress project of approximately $4.3 million within the next twelve months. Furthermore, in December 2019, a novel strain of coronavirus (COVID-19) surfaced. COVID-19 has spread rapidly throughout China and worldwide, which has caused significant volatility in the PRC and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the PRC and international economies. To reduce the spread of the COVID-19, the Chinese government has employed measures including city lockdowns, quarantines, travel restrictions, suspension of business activities and school closures. Due to difficulties and challenges resulting from the COVID-19 outbreak, the Company temporarily closed its facilities and operations to until late March 2020. During this temporary business closure period, there was limited support from the Company's employees, delayed access to raw material supplies, reduced customer sales orders, and the Company's inability to promote the sales to customers on a timely basis. As a result, the Company's revenue and operating cash flows for fiscal year 2020 may be lower than expected.

In assessing its liquidity, management monitors and analyzes the Company's cash on-hand, its ability to generate sufficient revenue sources in the future, and its operating and capital expenditure commitments. As of September 30, 2019, the Company had cash on hand of approximately $0.3 million while the Company also had outstanding accounts receivable of approximately $5.3 million, of which approximately $5.2 million or 98% has been subsequently collected as of May 31, 2020. In addition, the Company had acquisition deposit of approximately $1.3 million as of September 30, 2019, the Company terminated the intended acquisition and collected this deposit in May 2020.

As of September 30, 2019, the Company had outstanding bank loans of approximately $5.3 million from several PRC banks (including short-term bank loans of approximately $2.1 million, current portion of long-term bank loans of approximately $1.8 million and long-term bank loans of approximately $1.4 million). Management expects that it would be able to renew all of its existing bank loans upon their maturity based on past experience and the Company's good credit history. In addition to the current borrowings, from April and June 2020, the Company secured an aggregate of $6.4 million (RMB 46 million) lines of credit with PRC banks as working capital loans (including $2.1 million line of credit with Huaxia Bank for one to three years, $1.8 million line of credit with Bohai Bank for one year and $2.5 million line of credit with Bank of China). As of the date of this report, the Company only borrowed $0.7 million (RMB 5 million) out of these lines of credit and had the availability to borrow an additional maximum loans of RMB 41 million (approximately $5.7 million) under these lines of credit before April 2023. Furthermore, the Company's controlling shareholder, Mr. Yongwei Hu, also made pledges to provide continuous financial support to the Company whenever needed.

Currently, the Company is working to improve its liquidity and capital sources primarily through cash flows from operation, debt financing and financial support from its principal shareholder. In order to fully implement its business plan and sustain continued growth, the Company may also seek equity financing from outside investors. At the present time, however, the Company does not have commitments of funds from any potential investors. No assurance can be given that additional financing, if required, would be available on favorable terms or at all.

Based on the current operating plan, management believes that the above-mentioned measures collectively will provide sufficient liquidity for the Company to meet its future liquidity and capital requirement for at least 12 months from the date the audited financial statements were issued.

In light of the effects of the COVID-19 outbreak as discussed above, if we are required to operate in a challenging economic environment in China, if we incur unanticipated capital expenditures, or if we decide to accelerate our growth, we may need additional financing. We cannot guarantee, however, that additional financing, if required, would be available at all or on favorable terms. Such financing may include the use of additional debt or the sale of additional equity securities. Any financing which involves the sale of equity securities or instruments that are convertible into equity securities could result in immediate and possibly significant dilution to our existing shareholders.

In the coming years, we will be exploring other financing sources, such as raising additional capital by issuing shares of stock, to meet our cash needs. While facing uncertainties in regard to the size and timing of capital raises, we are confident that we can continue to meet operational needs by utilizing cash flows generated from our operating activities, debt financing and working-capital funds provided by shareholders, as necessary.

The following table sets forth summary of our cash flows for the periods indicated:

	For the Fiscal Years Ended September 30,	
	2019	**2018**
Net cash provided by operating activities	$ 7,104,822	$ 273,897
Net cash used in investing activities	(8,429,958)	(1,684,600)
Net cash provided by financing activities	804,680	2,017,721
Effect of exchange rate change on cash	(6,629)	(16,407)
Net increase (decrease) in cash	(527,085)	590,611
Cash, beginning of year	820,856	230,245
Cash, end of year	$ 293,771	$ 820,856

Cash flows from operating activities

Net cash provided by operating activities during the year ended September 30, 2019 was $7,104,822, primarily due to i) net income of $2,562,636 for the year ended September 30, 2019, ii) a decrease of $6,681,972 inventory due to more finished products being sold for the year ended September 30, 2019, iii) an increase of $2,912,222 account receivable due to increased sales for the year ended September 30, 2019, and iv) an increase of $1,538,662 taxes payable for the year ended September 30, 2019 due to increased taxable income.

Net cash provided by operating activities during the year ended September 30, 2018 was $273,897, primarily due to i) net income of $223,376 for the year ended September 30, 2018 ii) a decrease of $452,846 inventory due to more finished products being sold for the year ended September 30, 2018, iii) an increase of $145,381 account receivable due to increased sales for the year ended September 30, 2018, and iv) a decrease of $1,115,553 accounts payable for the year ended September 30, 2018 due to increased purchase of materials for production and increased purchase of construction materials used in the Company's construction-in-progress project.

Cash flows from investing activities

Net cash used in investing activities for the year ended September 30, 2019 was $8,429,958 which was primarily attributable to the purchase of property and equipment in the amount of $213,634, capital expenditure on construction-in-progress in the amount of $6,861,257 and an acquisition deposit of $1,305,407 made during 2019, which was subsequently refunded.

Net cash used in investing activities for the year ended September 30, 2018 was $1,684,600 which was primarily attributable to the purchase of property and equipment in the amount of $540,275 and capital expenditure on construction-in-progress in the amount of $1,144,325.

Cash flows from financing activities

Net cash provided by financing activities for the year ended September 30, 2019 was $804,680, which was primarily due to proceeds from bank borrowings in the amount of $4,008,293, proceeds from related party borrowings in the amount of $543,976, principal payment from capital lease in the amount of $432,722, and capital contribution from non-controlling interest in the amount of $435,964, partially offset by repayment of bank borrowing of $4,514,482.

Net cash provided by financing activities for the year ended September 30, 2018 was $2,017,721, which was primarily due to proceeds from short-term loans in the amount of $5,431,805, proceeds from long-term loans of $1,530,011, proceeds from related party borrowings in the amount of $295,096, partially offset by repayment of short-term loans of $4,952,773 and repayment of third-party loans of $286,418.

During the year ended September 30, 2019, we experienced a net decrease in cash of $527,085.

Our operations have, in part, been financed by short-term and long-term debt. As of September 30, 2019, the current balance of our short terms loans was $2,052,309. This balance consisted of loans with one-year terms and interest rates ranging from 4.5% to 7.4% per year. Our long-term borrowings consist of: (1) two loans from Xi'an Investment Holdings Co., Ltd. dated February 14, 2017 and on December 13, 2017, respectively, each with a three-year term, and (2) a loan from Xi'an High-tech Emerging Industries Investment Fund Partnership dated June 26, 2017, also with a three-year terms. The balance of our long-term borrowings, net of current portion, was $1,400,894 as of September 30, 2019. Our long-term debt, as well as some of our short-term loans, is guaranteed and secured by the personal assets of our CEO and largest shareholder, Mr. Hu.

Research and Development, Patents, and Licenses

During the year ended September 30, 2019, we expended in $522,867 in research and development, compared to $556,090 for the prior year. We hold several patents issued by the PRC, relating primarily to composition and processing techniques for products and product ingredients. These include 8 patents issued to Xi'an App-Chem Bio (Tech) Co., Ltd., 3 patents issued to our wholly owned subsidiary Xi'an Yanhuang TCM Medical Research & Development Co., Ltd., and 1 patent issued to our wholly owned subsidiary Xi'an Dietary Therapy Health Management Co., Ltd.

We are a national high-tech enterprise, and our research and development investment has remained at approximately 5% of its sales revenue over the years. In the future, the proportion of research and development expenses as a percentage of revenues is expected to gradually increase. We have invested in R&D to develop bio-manufacturing processes for natural active components and functional health products that are precisely adjusted and controlled by human micro-biome. Our primary research and development efforts for our raw materials and ingredients business are focused on the development of innovative bio-manufacturing processes for products like clary sage and stachyose. Upon completion of these efforts, we expect to significantly increase our gross margin, our production capacity, and our sales revenues for these products. Our primary research and development efforts for our functional health business are focused on the development of health solutions based on the precise regulation and control of immunity and digestion by human micro-biome. These products are functional foods and functional personal care products that we expect to provide significant sales growth in the near future.

Research and development for our raw materials and ingredients business is performed by our in-house team in our laboratory and its subordinate factories. Most of the research and development for our functional health business is also carried out in our laboratories, with additional research carried out by cooperative external laboratories. This research and development is funded solely by the Company, and we retain all resulting intellectual property rights. Although our R&D efforts have been adequately funded through operations, we expect to accelerate our efforts significantly through the use of additional capital, including the funds sought in this offering.

Off Balance Sheet Arrangements

As of September 30, 2019, there were no off-balance sheet arrangements.

Tabular Disclosure of Contractual Obligations

As of September 30, 2019, we had the following contractual obligations:

	Payments Due by Period				
Contractual Obligations	*Total*	*Less than 1 year*	*1-3 years*	*3-5 years*	*More than 5 years*
(1) Debt Obligations	$ 5,698,556	$ 4,297,662	1,400,894	—	—
(2) Capital Lease Obligations	$ 395,307	$ 363,485	$ 31,822	—	—
(3) Capital expenditure commitment obligations on CIP project	$ 5,898,918	$ 4,473,815	$ 872,512	$ 552,591	—
Total	$11,992,781	$ 9,134,962	$ 2,305,228	$ 552,591	

(1) As of September 30, 2019, we had total $5,698,556 short-term and long-term borrowings from several PRC banks and financing institutions and third-parties (including short-term loans of $2,052,309, current portion of long-term loans of $1,821,162, short-term third-party loans of $424,191 and long-term loans of $1,400,894) (see Footnote 10 – Debt, for details).

(2) A two-year capital lease agreement with Guian Hengxin Finance Lease (Shanghai) Ltd. ("the Lessor"). Under the arrangement, the Lessee sells part of its plant machines to the lessor and leased them back from the lessor.

(3) Construction-in-progress ("CIP") represents direct costs of construction incurred for the Company's manufacturing facilities. On August 16, 2017, the Company's VIE, Xi'an App-Chem Bio(Tech)Co.,Ltd. started to construct a new manufacturing plant in Togchuan City, Shaanxi Province, with total budget of RMB 95 million (approximately $13.6 million) for construction of the main body of the manufacturing plant, plant decoration and purchase of machinery and equipment. As of September 30, 2019, the Company has spent approximately RMB54.8 million (approximately $7.7 million) on the construction of the main body of the manufacturing plant and future minimum capital expenditure on this CIP project is estimated to be approximately $5.9 million.

Subsequently, from October 2019 to May 2020, the Company spent additional RMB 24.8 million (approximately US$3.6 million) on decoration of the manufacturing plant. As a result, future minimum capital expenditure on this CIP project has been lowered down from approximately $5.9 million as of September 30, 2019 to approximately RMB 15.8 million (equivalent to $2.3 million) as of the date of the audited financial statements were issued. The construction of this new manufacturing facility is expected to be fully completed and put into production in the first half of 2021.

As a result of the above-mentioned subsequent payment for capital expenditure on the construction-in-progress ("CIP") project, the Company's material contractual obligations as of the date of this audited financial statements were issued has been lowered down to the following:

	Payments Due by Period				
Contractual Obligations	*Total*	*Less than 1 year*	*1-3 years*	*3-5 years*	*More than 5 years*
(1) Debt Obligations	$ 5,698,556	$ 4,297,662	1,400,894	—	—
(2) Capital Lease Obligations	$ 395,307	$ 363,485	$ 31,822	—	—
(3) Capital expenditure commitment obligations on CIP project	$ 2,213,412	$ 788,309	$ 872,512	$ 552,591	—
Total	$ 8,307,275	$ 5,449,456	$ 2,305,228	$ 552,591	

In order to support our working capital and capital expenditure on CIP project, from April and June 2020, we secured an aggregate of $6.4 million (RMB 46 million) lines of credit with PRC banks as working capital loan (including $2.1 million line of credit with Huaxia Bank for one to three years, $1.8 million line of credit with Bohai Bank for one year and $2.5 million line of credit with Bank of China for one year). As of the date of this prospectus, we only borrowed $0.4 million (RMB 3 million) out of these lines of credit and had the availability to borrow an additional maximum loans of RMB43 million (approximately $6.0 million) under these lines of credit between June 2020 to April 2023 (see Footnote 18).

Legal proceedings

We are currently not a party to any material legal or administrative proceedings. We may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, may result in substantial cost and diversion of our resources, including our management's time and attention.

Quantitative and Qualitative Analysis about Market Risk

Foreign Exchange Risk

Foreign currency risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. Substantially all of our revenue-generating transactions, and a majority of our expense-related transactions, are denominated in Renminbi, which is the functional currency of our operations. We do not hedge against currency risk.

The value of the Renminbi against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions. To the extent that we need to convert U.S. dollars into Renminbi for our operations, appreciation of the Renminbi against the U.S. dollar would reduce the Renminbi amount we receive from the conversion. Conversely, if we decide to convert Renminbi into U.S. dollars for the purpose of making payments for dividends on our ordinary shares, servicing outstanding

debts, or for other business purposes, appreciation of the U.S. dollar against the Renminbi would reduce the U.S. dollar amounts available to us.

Our functional currency is the RMB, and our financial statements are presented in U.S. dollars. The RMB depreciated by 5.7% in fiscal year 2018 and further depreciated by 1.3% in fiscal year 2019. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the RMB and the U.S. dollar in the future. The change in the value of the RMB relative to the U.S. dollar may affect our financial results reported in the U.S. dollar terms without giving effect to any underlying changes in our business or results of operations. Currently, our assets, liabilities, revenues and costs are denominated in RMB.

Interest Rate Risk

We are not currently exposed to interest rate risk. We do not own any interest-bearing instruments and our interest-bearing debt carries a fixed rate.

Market Price Risk

We are not currently exposed to commodity price risk or market price risk.

Inflation

Inflation does not materially affect our business or the results of our operations.

Seasonality

Seasonality does not materially affect our business or the results of our operations.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements. These financial statements are prepared in accordance with U.S. GAAP, which requires us to make estimates and assumptions that affect the reported amounts of our assets and liabilities and revenues and expenses, to disclose contingent assets and liabilities on the date of the consolidated financial statements, and to disclose the reported amounts of revenues and expenses incurred during the financial reporting period. The most significant estimates and assumptions include the valuation of accounts receivable and inventories, useful lives of property, plant and equipment and intangible assets, the recoverability of long-lived assets, provision necessary for contingent liabilities, and revenue recognition. We continue to evaluate these estimates and assumptions that we believe to be reasonable under the circumstances. We rely on these evaluations as the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from those estimates. Some of our accounting policies require higher degrees of judgment than others in their application. We believe critical accounting policies as disclosed in this prospectus reflect the more significant judgments and estimates used in preparation of our consolidated financial statements.

Risks and Uncertainties

Our main operation is located in the PRC. Accordingly, our business, financial condition, and results of operations may be influenced by political, economic, and legal environments in the PRC, as well as by the general state of the PRC economy. Our results may be adversely affected by changes in the political, regulatory and social conditions in the PRC. Although we have not experienced losses from these situations and believes that we are in compliance with existing laws and regulations including our organization and structure, this may not be indicative of future results.

Our business, financial condition and results of operations may also be negatively impacted by risks related to natural disasters, extreme weather conditions, health epidemics and other catastrophic incidents, such as the recent outbreak and spread of the COVID-19, which could significantly disrupt our operations.

The development and commercialization of natural and healthy extracts and compounds products is highly competitive, and the industry currently is characterized by rapidly changing technologies, significant competition and a strong emphasis on intellectual property. We may face competition with respect to our current and future pharmaceutical product candidates from major pharmaceutical companies in China.

The following critical accounting policies rely upon assumptions and estimates and were used in the preparation of our consolidated financial statements:

Uses of estimates

In preparing the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (“US GAAP”), management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are based on information as of the date of the consolidated financial statements. Significant estimates required to be made by management include, but are not limited to, the allowance for estimated uncollectible receivables, inventory valuations, useful lives of property, plant and equipment, intangible assets, the recoverability of long-lived assets, provision necessary for contingent liabilities, revenue recognition and realization of deferred tax assets. Actual results could differ from those estimates.

Accounts receivable, net

Accounts receivable are presented net of allowance for doubtful accounts. We determine the adequacy of reserves for doubtful accounts based on individual account analysis and historical collection trend. We establish a provision for doubtful receivables when there is objective evidence that we may not be able to collect amounts due. The allowance is based on management's best estimate of specific losses on individual exposures, as well as a provision on historical trends of collections. Actual amounts received may differ from management's estimate of credit worthiness and the economic environment. Delinquent account balances are written-off against the allowance for doubtful accounts after management has determined that the collection is not probable. Allowance for uncollectable balances amounted to $73,386 and $48,529 as of September 30, 2019 and 2018, respectively.

Inventories, net

Inventories are stated at net realizable value using weighted average method. Costs include the cost of raw materials, freight, direct labor and related production overhead. Any excess of the cost over the net realizable value of each item of inventories is recognized as a provision for diminution in the value of inventories. Net realizable value is the estimated selling price in the normal course of business less any costs to complete and sell products. The Company evaluates inventories on a quarterly basis for its net realizable value adjustments, and reduces the carrying value of those inventories that are obsolete or in excess of the forecasted usage to their estimated net realizable value based on various factors including aging, expiration dates, as applicable, taking into consideration historical and expected future product sales. We recorded inventory reserve of $389,867 and $405,205 as of September 30, 2019 and 2018, respectively.

Revenue recognition

On October 1, 2017, we adopted Accounting Standards Codification ("ASC") 606 using the modified retrospective approach. The adoption of this standard did not have a material impact on our consolidated financial statements. Therefore, no adjustments to opening retained earnings were necessary.

ASC 606, Revenue from Contracts with customers, establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts to provide goods or services to customers. The core principle requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration that it expects to be entitled to receive in exchange for those goods or services recognized as performance obligations are satisfied.

ASC 606 requires the use of a *five*-step model to recognize revenue from customer contracts. The *five*-step model requires us (i) identify the contract with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, including variable consideration to the extent that it is probable that a significant future reversal will *not* occur, (iv) allocate the transaction price to the respective performance obligations in the contract, and (v) recognize revenue when (or as) we satisfy the performance obligation. The application of the *five*-step model to the revenue streams compared to the prior guidance did *not* result in significant changes in the way we record our revenue. We have assessed the impact of the guidance by reviewing its existing customer contracts and current accounting policies and practices to identify differences that would result from applying the new requirements, including the evaluation of its performance obligations, transaction price, customer payments, transfer of control and principal versus agent considerations. Based on the assessment, we concluded that there was no change to the timing and pattern of revenue recognition for its current revenue streams.

In accordance to ASC 606, we recognize revenue when it transfers its goods and services to customers in an amount that reflects the consideration to which we expect to be entitled in such exchange. We account for the revenue generated from sales of our products to our customers, in which we are acting as a principal in these transactions, are subject to inventory risk, have latitude in establishing prices, and are responsible for fulfilling the promise to provide customers the specified goods. All of our contracts have single performance obligation as the promise is to transfer the individual goods to customers, and there is no other separately identifiable promises in the contracts. Our revenue streams are recognized at a point in time when title and risk of loss passes and the customer accepts the goods, which generally occurs at delivery. Our products are sold with no right of return and we do not provide other credits or sales incentive to customers. Our sales are net of value added tax ("VAT") and business tax and surcharges collected on behalf of tax authorities in respect of product sales.

Contract Assets and Liabilities

Payment terms are established on our pre-established credit requirements based upon an evaluation of customers' credit. Contract assets are recognized for in related accounts receivable. Contract liabilities are recognized for contracts where payment has been received in advance of delivery. The contract liability balance can vary significantly depending on the timing when an order is placed and when shipment or delivery occurs. As of September 30, 2019 and 2018, other than accounts receivable and advances from customers, we had no other material contract assets, contract liabilities or deferred contract costs recorded on our consolidated balance sheet. Costs of fulfilling customers' purchase orders, such as shipping, handling and delivery, which occur prior to the transfer of control, are recognized in selling, general and administrative expense when incurred.

Disaggregation of Revenues

We disaggregate our revenue from contracts by product types, as we believe it best depicts how the nature, amount, timing and uncertainty of the revenue and cash flows are affected by economic factors. The summary of our total revenues by product categories for the years ended September 30, 2019 and 2018 was as follows:

Revenue by region

	For the year ended September 30,	
	2019	**2018**
PRC	$ 11,192,324	$ 9,274,017
Overseas	5,203,694	1,507,619
Total revenue	$ 16,396,018	$ 10,781,636

Revenue by product categories

	September 30, 2019	**September 30, 2018**
Fragrance compounds	$ 6,738,274	$ 3,277,668
Health supplements (solid drinks)	4,342,490	1,943,722
Bioactive food ingredients	5,315,254	5,560,246
Total revenue	$ 16,396,018	$ 10,781,636

Income Tax

We account for current income taxes in accordance with the laws of the relevant tax authorities. Deferred income taxes are recognized when temporary differences exist between the tax bases of assets and liabilities and their reported amounts in the consolidated financial statements. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period including the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

An uncertain tax position is recognized only if it is "more likely than not" that the tax position would be sustained in a tax examination. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. Penalties and interest incurred related to underpayment of income tax are classified as income tax expense in the period incurred. No significant penalties or interest relating to income taxes have been incurred during the years ended September 30, 2019 and 2018. We do not believe there was any uncertain tax provision at September 30, 2019 and 2018.

Our operating subsidiary and VIE in China are subject to the income tax laws of the PRC. No significant income was generated outside the PRC for the fiscal years ended September 30, 2019 and 2018. As of September 30, 2019, all of the Company's tax returns of its PRC subsidiary, its VIE and VIE's subsidiaries remain open for statutory examination by PRC tax authorities.

Recently Issued Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326), which requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial assets measured at amortized cost. ASU 2016-13 was subsequently amended by Accounting Standards Update 2018-19, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses,* Accounting Standards Update 2019-04 *Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments*, and Accounting Standards Update 2019-05, *Targeted Transition Relief.* For public entities, ASU 2016-13 and its amendments are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. For all other entities, this guidance and its amendments will be effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early application will be permitted for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. As an emerging growth company, the Company plans to adopt this guidance effective October 1, 2023. The Company has adopted the standard on October 1, 2019, and there was no material impact on its consolidated financial statements as a result of the adoption.

In August 2018, the FASB Accounting Standards Board issued ASU No. 2018-13, "Fair Value Measurement (Topic 820): Disclosure Framework Changes to the Disclosure Requirements for Fair Value Measurement" ("ASU 2018-13"). ASU 2018-13 modifies the disclosure requirements on fair value measurements. ASU 2018-13 is effective for all entities for fiscal years and interim periods within those fiscal years beginning after December 15, 2019, with early adoption permitted for any removed or modified disclosures. The removed and modified disclosures will be adopted on a retrospective basis and the new disclosures will be adopted on a prospective basis. The Company does not expect this guidance will have a material impact on its consolidated financial statements.

In December 2019, the FASB issued ASU No. 2019-12, Income Taxes (Topic 740)—Simplifying the Accounting for Income Taxes. ASU 2019-12 is intended to simplify accounting for income taxes. It removes certain exceptions to the general principles in Topic 740 and amends existing guidance to improve consistent application. ASU 2019-12 is effective for fiscal years beginning after December 15, 2020 and interim periods within those fiscal years, which is fiscal 2021 for us, with early adoption permitted. The Company does not expect adoption of the new guidance to have a significant impact on our financial statements.

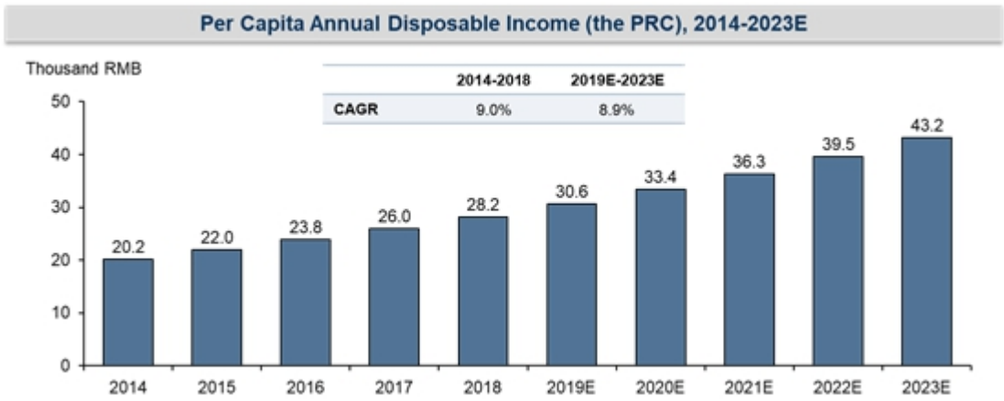
In February 2020, the FASB issued ASU 2020-02, "Financial Instruments – Credit Losses (Topic 326) and Leases (topic 842) Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 119 and Update to SEC Section on Effective Date Related to Accounting Standards Update No. 2016-02, Leases (topic 842)". This ASU provides guidance regarding methodologies, documentation, and internal controls related to expected credit losses. This ASU is effective for interim and annual periods beginning after December 15, 2019, and early adoption is permitted. The Company is evaluating the impact of this guidance on its consolidated financial statements.

OUR INDUSTRY

All the information and data presented in this section have been derived from independent research organizations and sources. The following discussion projections for future growth, which may not occur at the rates that are projected or at all.

OVERVIEW OF THE MACROECNOMIC ENVIRONMENT IN THE PRC

Per Capita Annual Disposable Income



Source: National Bureau of Statistics of China

According to the National Bureau of Statistics of China, during the previous five years, consistent with the steady economic growth, per capita annual disposable income in China rose from RMB20,200 or US$3,279 in 2014 to RMB28,200 or US$ $4,315 in 2018, representing a CAGR of approximately 9.0% from 2014 to 2018. The rise in disposable income contributes to improvements in living standards and increase in health awareness. It is expected that the per capita annual disposable income in the PRC will grow from RMB30,600 or US$4,450 in 2019 to RMB43,200 or US$6,282 under constant exchange rate in 2023, with a CAGR of approximately 8.9%.

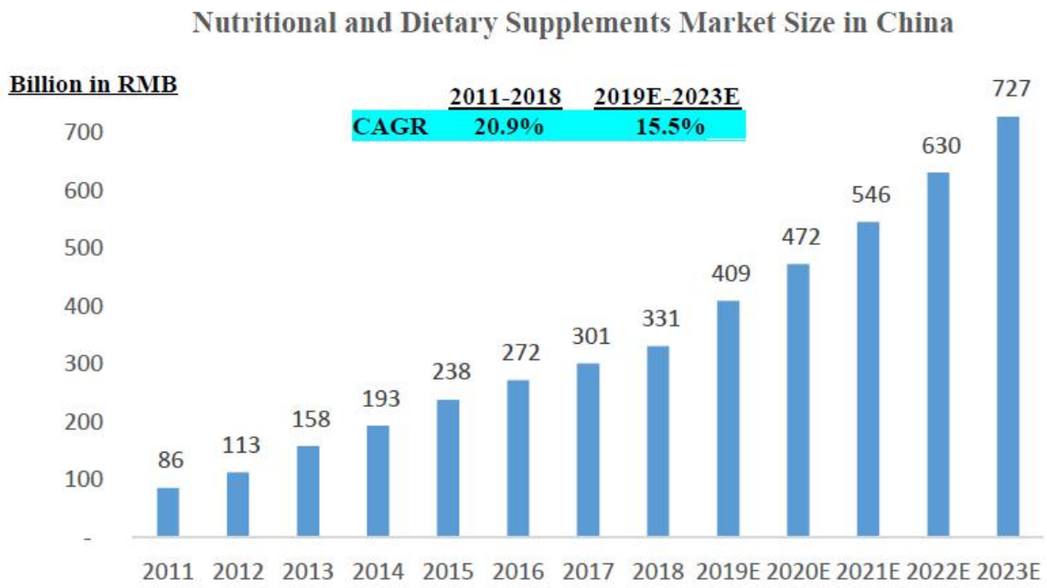
Relevant Dynamics in The Healthcare Industry

Healthcare is among one of the largest sectors of the Chinese economy. The 2018 Statistical Bulletin on the Development of China's Health and Wellness Industry shows that the total health expenditure of China in 2018 is expected to reach RMB5,800 billion or US$998 billion, among which, social health expenditure was RMB2,495 billion or US$382 billion, representing 43.0% and personal health expenditure was RMB1,666 billion or US$256 billion, representing 28.7%. The total health expenditure per capita is RMB4,148 or US635. The total health expenditure accounted for 6.4% of China's GDP in 2018.

The Chinese Government is actively endorsing policies to increase health outcomes for its citizens. According to the Healthy China Action (2019-2030), by 2030, the Chinese Government seeks to improve the health awareness of the general public, which will lead to greatly improved, healthy lifestyles, the average life expectancy will be increased.

The healthcare industry in China will continue to develop. According to Industry Planning and Enterprise Development Strategy in China's Great Health Sector by Forward Industry Research Institute, Great Health industry was RMB2.6 trillion or US$402.5 billion in 2011 and rose to RMB6.2 trillion or US$929.5 billion in 2017, representing a CAGR of approximately 15.6%. China's healthcare industry will reach RMB 7 trillion or US$1.1 trillion, and exceed RMB 10 trillion or US$1.5 by 2020. The annual compound annual growth rate in the next five years (2019-2023) is projected to be12.6%, and China's healthcare industry is expected to reach RMB 14.1 trillion or US2.1 trillion in 2023.

Market Size of Nutritional and Dietary Supplements in China



Source: Forward Industry Research Institute

The nutritional and dietary supplements industry in China has experienced rapid growth in the past decade. In 2011, market size of the sector was RMB85.6 billion or US$13.3 billion and grew at a CAGR of 20.9% to RMB 331 billion or US$49.9 billion in 2018 according the research report by Forward Industry Research Institute. The industry is expected to reach RMB727 billion or US$105.7 billion in 2023 from RMB409 billion in 2019, representing a CAGR of approximately 15.5%.

Market Drivers

Growing disposable income and healthcare awareness. Under supportive economic policies promulgated by the PRC government, the PRC has maintained a stable economic growth amidst the uncertainties in the global economic environment over the past five years. Consumers in the PRC are paying more attention on improvements in living standards and healthcare products and service, accompanying the economic development and rise in disposable income. According to International Monetary Fund (IMF), per capita annual disposable income of the PRC increased with a CAGR of approximately 9.0%. In addition, with the healthcare reform and the implementation of the 13th Five-Year Plan, per capita annual expenditure on healthcare grew at CAGR of approximately 12.0% from 2014 to 2018, which supports the steady development of Chinese patent medicine market in the PRC.

Increasing aging population and prevalence of chronic diseases. As stated by the National Bureau Statistics of China, the PRC population is aging rapidly with the population aged 65 or above increasing at a CAGR of approximately 4.9% during the period from 2014 to 2018. The aging population usually have weaker immune systems and higher possibility of illness. In particular, chronic diseases are prevalent among the elderly, driving the healthcare demand among people aged 65 or above. In addition, as traditional Chinese medicine (“TCM”) products are usually considered helpful in protecting and improving the health and well-being of people, consumers in the PRC usually prefer TCM products and service to maintain health, and prevent and treat diseases. In the next five years, the aging population is forecasted to account for 14.7% of the total population of the PRC, continuously driving the market of Chinese patent medicine in the PRC.

BUSINESS

Overview

Xi'an App-Chem Bio (Tech) Co., Ltd ("Xi'an App-Chem Bio (Tech)") was established in 2006. The company is located in the state-level Xi'an Hi-tech Development Zone. "Quality, innovation, value" is the core concept of Xi'an App-Chem. Xi'an App-Chem focuses on the field of natural products, and our mission is to create value by providing high-quality innovative products and services for customers. Xi'an App-Chem operates through nine subsidiaries:

- Shaanxi App-Chem Health Industry Co., Ltd. (App-Chem Health)
- Xi'an Yanhuang TCM Medical Research and Development Co., Ltd. ("Xi'an YH")
- Shaanxi App-Chem Ag-tech Co., Ltd. ("App-Chem Ag-tech")
- Xi'an Dietary Therapy Health Management Co., Ltd. ("Xi'an DT")
- Tongchuan Dietary Therapy Health Technology Co., Ltd. ("Tongchuan DT)
- Balikun Tianmei Bio (Tech) Co., Ltd. ("Balikun")
- App-Chem Bio (Tech) (Guangzhou) Co., Ltd. ("App-Chem Guangzhou")
- Gansu Baimeikang Bioengineering Co., Ltd.; ("Gansu BMK") and
- Tianjin Yonghexiang Bio (Tech) Co., Ltd. (" Tianjin YHX")

We were co-founded by a team of top-level executives from China's domestic natural products industry, together with experts returned from overseas. For the past 10 years, we have focused on the core needs of the natural products industry, emphasizing technological innovation and supply chain integration. We are devoted to providing a stable supply of high-quality products and services at competitive prices for the functional food, personal care, cosmetic and pharmaceutical industries. "Nourish life with natural essence" is our business concept, and "Becoming an innovative leader of natural functional ingredients and an integrated supplier for the health industry" is our goal. We have formed four technology platforms respectively for natural product large-scale separation, natural product safety improvement, natural product activity enhancement, and natural product function compounding. In addition, based on our technology platform for rehabilitation of the human microbiome, cell death regulation, and anti-aging product development, we are able to provide products and services advantageous in terms of cost, safety, performance, function and other aspects for customers in the food, personal care, cosmetics and pharmaceutical industries.

Product Categories

Fragrance compounds:

- Clary sage extract products (Sclareol, Sclareolide, Ambroxide, Clary Sage Oil, Clary Sage Concrete);
- Lavender essential oil;

While some perfumers may still use the expensive and hard-to-find substance ambergris, which is produced in the intestines of sperm whales, the industry now increasingly uses a substance known as "ambroxide," synthesized from the compound "sclareol" found in clary sage plant. Ambroxide is used both as a fragrance and as a "fixative" for making scents linger longer in products. Made by our proprietary microbial fermentation process and molecular distillation technology, our ambroxide products are produced with higher purity and yield than industry average.

Health supplements (natural, functional active ingredients for powder drinks):

Based on our accumulations in natural functional components separation, biological activity research, product application development, natural product supply chain and other areas, we are able to provide a host of solutions for functional food (health products, nutrients, etc.), functional personal care products (whitening, moisturizing, anti-acne, etc.), natural medicine and other needs, including formulation development, ingredients supply, and product OEM.

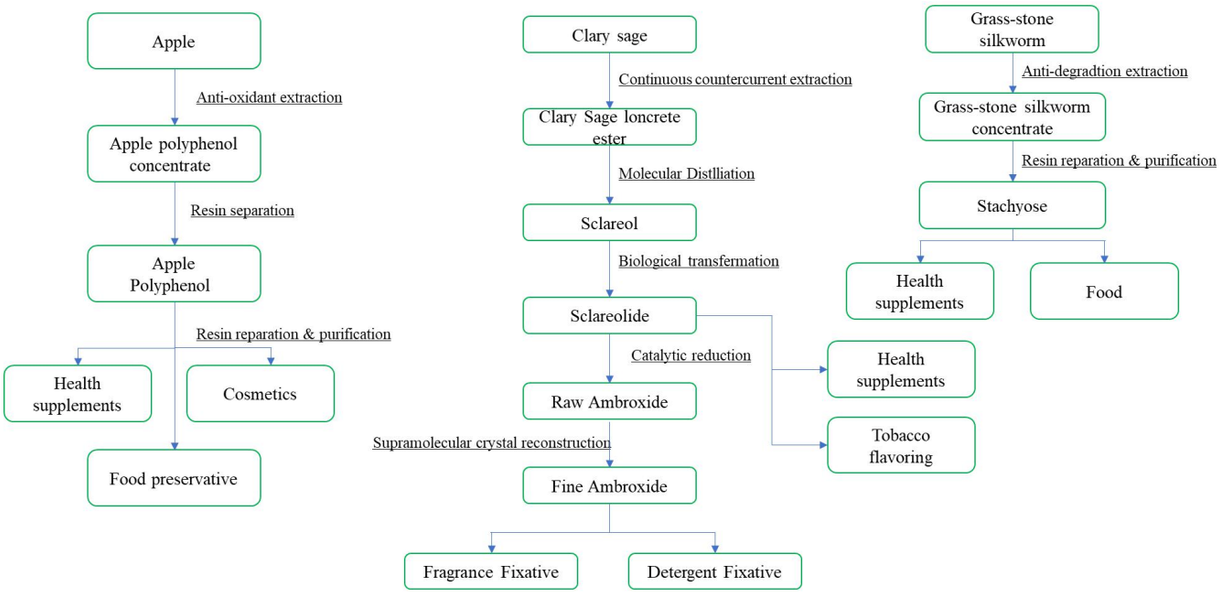
Bioactive food ingredients:

- Stachyose (P60、P70、P80)
- Milk thistle extracts (various solvent Silymarin, Silybin, Water-soluble silymarin and silybin);
- Apple extracts (Apple polyphenol, Apple dietary fiber, Phloridzin, Phloretin)
- Pomegranate extract products (Ellagic acid, Punicalagin,Urolithin)



Our Manufacturing Process

The following chart illustrates our main manufacturing process from raw material purchase to finish products:



Our health supplements (powder drinks) seek to improve personal health with naturally extracted active ingredients. For example, apple polyphenols are major antioxidants extracted from apples and may contribute to color, flavor, odor and oxidative stability. Therefore, apple polyphenols are widely used in various applications, including health supplements, cosmetics, and food preservation. Our proprietary manufacturing process of apple polyphenols principally involves the following steps: continuous anti-oxidant extraction, and continuous resin chromatographic separation and purification.

Our fragrance compound products are plant-based natural extracts widely used as fixatives in fragrance, detergent, health supplements and tobacco flavoring. There are three different products being produced along our proprietary manufacturing process, Sclareol, Sclareolide and Ambroxide. Our manufacturing process of clary sage products can be summarized as: i) continuous countercurrent extraction to ensure faster, more efficient and higher yield than traditional extraction methods; ii) molecular distillation to improve evaporation velocity, and liquid film distribution as well as to reduce heating time and degradation of thermo-sensitive materials; iii) biological transformation with water as media, thus no chemical or heavy metal residues; followed by catalytic reduction; and iv) supramolecular crystal reconstruction to produce our fine ambroxide for use in fragrance or detergent fixatives.

A good example of our bioactive food ingredients is stachyose, as a single prebiotic, which seeks to accelerate proliferation of bacillus bifidus. Used together with other prebiotic bacteria, it helps greatly in adjusting intestinal bacteria groups, relieving constipation and keeping intestines youthful and perpetually healthy. Our quality control is throughout the entire production and starts souring from the farms with superior quality. The first step is anti-degradation extraction with a special protective agent followed by continuous resin chromatographic separation and purification to produce high purity stachyose.

Intellectual Property

Patents

As a result of our collection of academic and technological expertise, as of June 30, 2020, we had 12 approved patents and 1 applying patent in China, as set forth in the following table:

No	Patent Name	Patent No./ Application No.	Authorization Date/ Application Date	Status
1	Method for separating sclareol	ZL 2008 1 0231943.X	July 20, 2011	Authorized
2	Preparation method of applephenon	ZL 2010 1 0179259.9	October 5, 2011	Authorized
3	Method for preparing osthole	ZL 2010 1 0531931.6	February 8, 2012	Authorized
4	Process for separating imperatorin from osthole extract waste liquid	ZL 2010 1 0531934.X	April 11, 2012	Authorized
5	Method for preparing punicalagin and ellagic acid from pomegranate rind	ZL 2010 1 0531940.5	May 23, 2012	Authorized
6	Molecular distillation and purification method for conjugated linolenic acid	ZL 2010 1 0531945.8	August 15, 2012	Authorized
7	Flatstem milkvetch seed solid beverage and preparation method thereof	ZL 2010 1 0531836.6	December 5, 2012	Authorized

8	Method for extraction separation of rutin of tartary buckwheat	ZL 2013 1 0645312.3	March 2, 2016	Authorized
9	Method for synthesizing luteolin	ZL 2010 1 0531920.8	August 22, 2012	Authorized
10	Method for preparing baicalin	ZL 2010 1 0531839.X	September 26, 2012	Authorized
11	Synthetic method of biapenem drug intermediate 4-AA	ZL 2013 1 0632993.X	July 13, 2016	Authorized
12	Functional instant tea and preparation technology thereof	ZL 2015 1 0294685.X	January 15, 2019	Authorized
13	Formula of functional tea for regulating intestines and stomach and preparation process thereof	201510294493.9	June 2, 2015	Pending

Key Suppliers and Customers

We enjoy a broad network of raw materials suppliers and customers and distributors. Our relationships with our customers and suppliers are based on standardized terms for the supply of specific products with a specific ingredient purity, referred to as content %. Payment terms are mixture of cash on delivery and a specifically-agreed maximum days payable outstanding ("DPO").

Below is a tabular summary of our relationships with our most important suppliers:

Supplier Name	Product Name	Use	Terms
Molbase (Shanghai) Biotechnology Co., Ltd.	Clary sage extract	Raw materials for fragrance and perfume	Procure for the Company by Molbase as the trade platform with commission fee, cash on delivery
	Stachys affinis extracts	Raw materials for stachyose, one of health supplements	Procure for the Company by Molbase as the trade platform with commission fee, cash on delivery
	Ambroxide	Raw materials for fragrance and perfume	Procure for the Company by Molbase as the trade platform with commission fee, cash on delivery
	Ambroxide	Raw materials for fragrance and perfume	Procure for the Company by Molbase as the trade platform with commission fee, cash on delivery
Jiaxing Molbase Information Technology Co., Ltd.	Neohesperidin dihydrochalcone (NHDC)	For food sweeteners	Procure for the Company by Molbase as the trade platform with commission fee, cash on delivery
	Milk thistle extracts	Raw materials for bioactive food ingredients	Procure for the Company by Molbase as the trade platform with commission fee, cash on delivery
Dali Zhengxin Species Co., Ltd.	Ambroxide	Raw materials for fragrance and perfume	Content: 95%, centralized supply in specific days payable outstanding (DPO)

The principal raw materials used for our production are various natural and plant-based extracts. Raw material purchases from suppliers which individually exceeded 10% of the Company's total raw material purchases, accounted for approximately 49.0% (three suppliers) and 67.4% (four suppliers) of our total raw material purchases for the years ended September 30, 2019 and 2018, respectively. Management believes that other suppliers could provide similar raw materials on comparable terms. A change in suppliers, however, could cause a delay in manufacturing and a possible loss of sales, which would adversely affect our business, financial position and results of operations.

Below is a tabular summary of our relationships with our most important customers:

Customer Name	Product Name	Application	Terms
Tianjin Mingrunbaili Trade Co., Ltd.	Clary sage extract	Fragrance and perfume	Special specification product, long-term cooperation in specific days payable outstanding (DPO)
	Stachyose	Bioactive food ingredients	Special specification product, long-term cooperation in specific days payable outstanding (DPO)
Shanghai Yunsheng International Trade Co., Ltd.	Apple polyphenol	Health supplement (powder drinks)	70% content, low pesticide residue, long-term cooperation in specific days payable outstanding (DPO)
	Milk thistle extracts	Bioactive food ingredients	30% content, low solvent residue, long-term cooperation in specific days payable outstanding (DPO)
OQEMA Ltd	Ambroxide	Fragrance and perfume	99% content, long-term cooperation in specific days payable outstanding (DPO)
Symrise Private Limited	Ambroxide	Fragrance and perfume	99% content, long-term cooperation in specific days payable outstanding (DPO)

We sell our products primarily through direct distributors in the PRC and, to some extent, to overseas customers in Europe. For the year ended September 30, 2019, three customers accounted for 17.2%, 12.1% and 10.2% of the Company's total revenue, respectively. For the year ended September 30, 2018, two customers accounted for 23.8% and 12.2% of the Company's total revenue, respectively. Our top 10 customers aggregately accounted for 74.4% and 72.5 % of the total revenue for the years ended September 30, 2019 and 2018, respectively.

Marketing and Competition

Market Focus — Raw Materials and Ingredients and Functional Health

Our product sales are carried out by two departments – Raw Materials and Ingredients and Functional Health. Our Raw Material Ingredients Department sells natural active ingredients such as stachyose, apple polyphenol, Ambroxide, and others to customers in the functional food and personal care industries, accounting for around 70% of the company's total sales. The Functional Health Department focuses on human micro-biome adjustment and control products, providing small and medium-sized customers in the Chinese domestic Big Health industry with one-stop solutions from product design, research and development, and procurement to OEM in digestive health, metabolic health, immune health and other fields. The Functional Health Department accounts for about 30% of the company's overall business. Our marketing efforts are focused in two areas – the international market and the domestic Chinese market. The international market is dominated by raw materials and ingredients, while the domestic market is primarily focused on functional health.

Our raw materials and ingredients businesses are promoted through exhibitions, professional journals, academic conferences, and social platforms (social broadcasting), with academic promotion of professional knowledge and general scientific knowledge being the main methods. We are committed to promoting and maintaining our brand image in the natural ingredients industry. Our brands and slogans, such as App-Chem, App-Chem Stachyose for Healthy Digestion in China ("天美水苏糖，健康中国肠"), App-Chem Cares Life ("天然至美呵护生命至美"). are well recognized and widely praised in the industry. We have established a strong and widely known reputation in the international natural products industry, especially in the field of micro-biome health.

Our functional health business focuses on adjustment and control of the micro-biome and focuses on immune health and digestion health as the target market. The Company promotes itself through exhibition, social platforms (stachyose social broadcasting), and Internet promotions (Ning Xiang Tang Nutrition Powder, and Tianmei Jinghao Nutrition Powder). The products are quick-acting and potent, as well as safe and compliant with local legal requirements. Through continuous efforts, the Company has established a sound reputation in the Great Health industry and has become a preferred supplier for several leading clients both at home and abroad.

Leading Competitors

Our main competitors are suppliers of functional ingredients, nutrition food, and traditional Chinese medicine functional food in the Big Health industry. They are as follows:

QHT- a leading probiotics supplier in China

Quantum Hi-Tech (China) Biotechnology Co., Ltd., publicly listed in 2010, is a national hi-tech enterprise committed to micro-ecology health. As a leading enterprise in the micro-ecological health industry, Quantum Bio has brands like Oligo, and Sheng He Tang, and operates the largest production site of oligosaccharide in China. QHT focuses on the field of probiotics with products like oligosaccharide and galactooligosaccharide, which can regulate intestinal microecological balance in dual manner by stimulating beneficial bacteria and inhibiting harmful bacteria. These products have been identified by the Public Nutrition and Development Center of the Macro Economy Institution of the National Development and Reform Commission as advocacy products of nutrition and health, and emerging products with wide-ranging and promising applications. In 2013, Forbes China included QHT in its Top 200 Listed Small- and Medium-sized Asian Enterprises. QHT and its logo are a well-known trademark in China. As of March 2020, QHT's total market value reached US $1 billion.

Chenguang Biotech (CCGB)- a leading natural ingredients supplier in China

Chenguang Biotech Group Co., Ltd., another publicly listed company, has twenty subsidiaries and is an export- and foreign-exchange-generation-oriented enterprise which integrates intensive processing of agricultural products and extract of natural plants. It mainly develops and produces natural colors, natural spice extracts and essential oils, natural nutrition and medicinal extracts, and protein oils. Among its products, the production and sales volume of natural colors is the highest in China, and that of capsanthin the highest in the world. Its chili extracts account for over 85% of total domestic output for that product. It's lutein, beet red and other varieties occupy a significant share of world production. As of March 2020, the total market value of Chenguang Biotech Group Co., Ltd. reached ¥ 4.7 billion.

Tong Ren Tang- a leading producer of traditional Chinese medicine and health products in China

Beijing Tong Ren Tang (Group) Co., Ltd., a wholly state-owned company, is authorized by the municipal government to operate state-owned assets. It was founded in 1669, with a history of 343 years. The group adheres to the development strategy of "taking modern traditional Chinese medicine as the core, developing life and health industry, and becoming an internationally renowned modern traditional Chinese medicine group". It takes "growing, strengthening and expanding" as its policy, and takes innovation and technology as its mission. Its sales revenue, profits, export earnings and the number of overseas terminals rank first in the industry in China. Since 1997, Tong Ren Tang has maintained sustained and healthy development, with its economic indicators reaching double-digit growth for 15 consecutive years, doubling every five years. As of 2011, the group has a total asset of ¥14 billion, a sales revenue of ¥16.3 billion, a profit of ¥1.316 billion, and foreign exchange earnings of $33.92 million. It has set up 64 pharmacies and 1 overseas production and research base in 16 overseas countries and regions. Its products are sold to more than 40 overseas countries and regions.

At the same time, Tong Ren Tang's dual function of being both an economic entity and a cultural carrier has become increasingly apparent. It has achieved fruitful results in brand maintenance and promotion, cultural innovation and inheritance. The "Tong Ren Tang traditional Chinese medicine culture" has been approved as one of the first items to be included in the List of National Intangible Cultural Heritage. It has signed a strategic cooperation framework agreement with the Confucius Institute Headquarters (Hanban) to jointly promote Tong Ren Tang traditional Chinese medicine culture and has further strengthened the overseas dissemination of Tong Ren Tang Culture by using the Confucius Institute platform. As of March 2020, Tong Ren Tang's total market value reached ¥ 34.3 billion.

BY-HEALTH- a leading supplier of nutrients by indirect selling in China

Founded in October 1995, BY-HEALTH introduced dietary supplements into China's indirect selling market systematically in 2002. It has since grown rapidly into a leading brand and benchmark enterprise of dietary supplements in China. In August 2010, Yao Ming, the former international basketball superstar, signed contract to become its brand ambassador. On December 15, 2010, BY-HEALTH was listed on the Growth Enterprise Market (GEM) of Shenzhen Stock Exchange.

For more than a decade, BY-HEALTH has been adhering to differentiated global quality strategy in three steps, namely, from global raw materials procurement, to establishment of its global base for the sole purpose of supplying raw materials, and then to the establishment of a global self-owned organic farm. So far, BY-HEALTH has sources of raw materials from 23 countries and regions worldwide. It has set up 5 exclusive raw materials bases in Brazil, Australia and other places. Now, its own organic farms are under planning. BY-HEALTH will make unremitting efforts to select high-quality raw materials from all over the world, bringing together the essence of nutrition, and building a "United Nations" of nutrients that selects the best from the better. As of March 2020, the total market value of BY-HEALTH reached ¥ 27.2 billion.

Competitive Challenges and Advantages

Our competitors' main advantages are as follows:

- Stronger business scale and capital strength – Our main competitors are listed public companies, with relatively longer development histories, larger business scales and stronger financial strength.

- Larger and more complete sales networks — Since our main competitors have larger business scales, their market sales networks are accordingly wider.

- Brand recognition – Due to the advantages of being well-identified public companies, their high levels of marketing and promotion and, in some cases, inherited historical advantages, our main competitors have greater brand recognition.

Compared with our main competitors, our advantages are mainly reflected in the following two aspects:

- More advanced technology and products – Our main competitors' technologies are mainly traditional physical and chemical techniques such as extraction and separation. Relatively speaking, we employ more advanced bio-manufacturing technologies, which give us enormous disproportional advantage in production efficiency and cost (a cost advantage of 20% to 60% over our main competitors).

- First-mover advantage – The primary market focus for our products is nutritional health and personal care adjusted and controlled by the human micro-biome. This relatively new and fast-growing product focus has been made possible by recent breakthroughs in human micro-biome technology. Unlike our main competitors, we are strongly focused on this rapidly expanding market. We believe this gives us an important first-mover advantage. We intend to use this growing market niche to achieve rapid development and growth without immediate and direct competitive pressure from larger firms. Our market network, financial strength, brand awareness, and other areas will gradually improve as the Company grows and develops. As we become as more powerful market player, we will become better positioned to compete with larger, more established companies.

Development and Expansion Strategy

The key components of our development and expansion strategy over the next two-to-three years are as follows:

Raw Material and Ingredients

Using our current projects as a foothold, we intend to expand our plants to increase productivity and enlarge our markets to ensure sustainable growth. Over the next two to three years, our raw materials and ingredients business will be centered on the Great Health market and focus on the core needs of the functional food and personal care industries. We view our current business in this area as foundation from which we can expand our plants, increase our productivity, improve our technology and equipment, optimize our supply chain, and broaden our sales channels to ensure a steady and sustainable growth. Management is committed to achieving a compound annual growth rate in this business line of no less than 30%.

Functional Health

In our functional health business, we intend a rapid expansion focused on the development and introduction of innovative new products. Over the next two to three years, we will continue to place an intensive focus on human micro-biome health, and actively develop a series of functional food and personal care products featuring strong and fasting-acting effects on the respiratory and gastrointestinal areas of the human micro-biome. These products will be designed to take advantage of precise adjustment and regulation of the human micro-biome. The quality raw materials produced by our own natural ingredients business will provide us a significant cost advantage in these efforts.

History and Organizational Structure

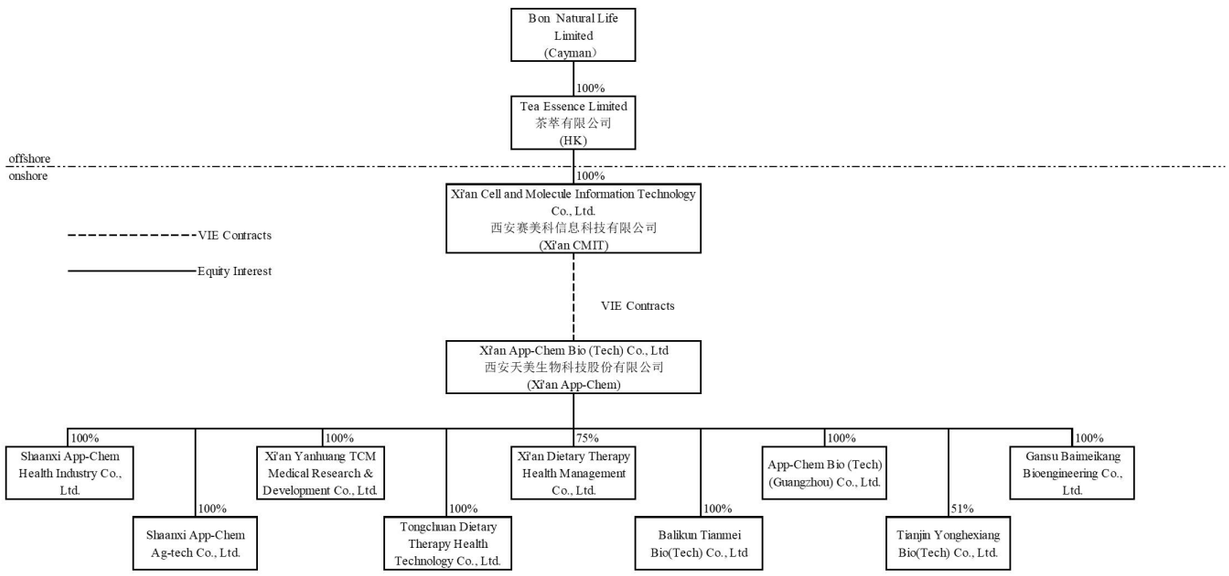
We commenced our natural products and ingredients business through Xi'an App-Chem Bio(Tech) Co., Ltd. ("Xi'an App-Chem") is a corporation formed in the People's Republic of China in April of 2006. On April 23rd, 2006, Xi'an App-Chem received its Business License (Registration No.: 6101012116403) from the Xi'an Administration for Industry and Commerce.

On December 11, 2019, Bon Natural Life Limited was incorporated under the laws of the Cayman Islands as our offshore holding company to facilitate financing and offshore listing. Bon Natural Life Limited subsequently established a wholly-owned PRC subsidiary, Xi'an CMIT Due to PRC legal restrictions on foreign ownership in companies that conduct online sales in China, we carry out our business through Xi'an App-Chem, a domestic PRC company, equity interests in which are held by PRC citizens. Xi'an CMIT entered into a series of contractual arrangements, including a Loan Agreement, an Exclusive Service Agreement, a Shares Pledge Agreement, an Exclusive Option Agreement, and a Proxy Agreement and Power of Attorney, with Xi'an App-Chem and its shareholders, and obtained spousal consent letters by the spouses of the shareholders of Xi'an App-Chem. These shareholders are Yongwei Hu, Jing Liu, Wei Wang, Jianli Liu, Fangfang Dong, Kai Zhang, Huixia Guan, Yizhen Jia, Yanna An, and Weihua Liu, collectively holding 100% of equity interest in Xi'an App-Chem.

As a result of these contractual arrangements, we have effective control over, and are the primary beneficiary of, Xi'an App-Chem. Xi'an App-Chem is therefore our consolidated variable interest entity, or consolidated VIE, which generally refers to an entity in which we do not have any equity interests but whose financial results are consolidated into our consolidated financial statements in accordance with U.S. GAAP because we have effective financial control over, and are the primary beneficiary of, that entity. We treat Xi'an App-Chem and its subsidiaries as our consolidated affiliated entities under U.S. GAAP and have consolidated their financial results in our consolidated financial statements in accordance with U.S. GAAP. However, those contractual arrangements may not be as effective in providing operational control as direct ownership. See "Risk Factors—Risks Related to Our Corporate Structure" and "Risk Factors—Risks Related to Doing Business in China."

The following diagram illustrates our corporate structure, including our subsidiary, the VIE, and the VIE's subsidiaries, as of the date of this prospectus:

Coporate Structure of Bon Natural Life Limited



Note: Shareholders of Xi'an App-Chem are Yongwei Hu, Jin Liu, Wei Wang, Jianli Liu, Fangfang Dong, Kai Zhang, Huixia Guan, Yizhen Jia, Yanna An, Weihua.

The following is a summary of the currently effective contractual arrangements by and among Xi'an CMIT, our wholly-owned subsidiary, Xi'an App-Chem Bio(Tech) Co., Ltd. ("Xi'an App-Chem"), our consolidated affiliated entity, and the shareholders of Xi'an App-Chem.

Agreements that provide us effective control over Xi'an App-Chem

Proxy Agreement and Power of Attorney

On May 28, 2020, Xi'an App-Chem and the shareholders of Xi'an App-Chem entered into a proxy agreement and power of attorney with Xi'an CMIT. Pursuant to the proxy agreement, each of the shareholders of Xi'an App-Chem irrevocably appointed Xi'an CMIT, as their attorney-in-fact to exercise all shareholder rights, including but not limited to: (i) calling for and attending shareholders meetings as the proxy of the shareholders; (ii) executing and delivering any and all written resolutions in the name and on behalf of the shareholders; (iii) voting by himself/herself or by proxy on any matters discussed on shareholders' meetings, including without limitation, the sale, transfer, mortgage, pledge or disposal of any or all of the assets of Xi'an App-Chem; (iv) selling, transferring, pledging or disposing of any or all of the shares in the Xi'an App-Chem; (v) nominating, appointing or removing the directors of the Xi'an App-Chem when necessary; and (vi) exercising other rights granted to the shareholders by the articles of association of Xi'an App-Chem. Xi'an CMIT has the right to execute documents in connection with and perform other obligations under the shares pledge agreement and exclusive option agreement. Any conduct of Xi'an CMIT in connection with Xi'an App-Chem will be deemed as the conduct of the shareholders of Xi'an App-Chem. Any documents executed by Xi'an CMIT in connection with Xi'an App-Chem will be deemed to be executed by the shareholders of Xi'an App-Chem. Each of the shareholders of Xi'an App-Chem agreed to acknowledge, accept, and approve such conduct of or execution by Xi'an CMIT. The proxy agreement and power of attorney shall remain effective as long as the Xi'an App-Chem. Xi'an CMIT has the right to appoint, at its sole discretion, a substitute or substitutes to perform any or all of its rights of the Attorney-in-Fact under the proxy agreement, and to revoke the appointment of such substitute or substitutes. If and only if Xi'an CMIT sends a written notice to the shareholders of Xi'an App-Chem to replace its designated person, the shareholders of Xi'an App-Chem shall promptly appoint the replaced designated person as their new attorney-in-fact under their power of attorney. Otherwise, the authorization and appointment by the shareholders of Xi'an App-Chem's shall not be revoked.

Shares Pledge Agreement

On May 28, 2020, Xi'an CMIT, Xi'an App-Chem and the shareholders of Xi'an App-Chem entered into a shares pledge agreement, as amended and supplemented on June 10, 2020. Pursuant to the shares pledge agreement, except Yongwei Hu pledged his 17,075,008 shares in Xi'an App-Chem, each of other shareholders of Xi'an App-Chem pledged all of their shares in Xi'an App-Chem to guarantee their and Xi'an App-Chem's performance of their obligations under the contractual arrangements, including the exclusive services agreement, the exclusive option agreement, and the loan agreement. If Xi'an App-Chem or its shareholders breach their contractual obligations under these agreements, Xi'an CMIT, as pledgee, will have the right to dispose of the pledged shares in Xi'an App-Chem and priority in receiving the proceeds from such disposal. The shareholders of Xi'an App-Chem also agreed that, during the term of the shares pledge agreement, they will not dispose of the pledged shares or create or allow any encumbrance on the pledged shares. During the term of the shares pledge agreement, Xi'an CMIT has the right to receive all of the dividends and profits distributed on the pledged shares. The share pledges become effective when the pledged shares contemplated in the shares pledge agreement are registered with the relevant administration for industry and commerce in accordance with the *PRC Property Rights Law*. The Pledge shall be continuously valid and the term of the Pledge ends at the earliest of the following three dates: (i) the date on which the unpaid secured obligation has been fully settled or otherwise repaid; (ii) the date on which the Pledgee exercises the Pledge in accordance with the terms and conditions of this Agreement to fully realize its rights to the secured obligation and the Pledged Shares; or (iii) the date on which the Pledgors have transferred all of its shares to a third party (natural or legal person) and no longer holds the Company's shares in accordance with the Exclusive Option Agreement.

Loan Agreement

On May 28, 2020, Xi'an Cell and Molecule and the shareholders of Xi'an App-Chem entered into a loan agreement. Pursuant to the loan agreement, Xi'an CMIT will provide an interest-free loan in the amount of RMB70,000,000 to the shareholders of Xi'an App-Chem in the aggregate. The term of the Loan shall be 10 years from the date of this Agreement, which may be extended upon the mutual written consent of the Parties. The shareholders of Xi'an App-Chem agree and warrant to use the loan to increase the registered capital of Xi'an App-Chem. The loan agreement shall take effect as the date of the signing of the loan agreement. The loan agreement shall remain effective as long as the loan exists.

Exclusive Option Agreement

On May 28, 2020, Xi'an CMIT, Xi'an App-Chem and the shareholders of Xi'an App-Chem entered into an exclusive option agreement. Pursuant to the exclusive option agreement, each of the shareholders of Xi'an App-Chem irrevocably granted Xi'an CMIT an exclusive option to purchase, or have its designated entity or person to purchase, at its discretion, to the extent permitted under PRC laws, all or part of the shareholders' shares in Xi'an App-Chem. The purchase price shall be equal to the loan provided by the Xi'an CMIT to the shareholders under the Loan Agreement. In addition, Xi'an App-Chem granted Xi'an CMIT an exclusive option to purchase, or have its designated entity or person, to purchase, at its discretion, to the extent permitted under PRC laws, all or part of Xi'an App-Chem's assets. The purchase price also shall be equal to the loan provided by the Xi'an CMIT to the shareholders under the Loan Agreement. Without the prior written consent of Xi'an CMIT, the shareholders of Xi'an App-Chem may not increase or decrease the registered capital, dispose of its material assets, terminate any material contract or enter into any contract that is in conflict with its material contracts, appoint or remove any management members, distribute dividends to the shareholders, amend its articles of association or provide any loans to any third parties, and shall guarantee the continuance of Xi'an App-Chem. The exclusive option agreement shall be valid for ten (10) years, and may automatically be extended for another ten (10) years when expires. The exclusive option agreement may be extended for unlimited times.

Agreement that allows us to receive economic benefits from Xi'an App-Chem

Exclusive Services Agreement

On May 28, 2020, Xi'an CMIT and Xi'an App-Chem have executed an exclusive service agreement. Under the exclusive service agreement, Xi'an CMIT has the exclusive right to provide Xi'an App-Chem with the technical and business support services required by Xi'an App-Chem's business. Xi'an CMIT owns the exclusive intellectual property rights created as a result of the performance of this agreement. Xi'an App-Chem agrees to pay Xi'an CMIT an annual service fee. The annual service fee is calculated based on the revenue of Xi'an App-Chem and the corresponding operating cost and sales, management and other costs and expenses, and may be charged in the form of: (i) a percentage of the revenue of Xi'an App-Chem; (ii) a fixed license fee for certain software; and/or; (iii) other method determined from time to time by Xi'an CMIT according to the nature of services provided. The term of the exclusive service agreement is ten (10) years and shall be automatically extended for successive ten (10) years. Xi'an CMIT may terminate this Agreement, at its sole discretion, at any time with a written notice to Xi'an App-Chem given thirty (30) days in advance. Xi'an App-Chem has no right to terminate the exclusive service agreement.

Spousal Consents

On May 28, 2020, each of the spouses of the shareholders of Xi'an App-Chem signed a spousal consent letter. Under the spousal consent letters, each signing spouse unconditionally and irrevocably agreed that the spouse is aware of the abovementioned loan agreement, an exclusive service agreement, a shares pledge agreement, an exclusive option agreement, and a proxy agreement and power of attorney, and has read and understood the contractual arrangements. Each signing spouse committed not to impose any adverse assertions upon the validity and existence of such contractual arrangement based on the existence or termination of the marital relationship with the relevant shareholder of Xi'an App-Chem, or exert any impediment or adverse influence over the performance of any contractual arrangement by the shareholder of Xi'an App-Chem.

In the opinion of Chamzon Law Firm, our PRC legal counsel:

- the ownership structures of Xi'an App-Chem and Xi'an CMIT, both currently and immediately after giving effect to this offering, will not result in any violation of PRC laws or regulations currently in effect; and

- the contractual arrangements among Xi'an CMIT, Xi'an App-Chem and its shareholders governed by PRC laws both currently and immediately after giving effect to this offering are valid, binding and enforceable, and will not result in any violation of PRC laws or regulations currently in effect,except for the pledged shares in Xi'an App-Chem is still pending for registration with the local branch of the SAMR, before completion of which, the pledge over the shares in Xi'an App-Chem would not be deemed validly created..

However, there are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules. Accordingly, the PRC regulatory authorities may in the future take a view that is contrary to or otherwise different from the above opinion of our PRC legal counsel. It is uncertain whether any new PRC laws or regulations relating to variable interest entity structures will be adopted or if adopted, what they would provide. If the PRC government finds that the agreements that establish the structure for operating our business do not comply with PRC government restrictions on foreign investment in our businesses, we could be subject to severe penalties including being prohibited from continuing operations. See "Risk Factors—Risks Related to Our Corporate Structure. —If the PRC government finds that the agreements that establish the structure for conducting certain of our operations in China do not comply with PRC regulations relating to the relevant industries, or if these regulations or the interpretation of existing regulations changes in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations" and "Risk Factors—Risks Related to Doing Business in China—Uncertainties with respect to the PRC legal system could adversely affect us."

Xi'an App-Chem's Operating Subsidiaries

The table below provides a summary of Xi'an App-Chem's operating subsidiaries ("Bon Operating Companies") and their primary business functions:

Name of Entity	Date of Incorporation	Place of Incorporation	% of Ownership	Principal Activities
Bon Natural Life	December 11, 2019	Cayman Islands	Parent, 100%	Investment holding
Tea Essence	January 9, 2020	Hong Kong	100%	Investment holding
Xi'an CMIT	April 9, 2020	Xi.an City, PRC	100%	WOFE, Investment holding
VIE of the Company:				
Xi'an App- Chem Bio (Tech)	April 23, 2006	Xi'an City, PRC	VIE	General administration and sales of the Company's products to customers
Bon Operating Companies (owned by VIE)				
App-Chem Health	April 17, 2006	Tongchuan City, PRC	100% owned by VIE	Product manufacturing
App-Chem Ag-tech	April 19, 2013	Dali County, PRC	100% owned by VIE	Registered owner of land with an area of 12,904 square meters , no other business activities
Xi'an YH	September 15, 2009	Xi.an City, PRC	100% owned by VIE	Research and development of product
Balikun	December 16, 2016	Balikun City, PRC	100% owned by VIE	No active business operation
App-Chem Guangzhou	April 27, 2018	Guangzhou City, PRC	100% owned by VIE	Raw material purchase
Tongchuan DT	May 22, 2017	Tongchuan City, PRC	100% owned by VIE	Product manufacturing
Xi'an DT	April 24, 2015	Xi'an City, PRC	75% owned by VIE	Research and development of product
Tianjin YHX	September 16, 2019	Tianjin City, PRC	51% owned by VIE	Raw material purchase
Gansu BMK	March 11, 2020	Jiuquan City, PRC	100% owned by VIE	Raw material purchase

Property, Plants, and Equipment

Our current property and equipment consist of buildings, machinery, vehicles, and construction in progress with a total net book value of $9,498,052 as of September 30, 2019. Xi'an App-Chem has three facilities, one of which is in operation, one of which is under construction, and third site in the acquisition and planning stage:

Weinan Raw Materials and Ingredients Production Site

This site, located in Xuzhuang Industrial Park, Dali County, Weinan, Shaanxi, occupies an area of 30 mu, or approximately 5 acres (1 mu=0.165 acre) and a building area of 11,000 m^2, or 118,403 square feet. It is rented by the Company at RMB 23,500 or $3,417 per month. It is equipped with a plant extract workshop (which has 4 sets of extraction equipment consisting of 6 m^3 or 212 cubic feet multifunctional extraction tanks, 3 sets of concentration equipment, 14 sets of separation equipment and 23 sets of storage and transport equipment), a refining, drying, and packing workshop (2 sets of spray and drying towers, 6 sets of drying equipment, 2 sets of crushing equipment and over 20 other related equipment), a spices refinement workshop (70 sets of various production equipment with volume from 2000L to 5000L, 1 set of molecular distillation equipment, 1 set of water treatment equipment, 1 set of ash treatment equipment and 15 sets of refrigeration and pressure equipment). This facility mainly manufactures products in our clary sage series, apple polyphenols series, and stachyose products.

Tongchuan Functional Health Business Production Site

This site, located at the intersection of Datang Third Road and Changhong South Road, Southern Industrial Park, New Downtown District, Tongchuan, Shaanxi, covers an area of 24.8 mu or approximately 4.1 acres (1 mu=0.165 acre) and a construction area of 13,500 m^2 or approximately 145,313 square feet. It is under construction and planned to establish 3 disinfection production lines, 2 production lines of powder drinks and pressed candies, 3 paste production lines, 2 production lines of special diets and 1 research and development center, quality inspection center, product exhibition center and a comprehensive office area. After completion, the value of this new plant's total output is expected to reach up $150 million per year. The project is expected to be completed in June of 2021. As of the date of this report, the bulk of the required investment in this project ($11.3 million out of $13.6 million total cost) has been made. Management expects the remaining required expenditures to be funded through the Company's operational cash flow. The Company has obtained a long-term land use certificate for this site. No additional expenditures or other conditions are required to maintain the sustainable land use right.

Yumen Raw Materials and Ingredients Production Site

We have been in the process of establishing the Yumen Raw Materials and Ingredients Production Site in Yumen, Gansu since April of 2020. This plant will cover an area of 50 mu or approximately 8 acres (1 mu=0.165 acre) at an investment of $2.85 million. It is currently in the "bidding, auction and listing" stage of land use right purchasing, and the timing of the completion of the purchase and subsequent development schedule is still uncertain at this point. The company expects to acquire the long-term land use right for this site at a cost of $250,000. The company is planning to staff approximately 35 employees, including 26 in production, 3 in quality control, 2 in R&D, 2 in finance, and 2 in office and administrative departments.

Employees

As of June 16, 2020, we had a total of 81 full time employees, of which 43 are in production, 4 are in quality control, 11 are in R&D, 12 are in sales and marketing, 6 are in finance and accounting, and 5 are in office and administration. We do not have any part time employees.

REGULATIONS

This section sets forth a summary of the most significant rules and regulations that affect our business activities in China or our shareholders' rights to receive dividends and other distributions from us.

Regulations Relating to Foreign Investment

Industry Catalogue Relating to Foreign Investment.

Investment activities in China by foreign investors were principally governed by the *Guidance Catalogue of Industries for Foreign Investment*, or the *Catalogue*, which was promulgated and amended from time to time by the Ministry of Commerce, or MOFCOM, and the National Development and Reform Commission. The most updated Catalog was promulgated on June 28, 2017, and became effective on July 28, 2017, and contains specific provisions governing market access of foreign capital and stipulates in details the areas of entry on the categories of encouraged industries for foreign investment, restricted industries for foreign investment and prohibited industries for foreign investment. The *Special Management Measures for the Market Entry of Foreign Investment (Negative List) (2019),* or the *Negative List 2019*, and the *Catalog of Encouraged Industries for Foreign Investment (2019 Edition)* were promulgated on June 30, 2019, and became effective July 30, 2019, which replaced the *Catalog*. According to the current regulation, any industry not listed in the *Negative List 2019* is a permitted industry and is generally open to foreign investment unless specifically prohibited or restricted by PRC laws and regulations.

We are engaged in online sales. According to the *Negative List 2019*, the foreign investment in value-added telecommunications services provider shall not exceed 50% (excluding e-commerce, domestic multi-party telecommunication, storage, and forwarding business, and call center). Therefore, we provide online product sales through our consolidated VIE in China.

Foreign investment law

On March 15, 2019, the National People's Congress, or the NPC, promulgated the *PRC Foreign Investment Law of the PRC*, or the *Foreign Investment Law*, which became effective on January 1, 2020, and replaced the *Sino-foreign Equity Joint Venture Enterprise Law*, the *Sino-foreign Cooperative Joint Venture Enterprise Law,* and the *Wholly Foreign-invested Enterprise Law*, together with their implementation rules and ancillary regulations. The organization form, organization, and activities of foreign-invested enterprises shall be governed, among others, by the *PRC Company Law* and the *PRC Partnership Enterprise Law*. Foreign-invested enterprises established in accordance with the *Sino-foreign Equity Joint Venture Enterprise Law* , the *Sino-foreign Cooperative Joint Venture Enterprise Law,* and the *Wholly Foreign-invested Enterprise Law* before the implementation of the *Foreign Investment Law* may retain the original business organization and so on within five years after the implementation of the *Foreign Investment Law*. The *Foreign Investment Law* provides that that foreign investment refers to investment activities directly or indirectly conducted within China by foreign natural persons, enterprises or other entities (the "foreign investors"), which include the following forms: (a) a foreign investor, individually or collectively with other investors, establishes a foreign-invested enterprise within PRC; (b) a foreign investor acquires stock shares, equity shares, property portions, or other like rights and interests of an enterprise within PRC; (c) a foreign investor, individually or collectively with other investors, invests in a new project within the PRC; and (d) other forms of investments under laws, administrative regulations, or provisions prescribed by the State Council of the PRC. It does not mention the relevant concept and regulatory regime of VIE structures and uncertainties still exist in relation to its interpretation and implementation.

On December 26, 2019, the State Council promulgated the *Implementing Regulations of the Foreign Investment Law of the PRC*, or the *FIE Implementing Regulations*, which became effective on January 1, 2020. The *FIE Implementing Regulations* strictly implements the legislative principles and purpose of the *Foreign Investment Law*, it emphasizes on promoting and protecting the foreign investment and refines the specific measures. On the same day, the Supreme People's Court issued the *Interpretation on the Application of the Foreign Investment Law of the PRC*, which also came into effect on January 1, 2020 and provides for interpretations on the application of laws in cases of investment contracts disputes between equal parties. This interpretation shall apply to any contractual dispute arising from the acquisition of the relevant rights and interests by a foreign investor by way of gift, division of property, the merger of enterprises, division of enterprises, etc.

According to the *FIE Implementing Regulations*, the registration of foreign-invested enterprises shall be handled by the State Administration for Market Regulation, or the SAMR or its authorized local counterparts. Where a foreign investor invests in an industry or field subject to licensing in accordance with laws, the relevant competent government department responsible for granting such license shall review the license application of the foreign investor in accordance with the same conditions and procedures applicable to PRC domestic investors unless it is stipulated otherwise by the laws and administrative regulations, and the competent government department shall not impose discriminatory requirements on the foreign investor in terms of licensing conditions, application materials, reviewing steps and deadlines, etc. However, the relevant competent government departments shall not grant the license or permit enterprise registration if the foreign investor intends to invest in the industries or fields as specified in the negative list without satisfying the relevant requirements. If a foreign investor invests in a prohibited field or industry as specified in the negative list, the relevant competent government department shall order the foreign investor to stop the investment activities, dispose of the shares or assets or take other necessary measures within a specified time limit, and restore to the status prior to the occurrence of the aforesaid investment, and the illegal gains, if any, shall be confiscated. If the investment activities of a foreign investor violate the special administrative measures for access restrictions on foreign investments as stipulated in the negative list, the relevant competent government department shall order the investor to make corrections within the specified time limit and take necessary measures to meet the relevant requirements. If the foreign investor fails to make corrections within the specified time limit, the aforesaid provisions regarding the circumstance that a foreign investor invests in the prohibited field or industry shall apply.

According to the *Foreign Investment Law* and the *FIE Implementing Regulations*, Xi'an CMIT has registered with the High-tech Branch of Xi'an Administration Industrial and Commercial Bureau. As the industry engaged by Xi'an CMIT is not listed in the *Negative List 2019*, it does not need to obtain any license from other relevant competent government departments.

Regulations Relating to Value-Added Telecommunications Services

Foreign investment in value-added telecommunications

Foreign direct investment in telecommunications companies in China is regulated by the *Administrative Provisions on Foreign-Invested Telecommunications Enterprises*, or the *FITE Regulation*, which was issued by the State Council on December 11, 2001, most recently amended on February 6, 2016. The *FITE Regulation* stipulates that a foreign-invested telecommunications enterprise in the PRC, or the FITE, must be established as a sino-foreign equity joint venture for operations in the PRC. Under the *FITE Regulation* and in accordance with WTO-related agreements, the foreign party investing in a FITE engaging in value-added telecommunications services may hold up to 50% of the ultimate equity interests of the FITE. In addition, the major foreign party as the shareholder of the FITE must satisfy a number of stringent performance and operational experience requirements, including demonstrating a good track record and experience in operating a value-added telecommunications business. The FITE that meets these requirements must obtain approvals from the Ministry of Industry and Information Technology, or the MIIT, and MOFCOM or their authorized local counterparts, which retain considerable discretion in granting approvals. Furthermore, the foreign party investing in the e-commerce business, as a type of value-added telecommunications services, has been allowed to hold up to 100% of the equity interests of the FITE based on the *Circular of the Ministry of Industry and Information Technology on Removing the Restrictions on Shareholding Held by Foreign Investors in Online Data Processing and Transaction Processing (Operating E-commerce) Business* issued on June 19, 2015, and the current effective *Catalogue of Telecommunications Services*, or the *Telecom Catalog*.

On July 13, 2006, the Ministry of Information Industry of the PRC, or the MII (which is the predecessor of the MIIT) promulgated the *Notice of the Ministry of Information Industry on Strengthening the Administration of Foreign Investment in Value-added Telecommunications Business*, or the *MII Notice*, which reiterates certain requirements of the *FITE Regulations* and strengthens the administration by the MII. Under the *MII Notice*, if a foreign investor intends to invest in PRC value-added telecommunications business, the foreign investor must establish a FITE and apply for the relevant license for value-added telecommunications services, or the VATS License. In addition, a domestic company that holds a license for the provision of value-added telecommunications services is prohibited from leasing, transferring or selling the license to foreign investors in any form, and from providing any assistance, including providing resources, sites or facilities, to foreign investors to conduct value-added telecommunications businesses illegally in China. Trademarks and domain names that are used in the provision of value-added telecommunications services must be owned by the license holder or its shareholders. The *MII Notice* also requires that each VATS License holder have appropriate facilities for its approved business operations and maintain such facilities in the business regions covered by its license. The VATS License holder shall perfect relevant measures for safeguarding the network and information, establish relevant administrative policies on information safety, set up the procedures for handling network emergencies and information safety and implement the liabilities system for information safety.

Telecommunications regulations

The *Telecommunications Regulations of the PRC*, or the *Telecom Regulations*, promulgated on September 25, 2000, and most recently amended on February 6, 2016, are the primary PRC laws governing telecommunications services, which set out the general framework for the provision of telecommunications services by domestic PRC companies. The *Telecom Regulations* require that telecommunications service providers shall obtain licenses prior to commencing operations. The *Telecom Regulations* distinguish basic telecommunications services and value-added telecommunications services. The *Telecom Catalog*, promulgated by MII on February 21, 2003, and amended by the MIIT on December 28, 2015, and June 6, 2019, and issued as an attachment to the *Telecom Regulations*, identifies internet information services and online data processing and transaction processing as value-added telecommunications services.

On July 3, 2017, the MIIT issued the revised *Administrative Measures for the Licensing of Telecommunications Business*, or the *Telecom License Measures*, which became effective on September 1, 2017, to supplement the *Telecom Regulations*. The *Telecom License Measures* require that an operator of value-added telecommunications services obtain a VATS License from the MIIT or its provincial-level counterparts. The term of a VATS License is five years and the license holder is subject to the annual inspection.

Internet information services

On September 25, 2000, the State Council promulgated the *Measures for the Administration of Internet Information Services*, or the *ICP Measures*, as amended on January 8, 2011. Under the *ICP Measures*, the internet information service is categorized into commercial internet information services and non-commercial internet services. The operators of non-commercial internet information services must file-record with relevant governmental authorities. However, the operators of commercial internet information services in China must obtain an ICP License, from the relevant governmental authorities. And the provision of particular information services, such as news, publishing, education, healthcare, medicine, and medical device must also comply with relevant laws and regulations and obtain approval from competent governmental authorities.

Internet information service providers are required to monitor their websites. They may not post or disseminate any content that falls within prohibited categories provided by laws or administrative regulations and must stop providing any such content on their websites. The PRC government may order ICP License holders that violate the content restrictions to correct those violations and revoke their ICP Licenses under serious conditions.

The MIIT released the *Circular on Regulating the Use of Domain Names in Internet Information Services* on November 27, 2017, effective from January 1, 2018, which provides that the domain names used by the internet information service provider in providing internet information services shall be registered and owned by such internet information service provider, and if the internet information service provider is a legal entity, the domain name registration shall be the legal entity (or any of its shareholders), or its principal or senior manager.

Regulations Relating to Online Trading and E-Commerce

On January 26, 2014, the State Administration for Industry and Commerce, or the SAIC (which is the predecessor of the SAMR) promulgated the *Administrative Measures for Online Trading*, or the *Online Trading Measures*, which became effective on March 15, 2014, to regulate all operating activities for product sales and services provided via the internet (including mobile internet). It stipulates the obligations of online product operators and services providers and certain special requirements applicable to third-party platform operators. Furthermore, MOFCOM promulgated the *Provisions on the Procedures for Formulating Transaction Rules of Third-Party Online Retail Platforms (Trial)* on December 24, 2014, which became effective on April 1, 2015, to guide and regulate the formulation, revision and enforcement of transaction rules by online retail third-party platforms operators. These rules impose more stringent requirements and obligations on third-party platform operators. For example, third-party platform operators are obligated to make their transaction rules publicly available and file them with MOFCOM or their respective provincial counterparts, examine and register the legal status of each third-party merchant selling products or services on their platforms and display on a prominent location of the merchant's webpage the information stated in the merchant's business license or a link to its business license. Where third-party platform operators also conduct self-operation of products or services on the platform, these third-party platform operators must make a clear distinction between their online direct sales and sales of products by third-party merchants on their third-party platforms to avoid misleading the consumers.

On August 31, 2018, the Standing Committee of NPC promulgated the *E-Commerce Law of the PRC*, or the *E-Commerce Law*, which became effective on January 1, 2019. The promulgation of the *E-Commerce Law* established the basic legal framework for the development of China's e-commerce business and clarified the obligations of the operators of e-commerce platforms and the possible legal consequences if operators of e-commerce platforms are found to violate legal obligations. For example, according to the *E-Commerce Law*, an operator of an e-commerce platform shall give appropriate reminders to and facilitate the business operators on its platform who have not completed the formalities for the registration of market entities to complete such formalities. Also, an operator of an e-commerce platform is legally obligated to verify and register the information of the business operators on its platform, prepare emergency plans in response to possible cyber security incidents, keep the transaction information for no less than three years from the date on which the transaction has been completed, establish rules on the protection of intellectual property rights and conform to the principle of openness, fairness, and justice. Violation of the provisions of the *E-Commerce Law* may result in being ordered to make corrections within a prescribed period, confiscation of illegally obtained gains, fines, suspension of business, the inclusion of such violations in the credit records and possible civil liabilities.

Regulations Relating to Land Use Right and Construction

Pursuant to the *PRC Land Administration Law* promulgated in June 1986 with the latest amendment in August 2019 (effective as of January 2020) and the *PRC Property Law*, any entity that needs land for construction must obtain land use right and must register with local counterparts of Ministry of Natural Resources. Land use right is established at the time of registration.

According to the *Measures for the Administration of Grant and Transfer of Right to Use Urban State-owned Land* promulgated by the Ministry of Construction in December 1992 with the latest amendment in 2011, and the *PRC Law on Urban and Rural Planning* promulgated by the Standing Committee of the National People's Congress in October 2007 and became effective in January 2008 with the latest amendment in April 2019, the *Measures for Administration of Granting Permission for Commencement of Construction Works* promulgated by the Ministry of Housing and Urban-Rural Development of the PRC (MOHURD) in June 2014 with the latest amendment in September 2018, and the *Administrative Measures on the Filings of Inspection Upon Completion of Construction of Buildings and Municipal Infrastructure* promulgated by *the* MOHURD in October 2009, after obtaining land use right, the owner of land use right must obtain construction land planning permit, construction works planning permit from the relevant municipal planning authority, and a construction permit from relevant construction authority in order to commence construction. After a building is completed, an examination of completion by the relevant governmental authorities and experts must be organized.

Regulations on Production and Sale of Food Products

Before 2018, the China Food and Drug Administration, or the CFDA, had the regulatory authority to oversee, administer, and enforce all laws, regulations, and rules concerning the food industry business operations in China. After the institutions reformed, the CFDA has been abolished, and relevant regulatory authority has been taken over by the SAMR under the State Council.

The food industry is subject to extensive regulations in China. The PRC laws and regulations governing the food industry primarily consist of the *PRC Food Safety Law* (2009), as last amended in 2018; the *Implementation Regulation for the Food Safety Law of PRC* (2009), as amended in 2019, or the *Food Safety Regulation*; the *Administrative Measures for Food Production Licensing* (2020), or the *Food Production Licensing Rule*; and the *Administrative Measures for Food Business Licensing* (2015), as amended in 2017, or the *Food Business Licensing Rule*. Under the *PRC Food Safety Law* and the *Food Safety Regulation*, food product manufacturers and business operators shall obtain the required food production permits; food producers and business operators are subject to regular quality inspection and supervision by the local governmental agencies and their product permits may be revoked if they no longer meet the standards and requirements for food production and operation; food-producing enterprises shall establish and implement food safety management systems, such as ingredient inspection and acceptance, production process safety management, storage management, equipment management, and substandard product management systems; and packaging of pre-packed food shall bear a label which states manufacturing permit serial number; among other things. The State Council implements a licensing system for food product manufacture and distribution. According to the *Food Production Licensing Rule*, a food production license must be obtained prior to engaging in food production activities in the PRC. The *Food Business Licensing Rule* requires food business operators to obtain a food business license for each business entity engaging in food business operations. We have obtained the required Food Production Licenses and Food Business Licenses for related products.

Regulation on Product Liability

The PRC laws and regulations governing the product liability primarily consist of the *PRC Product Quality Law* (1994), as lately amended in 2018; the *PRC General Provisions of the Civil Law*, effective from October 1, 2017; the *PRC Law on the Protection of the Rights and Interests of Consumers* (1993), as lately amended in 2013, or the *Consumers Protection Law*; the *PRC Tort Law*, which became effective from July 1, 2010.

Under the *PRC Product Quality Law*, producers and vendors of defective products may incur liability for losses and injuries caused by such products. There are three circumstances under which producers or vendors can have immunity from the defective product liability: 1) the defective products are never put into the market; 2) the products defect which caused the damages did not exist when the products were put into the market; 3) the exam techniques and skills were not able to find out the defects when the products were put into the market. So far, our product quality is in conformity with the national requirements and we have passed the regulatory agency's examination and also successfully obtained the certificates of GB/T 199001-2016/ISO 9001:2015, GB/T 22000-2006/ISO 22000:2005, ISO 9001:2008/GB/T 19001-2008 system.

Under the *PRC General Provisions of the Civil Law*, manufacturers or retailers of defective products that cause property damage or physical injury to any person will be subject to civil liability. The *Consumers Protection Law* was enacted to protect the legitimate rights and interests of end-users and consumers and to strengthen the supervision and control of the quality of products.

Under the *PRC Tort law*, a customer who suffers injury from a defective product can claim damages from either the manufacturer or vendor of the defective product. And, where personal injury is caused by tort, the tortfeasor shall compensate the victim for the reasonable costs and expenses for treatment and rehabilitation, as well as death compensation and funeral costs and expenses if it causes the death of the victim. There is no cap on monetary damages the plaintiffs may seek under the *PRC Tort Law*.

Regulations Relating to Environmental Protection

Pursuant to the *PRC Law on Environment Impact Assessment* promulgated in 2002, most recently amended in 2018, and the *Administrative Regulations on the Environmental Protection of Construction Projects* promulgated in 1998, most recently amended in 2017, each construction project is required to undergo an environmental impact assessment, and an environmental impact assessment report must be submitted to the relevant governmental authorities for approval before the commencement of construction. In the event that there is a material change in respect of the construction site, scale, nature, the production techniques employed, or the measures adopted for preventing pollution and preventing ecological damage of a given project, a new environmental impact assessment report must be submitted for approval. Moreover, in accordance with the *Administrative Regulations on the Environmental Protection Completion Acceptance of Construction Projects* promulgated in 2001, after the completion of a construction project, the construction entity is required to obtain a complete acceptance of environmental protection for the project from the competent department of environmental protection. Failure to comply with the above-mentioned regulations may subject an enterprise to fines, suspension of the construction, and other administrative liabilities and even criminal liabilities under severe circumstances.

Regulations Relating to Intellectual Property Rights

The PRC government has adopted comprehensive legislation governing intellectual property rights, including copyrights, patents, trademarks, and domain names.

Copyright. Copyright in China, including copyrighted software, is principally protected under the *PRC Copyright Law* and its implementation rules. Under the *PRC Copyright Law*, the term of protection for copyrighted software of legal persons is 50 years and ends on December 31 of the 50th year from the date of first publishing of the software.

Patent. The *PRC Patent Law* provides for patentable inventions, utility models, and designs, which must meet three conditions: novelty, inventiveness, and practical applicability. The State Intellectual Property Office under the State Council is responsible for examining and approving patent applications. The protection period of a patent right is 10 years for utility models and designs and 20 years for inventions from the date of application.

Trademark. The *PRC Trademark Law* and its implementation rules protect registered trademarks. The PRC Trademark Office of State Administration of Industry and Commerce is responsible for the registration and administration of trademarks throughout China. The *PRC Trademark Law* has adopted a "first-to-file" principle with respect to trademark registration. Where registration is sought for a trademark that is identical or similar to another trademark that has already registered or given preliminary examination and approval for use in the same or similar category of commodities or services, the application for registration of such trademark may be rejected. Trademark registration is effective for a ten-year period from the date of approval of the trademark application unless otherwise revoked, which may be renewed for another ten years provided relevant application procedures have been completed within twelve months before the end of the validity period.

Domain Name. Domain names are protected under the *Administrative Measures on the Internet Domain Names* promulgated by the MIIT. The MITT is the major regulatory body responsible for the administration of the PRC internet domain names, under supervision of which the China Internet Network Information Center is responsible for the daily administration of ".cn" domain names and the Chinese domain names. Domain name registration is handled through domain name service agencies established under the relevant regulations, and applicants become domain name holders upon successful registration. We have registered http://en.appchem.cn, http://www.bnlus.com and other domain names.

Regulations Relating to Employment

Pursuant to the *PRC Labor Law*, promulgated by the Standing Committee of NPC in July 1994 and most recently amended in December 2018, and the *PRC Labor Contract Law*, promulgated by the Standing Committee of NPC in June 2007 and amended in December 2012, employers must execute written labor contracts with full-time employees. If an employer fails to enter into a written employment contract with an employee within one year from the date on which the employment relationship is established, the employer must rectify the situation by entering into a written employment contract with the employee and pay the employee twice the employee's salary for the period from the day following the lapse of one month from the date of establishment of the employment relationship to the day prior to the execution of the written employment contract. All employers must comply with local minimum wage standards. Violation of the *PRC Labor Law* and the *PRC Labor Contract Law* may result in the imposition of fines and other administrative and criminal liability in the case of a serious violation.

In December 2012, the *PRC Labor Contract Law* was amended to impose more stringent requirements on the use of employees of temp agencies, who are known in China as "dispatched workers". Dispatched workers are entitled to equal pay with full-time employees for equal work. Employers are only allowed to use dispatched workers for temporary, auxiliary, or substitutive positions, and the number of dispatched workers may not exceed 10% of the total number of employees. As of the date hereof, our consolidated VIE and its subsidiaries did not use dispatched workers.

Enterprises in China are required by PRC laws and regulations to participate in certain employee benefit plans, including social insurance funds, namely a pension plan, a medical insurance plan, an unemployment insurance plan, a work-related injury insurance plan, and a maternity insurance plan, and a housing provident fund, and contribute to the plans or funds in amounts equal to certain percentages of salaries, including bonuses and allowances, of the employees as specified by the local government from time to time at locations where they operate their businesses or where they are located. According to the *PRC Social Insurance Law* (amended in 2018), an employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a stipulated deadline and be subject to a late fee of up to 0.05% of the unpaid amount per day, as the case may be. If the employer still fails to rectify the failure to make social insurance contributions within the stipulated deadline, it may be subject to a fine ranging from one to three times the amount overdue. According to the *Regulations on Management of Housing Fund* employers must not suspend or reduce the payment of housing provident funds for their employees. Under the circumstances where financial difficulties indeed exist due to which an employer is unable to pay or pay up housing provident funds, the permission of the labor union of the employer and the approval of the local housing provident funds commission must first be obtained before the employer can suspend or reduce their payment of housing provident funds. Where an employer does not open accounts of housing provident funds for its employees, the relevant authorities have the power to order such employer to do so within a prescribed period, failure of which can result in a fine of over RMB 10,000 and up to RMB 50,000 charged on the employer. An enterprise that fails to make housing fund contributions may be ordered to rectify the noncompliance and pay the required contributions within a stipulated deadline; otherwise, an application may be made to a local court for compulsory enforcement.

Regulations Relating to Foreign Exchange

The principal regulations governing foreign currency exchange in China are the *Foreign Exchange Administration Regulations*, most recently amended in August 2008. Payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can usually be made in foreign currencies without prior approval from the SAFE, by complying with certain procedural requirements. By contrast, approval from or registration with appropriate governmental authorities is required where the Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of foreign currency-denominated loans, direct investments, repatriation of investments and investments in securities outside of China.

On March 30, 2015, SAFE issued the *Circular of the State Administration of Foreign Exchange on Reforming the Management Approach regarding the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises*, or *SAFE Circular 19*. Pursuant to *SAFE Circular 19*, the foreign exchange capital of foreign-invested enterprises is subject to the discretional foreign exchange settlement, which means the foreign exchange capital in the capital account of foreign-invested enterprises upon the confirmation of rights and interests of monetary contribution by the local foreign exchange bureau (or the book-entry registration of monetary contribution by the banks) may be settled at the banks based on the actual operational needs of the enterprises. The proportion of discretionary settlement of foreign exchange capital of foreign-invested enterprises is currently 100%. SAFE can adjust such proportion in due time based on the circumstances of the international balance of payments.

SAFE promulgated the *Circular of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account*, or *SAFE Circular 16*, effective June 2016, which reiterates some of the rules set forth in *SAFE Circular 19*. *SAFE Circular 16* provides that discretionary foreign exchange settlement applies to foreign exchange capital, foreign debt offering proceeds and remitted foreign listing proceeds, and the corresponding RMB capital converted from the foreign exchange may be used to extend loans to related parties or repay inter-company loans (including advances by third parties). However, there are substantial uncertainties with respect to *SAFE Circular 16*'s interpretation and implementation in practice. *SAFE Circular 19* and *SAFE Circular 16* may delay or limit us from using the proceeds of offshore offerings to make additional capital contributions to our PRC subsidiary and any violations of these circulars could result in severe monetary or other penalties.

In January 2017, SAFE promulgated the *Circular on Further Improving Reform of Foreign Exchange Administration and Optimizing Genuineness and Compliance Verification*, or *SAFE Circular 3*, which stipulates several capital control measures with respect to the outbound remittance of profits from domestic entities to offshore entities, including (i) banks must check whether the transaction is genuine by reviewing board resolutions regarding profit distribution, original copies of tax filing records and audited financial statements, and (ii) domestic entities must retain income to account for previous years' losses before remitting any profits. Moreover, pursuant to *SAFE Circular 3*, domestic entities must explain in detail the sources of capital and how the capital will be used, and provide board resolutions, contracts, and other proof as a part of the registration procedure for outbound investment.

On October 23, 2019, SAFE issued *Circular of the State Administration of Foreign Exchange on Further Promoting the Facilitation of Cross-border Trade and Investment*, or *SAFE Circular 28*, which took effect on the same day. *SAFE Circular 28* allows non-investment foreign-invested enterprises to use their capital funds to make equity investments in China, provided that such investments do not violate the Negative List and the target investment projects are genuine and in compliance with laws. Since *SAFE Circular 28* was issued only recently, its interpretation and implementation in practice are still subject to substantial uncertainties.

Regulations on Dividend Distribution

According to *PRC Company Law*, wholly foreign-owned companies in China may pay dividends only out of their accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, wholly foreign-owned companies are required to set aside at least 10% of their after-tax profits each year, if any, to fund a statutory reserve fund until the accumulative amount of such fund reaches 50% of its registered capital. Although the statutory reserves can be used, among other ways, to increase the registered capital and eliminate future losses in excess of retained earnings of the respective companies, the reserve funds are not distributable as cash dividends except in the event of a liquidation. At the discretion of the wholly foreign-owned companies, they may allocate a portion of their after-tax profits based on PRC accounting standards to staff welfare and bonus funds. These reserve funds and staff welfare and bonus funds are not distributable as cash dividends.

Regulations on Offshore Financing

SAFE promulgated the *Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles*, or *SAFE Circular 37*, on July 4, 2014, which replaced the former circular commonly known as *SAFE Circular 75*. *SAFE Circular 37* requires PRC residents to register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in *SAFE Circular 37* as a "special purpose vehicle". *SAFE Circular 37* further requires an amendment to the registration in the event of any significant changes with respect to the special purpose vehicle, such as increase or decrease of capital contributed by PRC individuals, share transfer or exchange, merger, division, or other material events. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from making profit distributions to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiary. Furthermore, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for the evasion of foreign exchange controls. We have been notified that all beneficial owners of ordinary shares who we know are PRC residents have filed *SAFE Circular 37* reports.

On February 13, 2015, SAFE released *Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies*, or *SAFE Circular 13*, under which local banks will examine and handle foreign exchange registration for overseas direct investment, including the initial foreign exchange registration and amendment registration, starting from June 1, 2015.

SAFE Circular 3 stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including (i) under the principle of a genuine transaction, banks shall check the board resolutions regarding profit distribution, the original version of tax filing records and audited financial statements; and (ii) domestic entities shall hold income to account for previous years' losses before remitting the profits. Moreover, pursuant to *SAFE Circular 3*, domestic entities shall make detailed explanations of the sources of capital and utilization arrangements, and provide board resolutions, contracts, and other proof when completing the registration procedures in connection with an outbound investment.

Regulations Relating to Stock Incentive Plans

According to the *Circular of the State Administration of Foreign Exchange on Issues Relating to the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Listed Company*, or the *SAFE Circular 7*, which was issued on February 15, 2012, and other regulations, directors, supervisors, senior management and other employees participating in any share incentive plan of an overseas publicly-listed company who are PRC citizens or non-PRC citizens residing in China for a continuous period of not less than one year, subject to certain exceptions, are required to register with the SAFE. All such participants need to authorize a qualified PRC agent, such as a PRC subsidiary of the overseas publicly-listed company to register with the SAFE and handle foreign exchange matters such as opening accounts, transferring, and settlement of the relevant proceeds. The *SAFE Circular 7* further require an offshore agent to be designated to handle matters in connection with the exercise of share options and sales of proceeds for the participants of the share incentive plans. Failure to complete the said SAFE registrations may subject our participating directors, supervisors, senior management, and other employees to fines and legal sanctions.

In addition, the SAT, has issued certain circulars concerning employee stock options and restricted shares. Under these circulars, employees working in the PRC who exercise stock options or are granted restricted shares will be subject to PRC individual income tax. The PRC subsidiaries of an overseas listed company are required to file documents related to employee stock options and restricted shares with relevant tax authorities and to withhold individual income taxes of employees who exercise their stock option or purchase restricted shares. If the employees fail to pay or the PRC subsidiaries fail to withhold income tax in accordance with relevant laws and regulations, the PRC subsidiaries may face sanctions imposed by the tax authorities or other PRC governmental authorities.

Regulations Relating to Tax

Dividend Withholding Tax

Pursuant to the *PRC Enterprise Income Tax Law* and its implementation rules, if a non-resident enterprise has not set up an organization or establishment in China, or has set up an organization or establishment but the income derived has no actual connection with such organization or establishment, it will be subject to a withholding tax on its PRC-sourced income at a rate of 10%. Pursuant to the *Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income*, the withholding tax rate in respect to the payment of dividends by a PRC enterprise to a Hong Kong enterprise is reduced to 5% from a standard rate of 10% if the Hong Kong enterprise directly holds at least 25% of the PRC enterprise. Pursuant to the *Circular of the State Administration of Taxation on the Issues concerning the Application of the Dividend Clauses of Tax Agreements*, or *SAT Circular 81*, a Hong Kong resident enterprise must meet the following conditions, among others, in order to enjoy the reduced withholding tax: (i) it must directly own the required percentage of equity interests and voting rights in the PRC resident enterprise; and (ii) it must have directly owned such percentage in the PRC resident enterprise throughout the 12 months prior to receiving the dividends. Furthermore, the *Bulletin of the State Taxation Administration on Issuing the Administrative Measures for Entitlement to Treaty Benefits for Non-resident Taxpayers*, which became effective in January 2020, requires that where non-resident taxpayers judge by themselves that they meet the conditions for entitlement to treaty benefits, they may obtain such entitlement themselves at the time of making tax declarations, or at the time of making withholding declarations via withholding agents. At the same time, they shall collect, gather, and retain relevant materials for future reference in accordance with the provisions of these measures, and shall accept the follow-up administration of tax authorities. Accordingly, our direct subsidiary, Tea Essence Limited (Hong Kong), may be able to enjoy the 5% withholding tax rate for the dividends they receive from Xi'an CMIT, if it satisfies the conditions prescribed under *SAT Circular 81* and other relevant tax rules and regulations. However, according to *SAT Circular 81*, if the relevant tax authorities consider the transactions or arrangements we have are for the primary purpose of enjoying a favorable tax treatment, the relevant tax authorities may adjust the favorable withholding tax in the future. Additionally, the *Announcement of the State Administration of Taxation on Issues concerning "Beneficial Owners" in Tax Treaties*, promulgated by the SAT on February 3, 2018, and took effect on April 1, 2018, further clarified the analysis standard when determining one's qualification for beneficial owner status.

Enterprise Income Tax

The principal regulations governing enterprise income tax in China are the *PRC Enterprise Income Tax Law* and its implementing rules, which became effective on January 1, 2008, most recently amended in December 2018. Under the *PRC Enterprise Income Tax Law*, enterprises are classified as resident enterprises and non-resident enterprises. PRC resident enterprises typically pay an enterprise income tax at the rate of 25%. Uncertainties exist with respect to how the *PRC Enterprise Income Tax Law* applies to the tax residence status of Bon Natural Life Limited and our offshore subsidiaries.

Under the *PRC Enterprise Income Tax Law*, an enterprise established outside China with its "de facto management bodies" located within China is considered a "resident enterprise", meaning that it is treated in a manner similar to a PRC domestic enterprise for enterprise income tax purposes. The implementing rules of the *PRC Enterprise Income Tax Law* define the "de facto management body" as a managing body that in practice exercises "substantial and overall management and control over the production and operations, personnel, accounting, and properties" of the enterprise.

The SAT issued the *Circular of the State Administration of Taxation on Issues Concerning the Identification of Chinese-controlled Overseas Registered Enterprises as Resident Enterprises in accordance with the Actual Standards of Organizational Management*, or *SAT Circular 82*, in 2009, and most recently amended in December 2017. According to *SAT Circular 82*, a Chinese-controlled offshore incorporated enterprise will be regarded as a PRC tax resident by virtue of having a "de facto management body" in China and will be subject to PRC enterprise income tax on its worldwide income only if all of the following criteria are met: (a) the places where the senior management and senior management departments responsible for the daily production, operation and management of the enterprise perform their duties are mainly located within the territory of China; (b) decisions relating to the enterprise's financial matters (such as money borrowing, lending, financing and financial risk management) and human resource matters (such as appointment, dismissal and salary and wages) are made or are subject to approval by organizations or personnel in China; (c) the enterprise's primary assets, accounting books and records, company seals, and board and shareholders meeting minutes are located or maintained in China, and (d) 50% or more of voting board members or senior executives habitually reside in China. In addition, the SAT issued the *Bulletin of the State Administration of Taxation on Printing and Distributing the Administrative Measures for Income Tax on Chinese-controlled Resident Enterprises Incorporated Overseas (Trial Implementation)* in 2011, providing more guidance on the implementation of *SAT Circular 82*. This bulletin clarifies matters including resident status determination, post determination administration, and competent tax authorities. In January 2014, the SAT issued the *Bulletin of the State Administration of Taxation on Issues concerning the Determination of Resident Enterprises Based on the Standards of Actual Management Institutions*, or *SAT Bulletin 9*. According to *SAT Bulletin 9*, a Chinese-controlled offshore incorporated enterprise that satisfies the conditions prescribed under the *SAT Circular 82* for being recognized as a PRC tax resident must apply for being recognized as a PRC tax resident to the competent tax authority at the place of registration of its main investor within the territory of China.

We do not believe that we meet all of the conditions outlined in the immediately preceding paragraph. We believe that Bon Natural Life Limited and our offshore subsidiaries should not be treated as a "resident enterprise" for PRC tax purposes if the criteria for "de facto management body" as set forth in *SAT Circular 82* were deemed applicable to us. However, as the tax residency status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body" as applicable to our offshore entities, we may be treated as a resident enterprise for PRC tax purposes under the *PRC Enterprise Income Tax Law,* and we may, therefore, be subject to PRC income tax on our global income. We are actively monitoring the possibility of "resident enterprise" treatment for the applicable tax years and are evaluating appropriate organizational changes to avoid this treatment, to the extent possible.

In the event that Bon Natural Life Limited or any of our offshore subsidiaries is considered to be a PRC resident enterprise: Bon Natural Life Limited or our offshore subsidiaries, as the case may be, may be subject to the PRC enterprise income tax at the rate of 25% on our worldwide taxable income; dividend income that Bon Natural Life Limited or our offshore subsidiaries, as the case may be, received from our PRC subsidiaries may be exempt from the PRC withholding tax; and interest paid to our overseas shareholders or Shares holders who are non-PRC resident enterprises as well as gains realized by such shareholders or Shares holders from the transfer of our shares or Shares may be regarded as PRC-sourced income and as a result be subject to PRC withholding tax at a rate of up to 10%, subject to any reduction or exemption set forth in relevant tax treaties, and similarly, dividends paid to our overseas shareholders or Shares holders who are non-PRC resident individuals, as well as gains realized by such shareholders or Shares holders from the transfer of our shares or Shares, may be regarded as PRC-sourced income and as a result be subject to PRC withholding tax at a rate of 20%, subject to any reduction or exemption set forth in relevant tax treaties. "Risk Factor—Risks Related to Doing Business in China —If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders or Shares holders."

SAT issued *Bulletin of the State Administration of Taxation on Several Issues concerning the Enterprise Income Tax on the Indirect Transfers of Properties by Non-Resident Enterprises*, or *SAT Bulletin 7*, on February 3, 2015, which replaced or supplemented certain previous rules under the *Circular of the State Administration of Taxation on Strengthening the Administration of Enterprise Income Tax on Incomes from Equity Transfers of Non-Resident Enterprises*, or *SAT Circular 698*. Under *SAT Bulletin 7*, an "indirect transfer" of assets, including equity interests in a PRC resident enterprise, by non-PRC resident enterprises may be re-characterized and treated as a direct transfer of PRC taxable assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax. According to *SAT Bulletin 7*, "PRC taxable assets" include assets attributed to an establishment in China, immovable properties in China, and equity investments in PRC resident enterprises. In respect of an indirect offshore transfer of assets of a PRC establishment, the relevant gain is to be regarded as effectively connected with the PRC establishment and therefore included in its enterprise income tax filing, and would consequently be subject to PRC enterprise income tax at a rate of 25%. Where the underlying transfer relates to the immovable properties in China or to equity investments in a PRC resident enterprise, which is not effectively connected to a PRC establishment of a non-resident enterprise, a PRC enterprise income tax at 10% would apply, subject to available preferential tax treatment under applicable tax treaties or similar arrangements, and the party who is obligated to make the transfer payments has the withholding obligation. There is uncertainty as to the implementation details of *SAT Bulletin 7*. If *SAT Bulletin* 7 was determined by the tax authorities to be applicable to some of our transactions involving PRC taxable assets, our offshore subsidiaries conducting the relevant transactions might be required to spend valuable resources to comply with *SAT Bulletin 7* or to establish that the relevant transactions should not be taxed under *SAT Bulletin 7*.

On October 17, 2017, the SAT issued the *Bulletin of the State Administration of Taxation on Issues Concerning the Withholding of Non-resident Enterprise Income Tax at Source*, or *SAT Bulletin 37*, which came into effect on December 1, 2017. The *SAT Bulletin 37* further clarifies the practice and procedure of the withholding of nonresident enterprise income tax.

Where the payers fail to withhold any or sufficient tax, the non-PRC residents, as the transferors, are required to declare and pay such taxes to the tax authorities on their own within the statutory time limit. Failure to comply with the tax payment obligations by the non-PRC residents will result in penalties, including full payment of taxes owed, fines ranging from fifty percent to five times the amount of unpaid or underpaid tax, and default interest on those taxes.

Enterprises that are recognized as high and new technology enterprises in accordance with the *Administrative Measures for the Determination of High and New Tech Enterprises* issued by the Ministry of Science, or the MOF, and the SAT are entitled to enjoy a preferential enterprise income tax rate of 15%. Under which the validity period of the high and new technology enterprise qualification shall be three years from the date of issuance of the certificate. An enterprise can re-apply for such recognition as a high and new technology enterprise before or after the previous certificate expires.

PRC Value-Added Tax

Pursuant to the *Interim Regulations on Value-Added Tax of the PRC*, which was promulgated by the State Council on December 13, 1993, most recently amended on November 19, 2017, and the *Implementation Rules for the Interim Regulations on Value-Added Tax of the PRC*, which was promulgated by the MOF, and SAT on December 15, 2008, and became effective on January 1, 2009, and as amended on October 28, 2011, any entity or individual conducting product sales is required to pay a value-added tax, or VAT, on the gross sales price of goods. VAT rates range up to 17%, depending on the type of products sold. On March 20, 2019, MOF, SAT and the General Administration of Customs jointly promulgated the *Announcement on Relevant Policies for Deepening Value-Added Tax Reform*, which became effective on April 1, 2019 and provides that (i) with respect to VAT taxable sales acts or import of goods originally subject to VAT rates of 16% and 10% respectively, such tax rates shall be adjusted to 13% and 9%, respectively; (ii) with respect to purchase of agricultural products originally subject to tax rate of 10%, such tax rate shall be adjusted to 9%; (iii) with respect to purchase of agricultural products for the purpose of production or consigned processing of goods subject to tax rate of 13%, such tax shall be calculated at the tax rate of 10%; (iv) with respect to export of goods and services originally subject to tax rate of 16% and export tax refund rate of 16%, the export tax refund rate shall be adjusted to 13%; and (v) with respect to export of goods and cross-border taxable acts originally subject to tax rate of 10% and export tax refund rate of 10%, the export tax refund rate shall be adjusted to 9%. The VAT may be offset by VAT paid by the Company on raw materials and other materials included in the cost of producing or acquiring its finished products.

Regulations Relating to Overseas Listing and M&A

On August 8, 2006, six PRC regulatory agencies, including the China Securities Regulatory Commission, or the CSRC, promulgated the *Rules on the Merger and Acquisition of Domestic Enterprises by Foreign Investors*, or the *M&A Rules*, which became effective on September 8, 2006, and were amended on June 22, 2009. The *M&A Rules*, among other things, require offshore special purpose vehicles formed for overseas listing purposes through acquisitions of PRC domestic companies and controlled by PRC domestic enterprises or individuals to obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange. In September 2006, the CSRC published on its official website procedures regarding its approval of overseas listings by special purpose vehicles. The CSRC approval procedures require the filing of a number of documents with the CSRC. Although (i) The CSRC currently has not issued any definitive rule or interpretation concerning whether offerings like ours under this prospectus are subject to the *M&A Rules*; and (ii) no provision in the *M&A Rules* clearly classifies contractual arrangements as a type of transaction subject to the *M&A Rules*, the interpretation, and application of the regulations remain unclear, and this offering may ultimately require approval from the CSRC. If CSRC approval is required, it is uncertain whether it would be possible for us to obtain the approval and any failure to obtain or delay in obtaining CSRC approval for this offering would subject us to sanctions imposed by the CSRC and other PRC regulatory agencies.

The *M&A Rules* and other regulations and rules concerning mergers and acquisitions established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time-consuming and complex. For example, the *M&A Rules* require that MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise, if (i) any important industry is concerned, (ii) such transaction involves factors that impact or may impact national economic security, or (iii) such transaction will lead to a change in control of a domestic enterprise which holds a famous trademark or PRC time-honored brand.

In addition, according to the *Notice on Establishing the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors* issued by the General Office of the State Council on February 3, 2011, and which became effective on March 4, 2011, the *Rules on Implementation of Security Review System for the Merger and Acquisition of Domestic Enterprises by Foreign Investors* issued by MOFCOM on August 25, 2011, and which became effective on September 1, 2011, mergers and acquisitions by foreign investors that raise "national defense and security" concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise "national security" concerns are subject to strict review by MOFCOM, and the regulations prohibit any activities attempting to bypass such security review, including by structuring the transaction through a proxy or contractual control arrangement.

MANAGEMENT

Directors and Senior Management

Although the Board of Directors and management team for Bon Natural Life Limited has been recently constituted, each of our executive officers has been serving in an equivalent position with Xi'an App-Chem, our variable interest entity, for some time as indicated in the footnotes to the table below. Our executive officers and directors and their ages as of the date of this Prospectus are as follows:

Name	Age	Date Joined Bon Natural Life	Position(s) and Office(s) Held
Yongwei Hu	48	June, 2020[1]	Chief Executive Officer, Director, and Chairman
Zhenchao Li	55	June, 2020[2]	Chief Financial Officer, Director
Yingchun Xue	46	June, 2020[3]	Chief Operating Officer
Wenjuan Chen	40	June, 2020[4]	Chief Marketing Officer
Jianli Liu	61	June, 2020[5]	Chief Technology Officer and Chief Scientist
James Edward Burns	51	[6]	Director Nominee
Christopher Constable	53	[6]	Director Nominee
Lawrence W. Leighton	86	[6]	Director Nominee

[1] Mr. Hu has led Xi'an App-Chem as President and Chairman of its board since April of 2006.

[2] Mr. Li has served as the CFO of Xi'an App-Chem since July of 2019.

[3] Ms. Xue has served as Vice President of Xi'an App-Chem since 2011.

[4] Ms. Chen has served as Vice General Manager of Xi'an App-Chem since 2006.

[5] Mr. Liu has served as CTO and Chief Scientist of Xi'an App-Chem since 2006.

[6] Mr. Burns, Mr. Constable, and Mr. Leighton will take office as members of the Board of Directors effective upon the listing of our ordinary shares on the Nasdaq Capital Market.

The business address for all of our officers and directors is C601,Gazelle Valley, No.69 Jinye Road. Xi'an Hi-tech Zone, Xi'an, China.

Set forth below is a brief description of the background and business experience of our executive officers and directors:

Yongwei Hu is our Chief Executive Officer and Chairman of our Board of Directors. Mr. Hu has served as the Chairman of the Board and President of Xi'an App-chem Bio (Tech) Co., Ltd. since April of 2006. He is the legal representative and the ultimate owner of Xi'an App-Chem. From June 2000 to March 2006, Mr. Hu served as the department manager and Deputy Executive President of Shaanxi Iko Ostriches Co., Ltd. and Xi'an England Bioscience Co., Ltd. From January 1999 to May 2000, Mr. Hu served as the trainer-in-charge of Xi'an Synchrobit Co., Ltd. From July 1997 to December 1998, Mr. Hu served as trainer-in-charge of Ping An Insurance Group Xi'an Branch Office. From July 1993 to June1997, Mr. Hu served as staff and department manager of Shaanxi Agriculture, Industry and Trade Co., Ltd. Mr. Hu obtained a bachelor's degree in Biology upon his graduation from Northwest University in 1993.

Mr. Hu has over twenty years of experience in natural products industry, an abundant industry network, and deep familiarity with the global natural health market, with extensive experience in the Big Health markets in Europe and the United States. In addition, he maintains sound business relations with well-known large enterprises in the health and pharmaceutical industry. We believe Mr. Hu's depth of experience and extensive industry knowledge make him well-positioned to continue leading the company forward.

Zhenchao Li is our Chief Financial Officer and a member of our Board of Directors. Mr. Li has served as the CFO of Xi'an App-Chem since July of 2019. From August 2016 to June 2019, Mr. Li served as the Chief Financial Officer of Shaanxi Mingfeng Group Co., Ltd. and President of Shaanxi Mingfeng Investment Co., Ltd. From April 2012 to July 2016, Mr. Li served as the Chief Financial Officer of Xi'an City Natural Gas Group. From March 2011 to April 2012, he served as the General Manager of Xincheng Real Estate Division of Xi'an Xinlong Group Real Estate. In March 2003, Mr. Li became the Chief Accountant of Real Estate Business and Deputy President of Xi'an Xinlong Group Real Estate. From June 2002 to February 2003, Mr. Li served in the Auditing Section of Xianyang Pianzhuan Co., Ltd. From July 1984 to May 2002, he served as the Chief of Accounting Section, Chief of Auditing Section, and Chief Accountant of Xianyang Municipal Flannel Printing and Dyeing Factory.

Mr. Li is a senior accountant and member of the Shaanxi Provincial Accounting Society, a senior accountant of Shaanxi Provincial Forensic Authentication Accounting (the only senior accountant who passed the National Forensic Authentication Accounting in 2008), a member of National and Local Taxation of Xi'an Municipal International Taxation Research Institute, tax supervisor of the Xi'an Municipal Tax Service, and a guest supervisor of Yanta District Tax Bureau of Xi'an Municipal Tax Service.

Yingchun Xue is our Chief Operating Officer. Ms. Xue has worked for Xi'an App-Chem Bio (Tech) Co,. Ltd. since 2011 and is currently the Vice President in charge of research and development of plant extracts, quality control and procurement of trade products. A senior phytochemical engineer, Ms. Xue obtained a bachelor's degree in Applied Chemistry upon graduation from Nanjing University in 1994.

Wenjuan Chen is our Chief Marketing Officer. She has served as the Vice President of Xi'an App-Chem Bio (Tech) Co., Ltd. since 2006. Ms. Chen obtained a bachelor's degree after her study at Xi'an International Studies University from 2000 to 2004, and a master's degree of Business Administration after her study at Shaanxi Master of Business Administration Institute from 2016 to 2018.

Jianli Liu is our Chief Technology Officer and Chief Scientist. In this position, Mr. Liu is responsible for proposing new technical ideas and concepts for Xi'an App-Chem and guiding and supervising their execution. He is a professor and the Dean of the Traditional Chinese Medicine Department at Northwest University. He holds a Ph.D. from the University of Manchester. He is a member of the Royal Society of Chemistry, and a member of Chinese Patent Medicine Chapter of the China Association of Chinese Medicine. He has published over sixty academic papers, among which six have been included in SCI (Science Citation Index) journals and three have been included in EI (Engineering Index) journals.

His scientific achievements include the following:

- Mr. Liu was the first in the world to complete the biomimetic synthesis of anti-cancer drug 10-Hydroxycamptothecin, a research initiated in the early 1970s with no prior success in over two decades since its start.

- Mr. Liu proposed "A new subject, i.e., the state of trace elements - study of trace elements in traditional Chinese medicine", and for the first time used experiments to prove that most of the trace elements in traditional Chinese medicine exist in a bond state, and that the amount of free state existence is very minor. This finding was awarded the third prize of the Outstanding Paper of Natural Science in Shaanxi Province in 1993.

- The successful membrane introduction mass spectrometry and its application in detecting and measuring volatile organic matters in water bodies. This finding was awarded the second prize of Outstanding Scientific Research Achievements of Shaanxi Universities in 1989.

- The successful research of simple biomimetic synthesis of rutecarpine, an active ingredient in Chinese medicine fructus evodiae.

- The successful research of simple biomimetic synthesis of tryptanthrin, an active ingredient in Chinese medicine folium isatidis.

- The development and research of new drugs using tryptanthrin and rutecarpine.

- The successful in-depth study of biosynthesis of tryptanthrin in isatis indigotica fortune and its verification by extra addition of precursors.

James Edward Burns will join our Board of Directors as an independent Director. Mr. Burns has had a distinguished career in the energy sector, and brings a wealth of management, business development and financial knowledge to the Company. From 2017 through 2018, Mr. Burns was President of Petrolia Energy (OTCQB: BBLS), and international oil and gas company, where he structured the organization for growth and compliance to acquire and integrate new acquisitions. From 2014 to 2016 he served as President of Transfuels (dba BLU LNG), ENN's N.A. investment arm, where he improved the company's net income and helped prevent the company's potential bankruptcy. In 2014, Mr. Burns served as President of Fortress Energy Partners, a division of Fortress Investment Group (NYSE: FIG), where was responsible for creating and running FIG's first entrance into the energy sector, an LNG plant in Clearwater, Florida, and laying the groundwork for both domestic and International projects. From 2009 to 2014, he was General Manager of Clean Energy & Innovation/LNG for Transport for Shell Americas, the Americas division of Royal Dutch Shell (NYSE: RDS) At Shell, he created and ran the company's small-scale LNG business. From 2006 to 2009, Mr. Burns served as Business Development Manager for Shell Gas & Power, a global division of Royal Dutch Shell focused on natural gas and liquified natural gas. In that position, he led Shell's Coal/Biomass to Liquids efforts in the Americas. From 2002 to 2006, her served as Global LNG Finance Advisor for Shell Gas & Power, where he provided financial and commercial advice on all global LNG commercial agreements including LNG and shipping deals. From 1999 to 2002, Mr. Burns served as Business Development Manager and Portfolio Manager at Shell Pipeline, where he lead numerous acquisition and divestment projects including joint venture buyouts, company acquisitions, and asset sales and purchases. From 1998 to 1999, he served as Business Development Advisor and Finance Manager at Equilon (a Texaco & Shell Joint Venture combining the two entities U.S. downstream assets). In that position, he performed business development duties such as contract negotiations and project management, and coordinated and supervised all accounting, finance and administrative personnel in the region. From 1996 to 1998, Mr. Burns served as Revenue Manager for Texaco Exploration and Production, N.A., a division of Texaco, where he designed, created and implemented the crude oil trading model and revenue recognition model for over 50,000 barrels per day of crude oil sales. In 1990 to 1996, he served as a Crude Oil Trading Accountant at ARCO Long Beach, Inc., a division of Atlantic Richfield.

Mr. Burns is currently Chairman of the Board of Petrolia Energy (OTCQB: BBLS), an independent member of the Board of Directors of Playmaker IQ, a technology company focused on e-learning and workforce productivity, and a member of the Energy Council of the Houston Angel Investors. He has previously served as a Director of Transfuels, the North American investment arm of ENN Energy Holdings Limited (SEHK:2688). Mr. Burns holds an Executive MBA from the University of Houston and a B.S. in Business Administration from California State University. Mr. Burns was nominated to serve as a Director due to his extensive management, business development, and public company experience. Due to his extensive operational experience and corporate board in the public companies, we believe Mr. Burns is well-qualified to serve as a Director.

Christopher Constable will join our Board of Directors as an independent Director. Mr. Constable is an experience entrepreneurial financial executive, with extensive experience in accounting, financial management, treasury and operations. From 2018 to the present, Mr. Constable has been the CFO of Blue Star Foods Corp. (OTC: BSFC) an international seafood company that imports, packages and sells refrigerated pasteurized crab meat, and other premium seafood products. Mr. Constable led the reverse merger of the predecessor company into this publicly traded holding company. At Blue Star Foods, he is responsible for all areas of public reporting, SOX compliance, mergers & acquisitions, and the maintenance of all legal, accounting and investment banking relationships. Since 2003, Mr. Constable has been the CFO of Blue Star's operating subsidiary, John Keeler & Co, Inc. In this position, he created the company's accounting policies, procedures and internal controls, and annual budgets and forecasts. He is responsible for quarterly reviews and annual audits, and manages strategic planning, cash flow, restructurings, due diligence, contract negotiations, insurance, personnel policies, employee benefits, commission and bonus plans. From 1999 to 2003, Mr. Constable was a Consultant to Gateway Capital Corporation, where he provided new business and workout services to large lending institutions in the U.S. At Gateway Capital, he analyzed the financial and reporting capabilities of prospective lending customers for lines of credit, consulted with small to medium sized businesses to prepare them for sourcing working capital from major banks, and designed restructured and implemented the accounting and finance functions for businesses with revenues from $15 million to $200 million in industries from manufacturing to telecommunications. Mr. Constable holds a B.S. in Finance with a Minor in Accounting from the Merrick School of Business at the University of Baltimore. Mr. Constable was nominated to serve as a Director due to his accounting and financial management expertise. Due to his accounting background and having served as the CFO of a public company, we believe Mr. Constable is well-qualified to serve as a Director.

Lawrence W. Leighton will join our Board of Directors as an independent Director. Mr. Lieghton is an experienced investment banker with a strong background in international finance and mergers and acquisitions. He has represented many major international companies throughout his career, including Pernod Ricard SA (ENXTPA:RI), and Verizon Communications Inc. (NYSE:VZ). From 2009 to 2018, Mr. Leighton was a Board Director of China XD Plastics Company Limited (NASDAQ:CXDC), a major producer of specialty plastics in Harbin, China.. He joined Bentley in 1997 as a Managing Director. Starting in 1989 he was President and Chief Executive Officer of UI USA, the US subsidiary of Union d'Ètudes et d'Investissements, the merchant banking arm of Credit Agricôle SA (ENXTPA:ACA), the largest bank in France. Mr. Leighton joined Chase Investment Bank in 1982 as a Managing Director, where focused on cross-border mergers. Previously, he was a Limited Partner at Bear, Sterns & Co., also focusing on international mergers and acquisitions. Starting in 1974, he was with Norton Simon as the Director of Strategic Planning/Mergers & Acquisitions, where he was responsible for several significant acquisitions for that company, including Avis Rent-A-Car. Before Norton Simon, Mr. Leighton was with Clark, Dodge & Co. where he became Co-Head of the Corporate Finance Department. He began his extensive investment banking career at Kuhn, Loeb & Co. Mr. Leighton is on the Board of Trustees of the Gillen Brewer School and is a Director Emeritus of the Waterford Institute and the Princeton Club of New York. He received his B.S.E. degree from Princeton University and an M.B.A. from Harvard Business School. Mr. Leighton became Senior Advisor in 2017. Due to his strong experience in investment banking, mergers and acquisitions, and international finance, we believe Mr. Leighton is well-qualified to serve as a Director.

Compensation

Set forth below is the compensation paid during the fiscal year ended September 30, 2019 for each of our executive officers and directors. The figures below represent the compensation paid by our variable interest entity, Xi'an App-Chem:

Name	2019 Compensation
Yongwei Hu	US$58,167
Zhenchao Li	US$52,351
Yingchun Xue	US$28,269
Wenjuan Chen	US$20,940
Jianli Liu	—
James Edward Burns	n/a
Christopher Constable	n/a
Lawrence Leighton	n/a

Board Practices

Term of Office

Our Directors are appointed for a one-year term to hold office until the next annual general meeting of our shareholders or until removed from office in accordance with our Articles.

Directors Service Contracts

As Chairman and President of Xi'an App-Chem, Yongwei Hu, serves under a Labor Contract dated November 3, 2014. The term of his contract is open-ended. Mr. Hu is bound by a non-competition agreement for the three years following the end of his employment.

As the CFO of Xi'an App-Chem, Zhenchao Li serves under a labor contract dated on July 1, 2019. The term of his contract is three years. Mr. Li is bound by a non-competition agreement for the two years following the end of his employment.

Each of our independent Directors – Mr. Burns, Mr. Constable, and Mr. Leighton – will serve under a director service contract featuring a one-year term with annual renewals. Our independent Directors will receive base compensation of $2,000 per month during their terms of service. In addition, effective upon the close of this offering, each of our independent Directors will receive options to purchase $50,000 worth of our ordinary shares at an exercise price of $0.01 per share, with the options to be valued at our IPO share price. These options will vest in equal monthly installments over the course of the year, conditioned on the Directors' continued service. The chairman of our audit committee will receive an additional $20,000 worth of options for his initial year of service. The chairmen of our compensation committee and our nominating and governance committee will each receive an additional $5,000 worth of options for their initial years of service.

Committees of the Board

We have established three committees under the board of directors: an audit committee, a compensation committee and a nominating and corporate governance committee. We have adopted a charter for each of the three committees. Each committee's members and functions are described below.

Audit Committee. Our audit committee consists of Christopher Constable, James E. Burns, and Lawrence W. Leighton. Mr. Constable is the chairman of our audit committee. We have determined that Mr. Constable, Mr. Burns, and Mr. Leighton each satisfy the "independence" requirements of Rule 4200(a)(15) of The NASDAQ Stock Market, Inc., and meets the independence standards under Rule 10A-3 under the Exchange Act. We have determined that Christopher Constable qualifies as an "audit committee financial expert." The audit committee oversees our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee is responsible for, among other things:

- appointing the independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by the independent auditors;
- reviewing with the independent auditors any audit problems or difficulties and management's response;
- discussing the annual audited financial statements with management and the independent auditors;
- reviewing the adequacy and effectiveness of our accounting and internal control policies and procedures and any steps taken to monitor and control major financial risk exposures;
- reviewing and approving all proposed related party transactions;
- meeting separately and periodically with management and the independent auditors; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

Compensation Committee. Our compensation committee consists of Christopher Constable, James E. Burns, and Lawrence W. Leighton. Mr. Burns is the chairman of our compensation committee. We have determined that Mr. Constable, Mr. Burns, and Mr. Leighton each satisfy the "independence" requirements of Rule 4200(a)(15) of The NASDAQ Stock Market, Inc. The compensation committee assists the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our chief executive officer may not be present at any committee meeting during which his compensation is deliberated. The compensation committee is responsible for, among other things:

- reviewing and approving, or recommending to the board for its approval, the compensation for our chief executive officer and other executive officers;
- reviewing and recommending to the board for determination with respect to the compensation of our non-employee directors;
- reviewing periodically and approving any incentive compensation or equity plans, programs or similar arrangements; and
- selecting compensation consultant, legal counsel or other adviser only after taking into consideration all factors relevant to that person's independence from management.

Nominating and Corporate Governance Committee. Our nominating and corporate governance committee consists of Christopher Constable, James E. Burns, and Lawrence W. Leighton. Mr. Leighton is the chairman of our nominating and corporate governance committee. We have determined that Mr. Constable, Mr. Burns, and Mr. Leighton each satisfy the "independence" requirements of Rule 4200(a)(15) of The NASDAQ Stock Market, Inc. The nominating and corporate governance committee assists the board of directors in selecting individuals qualified to become our directors and in determining the composition of the board and its committees. The nominating and corporate governance committee is responsible for, among other things:

- selecting and recommending to the board nominees for election by the shareholders or appointment by the board;
- reviewing annually with the board the current composition of the board with regards to characteristics such as independence, knowledge, skills, experience and diversity;
- making recommendations on the frequency and structure of board meetings and monitoring the functioning of the committees of the board; and
- advising the board periodically with regards to significant developments in the law and practice of corporate governance as well as our compliance with applicable laws and regulations and making recommendations to the board on all matters of corporate governance and on any remedial action to be taken.

Duties of Directors

Under Cayman Islands law, our directors have a duty to act honestly, in good faith and with a view to our best interests. Our directors also have a duty to exercise the care, diligence and skills that a reasonably prudent person would exercise in comparable circumstances. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association and the class rights vested thereunder in the holders of the shares. A shareholder may in certain circumstances have rights to damages if a duty owed by the directors is breached.

Our board of directors has all the powers necessary for managing, and for directing and supervising, our business affairs. The functions and powers of our board of directors include, among others:

- convening shareholders' annual general meetings and reporting its work to shareholders at such meetings;
- declaring dividends and distributions;
- appointing officers and determining the term of office of the officers;
- exercising the borrowing powers of our company and mortgaging the property of our company; and
- approving the transfer of shares in our company, including the registration of such shares in our share register.

Terms of Directors and Officers

Our officers are elected by and serve at the discretion of the board of directors. Our directors hold officer for one-year terms with automatic annual renewals, and will continue to hold office until such time as they resign, or until such time as they are removed from office by ordinary resolution of the shareholders or by the board. A director will be removed from office automatically if, among other things, the director (i) becomes bankrupt or makes any arrangement or composition with his creditors; or (ii) is found by our company to be or becomes of unsound mind.

PRINCIPAL SHAREHOLDERS

The following table sets forth, as of the date of this prospectus, the beneficial ownership of our ordinary shares by each executive officer and director, by each person known by us to beneficially own more than 5% of our ordinary shares and by the executive officers and directors as a group. Except as otherwise indicated, all shares are owned directly and the percentage shown is based on 5,800,000 shares of ordinary shares issued and outstanding, and 7,800,000 shares outstanding after the close of this offering.

Title of class	Name of beneficial owner	Amount of beneficial ownership	Percent of class	Percent of class after close of offering
Current Executive Officers and Directors				
Ordinary Shares	Yongwei Hu[1] [4]	1,977,764(1)	34.10%	25.36%
Ordinary Shares	Zhenchao Li[2] [6]	10,000(2)	0.17%	0.13%
Ordinary Shares	Yingchun Xue[2] [6]	30,000(2)	0.52%	0.38%
Ordinary Shares	Wenjuan Chen[2] [6]	20,000(2)	0.34%	0.26%
Ordinary Shares	Jianli Liu[3] [7]	137,069(3)	2.36%	1.76%
Total of All Current Officers and Directors:		**2,174,833**	**37.50%**	**27.88%**
≥ 5% Beneficial Owners				
Ordinary Shares	Hippophae Limited[4]	1,977,764	34.10%	25.36%
Ordinary Shares	Pomegranate Flower Limited[5]	1,100,000	18.79%	14.10%
Ordinary Shares	Clary Sage Limited[6]	769,167	13.26%	9.86%
Ordinary Shares	Hawthorn Fruit Limited[7]	519,736	8.96%	6.66%
Ordinary Shares	Lavender Oil Limited[8]	300,000	5.17%	3.85%
Ordinary Shares	Hippophae Tree Limited[9]	500,000	8.62%	6.41%

(1) Represents shares held in Hippophae Limited, a company in which Mr. Yongwei Hu and his spouse are shareholders. Mr. Yongwei Hu and his spouse hold the shares through their control of Hippophae Limited.

(2) Represents proportional beneficial ownership of shares held in Lavender Oil Limited, a company in which Yingchun Xue, our COO, Wenjuan Chen, our CMO, and Zhenzhao Li, our CFO, are shareholders and hold the shares through their proportional ownership of Lavender Oil Limited.

(3) Represents proportional beneficial ownership of shares held in Hawthorn Fruit Limited, a company in which Jianli Liu is a shareholder and holds the shares through his proportional ownership of Hawthorn Fruit Limited.

(4) Hippophae Limited is a company limited by shares incorporated under the laws of British Virgin Islands. The persons having voting, dispositive or investment powers over Hippophae Limited are Mr. Yongwei Hu and his spouse; accordingly, Mr. Yongwei Hu and his spouse are deemed to control Hippophae Limited.

(5) Pomegranate Flower Limited is a company limited by shares incorporated under the laws of British Virgin Islands. The person having voting, dispositive or investment powers over Pomegranate Flower Limited is Hao Qu; accordingly, Hao Qu is deemed to control Pomegranate Flower Limited.

(6) Clary Sage Limited is a company limited by shares incorporated under the laws of British Virgin Islands. The person having voting, dispositive or investment powers over Clary Sage Limited is Wenhu Guo; accordingly, Wenhu Guo is deemed to control Clary Sage Limited.

(7) Hawthorn Fruit Limited is a company limited by shares incorporated under the laws of British Virgin Islands. The person having voting, dispositive or investment powers over Hawthorn Fruit Limited is Duying Wang; accordingly, Duying Wang is deemed to control Hawthorn Fruit Limited.

(8) Lavender Oil Limited is a company limited by shares incorporated under the laws of British Virgin Islands. The person having voting, dispositive or investment powers over Lavender Oil Limited is Weiping Li; accordingly, Weiping Li is deemed to control Lavender Oil Limited.

(9) Hippophae Tree Limited is a company limited by shares incorporated under the laws of British Virgin Islands. The person having voting, dispositive or investment powers over Hippophae Tree Limited is Yuzhen Zhu; accordingly, Yuzhen Zhu is deemed to control Hippophae Tree Limited.

As used in this table, “beneficial ownership” means the sole or shared power to vote, or to direct the voting of, a security, or the sole or shared investment power with respect to a security (i.e., the power to dispose of, or to direct the disposition of, a security). In addition, for purposes of this table, a person is deemed, as of any date, to have “beneficial ownership” of any security that such person has the right to acquire within 60 days after such date.

The persons named above have full voting and investment power with respect to the shares indicated. Under the rules of the Securities and Exchange Commission, a person (or group of persons) is deemed to be a “beneficial owner” of a security if he or she, directly or indirectly, has or shares the power to vote or to direct the voting of such security, or the power to dispose of or to direct the disposition of such security. Accordingly, more than one person may be deemed to be a beneficial owner of the same security. A person is also deemed to be a beneficial owner of any security, which that person has the right to acquire within 60 days, such as options or warrants to purchase our ordinary shares.

Major Shareholders

Other than as set forth above, there are no beneficial owners of 5% or more of our voting securities. The company is not directly or indirectly owned or controlled by another corporation(s) or by any foreign government. There are no arrangements, known to us, the

operation of which may at a subsequent date result in a change in control of the company.

RELATED PARTY TRANSACTIONS

Except as set forth below, during our preceding three financial years up to the date of this prospectus, there have been no transactions or loans between the company and (a) enterprises that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the company; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the company, and close members of any such individual's family; (d) key management personnel, that is, those persons having authority and responsibility for planning, directing and controlling the activities of the company, including directors and senior management of companies and close members of such individuals' families; and (e) enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (c) or (d) or over which such a person is able to exercise significant influence:

(a) Due to related parties

	Related party relationship	September 30, 2019	September 30, 2018
Shaanxi Meishengyuang Bio-Technology Co., Ltd	5.5% of shareholder of Xi'an App-chem	$ 770,532	$ 276,602
Wenhu Guo	Senior Management of the Company	388,075	249,382
Jing Liu	Wife of the controlling shareholder	4,203	4,368
Sheying Wang	Senior Management of the Company	3,055	3,175
		$ 1,165,865	**$ 533,527**

As of September 30, 2019 and 2018, the balance of due to related parties was comprised of the Company's borrowings from related parties and was used for working capital during the Company's normal course of business. Such advance was non-interest bearing and due on demand.

(b) Loan guarantee provided by related parties

In connection with the Company's short-term and long-term loans borrowed from PRC banks and other financial institutions, the Company's controlling shareholder, Mr. Yongwei Hu pledged his proportionate ownership interest in Xi'an App-chem, and his personal bank savings as collaterals to safeguard the Company's borrowings from the banks and financial institutions. Mr. Yongwei Hu and his wife Ms. Jing Liu also jointly pledged their personal residence property to guarantee the Company's certain loans (see Note 10).

All related party transactions are in the normal course of business.

DESCRIPTION OF SHARE CAPITAL

We are a Cayman Islands company and our affairs are governed by our memorandum and articles of association and the Companies Law (2020 Revision) of the Cayman Islands, which we refer to as the Companies Law below, and the common law of the Cayman Islands.

As of the date of this prospectus, our company's authorized share capital consists of 500,000,000 ordinary shares with a par value $0.0001 per share. As of the date of this prospectus, 5,800,000 ordinary shares are issued and outstanding. All of our issued and outstanding ordinary shares are fully paid. Immediately upon the completion of this offering, there will be 7,800,00 ordinary shares outstanding, assuming the underwriter does not exercise the over-allotment option.

Our Memorandum and Articles

The following are summaries of material provisions of our memorandum and articles of association and of the Companies Law, insofar as they relate to the material terms of our ordinary shares.

Objects of Our Company. Under our memorandum and articles of association, the objects of our company are unrestricted and we have the full power and authority to carry out any object not prohibited by the law of the Cayman Islands.

Ordinary Shares. Our ordinary shares are issued in registered form and are issued when registered in our register of members. Our shareholders who are nonresidents of the Cayman Islands may freely hold and vote their shares.

Dividends. The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors. In addition, our shareholders may by ordinary resolution declare a final dividend, but no dividend may exceed the amount recommended by our directors. Our articles of association provide that dividends may be declared and paid out of our profits, realized or unrealized, or from any reserve set aside from profits which our board of directors determine is no longer needed. Dividends may also be declared and paid out of share premium account or any other fund or account which can be authorized for this purpose subject to the restrictions of the Companies Law, provided that in no circumstances may we pay a dividend if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business.

Voting Rights. On a show of hands each shareholder is entitled to one vote or, on a poll, each shareholder is entitled to one vote for each ordinary share, voting together as a single class, on all matters that require a shareholder's vote. Voting at any shareholders' meeting is by show of hands unless a poll is demanded. A poll may be demanded by the chairman of such meeting or one or more shareholders present in person or by proxy entitled to vote and who together hold not less than 10 percent of the paid-up voting share capital for the Company.

A quorum required for a meeting of shareholders consists of one or more shareholders present and holding at least a majority of the votes of the issued and outstanding voting shares in our company. Shareholders may be present in person or by proxy or, if the shareholder is a legal entity, by its duly authorized representative. Shareholders' meetings may be convened by our board of directors on its own initiative or upon a request to the directors by shareholders holding no less than 10 percent of our paid voting share capital. Advance notice of at least seven days is required for the convening of our annual general shareholders' meeting and any other general shareholders' meeting.

An ordinary resolution to be passed at a meeting by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the ordinary shares cast at a meeting, while a special resolution requires the affirmative vote of no less than two-thirds of the votes cast attaching to the outstanding ordinary shares at a meeting. A special resolution will be required for important matters such as a change of name or making changes to our memorandum and articles of association. Holders of the ordinary shares may, among other things, divide or combine their shares by ordinary resolution.

Transfer of Ordinary Shares. Any of our shareholders may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board of directors.

Our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share whether or not it is fully paid up without assigning any reason for doing so.

If our directors refuse to register a transfer they shall, within two months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may be suspended and the register closed at such times and for such periods as our board of directors may from time to time determine, provided, however, that the registration of transfers shall not be suspended nor the register closed for more than 45 days in any year as our board may determine.

Liquidation. On a return of capital on winding up or otherwise (other than on conversion, redemption or purchase of shares), assets available for distribution among the holders of ordinary shares shall be distributed among the holders of our shares on a pro rata basis. If our assets available for distribution are insufficient to repay all of the paid-up capital, the assets will be distributed so that the losses are borne by our shareholders proportionately.

Calls on Shares and Forfeiture of Shares. Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their shares in a notice served to such shareholders at least 14 days prior to the specified time and place of payment. The shares that have been called upon and remain unpaid are subject to forfeiture.

Redemption of Shares. The Companies Law and our articles of association permit us to purchase, redeem or otherwise acquire our own shares. In accordance with our articles of association and provided the necessary shareholders or board approval have been obtained, we may issue shares on terms that are subject to redemption, at our option or at the option of the holders of these shares, on such terms and in such manner, including out of capital, as may be determined by our board of directors.

Variations of Rights of Shares. The rights attached to any class or series of shares (unless otherwise provided by the terms of issue of the shares of that class or series), whether or not our company is being wound-up, may be varied with the consent in writing of the holders of two-thirds of the issued shares of that class or series or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of the class or series. The rights conferred upon the holders of the shares of any class issued shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* with such existing class of shares.

Issuance of Additional Shares. Our memorandum and articles of association authorizes our board of directors to issue additional ordinary shares from time to time as our board of directors shall determine, to the extent of available authorized but unissued shares.

Inspection of Books and Records. Holders of our ordinary shares will have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records. However, we will provide our shareholders with annual audited financial statements. See "Where You Can Find Additional Information."

Anti-Takeover Provisions. Some provisions of our memorandum and articles of association may discourage, delay or prevent a change of control of our company or management that shareholders may consider favorable, including a provision that limits the ability of shareholders to requisition and convene general meetings of shareholders, such that shareholders requisitioning a meeting must hold not less than ten percent of the paid up voting share capital of the company

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our memorandum and articles of association for a proper purpose and for what they believe in good faith to be in the best interests of our company.

Exempted Company. We are an exempted company with limited liability under the Companies Law. The Companies Law distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except that an exempted company that does not hold a license to carry on business in the Cayman Islands:

- does not have to file an annual return of its shareholders with the Registrar of Companies;
- is not required to open its register of members for inspection;
- does not have to hold an annual general meeting;
- is prohibited from making any invitation to the public in the Cayman Islands to subscribe for any of its securities;
- may issue negotiable or bearer shares or shares with no par value;
- may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- may register as an exempted limited duration company; and
- may register as a segregated portfolio company.

"Limited liability" means that the liability of each shareholder is limited to the amount unpaid by the shareholder on the shares of the company.

Differences in Corporate Law

The Companies Law is modeled after that of English law but does not follow recent English statutory enactments and differs from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Law applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and Similar Arrangements. The Companies Law permits a merger of two or more constituent companies incorporated under Cayman Islands law and between Cayman Islands companies and non-Cayman Islands companies. In order to effect a merger, a plan of merger or consolidation is required to be approved by the directors of each constituent company and authorization by (a) a special resolution of the shareholders and (b) such other authorization, if any, as may be specified in such constituent company's articles of association.

A merger between a Cayman Islands parent company and its Cayman Islands subsidiary or subsidiaries does not require authorization by a resolution of shareholders of that Cayman Islands subsidiary if a copy of the plan of merger is given to every member of that Cayman Islands subsidiary to be merged unless that member agrees otherwise. For this purpose a subsidiary is a company of which at least ninety percent (90%) of the issued shares entitled to vote are owned by the parent company.

The consent of each holder of a fixed or floating security interest over a constituent company is required unless this requirement is waived by a court in the Cayman Islands.

Save in certain circumstances, a dissenting shareholder of a Cayman constituent company is entitled to payment of the fair value of his shares upon dissenting to a merger or consolidation. The exercise of appraisal rights will preclude the exercise of any other rights entitled by virtue of that person holding shares save for the right to seek relief on the grounds that the merger or consolidation is void or unlawful.

In addition, there are statutory provisions that facilitate the reconstruction and amalgamation of companies, provided that the arrangement is approved by a majority in number of each class of shareholders or creditors with whom the arrangement is to be made, and who must in addition represent 75% in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- the statutory provisions as to the required majority vote have been met;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Law.

When a takeover offer is made and accepted by holders of not less than 90.0% of the shares affected within four months, the offeror may, within a two-month period commencing on the expiration of such four month period, give notice to require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands by a dissenting shareholder within one month from the date on which the notice was given, but this is unlikely to succeed in the case of an offer which has been so approved unless there is evidence of fraud, bad faith or collusion.

If an arrangement and reconstruction is thus approved, the dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of Delaware corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders' Suits. In principle, we will normally be the proper plaintiff to sue for a wrong done to us as a company and as a general rule a derivative action may not be brought by a minority shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, there are exceptions to the foregoing principle, including when:

- a company acts or proposes to act illegally or ultra vires and is therefore incapable of ratification by the shareholders;;

- the act complained of, although not ultra vires, could only be effected duly if authorized by more than a simple majority vote that has not been obtained; and

- those who control the company are perpetrating a "fraud on the minority."

Indemnification of Directors and Executive Officers and Limitation of Liability. The Companies Law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our memorandum and articles of association permit indemnification of officers and directors for losses, damages, costs, expenses, actions, proceedings, charges or liabilities incurred in their capacities as such unless such losses or damages arise from dishonesty, willful default or fraud of such directors or officers in or about the conduct of our company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such director or officer in defending (whether successfully or otherwise) any civil proceedings concerning our company or our affairs in any court whether in the Cayman Islands or elsewhere. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation.

In addition, we have entered into indemnification agreements with our directors and executive officers that provide such persons with additional indemnification beyond that provided in our memorandum and articles of association.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Directors' Fiduciary Duties. Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director acts in a manner he reasonably believes to be in the best interests of the corporation. He must not use his corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, the director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company and therefore it is considered that he owes the following duties to the company—a duty to act bona fide in the best interests of the company, a duty not to make a profit based on his position as director (unless the company permits him to do so) and a duty not to put himself in a position where the interests of the company conflict with his personal interest or his duty to a third party. A director of a Cayman Islands company owes to the company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands.

Shareholder Action by Written Consent. Under the Delaware General Corporation Law, a corporation may eliminate the right of shareholders to act by written consent by amendment to its certificate of incorporation. Cayman Islands law and our articles of association provide that shareholders may approve corporate matters by way of a unanimous written resolution signed by or on behalf of each shareholder who would have been entitled to vote on such matter at a general meeting without a meeting being held.

Shareholder Proposals. Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

Cayman Islands law does not provide shareholders any right to put proposal before a meeting and provides limited rights for shareholders to requisition a general meeting. However, these rights may be provided in articles of association. Our articles of association allow our shareholders holding not less than 10 percent of the paid-up voting share capital to requisition a shareholder's meeting. Other than this right to requisition a shareholders' meeting, our articles of association do not provide our shareholders other right to put proposal before a meeting. As an exempted Cayman Islands company, we are not obliged by law to call shareholders' annual general meetings.

Cumulative Voting. Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. There are no prohibitions in relation to cumulative voting under the Companies Law, but our articles of association do not provide for cumulative voting. As a result, our shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Removal of Directors. Under the Delaware General Corporation Law, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our articles of association, directors may be removed with or without cause, by an ordinary resolution of our shareholders.

Transactions with Interested Shareholders. The Delaware General Corporation Law contains a business combination statute applicable to Delaware corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target's outstanding voting share within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, it does provide that such transactions must be entered into bona fide in the best interests of the company for a proper corporate purpose and not with the effect of constituting a fraud on the minority shareholders.

Dissolution; Winding up. Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board.

Under the Companies Law, a company may be wound up by either an order of the courts of the Cayman Islands or by a special resolution of its members or, if the company is unable to pay its debts as they fall due, by an ordinary resolution of its members. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so. Under the Companies Law and our post-offering amended and restated articles of association, our company may be dissolved, liquidated or wound up by a special resolution of our shareholders.

Variation of Rights of Shares. Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under the Companies Law and our articles of association, if our share capital is divided into more than one class of shares, we may vary the rights attached to any class with the written consent of the holders of a two-thirds of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.

Amendment of Governing Documents. Under the Delaware General Corporation Law, a corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. As permitted by Cayman Islands law, our memorandum and articles of association may only be amended with a special resolution of our shareholders.

Rights of Non-resident or Foreign Shareholders. There are no limitations imposed by our memorandum and articles of association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our memorandum and articles of association governing the ownership threshold above which shareholder ownership must be disclosed.

SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of this offering, we will have 7,800,000 ordinary shares outstanding, assuming the underwriter does not exercise its over-allotment option. All of the Shares sold in this offering will be freely transferable by persons other than by our "affiliates" without restriction or further registration under the Securities Act. Sales of substantial amounts of our ordinary shares in the public market could adversely affect prevailing market prices of our ordinary shares. Prior to this offering, there has been no public market for our ordinary shares. We intend to apply for listing of our ordinary shares on the Nasdaq Capital Market, but we cannot assure you that a regular trading market will develop in the Shares.

Lock-up Agreements

Each of our directors, officers and greater than 10% shareholders has agreed, for a period of 180 days after the date of this prospectus, not to offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale, lend or otherwise dispose of, any of our ordinary shares or securities that are substantially similar to our ordinary shares, including but not limited to any options or warrants to purchase our ordinary shares, or any securities that are convertible into or exchangeable for, or that represent the right to receive, our ordinary shares, without the prior written consent of the representatives of the underwriter.

We are not aware of any plans by any significant shareholders to dispose of significant numbers of our ordinary shares. However, one or more existing shareholders or owners of securities convertible or exchangeable into or exercisable for our ordinary shares may dispose of significant numbers of our ordinary shares in the future. We cannot predict what effect, if any, future sales of our ordinary shares, or the availability of ordinary shares for future sale, will have on the trading price of our ordinary shares from time to time. Sales of substantial amounts of our ordinary shares in the public market, or the perception that these sales could occur, could adversely affect the trading price of our ordinary shares.

Rule 144

All of our ordinary shares that will be outstanding upon the completion of this offering, other than the Shares sold in this offering, are "restricted securities" as that term is defined in Rule 144 under the Securities Act and may be sold publicly in the United States only if they are subject to an effective registration statement under the Securities Act or pursuant to an exemption from the registration requirement such as those provided by Rule 144 and Rule 701 promulgated under the Securities Act. In general, beginning 90 days after the date of this prospectus, a person (or persons whose shares are aggregated) who at the time of a sale is not, and has not been during the three months preceding the sale, an affiliate of ours and has beneficially owned our restricted securities for at least six months will be entitled to sell the restricted securities without registration under the Securities Act, subject only to the availability of current public information about us, and will be entitled to sell restricted securities beneficially owned for at least one year without restriction. Persons who are our affiliates and have beneficially owned our restricted securities for at least six months may sell a number of restricted securities within any three-month period that does not exceed the greater of the following:

- 1% of the then outstanding ordinary shares of the same class, which immediately after this offering will equal 78,000 ordinary shares, assuming the underwriters do not exercise their over-allotment option; or

- the average weekly trading volume of our ordinary shares of the same class, during the four calendar weeks preceding the date on which notice of the sale is filed with the SEC.

Sales by our affiliates under Rule 144 are also subject to certain requirements relating to manner of sale, notice and the availability of current public information about us.

TAXATION

The following summary of the material Cayman Islands, PRC and U.S. federal income tax consequences of an investment in our ordinary shares is based upon laws and relevant interpretations thereof in effect as of the date of this registration statement, all of which are subject to change. This summary does not deal with all possible tax consequences relating to an investment in our ordinary shares, such as the tax consequences under U.S. state and local tax laws or under the tax laws of jurisdictions other than the Cayman Islands, the People's Republic of China and the United States.

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or after execution brought within the jurisdiction of, the Cayman Islands. No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands. The Cayman Islands is a party to a double tax treaty entered with the United Kingdom in 2010 but is otherwise not party to any double tax treaties that are applicable to any payments made to or by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

People's Republic of China Taxation

Under the *PRC Enterprise Income Tax Law* and its implementation rules, an enterprise established outside of the PRC with "de facto management body" within the PRC is considered a resident enterprise. The implementation rules define the term "de facto management body" as the body that exercises full and substantial control and overall management over the business, productions, personnel, accounts and properties of an enterprise. In April 2009, the SAT issued the *SAT Circular 82*, which provides certain specific criteria for determining whether the "de facto management body" of a PRC-controlled enterprise that is incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners, the criteria set forth in the circular may reflect the SAT's general position on how the "de facto management body" text should be applied in determining the tax resident status of all offshore enterprises. According to *SAT Circular 82*, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its "de facto management body" in China only if all of the following conditions are met: (i) the places where the senior management and senior management departments responsible for the daily production, operation and management of the enterprise perform their duties are mainly located within the territory of the PRC; (ii) decisions relating to the enterprise's financial matters (such as money borrowing, lending, financing and financial risk management) and human resource matters (such as appointment, dismissal and salary and wages) are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC. In addition, the SAT issued the *Bulletin of the State Administration of Taxation on Printing and Distributing the Administrative Measures for Income Tax on Chinese-controlled Resident Enterprises Incorporated Overseas (Trial Implementation)* in 2011, providing more guidance on the implementation of *SAT Circular 82*. This bulletin clarifies matters including resident status determination, post determination administration, and competent tax authorities. In January 2014, the SAT issued the *SAT Bulletin 9*. According to *SAT Bulletin 9*, a Chinese-controlled offshore incorporated enterprise that satisfies the conditions prescribed under the *SAT Circular 82* for being recognized as a PRC tax resident must apply for being recognized as a PRC tax resident to the competent tax authority at the place of registration of its main investor within the territory of China.

We believe that Bon Natural Life Limited is not a PRC resident enterprise for PRC tax purposes. Bon Natural Life Limited is not controlled by a PRC enterprise or PRC enterprise group and we do not believe that Bon Natural Life Limited meets all of the conditions above. Bon Natural Life Limited is a company incorporated outside the PRC. As a holding company, its key assets are its ownership interests in its subsidiaries, and its key assets are located, and its records (including the resolutions of its board of directors and the resolutions of its shareholders) are maintained, outside the PRC. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body."

If the PRC tax authorities determine that Bon Natural Life Limited is a PRC resident enterprise for enterprise income tax purposes, we would be subject to 25% enterprise income tax on its worldwide income. Furthermore, we may be required to withhold a 10% withholding tax from dividends we pay to our shareholders that are non-resident enterprises, including the holders of our Shares. In addition, non-resident enterprise shareholders may be subject to a 10% PRC tax on gains realized on the sale or other disposition of ordinary shares, if such income is treated as sourced from within the PRC. Furthermore, if we are deemed a PRC resident enterprise, dividends payable to our non- resident individual shareholders and any gain realized on the transfer of ordinary shares by such shareholders may be subject to PRC tax at a rate of 20% unless a reduced rate is available under an applicable tax treaty. It is also unclear whether non- resident shareholders of Bon Natural Life Limited would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that Bon Natural Life Limited is treated as a PRC resident enterprise.

On February 3, 2015, the SAT issued the *SAT Bulletin 7*, which came into effect on February 3, 2015, but will also apply to cases where their PRC tax treatments are not yet concluded. Pursuant to *SAT Bulletin 7*, an ''indirect transfer'' of PRC assets, including a transfer of equity interests in an unlisted non-PRC holding company of a PRC resident enterprise, by non-PRC resident enterprises may be re-characterized and treated as a direct transfer of the underlying PRC assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax, and the transferee or other person who is obligated to pay for the transfer is obligated to withhold the applicable taxes, currently at a rate of 10% for the transfer of equity interests in a PRC resident enterprise.

On October 17, 2017, the SAT issued the *SAT Bulletin 37*, which came into effect on December 1, 2017. The *SAT Bulletin 37* further clarifies the practice and procedure of the withholding of non-resident enterprise income tax.

Where a non-resident enterprise transfers taxable assets in China indirectly by disposing of the equity interests of an overseas holding company, which is an Indirect Transfer, the non-resident enterprise as either transferor or transferee, or the PRC entity whose equity is transferred, may report such Indirect Transfer to the relevant tax authority. Using a "substance over form" principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such Indirect Transfer may be subject to PRC enterprise income tax, and the transferee or other person who is obligated to pay for the transfer is obligated to withhold the applicable taxes, currently at a rate of 10% for the transfer of equity interests in a PRC resident enterprise. Both the transferor and the transferee may be subject to penalties under PRC tax laws if the transferee fails to withhold the taxes and the transferor fails to pay the taxes. Our company may be subject to filing obligations or taxed if our company is transferor in such transactions, and we may be subject to withholding obligations if our company is transferee in such transactions, under *SAT Bulletin 7* and *SAT Bulletin 37*. For transfer of shares in our company by investors who are non-PRC resident enterprises, our PRC subsidiaries may be requested to assist in the filing under *SAT Bulletin 7* and *SAT Bulletin 37*. As a result, we may be required to expend valuable resources to comply with *SAT Bulletin 7* and *SAT Bulletin 37* or to request the relevant transferors from whom we purchase taxable assets to comply with these circulars, or to establish that our company should not be taxed under these circulars, which may have a material adverse effect on our financial condition and results of operations.

United States Federal Income Tax Considerations

The following discussion is a summary of U.S. federal income tax considerations generally applicable to the ownership and disposition of our ordinary shares by a U.S. Holder (as defined below) that acquires our Shares in this offering and holds our Shares as "capital assets" (generally, property held for investment) under the U.S. Internal Revenue Code of 1986, as amended, or the Code. This discussion is based upon existing U.S. federal tax law, which is subject to differing interpretations or change, possibly with retroactive effect. No ruling has been sought from the Internal Revenue Service, the IRS, with respect to any U.S. federal income tax consequences described below, and there can be no assurance that the IRS or a court will not take a contrary position. This discussion, moreover, does not address the U.S. federal estate, gift, Medicare, and alternative minimum tax considerations, or any state, local and non-U.S. tax considerations, relating to the ownership or disposition of our ordinary shares. The following summary does not address all aspects of U.S. federal income taxation that may be important to particular investors in light of their individual circumstances or to persons in special tax situations such as:

- banks and other financial institutions;
- insurance companies;
- pension plans;
- cooperatives;
- regulated investment companies;
- real estate investment trusts;
- broker-dealers;
- traders in securities that elect to use a mark-to-market method of accounting;
- certain former U.S. citizens or long-term residents;
- tax-exempt entities (including private foundations);
- persons liable for alternative minimum tax;
- holders who acquire their ordinary shares pursuant to any employee share option or otherwise as compensation;
- investors that will hold their ordinary shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes;
- investors that have a functional currency other than the U.S. dollar;
- persons that actually or constructively own 10% or more of the total combined voting power of all classes of our voting stock; or
- partnerships or other entities taxable as partnerships for U.S. federal income tax purposes, or persons holding ordinary shares through such entities.

all of whom may be subject to tax rules that differ significantly from those discussed below.

Each U.S. Holder is urged to consult its tax advisor regarding the application of U.S. federal tax law to its particular circumstances, and the state, local, non-U.S. and other tax considerations of the ownership and disposition of our ordinary shares.

General

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of our ordinary shares that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created in, or organized under the law of the United States or any state thereof or the District of Columbia;

- an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or

- a trust (A) the administration of which is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (B) that has otherwise validly elected to be treated as a U.S. person under the Code.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of our ordinary shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Partnerships holding our ordinary shares and their partners are urged to consult their tax advisors regarding an investment in our ordinary shares.

Passive Foreign Investment Company Considerations

A non-U.S. corporation, such as our company, will be classified as a PFIC, for U.S. federal income tax purposes for any taxable year, if either (i) 75% or more of its gross income for such year consists of certain types of "passive" income or (ii) 50% or more of the value of its assets (determined on the basis of a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income. For this purpose, cash and assets readily convertible into cash are categorized as a passive asset and the company's goodwill and other unbooked intangibles are taken into account. Passive income generally includes, among other things, dividends, interest, rents, royalties, and gains from the disposition of passive assets. We will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation in which we own, directly or indirectly, more than 25% (by value) of the stock.

Although the law in this regard is not entirely clear, we treat our consolidated VIE as being owned by us for U.S. federal income tax purposes because we control its management decisions and are entitled to substantially all of the economic benefits associated with this entity. As a result, we consolidate its results of operations in our consolidated U.S. GAAP financial statements. If it were determined, however, that we are not the owner of the consolidated VIE for U.S. federal income tax purposes, we would likely be treated as a PFIC for the current taxable year and any subsequent taxable year.

Assuming that we are the owner of the VIE for U.S. federal income tax purposes, and based upon our current and projected income and assets, including the proceeds from this offering, and projections as to the value of our assets, based in part on the market value of our Shares following this offering, we do not expect to be a PFIC for the current taxable year or the foreseeable future. While we do not anticipate being or becoming a PFIC in the current or foreseeable taxable years, no assurance can be given in this regard because the determination of whether we will be or become a PFIC is a factual determination made annually that will depend, in part, upon the composition of our income and assets. Fluctuations in the market price of our Shares may cause us to be classified as a PFIC for the current or future taxable years because the value of our assets for purposes of the asset test, including the value of our goodwill and unbooked intangibles, may be determined by reference to the market price of our Shares from time to time (which may be volatile). In estimating the value of our goodwill and other unbooked intangibles, we have taken into account the expected cash proceeds and our anticipated market capitalization following this offering. If our market capitalization subsequently declines, we may be or become classified as a PFIC for the current taxable year or future taxable years. Furthermore, the composition of our income and assets may also be affected by how, and how quickly, we use our liquid assets and the cash raised in this offering. Under circumstances where our revenue from activities that produce passive income significantly increase relative to our revenue from activities that produce non-passive income, or where we determine not to deploy significant amounts of cash for active purposes, our risk of becoming classified as a PFIC may substantially increase.

If we are classified as a PFIC for any year during which a U.S. Holder holds our ordinary shares, the PFIC rules discussed below under "Passive Foreign Investment Company Rules" generally will apply to such U.S. Holder for such taxable year, and unless the U.S. Holder makes certain elections, will apply in future years even if we cease to be a PFIC.

The discussion below under "Dividends" and "Sale or Other Disposition" is written on the basis that we will not be or become classified as a PFIC for U.S. federal income tax purposes. The U.S. federal income tax rules that apply generally if we are treated as a PFIC are discussed below under "Passive Foreign Investment Company Rules."

Dividends

Subject to the discussion below under "Passive Foreign Investment Company Rules," any cash distributions (including the amount of any PRC tax withheld) paid on our ordinary shares out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles, will generally be includible in the gross income of a U.S. Holder as dividend income on the day actually or constructively received by the U.S. Holder. Because we do not intend to determine our earnings and profits on the basis of U.S. federal income tax principles, any distribution we pay will generally be treated as a "dividend" for U.S. federal income tax purposes. Dividends received on our ordinary shares will not be eligible for the dividends received deduction allowed to corporations. A non-corporate U.S. Holder will be subject to tax at the lower capital gain tax rate applicable to "qualified dividend income," provided that certain conditions are satisfied, including that (1) our Shares are readily tradeable on an established securities market in the United States, or, in the event that we are deemed to be a PRC resident enterprise under the PRC tax law, we are eligible for the benefit of the United States-PRC income tax treaty, (2) we are neither a PFIC nor treated as such with respect to a U.S. Holder (as discussed below) for the taxable year in which the dividend was paid and the preceding taxable year, and (3) certain holding period requirements are met. We expect our Shares will be readily tradeable on an established securities market in the United States. There can be no assurance, however, that our Shares will be considered readily tradeable on an established securities market in later years.

In the event that we are deemed to be a PRC resident enterprise under the PRC Enterprise Income Tax Law, a U.S. Holder may be subject to PRC withholding taxes on dividends paid on our ordinary shares. We may, however, be eligible for the benefits of the United States-PRC income tax treaty. If we are eligible for such benefits, dividends we pay on our ordinary shares would be eligible for the reduced rates of taxation described in the preceding paragraph.

Dividends will generally be treated as income from foreign sources for U.S. foreign tax credit purposes and will generally constitute passive category income. Depending on the U.S. Holder's individual facts and circumstances, a U.S. Holder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit in respect of any foreign withholding taxes imposed on dividends received on our ordinary shares. A U.S. Holder who does not elect to claim a foreign tax credit for foreign tax withheld may instead claim a deduction, for U.S. federal income tax purposes, in respect of such withholding, but only for a year in which such holder elects to do so for all creditable foreign income taxes. The rules governing the foreign tax credit are complex and their outcome depends in large part on the U.S. Holder's individual facts and circumstances. Accordingly, U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Sale or Other Disposition

Subject to the discussion below under "Passive Foreign Investment Company Rules," a U.S. Holder will generally recognize capital gain or loss upon the sale or other disposition of ordinary shares in an amount equal to the difference between the amount realized upon the disposition and the holder's adjusted tax basis in such ordinary shares. Any capital gain or loss will be long-term if the ordinary shares have been held for more than one year and will generally be U.S.-source gain or loss for U.S. foreign tax credit purposes. In the event that gain from the disposition of the ordinary shares is subject to tax in the PRC, such gain may be treated as PRC source gain under the United States-PRC income tax treaty. The deductibility of a capital loss may be subject to limitations. U.S. Holders are urged to consult their tax advisors regarding the tax consequences if a foreign tax is imposed on a disposition of our ordinary shares, including the availability of the foreign tax credit under their particular circumstances.

Passive Foreign Investment Company Rules

If we are classified as a PFIC for any taxable year during which a U.S. Holder holds our ordinary shares, and unless the U.S. Holder makes a mark-to-market election (as described below), the U.S. Holder will generally be subject to special tax rules on (i) any excess distribution that we make to the U.S. Holder (which generally means any distribution paid during a taxable year to a U.S. Holder that is greater than 125 percent of the average annual distributions paid in the three preceding taxable years or, if shorter, the U.S. Holder's holding period for the ordinary shares), and (ii) any gain realized on the sale or other disposition of ordinary shares. Under the PFIC rules:

- the excess distribution or gain will be allocated ratably over the U.S. Holder's holding period for the ordinary shares;

- the amount allocated to the current taxable year and any taxable years in the U.S. Holder's holding period prior to the first taxable year in which we are classified as a PFIC (each, a "pre-PFIC year"), will be taxable as ordinary income;

- the amount allocated to each prior taxable year, other than a pre-PFIC year, will be subject to tax at the highest tax rate in effect for individuals or corporations, as appropriate, for that year; and

- the interest charge generally applicable to underpayments of tax will be imposed on the tax attributable to each prior taxable year, other than a pre-PFIC year.

If we are a PFIC for any taxable year during which a U.S. Holder holds our ordinary shares and any of our subsidiaries is also a PFIC, such U.S. Holder would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules. U.S. Holders are urged to consult their tax advisors regarding the application of the PFIC rules to any of our subsidiaries.

As an alternative to the foregoing rules, a U.S. Holder of "marketable stock" in a PFIC may make a mark-to-market election with respect to such stock, provided that such stock is regularly traded. For those purposes, our ordinary shares will be treated as marketable stock upon their listing on the Nasdaq Capital Market. We anticipate that our Shares should qualify as being regularly traded, but no assurances may be given in this regard. If a U.S. Holder makes this election, the holder will generally (i) include as ordinary income for each taxable year that we are a PFIC the excess, if any, of the fair market value of Shares held at the end of the taxable year over the adjusted tax basis of such Shares and (ii) deduct as an ordinary loss the excess, if any, of the adjusted tax basis of the Shares over the fair market value of such Shares held at the end of the taxable year, but such deduction will only be allowed to the extent of the amount previously included in income as a result of the mark-to-market election. The U.S. Holder's adjusted tax basis in the Shares would be adjusted to reflect any income or loss resulting from the mark-to-market election. If a U.S. Holder makes a mark-to-market election in respect of a corporation classified as a PFIC and such corporation ceases to be classified as a PFIC, the holder will not be required to take into account the gain or loss described above during any period that such corporation is not classified as a PFIC. If a U.S. Holder makes a mark-to-market election, any gain such U.S. Holder recognizes upon the sale or other disposition of our Shares in a year when we are a PFIC will be treated as ordinary income and any loss will be treated as ordinary loss, but such loss will only be treated as ordinary loss to the extent of the net amount previously included in income as a result of the mark-to-market election.

Because a mark-to-market election cannot be made for any lower-tier PFICs that we may own, a U.S. Holder may continue to be subject to the PFIC rules with respect to such U.S. Holder's indirect interest in any investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes.

We do not intend to provide information necessary for U.S. Holders to make qualified electing fund elections which, if available, would result in tax treatment different from (and generally less adverse than) the general tax treatment for PFICs described above.

If a U.S. Holder owns our ordinary shares during any taxable year that we are a PFIC, the holder must generally file an annual IRS Form 8621. You should consult your tax advisors regarding the U.S. federal income tax consequences of owning and disposing of our ordinary shares if we are or become a PFIC.

Information Reporting

Certain U.S. Holders may be required to report information to the IRS with respect to the beneficial ownership of our ordinary shares. These rules also impose penalties if a U.S. Holder is required to submit such information to the IRS and fails to do so.

In addition, U.S. Holders may be subject to information reporting to the IRS with respect to dividends on and proceeds from the sale or other disposition of our ordinary shares. Each U.S. Holder is advised to consult with its tax advisor regarding the application of the U.S. information reporting rules to their particular circumstances.

UNDERWRITING

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriter named below has agreed to purchase, and we have agreed to sell, the number of Shares indicated below:

Name	Number of Shares
Newbridge Securities Corporation	2,000,000

The underwriter is offering the Shares subject to their acceptance of the Shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the underwriter to pay for and accept delivery of the Shares offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriter is obligated to take and pay for all of the Shares offered by this prospectus if any such Shares are taken. However, the underwriter is not required to take or pay for the Shares covered by the underwriter's over-allotment option described below.

The underwriter initially proposes to offer part of the Shares directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of $0.20 per Share under the initial public offering price.

We have granted to the underwriter an option, exercisable for 45 days from the date of this prospectus, to purchase additional Shares equal to fifteen percent (15%) of the total offering amount at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriter may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the Shares offered by this prospectus.

The following table shows the per Share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriter's option to purchase up to an additional 300,000 Shares.

		Total	
	Per Share	No Exercise	Full Exercise
Public offering price	$ 5.00	$ 10,000,000	$ 11,500,000
Underwriting discounts and commissions to be paid by us:	$ 0.40	$ 800,000	$ 920,000
Proceeds, before expenses, to us	$ 4.60	$ 9,200,000	$ 10,580,000

We will also pay to the representative by deduction from the net proceeds of the offering contemplated herein, a non-accountable expense allowance equal to one percent (1%) of the gross proceeds received by us from the sale of our ordinary shares.

We paid advances of $25,000 to the representative for its anticipated out-of-pocket expenses. These payments will be credited against the aggregate accountable expense reimbursement allowance of [$] payable upon the closing of this offering.

Subject to our pre-approval have agreed to pay the representative's expenses relating to the offering, including the underwriters' legal counsel, due diligence travel expenses, road show travel expenses and other expenses incurred in connection with this offering.

In addition, we have agreed to issue warrants to the representative of the underwriters to purchase a number of ordinary shares equal to 8% of the total number of ordinary shares sold in this offering. Such warrants shall have an exercise price equal to 100% of the offering price of the ordinary shares sold in this offering. The underwriters' warrants may be purchased in cash or via cashless exercise, will be exercisable for five years from the effective date of the registration statement of which this prospectus forms a part and will terminate on the fifth anniversary of the effective date of the registration statement of which this prospectus forms a part. The underwriters' warrants and the underlying shares will be deemed compensation by FINRA, and therefore will be subject to FINRA Rule 5110(g)(1). In accordance with FINRA Rule 5110(g)(1), and except as otherwise permitted by FINRA rules, neither the underwriters' warrants nor any of our shares issued upon exercise of the underwriters' warrants may be sold, transferred, assigned, pledged or hypothecated, or be the subject of any hedging, short sale, derivative, put or call transaction that would result in the effective economic disposition of such securities by any person, for a period of 180 days immediately following the effective date of the registration statement of which this prospectus forms a part. In addition, although the underwriter warrants and the underlying ordinary shares will be registered in the registration statement of which this prospectus forms a part, we have also agreed that the warrants will provide for registration rights in certain cases. These registration rights apply to all of the securities directly and indirectly issuable upon exercise of the underwriter warrants. The piggyback registration right provided will not be greater than seven years from the effective date of the offering in compliance with FINRA Rule 5110(f)(2)(G)(v).

We will bear all fees and expenses attendant to registering the ordinary shares issuable upon exercise of the warrants, other than underwriting commissions incurred and payable by the holders. The exercise price and number of ordinary shares issuable upon exercise of the warrants may be adjusted in certain circumstances in compliance with FINRA Rule 5110(f)(2)(G), including in the event of a stock dividend, extraordinary cash dividend or our recapitalization, reorganization, merger or consolidation. The warrant exercise price and/or underlying shares may also be adjusted for issuances of ordinary shares at a price below the warrant exercise price.

The underwriter is expected to make offers and sales both inside and outside the United States through its selling agents. Any offers or sales in the United States will be conducted by broker-dealers registered with the SEC. We intend to apply for the listing of our Shares on the Nasdaq Capital Market under the trading symbol "BNL."

Upon the successful completion of the offering, for a period of twelve (12) months from the effective date of the registration statement of which this prospectus forms a part, we will grant to the representative a right of first refusal to act as the investment bank, financial advisor or similar professional on similar key terms provided by a qualified third party professional.

We and all directors and officers and all existing shareholders have agreed that, without the prior written consent of Newbridge Securities Corporation, we and they will not, during the period ending 180 days after the date of this prospectus (the "restricted period"):

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any ordinary shares, any securities convertible into or exercisable or exchangeable for ordinary shares;

- file any registration statement with the Securities and Exchange Commission relating to the offering of any ordinary shares or any securities convertible into or exercisable or exchangeable for ordinary shares; or

- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of ordinary shares,

whether any such transaction described above is to be settled by delivery of ordinary shares or such other securities, in cash or otherwise. In addition, we and each such person agrees that, without the prior written consent of the underwriter, we or such other person will not, during the restricted period, make any demand for, or exercise any right with respect to, the registration of any ordinary shares or any security convertible into or exercisable or exchangeable for ordinary shares.

The restrictions described in the preceding paragraph are subject to certain exceptions.

Newbridge Securities Corporation, in their sole discretion, may release the ordinary shares, and other securities subject to the lock-up agreements described above in whole or in part at any time.

In order to facilitate the offering of the Shares, the underwriter may engage in transactions that stabilize, maintain or otherwise affect the price of the Shares. Specifically, the underwriter may sell more Shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of Shares available for purchase by the underwriter under the over-allotment option. The underwriter can close out a covered short sale by exercising the over-allotment option or purchasing Shares in the open market. In determining the source of shares to close out a covered short sale, the underwriter will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The underwriter may also sell Shares in excess of the over-allotment option, creating a naked short position. The underwriter must close out any naked short position by purchasing Shares in the open market. A naked short position is more likely to be created if the underwriter is concerned that there may be downward pressure on the price of the Shares in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriter may bid for, and purchase, Shares in the open market to stabilize the price of the Shares. These activities may raise or maintain the market price of the Shares above independent market levels or prevent or retard a decline in the market price of the Shares. The underwriter is not required to engage in these activities and may end any of these activities at any time.

We and the underwriter have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus in electronic format may be made available on websites maintained by the underwriter. The underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The underwriter has, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of its various business activities, the underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The underwriter and its affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

The address of Newbridge Securities Corporation is 1200 North Federal Highway, Suite 400, Boca Raton, FL 3432.

Pricing of the Offering

Prior to this offering, there has been no public market for our ordinary shares or Shares. The initial public offering price was determined by negotiations between us and the underwriter. Among the factors considered in determining the initial public offering price were our future prospects and those of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, and certain financial and operating information of companies engaged in activities similar to ours.

Selling Restrictions

No action may be taken in any jurisdiction other than the United States that would permit a public offering of the Shares or the possession, circulation or distribution of this prospectus in any jurisdiction where action for that purpose is required. Accordingly, the Shares may not be offered or sold, directly or indirectly, and neither the prospectus nor any other offering material or advertisements in connection with the Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws, rules and regulations of any such country or jurisdiction.

Australia

This document has not been lodged with the Australian Securities & Investments Commission and is only directed to certain categories of exempt persons. Accordingly, if you receive this document in Australia:

(a) you confirm and warrant that you are either:

(i) "sophisticated investor" under section 708(8)(a) or (b) of the Corporations Act 2001 (Cth) of Australia, or the Corporations Act;

(ii) "sophisticated investor" under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant's certificate to the company which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;

(iii) person associated with the company under section 708(12) of the Corporations Act; or

(iv) "professional investor" within the meaning of section 708(11)(a) or (b) of the Corporations Act;

and to the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor, associated person or professional investor under the Corporations Act, any offer made to you under this document is void and incapable of acceptance;

(b) you warrant and agree that you will not offer any of the Shares issued to you pursuant to this document for resale in Australia within 12 months of those Shares being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act.

Canada

The Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 *Underwriting Conflicts* ("NI 33-105"), the underwriter is not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Cayman Islands

This prospectus does not constitute an invitation or offer to the public in the Cayman Islands of the Shares, whether by way of sale or subscription. The underwriter has not offered or sold, and will not offer or sell, directly or indirectly, any Shares in the Cayman Islands.

Dubai International Finance Center

This document relates to an Exempt Offer, as defined in the Offered Securities Rules module of the DFSA Rulebook, or the OSR, in accordance with the Offered Securities Rules of the Dubai Financial Services Authority. This document is intended for distribution only to Persons, as defined in the OSR, of a type specified in those rules. It must not be delivered to, or relied on by, any other Person. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The Dubai Financial Services Authority has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it. The Shares to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Shares offered should conduct their own due diligence on the Shares. If you do not understand the contents of this document you should consult an authorized financial adviser.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") an offer to the public of any shares which are the subject of the offering contemplated by this prospectus may not be made in that Relevant Member State unless the prospectus has been approved by the competent authority in such Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that an offer to the public in that Relevant Member State of any shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

- to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000 and (iii) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

- by the underwriter to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than "qualified investors" as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives for any such offer; or

- in any other circumstances falling within Article 3(2) of the Prospectus Directive; provided that no such offer of shares shall result in a requirement for the publication by us or any representative of a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Any person making or intending to make any offer of shares within the EEA should only do so in circumstances in which no obligation arises for us or the underwriter to produce a prospectus for such offer. Neither we nor the underwriter have authorized, nor do they authorize, the making of any offer of shares through any financial intermediary, other than offers made by the underwriter which constitute the final offering of shares contemplated in this prospectus.

For the purposes of this provision, and your representation below, the expression an "offer to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase any shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any shares under, the offer of shares contemplated by this prospectus will be deemed to have represented, warranted and agreed to and with us and each underwriter that:

- it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

- in the case of any shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the shares acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than "qualified investors" (as defined in the Prospectus Directive), or in circumstances in which the prior consent of the representatives has been given to the offer or resale; or (ii) where shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those shares to it is not treated under the Prospectus Directive as having been made to such persons.

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or the Order, and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

Hong Kong

The Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan, and Shares will not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to any exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Korea

The Shares may not be offered, sold and delivered directly or indirectly, or offered or sold to any person for reoffering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the Korea Securities and Exchange Act and the Foreign Exchange Transaction Law and the decrees and regulations thereunder. The Shares have not been registered with the Financial Services Commission of Korea for public offering in Korea. Furthermore, the Shares may not be resold to Korean residents unless the purchaser of the Shares complies with all applicable regulatory requirements (including but not limited to government approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with the purchase of the Shares.

Kuwait

Unless all necessary approvals from the Kuwait Ministry of Commerce and Industry required by Law No. 31/1990 "Regulating the Negotiation of Securities and Establishment of Investment Funds," its Executive Regulations and the various Ministerial Orders issued pursuant thereto or in connection therewith, have been given in relation to the marketing and sale of the Shares, these may not be marketed, offered for sale, nor sold in the State of Kuwait. Neither this prospectus (including any related document), nor any of the information contained therein is intended to lead to the conclusion of any contract of whatsoever nature within Kuwait.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the securities has been or will be registered with the Securities Commission of Malaysia, or Commission, for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the securities may not be circulated or distributed, nor may the securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services License; (iii) a person who acquires the securities as principal, if the offer is on terms that the securities may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the securities is made by a holder of a Capital Markets Services License who carries on the business of dealing in securities. The distribution in Malaysia of this prospectus is subject to Malaysian laws. This prospectus does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Mexico

None of the Shares have been or will be registered with the National Securities Registry (Registro Nacional de Valores) maintained by the Mexican National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores) of Mexico and, as a result, may not be offered or sold publicly in Mexico. The ordinary shares may only be sold to Mexican institutional and qualified investors, pursuant to the private placement exemption set forth in the Mexican Securities Market Law (Ley del Mercado de Valores).

People's Republic of China

This prospectus has not been and will not be circulated or distributed in the PRC, and Shares may not be offered or sold, and will not be offered or sold to any person for re-offering or resale, directly or indirectly, to any resident of the PRC except pursuant to applicable laws and regulations of the PRC.

Qatar

In the State of Qatar, the offer contained herein is made on an exclusive basis to the specifically intended recipient thereof, upon that person's request and initiative, for personal use only and shall in no way be construed as a general offer for the sale of securities to the public or an attempt to do business as a bank, an investment company or otherwise in the State of Qatar. This prospectus and the underlying securities have not been approved or licensed by the Qatar Central Bank or the Qatar Financial Centre Regulatory Authority or any other regulator in the State of Qatar. The information contained in this prospectus shall only be shared with any third parties in Qatar on a need to know basis for the purpose of evaluating the contained offer. Any distribution of this prospectus by the recipient to third parties in Qatar beyond the terms hereof is not permitted and shall be at the liability of such recipient.

Saudi Arabia

This prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority. The Capital Market Authority does not make any representation as to the accuracy or completeness of this prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this prospectus. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this prospectus you should consult an authorized financial adviser.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of our Shares may not be circulated or distributed, nor may our Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or SFA, (ii) to a relevant person or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Where our Shares are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor; shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Shares under Section 275 of the SFA, except: (1) to an institutional investor (for corporations under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

Switzerland

The Shares will not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or SIX, or on any other stock exchange or regulated trading facility in Switzerland. This prospectus has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland.

Neither this prospectus nor any other offering or marketing material relating to our company or the Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this prospectus will not be filed with, and the offer of the Shares will not be supervised by, the Swiss Financial Market Supervisory Authority, and the offer of the Shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (the "CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the Shares.

Taiwan

The Shares have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be offered or sold in Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or relevant laws and regulations that require a registration, filing or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer or sell the Shares in Taiwan.

United Arab Emirates

This prospectus is not intended to constitute an offer, sale or delivery of shares or other securities under the laws of the United Arab Emirates, or the UAE. The Shares have not been and will not be registered under Federal Law No. 4 of 2000 Concerning the Emirates Securities and Commodities Authority and the Emirates Security and Commodity Exchange, or with the UAE Central Bank, the Dubai Financial Market, the Abu Dhabi Securities Market or with any other UAE exchange.

The offering, the Shares and interests therein have not been approved or licensed by the UAE Central Bank or any other relevant licensing authorities in the UAE, and do not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended) or otherwise.

In relation to its use in the UAE, this prospectus is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the Shares may not be offered or sold directly or indirectly to the public in the UAE.

United Kingdom

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("FSMA") received by it in connection with the issue or sale of the Shares in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Shares in, from or otherwise involving the United Kingdom.

EXPENSES RELATED TO THIS OFFERING

The estimated costs of this offering are as follows:

Selling Commissions[(1)]	$	900,000.00
Securities and Exchange Commission registration fee	$	1,612.12
Federal Taxes	$	—
State Taxes and Fees	$	—
Listing Fees	$	50,000.00
Printing and Engraving Fees	$	5,000.00
Transfer Agent Fees	$	2,500.00
Audit, accounting fees and expenses	$	280,000.00
Legal fees and expenses	$	390,000.00
Total	**$**	**729,112.12**

All amounts are estimates, other than the Commission's registration fee.

(1) Represents a commission of eight percent of the gross proceeds of the offering, together with a non-accountable expense allowance equal to one percent (1%) of the gross proceeds received by us from the sale of our ordinary shares.

LEGAL MATTERS

Crone Law Group, P.C., our legal counsel in the United States, is our lead counsel with regard to this Registration Statement. The underwriters are being represented by Ellenoff Grossman & Schole LLP with respect to certain legal matters as to United States federal securities law. The validity of the ordinary shares offered in this offering will be passed upon for us by Ogier Global (Cayman) Limited, our independent legal counsel in the Cayman Islands. Certain legal matters as to PRC law will be passed upon for us by Chamzon Law Firm, our independent legal counsel in the People's Republic of China.

EXPERTS

The consolidated financial statements as of September 30, 2019 and 2018 included in this prospectus have been audited by Friedman LLP, an independent registered public accounting firm. Friedman LLP has presented their report with respect to our audited financial statements. The report of Friedman LLP is included in reliance upon their authority as experts in accounting and auditing. The offices of Friedman, LLP are located at One Liberty Plaza, 165 Broadway, Floor 21, New York, NY 10006.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed a registration statement, including relevant exhibits, with the SEC on Form F-1 under the Securities Act with respect to the ordinary shares to be sold in this offering. This prospectus, which constitutes a part of the registration statement on Form F-1, does not contain all of the information contained in the registration statement. You should read our registration statement and its exhibits and schedules for further information with respect to us and our ordinary shares.

We are subject to periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers. Accordingly, we are required to file reports, including annual reports on Form 20-F, and other information with the SEC. All information filed with the SEC can be obtained over the internet at the SEC's website at www.sec.gov or inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. You can request copies of documents, upon payment of a duplicating fee, by writing to the SEC.

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BON NATURAL LIFE LIMITED AND SUBSIDIARIES

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FRIEDMAN LLP®

ACCOUNTANTS AND ADVISORS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and shareholders of
Bon Natural Life Limited and Subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Bon Natural Life Limited and its subsidiaries (collectively, the "Company") as of September 30, 2019 and 2018, and the related consolidated statements of income and comprehensive income, changes in shareholders' equity, and cash flows for each of the years in the two-year period ended September 30, 2019, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2019 and 2018, and the results of its operations and its cash flows for each of the years in the two-year period ended September 30, 2019, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statement. We believe that our audits provide a reasonable basis for our opinion.

/s/ Friedman LLP

We have served as the Company's auditor since 2019.

New York, New York

July 13, 2020

BON NATURAL LIFE LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	As of September 30,	
	2019	**2018**
ASSETS		
CURRENT ASSETS		
Cash	$ 293,771	$ 820,856
Accounts receivable, net	5,236,270	2,554,145
Inventories, net	2,603,864	9,396,643
Prepaid expenses and other current assets	445,527	679,040
TOTAL CURRENT ASSETS	8,579,432	13,450,684
Acquisition deposit	1,305,407	-
Property, plant and equipment, net	9,498,052	3,010,732
Intangible assets, net	138,372	147,967
Deferred tax assets, net	39,149	35,533
TOTAL ASSETS	$ 19,560,412	$ 16,644,916
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term loans	$ 2,052,309	$ 2,639,872
Current portion of long-term loans	1,821,162	-
Third party loans	424,191	542,799
Accounts payable	3,220,857	3,426,024
Due to related parties	1,165,865	533,527
Taxes payable	1,577,176	98,636
Accrued expenses and other current liabilities	239,305	1,508,797
Capital lease liabilities, current	363,485	-
TOTAL CURRENT LIABILITIES	$ 10,864,350	$ 8,749,655
Long-term loans	1,400,894	3,348,816
Capital lease liabilities, noncurrent	31,822	-
TOTAL LIABILITIES	12,297,066	12,098,471
COMMITMENTS AND CONTINGENCIES		
EQUITY		
Ordinary shares, $0.0001 par value, 500,000,000 shares authorized, 5,800,000 shares issued and outstanding as of September 30, 2019 and 2018, respectively *	$ 580	$ 580
Additional paid in capital	5,040,093	5,040,093
Statutory reserve	257,409	-
Retained earnings	2,368,512	52,118
Accumulated other comprehensive loss	(828,243)	(546,346)
TOTAL BON NATURAL LIFE LIMITED SHAREHOLDERS' EQUITY	6,838,351	4,546,445
Non-controlling interest	424,995	-
Total equity	7,263,346	4,546,445
TOTAL LIABILITIES AND EQUITY	$ 19,560,412	$ 16,644,916

* Retrospectively restated for effect of 1-for-3 shares reverse split.

The accompanying notes are an integral part of these consolidated financial statements

BON NATURAL LIFE LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

	For the years ended September 30,	
	2019	**2018**
REVENUE	**$ 16,396,018**	**$ 10,781,636**
COST OF REVENUE	(11,113,922)	(8,408,962)
GROSS PROFIT	5,282,096	2,372,674
OPERATING EXPENSES		
Selling expenses	(273,841)	(318,541)
General and administrative expenses	(1,310,215)	(895,901)
Research and development expenses	(522,867)	(556,090)
Total operating expenses	(2,106,923)	(1,770,532)
INCOME FROM OPERATIONS	**3,175,173**	**602,142**
OTHER INCOME(EXPENSES)		
Interest income	2,271	1,244
Interest expense	(333,190)	(286,461)
Unrealized foreign transaction exchange gain	5,281	21,121
Government subsidies	140,295	67,608
Total other expense	**(185,343)**	**(196,488)**
INCOME BEFORE INCOME TAX PROVISION	**2,989,830**	**405,654**
INCOME TAX PROVISION	(427,194)	(182,278)
NET INCOME	**2,562,636**	**223,376**
Less: net loss attributable to non-controlling interest	(11,167)	-
NET INCOME ATTRIBUTABLE TO BON NATURAL LIFE LIMITED	2,573,803	223,376
OTHER COMPREHENSIVE INCOME (LOSS)		
Total foreign currency translation adjustment	(281,699)	(149,647)
TOTAL COMPREHENSIVE INCOME	2,280,937	73,729
Less: comprehensive loss attributable to non-controlling interest	(10,969)	-
COMPREHENSIVE INCOME ATTRIBUTABLE TO BON NATURAL LIFE LIMITED	$ 2,291,906	$ 73,729
EARNINGS PER SHARE PER COMMON SHARE		
Basic and diluted	$ 0.44	$ 0.04
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		
Basic and diluted*	5,800,000	5,800,000

* Retrospectively restated for effect of 1-for-3 shares reverse split.

The accompanying notes are an integral part of these consolidated financial statements.

BON NATURAL LIFE LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	Common shares		Additional paid-in capital	Statutory reserve	Retained Earnings (accumulated deficit)	Accumulated other comprehensive loss	Total shareholders' equity	Non-controlling interest	Total equity
	Shares*	Amount							
Balance at October 31, 2017	5,800,000	**$ 580**	**$ 5,040,093**	**$ -**	**$ (171,258)**	**$ (396,699)**	**$ 4,472,716**	**$ -**	**$ 4,472,716**
Net income	-	-	-	-	223,376	-	223,376	-	223,376
Foreign currency translation adjustment	-	-	-	-	-	(149,647)	(149,647)	-	(149,647)
Balance at September 30, 2018	**5,800,000**	**$ 580**	**$ 5,040,093**	**$ -**	**$ 52,118**	**$ (546,346)**	**$ 4,546,445**	**$ -**	**$ 4,546,445**
Appropriation to statutory reserve	-	-		257,409	(257,409)	-	-	-	-
Net income (loss)	-	-	-	-	2,573,803	-	2,573,803	(11,167)	2,562,636
Capital contribution by non-controlling interest	-	-	-	-	-	-	-	435,964	435,964
Foreign currency translation adjustment	-	-	-	-	-	(281,897)	(281,897)	198	(281,699)
Balance at September 30, 2019	**5,800,000**	**$ 580**	**$ 5,040,093**	**$ 257,409**	**$ 2,368,512**	**$ (828,243)**	**$ 6,838,351**	**$ 424,995**	**$ 7,263,346**

* Retrospectively restated for effect of 1-for-3 shares reverse split.

The accompanying notes are an integral part of these consolidated financial statements.

BON NATURAL LIFE LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the years ended September 30,	
	2019	**2018**
Cash flows from operating activities		
Net income	$ 2,562,636	$ 223,376
Adjustments to reconcile net income to cash provided by operating activities		
Allowance for doubtful accounts	34,328	37,662
Depreciation and amortization	226,633	224,084
Inventory reserve	-	259,129
Deferred income tax (benefit) provision	(5,149)	61,484
Unrealized foreign currency exchange gains	(5,281)	(21,121)
Changes in operating assets and liabilities:		
Accounts receivable	(2,912,222)	(145,381)
Inventories	6,681,972	452,846
Prepaid expenses and other current assets	342,477	(6,124)
Accounts payable	(78,356)	(1,115,553)
Tax payable	1,538,662	(169,268)
Accrued expenses and other current liabilities	(1,280,877)	472,763
Net cash provided by operating activities	7,104,822	273,897
Cash flows from investing activities		
Purchase of property and equipment	(213,634)	(540,275)
Capital expenditures on construction-in-progress	(6,861,257)	(1,144,325)
Acquisition deposit	(1,355,067)	-
Net cash used in investing activities	(8,429,958)	(1,684,600)
Cash flows from financing activities		
Proceeds from short-term loans	4,008,293	5,431,805
Proceeds from long-term loans	-	1,530,011
Repayment of short-term loans	(4,514,482)	(4,952,773)
Proceeds from borrowings from related parties	543,976	295,096
Repayments of third party loans	(101,793)	(286,418)
Principal payment from capital lease	432,722	-
Capital contribution from non-controlling interest	435,964	-
Net cash provided by financing activities	804,680	2,017,721
Effect of changes of foreign exchange rates on cash	(6,629)	(16,407)
Net increase (decrease) in cash	(527,085)	590,611
Cash, beginning of year	820,856	230,245
Cash, end of year	$ 293,771	$ 820,856
Supplemental disclosure of cash flow information		
Cash paid for interest expense	$ 333,190	$ 286,461
Cash paid for income tax	$ 115,179	$ 336,386

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1 — ORGANIZATION AND BUSINESS DESCRIPTION

Business

Bon Natural Life Limited ("Bon Natural " or the "Company"), through its wholly-owned subsidiaries and entities controlled through contractual arrangements, is engaged in the research and development, manufacturing and sales of functional active ingredients extracted from natural herb plants which are widely used by manufacturer customers in the functional food, personal care, cosmetic and pharmaceutical industries. The Company sells its products to customers located in both Chinese and international markets.

Organizations

Bon Natural Life Limited was incorporated as an exempted company with limited liability under the laws of the Cayman Islands on December 11, 2019.

Bon Natural owns 100% equity interest of Tea Essence Limited ("Tea Essence"), an entity incorporated on January 9, 2020 in accordance with the laws and regulations in Hong Kong.

Xi'an Cell and Molecule Information Technology Limited. ("Xi'an CMIT") was formed on April 9, 2020, as a Wholly Foreign-Owned Enterprise ("WOFE") in the People's Republic of China ("PRC").

Bon Natural , Tea Essence and Xi'an CMIT are currently not engaging in any active business operations and merely acting as holding companies.

Prior to the reorganization described below, Mr. Yongwei Hu, the chairman of the board of directors and the chief executive officer of the Company, was the controlling shareholder of Xi'an App-Chem Bio(Tech) Co., Ltd. ("Xi'an App-Chem"), an entity incorporated on April 23, 2006 in accordance with PRC laws. Xi'an App-Chem owns 100% of the equity interests of the following subsidiaries: (1) Shaanxi App-Chem Health Industry Co., Ltd. ("App-Chem Health") was incorporated on April 17, 2006 in Tongchuan City in accordance with PRC laws; (2), Shaanxi App-Chem Ag-tech Co., Ltd ("App-Chem Ag-tech") was incorporated on April 19, 2013 in Dali County, Shaanxi Province in accordance with PRC laws; (3) Xi'an Yanhuang TCM Medical Research & Development Co., Ltd ("Xi'an YH") was incorporated on September 15, 2009 in Xi'an City in accordance with PRC laws; (4) Balikun Tianmei Bio(Tech) Co., Ltd. ("Balikun") was incorporated on December 16, 2016 in Balikun City in accordance with PRC laws; (5) App-Chem Bio (Tech) (Guangzhou) Co., Ltd. ("App-Chem Guangzhou") was incorporated on April 27, 2018 in Guangzhou City in accordance with PRC laws and (6) Tongchuan Dietary Therapy Health Technology Co., Ltd. ("Tongchuan DT") was incorporated on May 22, 2017 in Tongchuan City in accordance with PRC laws.

In addition, Xi'an App-Chem also owns majority of the equity interest in the following two entities: Xi'an Dietary Therapy Medical Technology Co., Ltd ("Xi'an DT") was incorporated on April 24, 2015 in accordance with PRC laws, with 75% equity ownership interest owned by Xi'an App-Chem; Tianjin Yonghexiang Bio(Tech) Co., Ltd. ("Tianjin YHX") was incorporated on September 16, 2019 in accordance with PRC laws, with 51% equity ownership interest owned by Xi'an App-Chem. On March 11, 2020, Xi'an App-Chem established a new 100% controlled subsidiary, Gansu Baimeikang Bioengineering Co., Ltd. ("Gansu BMK"). The above-listed entities are collectively referred to as the "Bon Operating Companies" below.

Reorganization

A reorganization of our legal structure ("Reorganization") was completed on May 28, 2020. The reorganization involved the incorporation of Bon Natural Life, Tea Essence and Xi'an CMIT, and entering into certain contractual arrangements between Xi'an CMIT, the shareholders of Bon Operating Companies and the Bon Operating Companies.

NOTE 1 — ORGANIZATION AND BUSINESS DESCRIPTION (continued)

Consequently, the Company became the ultimate holding company of Tea Essence, Xi'an CMIT and Bon Operating Companies.

On May 28, 2020, Xi'an CMIT entered into a series of contractual arrangements with the shareholders of the Bon Operating Companies. These agreements include, Exclusive Service Agreement, Share Pledge Agreement, Proxy Agreement, Exclusive Option Agreement, Powers of Attorney, Spousal Consent Letter, and Loan Agreement intended to guarantee the exercise of the Exclusive Option Agreements and Spouse Consents (collectively the "VIE Agreements"). Pursuant to the VIE Agreements, Xi'an CMIT has the exclusive right to provide to the Bon Operating Companies consulting services related to business operations including technical and management consulting services. The VIE Agreements are designed to provide Xi'an CMIT with the power, rights, and obligations equivalent in all material respects to those it would possess as the sole equity holder of each of the Bon Operating Companies, including absolute control rights and the rights to the assets, property, and revenue of each of the Bon Operating Companies. As a result of our direct ownership in Xi'an CMIT and the VIE Agreements, we believe that the Bon Operating Companies should be treated as Variable Interest Entities ("VIEs") under the Statement of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 810 Consolidation and we are regarded as the primary beneficiary of our VIEs. We treat our VIEs as our consolidated entities under U.S. GAAP. The Company, together with its wholly owned subsidiaries and its VIEs, is effectively controlled by the same shareholders before and after the Reorganization and therefore the Reorganization is considered as a recapitalization of entities under common control. The consolidation of the Company, its subsidiaries, and its VIEs has been accounted for at historical cost and prepared on the basis as if the aforementioned transactions had become effective as of the beginning of the first period presented in the accompanying consolidated financial statements. Upon the completion of the Reorganization, the Company has subsidiaries in countries and jurisdictions in the PRC and Hong Kong. Details of the subsidiaries of the Company as of September 30, 2019 were set out below:

Name of Entity	Date of Incorporation	Place of Incorporation	% of Ownership	Principal Activities
Bon Natural Life	December 11, 2019	Cayman Islands	Parent, 100%	Investment holding
Tea Essence	January 9, 2020	Hong Kong	100%	Investment holding
Xi'an CMIT	April 9, 2020	Xi.an City, PRC	100%	WOFE, Investment holding
VIE of the Company:				
Xi'an App- Chem Bio (Tech)	April 23, 2006	Xi'an City, PRC	VIE	General administration and sales of the Company's products to customers
Bon Operating Companies (owned by VIE)				
App-Chem Health	April 17, 2006	Tongchuan City, PRC	100% owned by VIE	Product manufacturing
App-Chem Ag-tech	April 19, 2013	Dali County, PRC	100% owned by VIE	Registered owner of land with an area of 12,904 square meters , no other business activities
Xi'an YH	September 15, 2009	Xi.an City, PRC	100% owned by VIE	Research and development of product
Balikun	December 16, 2016	Balikun City, PRC	100% owned by VIE	No active business operation
App-Chem Guangzhou	April 27, 2018	Guangzhou City, PRC	100% owned by VIE	Raw material purchase
Tongchuan DT	May 22, 2017	Tongchuan City, PRC	100% owned by VIE	Product manufacturing
Xi'an DT	April 24, 2015	Xi'an City, PRC	75% owned by VIE	Research and development of product
Tianjin YHX	September 16, 2019	Tianjin City, PRC	51% owned by VIE	Raw material purchase

NOTE 1 — ORGANIZATION AND BUSINESS DESCRIPTION (continued)

The VIE contractual arrangements

The Company's main operating entities, Xi'an App-Chem, and Shaanxi App-Chem Health (or the "Bon Operating Companies" as referred above), are controlled through contractual arrangements in lieu of direct equity ownership by the Company.

A VIE is an entity which has a total equity investment that is insufficient to finance its activities without additional subordinated financial support, or whose equity investors lack the characteristics of a controlling financial interest, such as through voting rights, right to receive the expected residual returns of the entity or obligation to absorb the expected losses of the entity. The variable interest holder, if any, that has a controlling financial interest in a VIE is deemed to be the primary beneficiary of, and must consolidate, the VIE.

Xi'an CMIT is deemed to have a controlling financial interest in and be the primary beneficiary of the Bon Operating Companies because it has both of the following characteristics:

- The power to direct activities of the Bon Operating Companies that most significantly impact such entities' economic performance, and

- The obligation to absorb losses of, and the right to receive benefits from, the Bon Operating Companies that could potentially be significant to such entities.

Pursuant to these contractual arrangements, the Bon Operating Companies shall pay service fees equal to all of their net profit after tax payments to Xi'an CMIT. At the same time, Xi'an CMIT is obligated to absorb all of their losses. Such contractual arrangements are designed so that the operations of the Bon Operating Companies are solely for the benefit of Xi'an CMTI and ultimately, the Company.

Risks associated with the VIE structure

The Company believes that the contractual arrangements with its VIE and the shareholders of its VIE are in compliance with PRC laws and regulations and are legally enforceable. However, uncertainties in the PRC legal system could limit the Company's ability to enforce the contractual arrangements. If the legal structure and contractual arrangements were found to be in violation of PRC laws and regulations, the PRC government could:

- revoke the business and operating licenses of the Company's PRC subsidiary and VIE;

- discontinue or restrict the operations of any related-party transactions between the Company's PRC subsidiary and VIE;

- limit the Company's business expansion in China by way of entering into contractual arrangements;

- impose fines or other requirements with which the Company's PRC subsidiary and VIEs may not be able to comply;

- require the Company or the Company's PRC subsidiary and VIE to restructure the relevant ownership structure or operations; or

- restrict or prohibit the Company's use of the proceeds from public offering to finance the Company's business and operations in China.

NOTE 1 — ORGANIZATION AND BUSINESS DESCRIPTION (continued)

The Company's ability to conduct its financial service businesses may be negatively affected if the PRC government were to carry out of any of the aforementioned actions. As a result, the Company may not be able to consolidate its VIE and VIE's subsidiaries in its consolidated financial statements as it may lose the ability to exert effective control over the VIE and their shareholders and it may lose the ability to receive economic benefits from the VIE. The Company, however, does not believe such actions would result in the liquidation or dissolution of the Company, its PRC subsidiary and its VIE. The Company, Tea Essence and Xi'an CMIT are essentially holding companies and do not have active operations as of September 30, 2019 and 2018. As a result, total assets and liabilities presented on the Consolidated Balance Sheets and revenue, expenses, and net income presented on the Consolidated Statement of Comprehensive Income as well as the cash flows from operating, investing and financing activities presented on the Consolidated Statement of Cash Flows are substantially the financial position, operation and cash flow of the Company's VIE and VIE's subsidiaries. The Company has not provided any financial support to the VIE for the years ended September 30, 2019 and 2018.

The following financial statement amounts and balances of the VIE were included in the accompanying consolidated financial statements after elimination of intercompany transactions and balances:

	September 30, 2019	September 30, 2018
Current assets	$ 8,579,432	$ 13,450,684
Non-current assets	10,980,980	3,194,232
Total assets	$ 19,560,412	$ 16,644,916
Current liabilities	$ 10,864,350	$ 8,749,655
Non-current liabilities	1,432,716	3,348,816
Total liabilities	$ 12,297,066	$ 12,098,471

	For the Years Ended September 30,	
	2019	2018
Revenue	$ 16,396,018	$ 10,781,636
Net income	$ 2,562,636	$ 223,376

	For the Years Ended September 30,	
	2019	2018
Net cash provided by operating activities	$ 7,104,822	$ 273,897
Net cash used in investing activities	$ (8,429,958)	$ (1,684,600)
Net cash provided by financing activities	$ 804,680	$ 2,017,721

Note 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). The accompanying consolidated financial statements include the financial statements of the Company, its wholly owned subsidiaries, and entities it controlled through VIE agreements. All inter-company balances and transactions are eliminated upon consolidation.

Note 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-controlling interests

Non-controlling interests represent minority shareholders' 25% ownership interest in Xi'an DT and a minority shareholder's 49% ownership interest in Tianjin YHX as of September 30, 2019. The non-controlling interests are presented in the consolidated balance sheets, separately from equity attributable to the shareholders of the Company. Non-controlling interests in the results of the Company are presented on the face of the consolidated statements of operations and comprehensive loss as an allocation of the total loss for the year between non-controlling interest holders and the shareholders of the Company.

Uses of estimates

In preparing the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("US GAAP"), management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are based on information as of the date of the consolidated financial statements. Significant estimates required to be made by management include, but are not limited to, the allowance for estimated uncollectible receivables, inventory valuations, useful lives of property, plant and equipment, intangible assets, the recoverability of long-lived assets, provision necessary for contingent liabilities, revenue recognition and realization of deferred tax assets. Actual results could differ from those estimates.

Risks and Uncertainties

The main operation of the Company is located in the PRC. Accordingly, the Company's business, financial condition, and results of operations may be influenced by political, economic, and legal environments in the PRC, as well as by the general state of the PRC economy. The Company's results may be adversely affected by changes in the political, regulatory and social conditions in the PRC. Although the Company has not experienced losses from these situations and believes that it is in compliance with existing laws and regulations including its organization and structure disclosed in [Note 1], this may not be indicative of future results.

The Company's business, financial condition and results of operations may also be negatively impacted by risks related to natural disasters, extreme weather conditions, health epidemics and other catastrophic incidents, which could significantly disrupt the Company's operations (see Note 18- *Subsequent Events*).

The development and commercialization of natural and healthy extracts and compounds products is highly competitive, and the industry currently is characterized by rapidly changing technologies, significant competition and a strong emphasis on intellectual property. The Company may face competition with respect to our current and future pharmaceutical product candidates from major pharmaceutical companies in China.

Cash and cash equivalents

Cash includes currency on hand and deposits held by banks that can be added or withdrawn without limitation. The Company maintains most of its bank accounts in the PRC. Cash balances in bank accounts in PRC are not insured by the Federal Deposit Insurance Corporation or other programs.

Note 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts receivable, net

Accounts receivable are presented net of allowance for doubtful accounts.

The Company determines the adequacy of reserves for doubtful accounts based on individual account analysis and historical collection trend. The Company establishes a provision for doubtful receivables when there is objective evidence that the Company may not be able to collect amounts due. The allowance is based on management's best estimate of specific losses on individual exposures, as well as a provision on historical trends of collections. Actual amounts received may differ from management's estimate of credit worthiness and the economic environment. Delinquent account balances are written-off against the allowance for doubtful accounts after management has determined that the collection is not probable. Allowance for uncollectable balances amounted to $73,386 and $48,529 as of September 30, 2019 and 2018, respectively.

Inventories, net

Inventories are stated at net realizable value using weighted average method. Costs include the cost of raw materials, freight, direct labor and related production overhead. Any excess of the cost over the net realizable value of each item of inventories is recognized as a provision for diminution in the value of inventories. Net realizable value is the estimated selling price in the normal course of business less any costs to complete and sell products. The Company evaluates inventories on a quarterly basis for its net realizable value adjustments, and reduces the carrying value of those inventories that are obsolete or in excess of the forecasted usage to their estimated net realizable value based on various factors including aging, expiration dates, as applicable, taking into consideration historical and expected future product sales. The Company recorded inventory reserve of $389,867 and $405,205 as of September 30, 2019 and 2018, respectively.

Fair value of financial instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-level fair value hierarchy prioritizes the inputs used to measure fair value. The hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 — inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

- Level 2 — inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, quoted market prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable and inputs derived from or corroborated by observable market data.

- Level 3 — inputs to the valuation methodology are unobservable.

Unless otherwise disclosed, the fair value of the Company's financial instruments, including cash, accounts receivable, prepaid expenses and other current assets, accounts payable, short-term bank loans, accrued expenses and other current liabilities, taxes payable and due to related parties, approximate the fair value of the respective assets and liabilities as of September 30, 2019 and 2018 based upon the short-term nature of the assets and liabilities.

Note 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment, net

Property, plant and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization of property and equipment is provided using the straight-line method over their expected useful lives, as follows:

	Useful life
Buildings	20 years
Machinery and equipment	5–10 years
Automobiles	8 years
Office and electric equipment	3–5 years

Expenditures for maintenance and repairs, which do not materially extend the useful lives of the assets, are charged to expense as incurred. Expenditures for major renewals and betterments which substantially extend the useful life of assets are capitalized. The cost and related accumulated depreciation of assets retired or sold are removed from the respective accounts, and any gain or loss is recognized in the consolidated statements of income and other comprehensive income in other income or expenses.

Intangible assets, net

The Company's intangible assets primarily includes land use rights. A land use right in the PRC represents an exclusive right to occupy, use and develop a piece of land during the contractual term of the land use right. The cost of a land use right is usually paid in one lump sum at the date the right is granted. The prepayment usually covers the entire period of the land use right. The lump sum advance payment is capitalized and recorded as land use right and then charged to expense on a straight-line basis over the period of the right, which is normally 50 years.

Impairment of long-lived Assets

Long-lived assets, such as property, plant and equipment, land use rights and long-term investment, are reviewed for impairment when events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. Recoverability of a long-lived asset or asset group to be held and used is measured by a comparison of the carrying amount of an asset or asset group to the estimated undiscounted future cash flows expected to be generated by the asset or asset group. If the carrying value of an asset or asset group exceeds its estimated undiscounted future cash flows, an impairment charge is recognized by the amount that the carrying value exceeds the estimated fair value of the asset or asset group. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third party independent appraisals, as considered necessary. Assets to be disposed are reported at the lower of carrying amount or fair value less costs to sell, and are no longer depreciated. No impairment of long-lived assets was recognized as of September 30, 2019 and 2018.

Capital lease obligation

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, Leases (Topic 842) ("ASC 842"). The new guidance states the lease classification criteria for lessees as below:

Note 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

"A lessee shall classify a lease as a finance lease and a lessor shall classify a lease as a sales-type lease when the lease meets any of the following criteria at lease commencement:

- The lease transfers ownership of the underlying asset to the lessee by the end of the lease term.
- The lease grants the lessee an option to purchase the underlying asset that the lessee is reasonably certain to exercise.
- The lease term is for the major part of the remaining economic life of the underlying asset. However, if the commencement date falls at or near the end of the economic life of the underlying asset, this criterion shall not be used for purposes of classifying the lease.
- The present value of the sum of the lease payments and any residual value guaranteed by the lessee that is not already reflected in the lease payments in accordance with paragraph 842-10-30-5(f) equals or exceeds substantially all of the fair value of the underlying asset.
- The underlying asset is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term."

In accordance with ASC 840-40-25-2, the Company sells part of its plant machines to the lessor, leased them back from the lessor, and retains all of the plant machines and their remaining economic lives, therefore, the sale-and-leaseback arrangement is not a sales arrangement for the designated properties. Instead, the arrangement is a lease in nature.

Under ASC 840-10-25-1 and ASC 840-10-25-29, at the time of the lease agreement, the plant machines had agreed-upon fair value, and the minimum lease payments had present value over 90% of the fair value. Management deemed the arrangement as a capital lease.

Foreign Currency Translation

The functional currency for Bon Natural is the U.S Dollar ("US$"). Tea Essence uses Hong Kong dollar as its functional currency. However, Bon Natural, and Tea Essence currently only serve as the holding companies and did not have active operation as of the date of this report. The Company operates its business through its subsidiary and VIEs in the PRC as of September 30, 2019 The functional currency of the Company's subsidiary and VIEs is the Chinese Yuan ("RMB"). The Company's consolidated financial statements have been translated into US$.

Assets and liabilities accounts are translated using the exchange rate at each reporting period end date. Equity accounts are translated at historical rates. Income and expense accounts are translated at the average rate of exchange during the reporting period. The resulting translation adjustments are reported under other comprehensive income. Gains and losses resulting from the translations of foreign currency transactions and balances are reflected in the results of operations.

The RMB is not freely convertible into foreign currency and all foreign exchange transactions must take place through authorized institutions. No representation is made that the RMB amounts could have been, or could be, converted into US$ at the rates used in translation.

Note 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The following table outlines the currency exchange rates that were used in creating the consolidated financial statements in this report:

	September 30, 2019	September 30, 2018
Year-end spot rate	US$1=RMB 7.1383	US$1=RMB 6.8681
Average rate	US$1=RMB 6.8767	US$1=RMB 6.5359

Revenue recognition

On October 1, 2017, the Company adopted Accounting Standards Codification ("ASC") 606 using the modified retrospective approach. The adoption of this standard did not have a material impact on the Company's consolidated financial statements. Therefore, no adjustments to opening retained earnings were necessary.

ASC 606, Revenue from Contracts with customers, establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts to provide goods or services to customers. The core principle requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration that it expects to be entitled to receive in exchange for those goods or services recognized as performance obligations are satisfied.

ASC 606 requires the use of a *five*-step model to recognize revenue from customer contracts. The *five*-step model requires that the Company (i) identify the contract with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, including variable consideration to the extent that it is probable that a significant future reversal will *not* occur, (iv) allocate the transaction price to the respective performance obligations in the contract, and (v) recognize revenue when (or as) the Company satisfies the performance obligation. The application of the *five*-step model to the revenue streams compared to the prior guidance did *not* result in significant changes in the way the Company records its revenue. The Company has assessed the impact of the guidance by reviewing its existing customer contracts and current accounting policies and practices to identify differences that would result from applying the new requirements, including the evaluation of its performance obligations, transaction price, customer payments, transfer of control and principal versus agent considerations. Based on the assessment, the Company concluded that there was no change to the timing and pattern of revenue recognition for its current revenue streams.

In accordance to ASC 606, the Company recognizes revenue when it transfers its goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in such exchange. The Company accounts for the revenue generated from sales of its products to its customers, in which the Company is acting as a principal in these transactions, is subject to inventory risk, has latitude in establishing prices, and is responsible for fulfilling the promise to provide customers the specified goods. All of the Company's contracts have single performance obligation as the promise is to transfer the individual goods to customers, and there is no other separately identifiable promises in the contracts. The Company's revenue streams are recognized at a point in time when title and risk of loss passes and the customer accepts the goods, which generally occurs at delivery. The Company's products are sold with no right of return and the Company does not provide other credits or sales incentive to customers. The Company's sales are net of value added tax ("VAT") and business tax and surcharges collected on behalf of tax authorities in respect of product sales.

Note 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contract Assets and Liabilities

Payment terms are established on the Company's pre-established credit requirements based upon an evaluation of customers' credit. Contract assets are recognized for in related accounts receivable. Contract liabilities are recognized for contracts where payment has been received in advance of delivery. The contract liability balance can vary significantly depending on the timing when an order is placed and when shipment or delivery occurs. As of September 30, 2019 and 2018, other than accounts receivable and advances from customers, the Company had no other material contract assets, contract liabilities or deferred contract costs recorded on its consolidated balance sheet. Costs of fulfilling customers' purchase orders, such as shipping, handling and delivery, which occur prior to the transfer of control, are recognized in selling, general and administrative expense when incurred.

Disaggregation of Revenues

The Company disaggregates its revenue from contracts by product types, as the Company believes it best depicts how the nature, amount, timing and uncertainty of the revenue and cash flows are affected by economic factors. The Company's disaggregation of revenues for the years ended September 30, 2019 and 2018 are disclosed in Note 17 of this consolidation financial statements.

Research and development expenses

The Company expenses all internal research and development costs as incurred, which primarily comprise employee costs, internal and external costs related to execution of studies, including manufacturing costs, facility costs of the research center, and amortization and depreciation to intangible assets and property, plant and equipment used in the research and development activities. For the years ended September 30, 2019 and 2018, research and development expense were approximately $522,867 and $556,090, respectively.

Selling, General and Administrative Expenses

Selling expenses represents primarily costs of payroll, benefits, commissions for sales representatives and advertising expenses. General and administrative expenses represents primarily payroll and benefits costs for administrative employees, rent and operating costs of office premises, depreciation and amortization of office facilities, professional fees and other administrative expenses.

Advertising expense

Advertising expenses primarily relate to promotion of the Company's brand name and products through outdoor billboards and social media such as Weibo and WeChat. Advertising expenses are included in selling expenses in the consolidated statements of income and comprehensive income. Advertising expenses amounted to $51,257 and $49,289 for the years ended September 30, 2019 and 2018, respectively.

Government subsidies

Government subsidies primarily relate to local government's cash award to High and New Technology Enterprises ("HNTEs") to encourage entrepreneurship and stimulate local economy. Such awards are granted on a case-by-case basis by local government. The Company's VIE, Xi'an App-chem was approved as a HNTE and received government subsidy in the form of export sales refund and cash awards based on annual financial performance. The Company recognizes government subsidies as other operating income when they are received because they are not subject to any past or future conditions, there are no performance conditions or conditions of use, and they are not subject to future refunds. Government subsidies received and recognized as other operating income totaled $140,295 and $67,608 for the years ended September 30, 2019 and 2018, respectively.

Note 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

The Company accounts for current income taxes in accordance with the laws of the relevant tax authorities. Deferred income taxes are recognized when temporary differences exist between the tax bases of assets and liabilities and their reported amounts in the consolidated financial statements. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period including the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

An uncertain tax position is recognized only if it is "more likely than not" that the tax position would be sustained in a tax examination. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. Penalties and interest incurred related to underpayment of income tax are classified as income tax expense in the period incurred. No significant penalties or interest relating to income taxes have been incurred during the years ended September 30, 2019 and 2018. The Company does not believe there was any uncertain tax provision at September 30, 2019 and 2018.

The Company's operating subsidiary and VIE in China are subject to the income tax laws of the PRC. No significant income was generated outside the PRC for the fiscal years ended September 30, 2019 and 2018. As of September 30, 2019, all of the Company's tax returns of its PRC subsidiary, its VIE and VIE's subsidiaries remain open for statutory examination by PRC tax authorities.

Value added tax ("VAT")

Sales revenue represents the invoiced value of goods, net of VAT. The VAT is based on gross sales price and VAT rates range up to 17% (starting from May 1, 2018, VAT rate was lowered to 16%, and starting from April 1, 2019, VAT rate was further lowered to 13%), depending on the type of products sold. The VAT may be offset by VAT paid by the Company on raw materials and other materials included in the cost of producing or acquiring its finished products. The Company recorded a VAT payable or recoverable net of VAT payments in the accompanying consolidated financial statements.

For export sales, VAT is not imposed on gross sales price, but the VAT related to purchasing raw materials is refunded after the export is completed.

Employee Defined Contribution Plan

The Company's subsidiaries in the PRC participate in a government-mandated multi-employer defined contribution plan pursuant to which pension, work-related injury benefits, maternity insurance, medical insurance, unemployment benefit and housing fund are provided to eligible full-time employees. The relevant labor regulations require the Company's subsidiaries in the PRC to pay the local labor and social welfare authorities monthly contributions based on the applicable benchmarks and rates stipulated by the local government. The contributions to the plan are expensed as incurred. Employee social security and welfare benefits included as expenses in the accompanying statements of income and comprehensive income amounted to US$68,128 and US$63,243 for the years ended September 30, 2019 and 2018, respectively.

Note 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Earnings per Share

The Company computes earnings per share ("EPS") in accordance with ASC 260, "Earnings per Share" ("ASC 260"). ASC 260 requires companies with complex capital structures to present basic and diluted EPS. Basic EPS is measured as net income divided by the weighted average common shares outstanding for the period. Diluted presents the dilutive effect on a per share basis of potential common shares (e.g., convertible securities, options and warrants) as if they had been converted at the beginning of the periods presented, or issuance date, if later. Potential common shares that have an anti-dilutive effect (i.e., those that increase income per share or decrease loss per share) are excluded from the calculation of diluted EPS. As of September 30, 2019 and 2018, there were no dilutive shares.

Comprehensive income (loss)

Comprehensive income (loss) consists of two components, net income and other comprehensive income (loss). The foreign currency translation gain or loss resulting from translation of the financial statements expressed in RMB to US$ is reported in other comprehensive income (loss) in the consolidated statements of income and comprehensive income.

Statement of Cash Flows

In accordance with ASC 230, "Statement of Cash Flows", cash flows from the Company's operations are formulated based upon the local currencies. As a result, amounts related to assets and liabilities reported on the statements of cash flows will not necessarily agree with changes in the corresponding balances on the balance sheets.

Segment Reporting

The Company uses the management approach in determining reportable operating segments. The management approach considers the internal reporting used by the Company's chief operating decision maker for making operating decisions about the allocation of resources of the segment and the assessment of its performance in determining the Company's reportable operating segments. Management has determined that the Company has one operating segment.

Recent Accounting Pronouncements

The Company considers the applicability and impact of all accounting standards updates ("ASUs"). Management periodically reviews new accounting standards that are issued.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326), which requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial assets measured at amortized cost. ASU 2016-13 was subsequently amended by Accounting Standards Update 2018-19, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses,* Accounting Standards Update 2019-04 *Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments*, and Accounting Standards Update 2019-05, *Targeted Transition Relief.* For public entities, ASU 2016-13 and its amendments are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. For all other entities, this guidance and its amendments will be effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early application will be permitted for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. As an emerging growth company, the Company plans to adopt this guidance effective October 1, 2023. The Company has adopted the standard on October 1, 2019, and there was no material impact on its consolidated financial statements as a result of the adoption.

Note 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In August 2018, the FASB Accounting Standards Board issued ASU No. 2018-13, "Fair Value Measurement (Topic 820): Disclosure Framework Changes to the Disclosure Requirements for Fair Value Measurement" ("ASU 2018-13"). ASU 2018-13 modifies the disclosure requirements on fair value measurements. ASU 2018-13 is effective for all entities for fiscal years and interim periods within those fiscal years beginning after December 15, 2019, with early adoption permitted for any removed or modified disclosures. The removed and modified disclosures will be adopted on a retrospective basis and the new disclosures will be adopted on a prospective basis. The Company does not expect this guidance will have a material impact on its consolidated financial statements.

In December 2019, the FASB issued ASU No. 2019-12, Income Taxes (Topic 740)—Simplifying the Accounting for Income Taxes. ASU 2019-12 is intended to simplify accounting for income taxes. It removes certain exceptions to the general principles in Topic 740 and amends existing guidance to improve consistent application. ASU 2019-12 is effective for fiscal years beginning after December 15, 2020 and interim periods within those fiscal years, which is fiscal 2021 for us, with early adoption permitted. The Company does not expect adoption of the new guidance to have a significant impact on our financial statements.

In February 2020, the FASB issued ASU 2020-02, "Financial Instruments – Credit Losses (Topic 326) and Leases (topic 842) Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 119 and Update to SEC Section on Effective Date Related to Accounting Standards Update No. 2016-02, Leases (topic 842)". This ASU provides guidance regarding methodologies, documentation, and internal controls related to expected credit losses. This ASU is effective for interim and annual periods beginning after December 15, 2019, and early adoption is permitted. The Company is evaluating the impact of this guidance on its consolidated financial statements.

NOTE 3 — LIQUIDITY

As reflected in the Company's consolidated financial statements, the Company had negative working capital of $2.3 million as of September 30, 2019. In addition, the Company is currently constructing a new manufacturing plant. As of September 30, 2019, the Company had future minimum capital expenditure commitment on its construction-in-progress project of approximately $4.5 million within the next twelve months. Furthermore, in December 2019, a novel strain of coronavirus (COVID-19) surfaced. COVID-19 has spread rapidly throughout China and worldwide, which has caused significant volatility in the PRC and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the PRC and international economies. To reduce the spread of the COVID-19, the Chinese government has employed measures including city lockdowns, quarantines, travel restrictions, suspension of business activities and school closures. Due to difficulties and challenges resulting from the COVID-19 outbreak, the Company temporarily closed its facilities and operations to until late March 2020. During this temporary business closure period, there was limited support from the Company's employees, delayed access to raw material supplies, reduced customer sales orders, and the Company's inability to promote the sales to customers on a timely basis. As a result, the Company's revenue and operating cash flows for fiscal year 2020 may be significantly lower than expected.

In assessing its liquidity, management monitors and analyzes the Company's cash on-hand, its ability to generate sufficient revenue sources in the future, and its operating and capital expenditure commitments. As of September 30, 2019, the Company had cash on hand of approximately $0.3 million while the Company also had outstanding accounts receivable of approximately $5.3 million, of which approximately $5.2 million or 98% has been subsequently collected back as of May 31, 2020. In addition, the Company had acquisition deposit of approximately $1.3 million as of September 30, 2019, the Company terminated the intended acquisition and collected this deposit in May 2020. Cash collection from accounts receivable and acquisition deposit become available for use as working capital.

NOTE 3 — LIQUIDITY (continued)

As of September 30, 2019, the Company had outstanding bank loans of approximately $5.3 million from several PRC banks (including short-term bank loans of approximately $2.1 million, current portion of long-term bank loans of approximately $1.8 million and long-term bank loans of approximately $1.4 million). Management expects that it would be able to renew all of its existing bank loans upon their maturity based on past experience and the Company's good credit history. In addition to the current borrowings, from April and June 2020, the Company secured an aggregate of $6.4 million (RMB 46 million) lines of credit with PRC banks as working capital loan (including $2.1 million line of credit with Huaxia Bank for one to three years, $1.8 million line of credit with Bohai Bank for one year and $2.5 million line of credit with Bank of China for one year). As of the date of this report, the Company only borrowed $0.7 million (RMB 5 million) out of these lines of credit and had the availability to borrow an additional maximum loans of RMB 41 million (approximately $5.7 million) under these lines of credit before April 2023. (see Note 18). Furthermore, the Company's controlling shareholder, Mr. Yongwei Hu, also made pledges to provide continuous financial support to the Company whenever needed.

Currently, the Company is working to improve its liquidity and capital sources primarily through cash flows from operation, debt financing and financial support from its principal shareholder. In order to fully implement its business plan and sustain continued growth, the Company may also seek equity financing from outside investors. At the present time, however, the Company does not have commitments of funds from any potential investors. No assurance can be given that additional financing, if required, would be available on favorable terms or at all.

Based on the current operating plan, management believes that the above-mentioned measures collectively will provide sufficient liquidity for the Company to meet its future liquidity and capital requirement for at least 12 months from the date of this report.

NOTE 4 — ACCOUNTS RECEIVABLE, NET

Accounts receivable consists of the following:

	September 30, 2019	September 30, 2018
Accounts receivable	$ 5,309,656	$ 2,602,674
Less: allowance for doubtful accounts	(73,386)	(48,529)
Accounts receivable, net	$ 5,236,270	$ 2,554,145

The Company's accounts receivable primarily includes balance due from customers when the Company's products are sold and delivered to customers.

Approximately 99% of the September 30, 2018 accounts receivable balance has been collected in fiscal year 2019. 98% of accounts receivable balances as of September 30, 2019 has been collected as of the date of this report.

Allowance for doubtful accounts movement is as follows:

	September 30, 2019	September 30, 2018
Beginning balance	$ 48,529	$ 13,095
Additions	27,709	37,662
Reductions	-	-
Foreign currency translation adjustments	(2,852)	(2,228)
Ending balance	$ 73,386	$ 48,529

NOTE 5 — INVENTORIES

Inventories consist of the following:

	September 30, 2019	September 30, 2018
Raw materials	$ 891,604	$ 1,743,759
Finished goods	2,102,127	8,058,089
Inventory valuation allowance	(389,867)	(405,205)
Total inventory, net	$ 2,603,864	$ 9,396,643

NOTE 6 — PREPAID EXPENSES AND OTHER CURRENT ASSETS

	September 30, 2019	September 30, 2018
Advance to vendors for raw material purchase	$ 374,033	$ 557,827
Advance to employees for business development	77,871	121,213
Allowance for doubtful accounts	(6,377)	-
Total prepaid expenses and other current assets, net	$ 445,527	$ 679,040

NOTE 7 — ACQUISITION DEPOSIT

On December 15, 2017, the Company's VIE, Xi'an App-Chem Bio (Tech) Co., Ltd entered into a share transfer agreement with the shareholders of Tianjian Youli Fruits and Vegetables Co., Ltd. ("Tianjin Youli"), an unaffiliated vendor to the Company, in order to acquire 51% of the equity ownership interest in Tianjin Youli. The purpose of the acquisition is to expand the Company's research, development and sale of vegetable extracts and dietary foods in northern China. The proposed purchase price was approximately RMB11.7 million (approximately $1.6 million), subject to adjustment based on the fair value of the total assets and liabilities of Tianjin Youli upon closing. The Company made an acquisition deposit of approximately RMB 9.3 million (approximately $1.3 million) to Tianjin Youli as of September 30, 2019.

Due to change in market conditions as affected by the COVID-19 outbreak and spread, the Company and Tianjin Youli agreed not to proceed with any definitive agreement. In May 2020, Tianjin Youli refunded the acquisition deposit of $1.3 million to the Company.

NOTE 8 — PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net, consists of the following:

	September 30, 2019	September 30, 2018
Buildings	$ 573,184	$ 595,734
Machinery, equipment and furniture	1,848,703	1,707,746
Motor Vehicles	166,899	173,251
Construction in progress ("CIP") (1)	8,008,814	1,454,042
Subtotal	10,597,600	3,930,773
Less: accumulated depreciation	(1,099,548)	(920,041)
Property, plant and equipment, net	$ 9,498,052	$ 3,010,732

NOTE 8 — PROPERTY, PLANT AND EQUIPMENT, NET (continued)

Depreciation expense was $222,486 and $219,721 for the years ended September 30, 2019 and 2018, respectively.

Construction-in-progress ("CIP") represents direct costs of construction incurred for the Company's manufacturing facilities. On August 16, 2017, the Company's VIE, Xi'an App-Chem Bio(Tech)Co.,Ltd. started to construct a new manufacturing plant in Togchuan City, Shaanxi Province, with total budget of RMB 95 million (approximately $13.6 million) for construction of the main body of the manufacturing plant, plant decoration and purchase of machinery and equipment. As of September 30, 2019, the Company has spent approximately RMB54.8 million (approximately $7.7 million) on the construction of the main body of the manufacturing plant and future minimum capital expenditure on this CIP project is estimated to be approximately $5.9 million (see Note 16).

Subsequently, from October 2019 to May 2020, the Company spent additional RMB 24.8 million (approximately US$3.6 million) on decoration of the manufacturing plant. As a result, future minimum capital expenditure on this CIP project has been lowered down from approximately $5.9 million as of September 30, 2019 to approximately RMB 15.8 million (equivalent to $2.3 million) as of the date of this report. The construction of this new manufacturing facility is expected to be fully completed and put into production in the first half of 2021.

NOTE 9 — INTANGIBLE ASSETS, NET

Intangible assets, net mainly consist of the following:

	September 30, 2019	September 30, 2018
Land use rights	$ 184,103	$ 191,345
Less: accumulated amortization	(45,731)	(43,378)
Land use right, net	$ 138,372	$ 147,967

Amortization expense was $4,147 and $4,363 for the years ended September 30, 2019 and 2018, respectively.

Estimated future amortization expense for intangible assets is as follows:

Years ending September 30,	Amortization expense
2020	$ 3,682
2021	3,682
2022	3,682
2023	3,682
2024	3,682
Thereafter	119,962
	$ 138,372

NOTE 10 — DEBT

The Company borrowed from PRC banks, other financial institutions and third-parties as working capital funds. As of September 30, 2019 and 2018, the Company's debt consisted of the following:

(a) Short-term loans:

		As of September 30,	
		2019	2018
Xi'an Bank	(1)	$ 560,358	$ 582,403
Chongqing Bank	(2)	-	728,003
Beijing Bank	(3)	686,438	436,802
Shanghai Pudong Development Bank Co., Ltd.	(4)	-	43,326
Industrial Bank Co., Ltd.	(5)	-	582,403
Xi'an De Yu Rong Commercial Factoring Co., Ltd.	(6)		266,935
WeBank Co., Ltd.	(7)	105,067	-
Ningxia Bank	(8)	420,268	-
Xi'an Guosen Micro-Credit Co., Ltd.	(9)	280,178	-
Total short-term loans		$ 2,052,309	$ 2,639,872

(1) On November 23, 2017, the Company's VIE, Xi'an App-Chem, entered into a loan agreement with Tumen Branch of Xi'an Bank to borrow RMB4.0 million (equivalent to $0.6 million) as working capital for one year, with maturity date on October 22, 2018. The loan bears an interest rate of 5.655% per annum. The loan was repaid in full upon maturity.

On November 23, 2018, Xi'an App-Chem entered into another agreement with Xi'an bank to borrow RMB4.0 million (equivalent to $0.6 million) as working capital for one year, with maturity date on October 22, 2019. The loan bears an interest rate of 5.655% per annum. The loan was repaid in full upon maturity.

For the loans borrowed from Xi'an bank in 2017 and 2018, a third-party guarantee company provided guarantee to these loans. In addition, the Company's controlling shareholder, Mr. Yongwei Hu, also pledged his proportionate ownership interest in Xi'an App-chem with Xi'an Bank as collateral to safeguard these loans.

(2) On January 4, 2018, the Company's VIE, Xi'an App-Chem entered into a loan agreement with Chongqing bank to borrow RMB5.0 million (equivalent to $0.7 million) as working capital for one year, with maturity date on January 4, 2019. The loan bears an interest rate of 5.655% per annum.. This loan was guaranteed by a third-party guarantee company. In addition, the Company's controlling shareholder, Mr. Yongwei Hu, pledged his proportionate ownership interest in Xi'an App-chem as collateral to safeguard this loan. Mr. Hu and and his wife Ms. Jing Liu jointly pledged their personal residence property as collateral to provide further guarantee to this loan. The Company also pledged certain free patent owned by the Company as additional guarantee to this loan. The loan was fully repaid upon maturity.

(3) On June 27, 2018, the Company's VIE, Xi'an App-Chem, entered into a loan agreement with Beijing Bank to borrow RMB3.0 million (equivalent to $0.4 million) as working capital for one year, with maturity date on June 27, 2019 and interest rate of 5.655% per annum. A third-party guarantee company provided guarantee to this loan. In addition, the Company's controlling shareholder, Mr. Yongwei Hu, pledged his personal residence property as collateral to safeguard this loan. The loan was fully repaid upon maturity.

NOTE 10 — DEBT (continued)

On August 7, 2019, the Company's VIE, Xi'an App-Chem, entered into another loan agreement with Beijing Bank to borrow RMB4.0 million (equivalent to US$0.6 million) for one year, with maturity date on August 26, 2020 and interest rate of 5.22% per annum. A third-party guarantee company provided guarantee to this loan. In addition, The Company pledged certain free patent owned by the Company as collateral to safeguard this loan.

On August 8, 2019, the Company's VIE, Xi'an App-Chem entered into another loan agreement with Beijing Bank to borrow RMB900,000 (equivalent to US$126,080) as working capital for one year, with maturity date on August 4, 2020 and interest rate of 4.51% per annum. The Company's controlling shareholder, Mr. Yongwei Hu used his personal bank savings to provide credit guarantee to safeguard this loan.

(4) On April 25 2018, the Company's VIE, Xi'an App-Chem, entered into a loan agreement with Shanghai Pudong Development Bank Co. Ltd to borrow RMB500,000 (equivalent to US$72,800) as working capital for one year, with maturity date on April 26, 2019 and an interest rate of 9.7875% per annum. As of September 30, 2018, the balance of this loan was RMB 297,573 (or $43,326) due to partially repayment. The loan was fully repaid upon maturity.

(5) On July 5, 2018, the Company's VIE, Xi'an App-Chem entered into a loan agreement with Fenglin Green River Branch of Industrial Bank Co., Ltd. to borrow RMB4.0 million (equivalent to $0.6 million) as working capital for one year, with maturity date on July 4, 2019. The loan bears an interest rate of 5.655% per annum. The Company pledged certain free patent owned by the Company as collateral to safeguard this loan. The loan was fully repaid upon maturity

(6) On August 15 2018, the Company's VIE, Xi'an App-Chem, entered into a loan agreement with Xi 'an Deyu Rong Commercial Factoring Co. Ltd. to borrow RMB1.8 million (equivalent to US$0.3 million) as working capital for one year, with maturity date on August 7, 2019 and a fixed annual interest of RMB312,610 (equivalent to US$45,459). The loan was fully repaid upon maturity.

(7) On December 12, 2018, the Company's VIE, Xi'an App-Chem, entered into a loan agreement with Shenzhen Qianhai WeBank Co., Ltd, to borrow RMB750,000 (equivalent to US$0.1 million) as working capital for one year, with maturity date on December 12, 2019 and a daily interest rate of 0.05%. The loan was fully repaid upon maturity.

(8) On January 30, 2019, the Company's VIE , Xi'an App-Chem , entered into a loan agreement with Ningxia Bank to borrow RMB3.0 million (equivalent to $0.4 million) as working capital for one year, with maturity date on January 29, 2020. The loan bears an interest rate of 7.4% per annum. The loan was guaranteed by a third-party guarantee company. In addition, the Company's controlling shareholder, Mr. Yongwei Hu, also pledged his proportionate ownership interest in Xi'an App-chem with Ningxia Bank as collateral to safeguard this loan. The loan was fully repaid upon maturity

(9) On July 1, 2019, the Company's VIE, Xi'an App-Chem, entered into a loan agreement with Xi'an Guosen Micro-Credit Co., Ltd, to borrow RMB2.0 million (equivalent to US$0.3 million) as working capital for six months, with maturity date on December 27, 2019 and interest rate of 17% per annum. The loan was fully repaid upon maturity.

NOTE 10 — DEBT (continued)

(b) Long-term loans:

		As of September 30,	
		2019	2018
Xi'an Investment Holding Co., Ltd.	(10)	$ 2,101,341	$ 2,184,010
Xi'an High-Tech Emerging Industry Investment Fund Partnership	(11)	1,120,715	1,164,806
Total		3,222,056	3,348,816
Less: current portion of long-term loans		1,821,162	-
Long-term loans		$ 1,400,894	$ 3,348,816

(10) On February 14, 2017 and on December 13, 2017, the Company's VIE, Xi'an App-Chem entered into loan agreements with third-party Xi'an Investment Holdings Co., Ltd., to borrow an aggregate of RMB 15.0 million (approximately $2.2 million) as working capital for three years, with interest are ranging from 2% to 4% per annum. Among the total RMB 15.0 million loans, RMB5.0 million (equivalent to US$0.7 million) will mature on February 13, 2020 and RMB10.0 million (approximately $1.5 million) will mature on December 12, 2020. The Company's controlling shareholder, Mr. Yongwei Hu, pledged his proportionate ownership interest in Xi'an App-chem and his personal bank savings as collaterals to safeguard these loans. As of September 30, 2019, RMB 5 million ($700,447) to be matured on February 13, 2020 was reclassified as current portion of long term loans. The loan matured on February 12, 2020 but not repaid on time due to COVID-19 impact. The loan payment term has subsequently been extended to December 2020 in accordance with a COVID-19 relief notice issued by local government.

(11) On June 26, 2017, the Company's VIE, Xi'an App-Chem, entered into a loan agreement with third-party Xi'an High-tech Emerging Industries Investment Fund Partnership (the "Lender") to borrow RMB 8.0 million (approximately $1.1 million) as working capital for three years, with maturity date on June 25, 2020 and, an interest rate of 3.8% per annum. The Company's controlling shareholder, Mr. Yongwei Hu, pledged his proportionate ownership interest in Xi'an App-chem as collateral safeguard this loan. As of September 30, 2019, this loan was reclassified as current portion of long term loans. The loan matured on June 26, 2020 and not repaid on time due to COVID-19 impact. The Company is now negotiating with the Lender to extend the loan repayment date for additional 12 months in accordance with a COVID-19 relief notice issued by local government .

For the above-mentioned short-term and long-term loans from PRC banks and financial institutions, interest expense amounted to $331,190 and $286,461 for the years ended September 30, 2019 and 2018, respectively.

(c) Third party loans

		As of September 30,	
		2019	2018
Wei Wang	(12)	$ 420,268	$ 436,802
Xueyan Zhou	(12)	3,923	4,077
Chanping Song	(12)	-	101,920
Total third-party loans		$ 424,191	$ 542,799

NOTE 10 — DEBT (continued)

(12) During the Company's normal course of business, the Company also borrows funds from several third-party individuals as working capital. These borrowings are short-term, interest free and payable on demand. As of September 30, 2019 and 2018, loans payable to third-parties amounted to $424,191 and $542,799, respectively.

NOTE 11 — RELATED PARTY TRANSACTIONS

(a) Due to related parties

	Related party relationship	September 30, 2019	September 30, 2018
Shaanxi Meishengyuang Bio-Technoloy Co., Ltd	5.5% of shareholder of Xi'an App-chem	$ 770,532	$ 276,602
Wenhu Guo	Senior Management of the Company	388,075	249,382
Jing Liu	Wife of the controlling shareholder	4,203	4,368
Sheying Wang	Senior Management of the Company	3,055	3,175
		$ 1,165,865	**$ 533,527**

As of September 30, 2019 and 2018, the balance of due to related parties was comprised of the Company's borrowings from related parties and was used for working capital during the Company's normal course of business. Such advance was non-interest bearing and due on demand.

(b) ***Loan guarantee provided by related parties***

In connection with the Company's short-term and long-term loans borrowed from PRC banks and other financial institutions, the Company's controlling shareholder, Mr. Yongwei Hu pledged his proportionate ownership interest in Xi'an App-chem, and his personal bank savings as collaterals to safeguard the Company's borrowings from the banks and financial institutions. Mr. Yongwei Hu and his wife Ms. Jing Liu also jointly pledged their personal residence property to guarantee the Company's certain loans (see Note 10).

NOTE 12 — TAXES

(a) Corporate Income Taxes ("CIT")

Cayman Islands

Under the current tax laws of the Cayman Islands, Bon Natural Life Limited ("Bon Natural Life") is not subject to tax on its income or capital gains. In addition, no Cayman Islands withholding tax will be imposed upon the payment of dividends by the Company to its shareholders.

Hong Kong

Tea Essence Limited ("Tea Essence") is incorporated in Hong Kong and is subject to profit taxes in Hong Kong at a rate of 16.5%. However, Tea Essence did not generate any assessable profits derived from Hong Kong sources for the fiscal years ended September 30, 2019 and 2018, and accordingly no provision for Hong Kong profits tax has been made in these periods.

NOTE 12 — TAXES (continued)

PRC

Under PRC CIT Law, domestic enterprises and Foreign Investment Enterprises ("FIEs") are usually subject to a unified 25% enterprise income tax rate while preferential tax rates, tax holidays and even tax exemption may be granted on a case-by-case basis by local government as preferential tax treatment to High and New Technology Enterprises ("HNTEs"). Under this preferential tax treatment, HNTEs are entitled to an income tax rate of 15%, subject to a requirement that they re-apply for their HNTE status every three years. The Company's VIE, Xi'an App-Chem was approved as a HNTE and is entitled to a reduced income tax rate of 15% beginning October 18, 2017, which is valid for three years.

CIT is typically governed by the local tax authority in PRC. Each local tax authority at times may grant tax holidays to local enterprises as a way to encourage entrepreneurship and stimulate local economy. The corporate income taxes for the years ended September 30, 2019 and 2018 were reported at a blended reduced rate as a result of Xi'an App-chem being approved as a HNTE and enjoying a 15% reduced income tax rate, but subsidiaries of Xi'an App-chem are subject to a 25% income tax rate. The impact of the tax holidays noted above decreased foreign taxes by $314,080 and $176,290 for the years ended September 30, 2019 and 2018, respectively. The benefit of the tax holidays on net income per share (basic and diluted) $0.02 and $0.01 for the years ended September 30, 2019 and 2018, respectively.

The components of the income tax provision (benefit) are as follows:

	For the Years Ended September 30,	
	2019	**2018**
Current tax provision		
Cayman Islands	$ -	$ -
Hong Kong	-	-
China	432,343	120,794
	432,343	120,794
Deferred tax provision (benefit)		
Cayman Islands	-	-
Hong Kong	-	-
China	(5,149)	61,484
	(5,149)	61,484
Income tax provision	$ 427,194	$ 182,278

The following table reconciles the China statutory rates to the Company's effective tax rate for the years ended September 30, 2019 and 2018:

	For the Years Ended September 30,	
	2019	**2018**
PRC statutory income tax rate	25.0%	25.0%
Effect of income tax holiday	(10.0)%	(10.0)%
Permanent difference	0.1%	0.1%
Research and development deduction	(1.9)%	(2.4)%
Change in valuation allowance	1.1%	32.2%
Effective tax rate	14.3%	44.9%

NOTE 12 — TAXES (continued)

Deferred tax assets

The Company's deferred tax assets are comprised of the following:

	As of September 30,	
	2019	**2018**
Deferred tax assets derived from net operating loss ("NOL") carry forwards and deferred revenue	$ 357,721	$ 335,011
Less: valuation allowance	(318,572)	(299,478)
Deferred tax assets	$ 39,149	$ 35,533

The Company follows ASC 740, "Income Taxes", which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each period end based on enacted tax laws and statutory tax rates, applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

The Company continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. As of September 30, 2019, all of the Company's tax returns of its PRC subsidiary, its VIE and VIE's subsidiaries remain open for statutory examination by PRC tax authorities.

(b) Taxes payable

Taxes payable consist of the following:

	September 30, 2019	**September 30, 2018**
Income tax payable (recoverable)	$ 233,526	$ (70,461)
Value added tax payable	1,259,006	139,116
Other taxes payable	84,644	29,981
Total taxes payable	$ 1,577,176	$ 98,636

As of September 30, 2019, the Company had accrued tax liabilities of approximately $1.58 million, mostly related to the unpaid value added tax in China. According to PRC taxation regulation, if tax has not been fully paid, tax authorities may impose tax and late payment penalties within three years. In practice, since all of the taxes owed are local taxes, the local tax authority is typically more flexible and willing to provide incentives or settlements with local small and medium-size businesses to relieve their burden and to stimulate the local economy. Management has discussed with local tax authorities regarding the outstanding tax payable balance and is in the process of negotiating a settlement plan. There was no interest and penalty accrued as of September 30, 2019 because the Company has not received any penalty and interest charge notice from local tax authorities. The Company believes it is likely that the Company can fully settle its tax liabilities within one year but cannot guarantee such settlement will ultimately occur.

NOTE 13 — CAPITAL LEASE LIABILITIES

On October 6, 2018, 04, the Company's VIE, Xi'an App-Chem (the "Lessee") entered into a capital lease agreement with Guian Hengxin Finance Lease (Shanghai) Ltd. ("the Lessor"). Under the arrangement, the Lessee sells part of its plant machines to the lessor and leased them back from the lessor.

Management deemed these specialized equipment under leases classified as capital lease. The leased equipment is amortized on a straight line basis over 2 years. Total accumulated interest on the leased equipment is RMB153,878 (equivalent to $21,557) as of September 30, 2019.

The maturities of the Company's capital lease liabilities is as follows:

	US$
Years ended September 30,	
2020	363,485
2021	31,822

NOTE 14 — SHAREHOLDERS' EQUITY

Ordinary Shares

Bon Natural Life Limited ("Bon Natural Life", or the " Company") was incorporated under the laws of Cayman Islands on December 11, 2019. The authorized number of ordinary shares was 50,000,000 shares with par value of US$0.0001 and 15,500,000 shares were issued.

On June 17, 2020, the Company's shareholders approved a reverse split of the outstanding ordinary shares at a ratio of 1-for-3 shares (the "Reverse Split"), which led to a redemption of 10,333,333 shares out of the 15,500,000 ordinary shares previously issued to existing shareholders. At the same time, the Company issued 633,333 ordinary shares to three unrelated parties for consulting services rendered. The Reverse Split took effective on June 24, 2020. As a result of this reverse split and share issuance, there were 5,800,000 shares issued and outstanding. The issuance of these 5,800,000 shares is considered as a part of the Reorganization of the Company, which was retroactively applied as if the transaction occurred at the beginning of the period presented (see Note 1).

Non-controlling interest

The Company's VIE, Xi'an App-chem, owns majority of the equity interest in the following two entities: Xi'an Dietary Therapy Medical Technology Co., Ltd ("Xi'an DT") and Tianjin Yonghexiang Bio(Tech) Co., Ltd. ("Tianjin YHX") Non-controlling interests represent minority shareholders' 25% ownership interests in Xi'an DT and 49% ownership interest in Tianjin YHX. The following table reconciles the non-controlling interest as of September 30, 2019 and 2018:

	Xi'an DT	Tianjin YHX	Total
As of September 30, 2017	**$ -**	**$ -**	**$ -**
Net income (loss) attributable to non-controlling interest	-	-	-
Foreign currency translation adjustment	-	-	-
As of September 30, 2018	$ -	$ -	$ -
Net loss attributable to non-controlling interest	(11,167)	-	(11,167)
Capital contribution by non-controlling interest	435,964	-	435,964
Foreign currency translation adjustment	198	-	198
As of September 30, 2019	**$ 424,995**	$ -	**$ 424,995**

NOTE 14 — SHAREHOLDERS' EQUITY (continued)

Statutory reserve and restricted net assets

Relevant PRC laws and regulations restrict the Company's PRC subsidiary VIE and VIE's subsidiaries from transferring a portion of their net assets, equivalent to their statutory reserves and their share capital, to the Company in the form of loans, advances or cash dividends. Only PRC entities' accumulated profits may be distributed as dividends to the Company without the consent of a third party.

The Company is required to make appropriations to certain reserve funds, comprising the statutory surplus reserve and the discretionary surplus reserve, based on after-tax net income determined in accordance with generally accepted accounting principles of the PRC ("PRC GAAP"). Appropriations to the statutory surplus reserve are required to be at least 10% of the after-tax net income determined in accordance with PRC GAAP until the reserve is equal to 50% of the entity's registered capital. Appropriations to the discretionary surplus reserve are made at the discretion of the Board of Directors. The statutory reserve may be applied against prior year losses, if any, and may be used for general business expansion and production or increase in registered capital, but are not distributable as cash dividends.

The payment of dividends by entities organized in China is subject to limitations, procedures and formalities. Regulations in the PRC currently permit payment of dividends only out of accumulated profits as determined in accordance with accounting standards and regulations in China. The results of operations reflected in the consolidated financial statements prepared in accordance with U.S GAAP differ from those in the statutory financial statements of the WFOE and VIE. Remittance of dividends by a wholly foreign-owned company out of China is subject to examination by the banks designated by State Administration of Foreign Exchange.

In light of the foregoing restrictions, the Company's WFOE Xi'an CMIT, VIE and VIE's subsidiaries are restricted in their ability to transfer their net assets to the Company. Foreign exchange and other regulations in the PRC may further restrict the WFOE, VIE and VIE's subsidiaries from transferring funds to the Company in the form of dividends, loans and advances.

As of September 30, 2019 and 2018, the restricted amounts as determined pursuant to PRC statutory laws totaled $257,409 and Nil, respectively, and total restricted net assets amounted to $5,298,082 and $5,040,673, respectively.

NOTE 15 — CONCENTRATION

A majority of the Company's revenue and expense transactions are denominated in RMB and a significant portion of the Company and its subsidiaries' assets and liabilities are denominated in RMB. RMB is not freely convertible into foreign currencies. In the PRC, certain foreign exchange transactions are required by law to be transacted only by authorized financial institutions at exchange rates set by the People's Bank of China ("PBOC"). Remittances in currencies other than RMB by the Company in China must be processed through the PBOC or other China foreign exchange regulatory bodies which require certain supporting documentation in order to affect the remittance. For the years ended September 30, 2019 and 2018, the Company's substantial assets were located in the PRC and the Company's substantial revenues were derived from its subsidiaries located in the PRC.

As of September 30, 2019 and 2018, $265,293 and $819,016 of the Company's cash was on deposit at financial institutions in the PRC where there currently is no rule or regulation requiring such financial institutions to maintain insurance to cover bank deposits in the event of bank failure. For the years ended December 31, 2019 and 2018, the Company's substantial assets were located in the PRC and the Company's substantial revenues were derived from its subsidiaries and VIEs located in the PRC.

NOTE 15 — CONCENTRATION (continued)

The Company sells its products primarily through direct distributors in the People's Republic of China (the "PRC") and to some extent, the overseas customers in European countries, North America and Middle East. For the year ended September 30, 2019, three customers accounted for 17.2%, 12.1% and 10.2% of the Company's total revenue, respectively. For the year ended September 30, 2018, two customers accounted for 23.8% and 12.2% of the Company's total revenue, respectively.

As of September 30, 2019, three customers accounted for approximately 24.6%, 17.5% and 15.4% of the total accounts receivable balance, respectively. As of September 30, 2018, three customers accounted for approximately 52.1%, 13.4% and 10.3% of the total accounts receivable balance, respectively.

For the year ended September 30, 2019, three suppliers accounted for approximately 24.1%, 14.8% and 10.1% of the total purchases, respectively. For the year ended September 30, 2018, four suppliers accounted for approximately 19.4%, 17.4%, 17.0% and 13.6% of the total purchases, respectively.

NOTE 16 — COMMITMENTS AND CONTINGENCIES

Contingency

From time to time, the Company is a party to various legal actions arising in the ordinary course of business. The Company accrues costs associated with these matters when they become probable and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. For the years ended September 30, 2019 and 2018, the Company did not have any material legal claims or litigation that, individually or in aggregate, could have a material adverse impact on the Company's consolidated financial position, results of operations and cash flows.

Capital expenditure commitment

In connection with the Company's construction-in-progress of its manufacturing facilities as disclosed in Note 8, the Company's future minimum capital expenditures on the construction-in-progress project are as follows:

12 months ending September 30,	**Total**
2020	$ 4,473,815
2021	872,512
2022	-
2023	-
2024	552,591
Total	**$ 5,898,918**

NOTE 17 — SEGMENT REPORTING

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, and is identified on the basis of the internal financial reports that are provided to and regularly reviewed by the Company's chief operating decision maker in order to allocate resources and assess performance of the segment.

The Company's conducts its business in China through its wholly-owned subsidiary and entities controlled through contractual arrangements. The Company's VIE, Xi'an App-chem, is primarily engaged in the general administration and sales of the Company's products. The VIE's subsidiaries are engaged in the manufacturing, research and development and raw material purchase (see Note 1).

NOTE 17 — SEGMENT REPORTING (continued)

The Company develops, manufactures and sells products to customers located in both Chinese and international markets. The Company's products have similar economic characteristics with respect to raw materials, vendors, marketing and promotions, customers and methods of distribution. The Company's chief operating decision maker has been identified as the Chief Executive Officer, who reviews consolidated results when making decisions about allocating resources and assessing performance of the Company, rather than by product types or geographic area; hence the Company has only one reporting segment.

Revenue by region

	For the year ended September 30,	
	2019	**2018**
PRC	$ 11,192,324	$ 9,274,017
Overseas	5,203,694	1,507,619
Total revenue	$ 16,396,018	$ 10,781,636

Revenue by product categories

The summary of our total revenues by product categories for the years ended September 30, 2019 and 2018 was as follows:

	September 30, 2019	**September 30, 2018**
Fragrance compounds	$ 6,738,274	$ 3,277,668
Health supplements (solid drinks)	4,342,490	1,943,722
Bioactive food ingredients	5,315,254	5,560,246
Total revenue	$ 16,396,018	$ 10,781,636

NOTE 18 — SUBSEQUENT EVENTS

In December 2019, a novel strain of COVIN-19 was reported in Wuhan, China. On March 11, 2020, the World Health Organization categorized it as a pandemic. To reduce the spread of the COVID-19, the Chinese government has employed measures including city lockdowns, quarantines, travel restrictions, suspension of business activities and school closures. Due to difficulties resulting from the COVID-19 outbreak, including, but not limited to, the temporary closure of the Company's factory and operations beginning in early February, limited support from the Company's employees, delayed access to raw material supplies and inability to deliver products to customers on a timely basis, the Company's business was negatively impacted and is expected to generate lower revenue and net income during the period from February to April 2020. The Company resumed operations on March 2, 2020 and, as such, the extent of the impact of COVID-19 on the Company's results of operations and financial condition will depend on future developments, including the duration and spread of the outbreak and the impact on the Company's customers, which are still uncertain and cannot be reasonably estimated at this point of time.

On April 3, 2020, the Company's VIE, Xi'an App-Chem, obtained an approval of line of credit from Huaxia Bank for a maximum of RMB 15 million (approximately $2.1 million) loans, including RMB 3 million (approximately $0.4 million) loans as working capital for one year with fixed interest rate of 9% per annum and RMB 12 million (approximately $1.7 million) loans as working capital for three years with fixed interest rate of 6.6% per annum. As of the date of this report, the Company already borrowed $0.7 million (RMB 5 million) short-term loans out of this line of credit and had the availability to borrow additional approximately $1.4 million (RMB 10 million) from Huaxia Bank before April 2023. The Company's controlling shareholder, Mr. Yongwei Hu and his wife Ms.Jing Liu, pledged their personal properties as collateral to safeguard the loans with Huaxia Bank.

NOTE 18 — SUBSEQUENT EVENTS (continued)

On May 22, 2020, the Company's VIE, Xi'an App-Chem, obtained an approval of line of credit from Bohai Bank for a maximum of RMB 13 million (approximately $1.8 million) loans as working capital for one year. The interest rate will be determined when the loan is released to the Company. As of the date of this report, the Company has not borrowed out of the line of credit with Bohai Bank. The Company's controlling shareholder, Mr. Yongwei Hu and his wife Ms. Jing Liu, and a third-party Shannxi Jinma Financial Guarantee Co., Ltd. are required to provide joint guarantee to this loan.

On June 2, 2020, the Company's VIE, Xi'an App-Chem, obtained an approval of line of credit from Bank of China for a maximum of RMB 18 million (approximately $2.5 million) loans as working capital for one year. The interest rate will be determined when the loan is released to the Company. As of the date of this report, the Company has not borrowed out of the line of credit with Bank of China. The Company's controlling shareholder, Mr. Yongwei Hu and his wife Ms. Jing Liu are required to provide joint guarantee to this loan. In addition. Mr. Yongwei Hu is also required to pledge his proportionate ownership interest in Xi'an App-chem as collateral to safeguard this loan.

On June 17, 2020, the Company's shareholders approved a reverse split of the outstanding ordinary shares at a ratio of 1-for-3 shares (the "Reverse Split"), which led to a redemption of 10,333,333 shares out of the 15,500,000 ordinary shares previously issued to existing shareholders. At the same time, the Company issued 633,333 ordinary shares to three unrelated parties for consulting services rendered. The Reverse Split took effective on June 24, 2020. As a result of this reverse split and share issuance, there were 5,800,000 shares issued and outstanding (see Note 14).

NOTE 19 — CONDENSED FINANCIAL INFORMATION OF THE PARENT COMPANY

Rule 12-04(a), 5-04(c) and 4-08(e)(3) of Regulation S-X require the condensed financial information of the parent company to be filed when the restricted net assets of consolidated subsidiaries exceed 25 percent of consolidated net assets as of the end of the most recently completed fiscal year. The Company performed a test on the restricted net assets of consolidated subsidiaries in accordance with such requirement and concluded that it was applicable to the Company as the restricted net assets of the Company's PRC subsidiary and VIE exceeded 25% of the consolidated net assets of the Company, therefore, the condensed financial statements for the parent company are included herein.

For purposes of the above test, restricted net assets of consolidated subsidiaries and VIE shall mean that amount of the Company's proportionate share of net assets of consolidated subsidiaries (after intercompany eliminations) which as of the end of the most recent fiscal year may not be transferred to the parent company by subsidiaries and VIE in the form of loans, advances or cash dividends without the consent of a third party.

The condensed financial information of the parent company has been prepared using the same accounting policies as set out in the Company's consolidated financial statements except that the parent company used the equity method to account for investment in its subsidiaries and VIEs. Such investment is presented on the condensed balance sheets as "Investment in subsidiaries and VIE" and the respective profit or loss as "Equity in earnings of subsidiaries and VIE" on the condensed statements of comprehensive income.

The footnote disclosures contain supplemental information relating to the operations of the Company and, as such, these statements should be read in conjunction with the notes to the consolidated financial statements of the Company. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S GAAP have been condensed or omitted.

The Company did not pay any dividend for the periods presented. As of September 30, 2019 and 2018, there were no material contingencies, significant provisions for long-term obligations, or guarantees of the Company, except for those which have been separately disclosed in the consolidated financial statements, if any.

BON NATURAL LIFE LIMITED AND SUBSIDIARIES
PARENT COMPANY BALANCE SHEETS

	September 30, 2019	September 30, 2018
ASSETS		
Non-current assets		
Investment in subsidiaries and VIE	$ 6,838,351	$ 4,546,445
Total assets	$ 6,838,351	$ 4,546,445
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES	$ -	$ -
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY		
Ordinary shares, $0.0001 par value, 500,000,000 shares authorized, 5,800,000 shares issued and outstanding as of September 30, 2019 and 2018, respectively	$ 580	$ 580
Additional paid-in capital	5,040,093	5,040,093
Retained earnings	2,625,921	52,118
Accumulated other comprehensive loss	(828,243)	(546,346)
Total Bon Natural Life Limited shareholders' equity	6,838,351	4,546,445
Total liabilities and Bon Natural Life Limited shareholders' equity	$ 6,838,351	$ 4,546,445

BON NATURAL LIFE LIMITED AND SUBSIDIARIES
PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

	For the Years Ended September 30,	
	2019	**2018**
EQUITY IN EARNINGS OF SUBSIDIARIES AND VIE	$ 2,573,803	$ 223,376
NET INCOME	2,573,803	223,376
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS	(281,897)	(149,647)
COMPREHENSIVE INCOME ATTRIBUTABLE TO BON NATURAL LIFE LIMITED	$ 2,291,906	$ 73,729

BON NATURAL LIFE LIMITED AND SUBSIDIARIES
PARENT COMPANY STATEMENTS OF CASH FLOWS

	For the Years Ended September 30,	
	2019	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 2,573,803	$ 223,376
Adjustments to reconcile net cash flows from operating activities:		
Equity in earnings of subsidiary and VIEs	(2,573,803)	(223,376)
Net cash used in operating activities	-	-
CHANGES IN CASH AND RESTRICTED CASH	-	-
CASH AND RESTRICTED CASH, beginning of year	-	-
CASH AND RESTRICTED CASH, end of year	$ -	$ -

Subject to Completion, Dated July 13, 2020



PROSPECTUS
BON NATURAL LIFE LIMITED

2,000,000 Ordinary Shares

INITIAL PUBLIC OFFERING

Newbridge Securities Corporation

Dealer Prospectus Delivery Obligation

Until _____, 2020, all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Part II – Information Not Required In Prospectus

Indemnification of Officers and Directors

Subject to the provisions of the Companies Law and in the absence of fraud or wilful default, the Company may indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings any person who:

(a) is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a Director, managing director, agent, auditor, secretary and other officer for the time being of the Company; or

(b) is or was, at the request of the Company, serving as a Director, managing director, agent, auditor, secretary and other officer for the time being of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise.

Disclosure of Commission Position on Indemnification for Securities Act Liabilities

In accordance with the provisions in our articles of incorporation, we will indemnify an officer, director, or former officer or director, to the full extent permitted by law.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the "Act") may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by us of expenses incurred or paid by a director, officer or controlling person of us in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, we will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

Recent Sales of Unregistered Securities

During the past three years, we have issued the following ordinary shares in connection with the incorporation of the Company without registering the securities under the Securities Act. We believe that each of the following issuances was exempt from registration under the Securities Act in reliance on Regulation D under the Securities Act or pursuant to Section 4(2) of the Securities Act regarding transactions not involving a public offering or in reliance on Regulation S under the Securities Act regarding sales by an issuer in offshore transactions. No underwriters were involved in these issuances of shares. On June 24, 2020, the Company has effected a 1 for 3 reverse stock split of its ordinary shares.

Purchaser	Date of Sale or Issuance	Number of Ordinary Shares	Number of Ordinary Shares as of June 30, 2020	Consideration	
Hippophae Limited	Dec. 11, 2019	8,886.28	2,962	US$	0.89
Hippophae Limited	May 29, 2020	5,924,405.72	1,974,802	US$	592.4
Hawthorn Fruit Limited	Dec. 11, 2019	1,113.72	371	US$	0.11
Hawthorn Fruit Limited	May 29, 2020	1,558,094.28	519,365	US$	155.88
Clary Sage Limited	May 29, 2020	2,307,500	769,167	US$	230.8
Pomegranate Flower Limited	May 29, 2020	3,300,000	1,100,000	US$	330.0
Lavender Oil Limited	May 29, 2020	900,000	300,000	US$	90.0
Hippophae Tree Limited	May 29, 2020	1,500,000	500,000	US$	150.0
Ascendant Global Advisors, Inc	June 30, 2020	-	280,000	US$	28.0
Yan Chen	June 30, 2020	-	200,000	US$	20.0
Qiang Zhang	June 30, 2020	-	153,333	US$	15.3
Totals		**15,500,000**	**5, 800,000**	**US$**	**1,613.33**

Bon Natural Life Limited ("Bon Natural Life", or the " Company") was incorporated under the laws of Cayman Islands on December 11, 2019. The authorized number of ordinary shares was 50,000,000 shares with par value of US$0.0001 and 15,500,000 shares were issued upon incorporation. On June 17, 2020, the Company's shareholders approved a 1 for 3 reverse split of the outstanding ordinary shares (the "Reverse Split"), which led to a redemption of 10,333,333 shares out of the 15,500,000 ordinary shares previously issued to existing shareholders on June 24, 2020. At the same time, the Company issued 633,333 ordinary shares to three unrelated parties for consulting services rendered. As a result of the reverse split and share issuance, there were 5,800,000 shares issued and outstanding

Table of Exhibits

Exhibit Number	Description
1.1*	Form of Underwriting Agreement
3.1	Memorandum and Articles of Association of the Registrant, as currently in effect
4.1*	Registrant's Specimen Certificate for Ordinary Shares
5.1	Opinion of Ogier Global (Cayman) Limited regarding the validity of the ordinary shares being registered and certain Cayman Islands tax matters
8.1	Opinion of Chamzon Law Firm regarding certain PRC legal matters and certain PRC tax matters
10.1	English translation of Exclusive Service Agreement between Xi'an CMIT and Xi'an App-Chem dated May 28, 2020
10.2	English translation of Exclusive Option Agreement among Xi'an CMIT, Xi'an App-Chem and the shareholders of Xi'an App-Chem dated May 28, 2020
10.3	English translation of Shares Pledge Agreement among Xi'an CMIT, Xi'an App-Chem and the shareholders of Xi'an App-Chem dated May 28, 2020
10.4	English translation of Supplemental Shares Pledge Agreement among Xi'an CMIT, Xi'an App-Chem and the shareholders of Xi'an App-Chem dated June 10, 2020
10.5	English translation of Proxy Agreement and Power of Attorney among Xi'an CMIT, Xi'an App-Chem and the shareholders of Xi'an App-Chem dated May 28, 2020
10.6	English translations of Spousal Consents granted by the shareholders of Xi'an App-Chem
10.7	Labor Contract between Xi'an App-Chem and Yongwei Hu
10.8	Labor Contract between Xi'an App-Chem and Zhenchao Li
10.9	Director Service Agreement with Christopher Constable
10.10	Xi'an App-Chem Shareholder Powers of Attorney
10.11	Loan Agreement
10.12	Director Service Agreement with James E. Burns
10.13	Director Service Agreement with Lawrence W. Leighton
14.1	Code of Business Conduct and Ethics
21.1	Significant subsidiaries and consolidated affiliated entities of the Registrant
23.1*	Consent of Friedman LLP, an independent registered public accounting firm

* To be provided

Undertakings

The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 6, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

In accordance with the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and authorized this registration statement to be signed on its behalf by the undersigned, in Xi'an, People's Republic of China, on July 13, 2020.

BON NATURAL LIFE LIMITED

By: */s/ Yongwei Hu*
Yongwei Hu
Chairman, Chief Executive Officer
(Principal Executive Officer)

By: */s/ Zhenchao Li*
Zhenchao Li
Chief Financial Officer, Director
(Principal Financial Officer and Principal Accounting Officer)

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

By: */s/ Yongwei Hu*
Yongwei Hu
Chairman, Chief Executive Officer
(Principal Executive Officer)
Date: July 13, 2020

By: */s/ Zhenchao Li*
Zhenchao Li
Chief Financial Officer, Director
(Principal Financial Officer and Principal Accounting Officer)
Date: July 13, 2020

SIGNATURE OF AUTHORIZED REPRESENTATIVE IN THE UNITED STATES

Pursuant to the Securities Act of 1933, as amended, the undersigned, the duly authorized representative in the United States of Bon Natural Life Limited has signed this registration statement or amendment thereto in New York, New York, on July 13, 2020.

The Crone Law Group P.C..

By: */s/ Mark Crone*
Name: Mark Crone
Title: Managing Partner

Exhibit 3.1



EXEMPTED Company Registered and filed as No. 358246 On 11-Dec-2019

Assistant Registrar

THE CAYMAN ISLANDS

THE COMPANIES LAW

(AS AMENDED)

Memorandum of Association

of

Bon Natural Life Limited

Auth Code: E54456660538
www.verify.gov.ky

EXEMPTED Company Registered and filed as No. 338246 On 11-Dec-2019

Assistant Registrar

THE CAYMAN ISLANDS

THE COMPANIES LAW (AS AMENDED)

MEMORANDUM OF ASSOCIATION

OF

Bon Natural Life Limited
(the "Company")

1. Name

The name of the Company is Bon Natural Life Limited.

2. Registered Office

The registered office of the Company shall be situated at the Office of Sertus Incorporations (Cayman) Limited, Sertus Chambers, Governors Square, Suite # 5-204, 23 Lime Tree Bay Avenue, P.O. Box 2547, Grand Cayman, KY1-1104, Cayman Islands, or such other place in the Cayman Islands as the Directors may, from time to time decide, being the registered office of the Company.

3. General Objects and Powers

The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by Section 7(4) of The Companies Law (As Amended) or as the same may be amended from time to time, or any other law of the Cayman Islands.

4. Limitations on the Company's Business

4.1 For the purposes of the Companies Law (As Amended) the Company has no power to:

(a) carry on the business of a Bank or Trust Company without being licensed in that behalf under the provisions of the Banks & Trust Companies Law (2013 Revision); or

(b) to carry on Insurance Business from within the Cayman Islands or the business of an Insurance Manager, Agent, Sub-agent or Broker without being licensed in that behalf under the provisions of the Insurance Law (2010 Revision); or

(c) to carry on the business of Company Management without being licensed in that behalf under the provisions of the Companies Management Law (2003 Revision).

4.2 The Company shall not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.

5. Company Limited by Shares

The Company is a company limited by shares. The liability of each member is limited to the amount, if any, unpaid on the shares held by such member.

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6. Authorised Shares

The capital of the Company is USD50,000.00 divided into 500,000,000 shares of a nominal or par value of USD0.0001 each. Subject to the provisions of the Companies Law (As Amended) and the Articles of Association of the Company, the Company shall have power to redeem or purchase any of its shares and to increase, reduce, sub-divide or consolidate the share capital and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.

7. Continuation

Subject to the provisions of the Companies Law (As Amended) and the Articles of Association of the Company, the Company may exercise the power contained in Section 206 of The Companies Law (As Amended) to deregister in the Cayman Islands and be registered by way of continuation under the laws of any jurisdiction outside the Cayman Islands.

We, the undersigned, whose name and address are hereto given below are desirous of being formed into a Company in pursuance of this Memorandum of Association, and agree to take the number of shares in the capital of the Company set opposite our name.

NAME AND ADDRESS OF SUBSCRIBER	**NUMBER OF SHARES TAKEN BY SUBSCRIBER**
Sertus Nominees (Cayman) Limited Sertus Chambers, Governors Square, Suite # 5-204, 23 Lime Tree Bay Avenue, P.O. Box 2547, Grand Cayman, KY1-1104, Cayman Islands	One (1) Ordinary Share

Susan Thompson
Authorised Signatory

DATED this 11th day of December, 2019

Witness to the above signature:
Burnette Pope
Sertus Chambers, Governors Square,
Suite # 5-204, 23 Lime Tree Bay Avenue,
P.O. Box 2547, Grand Cayman, KY1-1104,
Cayman Islands

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THE CAYMAN ISLANDS

THE COMPANIES LAW
(AS AMENDED)

Articles of Association

of

Bon Natural Life Limited

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THE CAYMAN ISLANDS

THE COMPANIES LAW (AS AMENDED)

ARTICLES OF ASSOCIATION

OF

Bon Natural Life Limited
(the "Company")

1. Table A

The Table 'A' in the First Schedule of The Companies Law (As Amended) shall not apply to this Company and the following shall constitute the Articles of Association of the Company.

2. Definitions and Interpretation

2.1 References in these Articles of Association (**"Articles"**) to the **"Companies Law"** shall mean The Companies Law (As Amended) of the Cayman Islands and any statutory amendments or re-enactment thereof. In these Articles, save where the content otherwise requires:

"**Directors**" and "**Board of Directors**" means the Directors of the Company for the time being, or as the case may be, the Directors assembled as a board or as a committee thereof, and "Director" means any one of the Directors;

"**Members**" means those persons whose names are entered in the register of members as the holders of shares and includes each subscriber of the Memorandum pending the issue to him of the subscriber share or shares, and "Member" means any one of them;

"**Memorandum of Association**" means the Memorandum of Association of the Company, as amended and re-stated from time to time;

"**Ordinary Resolution**" means a resolution:

passed by a simple majority of such Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Member is entitled; or

approved in writing by all of the Members entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Members and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments if more than one, is executed;

"**Paid up**" means paid up as to the par value and any premium payable in respect of the issue of any shares and includes credited as paid up;

"**Register of Members**" means the register to be kept by the Company in accordance with Section 40 of the Companies Law;

"**Seal**" means the Common Seal of the Company (if any) including any facsimile thereof;

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"**Shares**" means shares in the capital of the Company, including a fraction of any of them and "Share" means any one of them;

"**Special Resolution**" means a resolution passed in accordance with Section 60 of the Companies Law, being a resolution:

(a) passed by a majority of not less than two-thirds of such Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a Special Resolution has been duly given and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Member is entitled, or

(b) approved in writing by all of the Members entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Members and the effective date of the Special Resolution so adopted shall be the date on which the instrument or the last of such instruments if more than one, is executed.

2.2 In these Articles, words and expressions defined in the Companies Law shall have the same meaning and, unless otherwise required by the context, (a) the singular shall include the plural and vice versa; (b) the masculine shall include the feminine and the neuter and references to persons shall include companies and all legal entities capable of having a legal existence; (c) "may" shall be construed as permissive and "shall" shall be construed as imperative; (d) a reference to a dollar or dollars (or $) is a reference to dollars of the United States of America; and (e) references to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force.

3. Share Certificates

3.1 Every person whose name is entered as a Member in the Register of Members, shall without payment, be entitled to a share certificate signed by a Director of the Company specifying the share or shares held and the amount paid up thereof, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one share certificate and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.

3.2 If a share certificate is worn out, lost or defaced, it may be renewed on production of the worn out or defaced certificate, or on satisfactory proof of its loss together with such indemnity as the Directors may reasonably require. Any Member receiving a share certificate shall indemnify and hold the Company and its officers harmless from any loss or liability which it or they may incur by reason of wrongful or fraudulent use or representation made by any person by virtue of the possession of such a share certificate.

4. Issue of Shares

4.1 Subject to the provisions of these Articles, the unissued shares of the Company (whether forming part of the original or any increased authorised shares) shall be at the disposal of the Directors who may offer, allot, grant options over or otherwise dispose of them to such persons at such times and for such consideration, and upon such terms and conditions as the Directors may determine.

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4.2 The Company may in so far as may be permitted by Companies Law, pay a commission to any person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any shares. Such commissions may be satisfied by the payment of cash or the lodgement of fully or partly paid-up shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

5. Variation of Rights Attaching to Shares

5.1 If at any time the share capital of the Company is divided into different classes of shares, the rights attaching to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied or abrogated with the consent in writing of the holders of two-thirds of the issued shares of that class, or with the sanction of a resolution passed by at least a two-thirds majority of the holders of shares of the class present in person or by proxy at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these Articles relating to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be at least one person holding or representing by proxy at least one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll.

5.2 The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith or by the redemption or purchase of shares of any class by the Company.

5.3 The Company shall not issue shares to bearer form.

6. Transfer of Shares

6.1 Subject to such of the restriction of these Articles as may be applicable, any Member may transfer all or any of his shares by an instrument in writing in any usual or common form or any other form which the Directors may approve or on behalf of the transferor and if in respect of a nil or partly paid up share or if so required by the Directors shall also be executed on behalf of the transferee and shall be accompanied by the certificate of the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.

6.2 The Directors may in their absolute discretion to decline to register any transfer of any share, whether or not it is a fully paid share, without assigning any reason for so doing. If the Directors refuse to register a transfer they shall within 2 months of the date on which the transfer was lodged with the Company send to the transferor and transferee notice of the refusal.

6.3 All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Directors may decline to register shall (except in any case of fraud) be returned to the person depositing the same.

6.4 The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than 45 days in any year.

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7. Transmission of Shares

7.1 In case of the death of a Member, the survivor or survivors, or the legal personal representatives of the deceased survivor, where the deceased was a joint holder, and the legal personal representatives of the deceased, where he was a sole holder, shall be the only persons recognized by the Company as having any title to the shares.

7.2 Any person becoming entitled to a share in consequence of the death, bankruptcy, liquidation or dissolution of a Member shall, upon such evidence being produced as may from time to time be properly required by the Directors, and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Member before his death or bankruptcy, as the case may be.

7.3 A person becoming entitled to a share by reason of the death, bankruptcy, liquidation or dissolution of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

8. Redemption and Purchase of Own Shares

8.1 Subject to the provisions of the Companies Law, the Company may:

(a) issue shares on terms that they are to be redeemed or are liable to be redeemed at the option of the Company on such terms and in such manner as the Directors may determine before the issue of such shares;

(b) purchase its own shares (including any redeemable shares) on such terms and in such manner as the Directors may determine and agree with the Member; and

(c) make a payment in respect of the redemption or purchase of its own shares in any manner permitted by the Companies Law, including out of capital.

8.2 A share which is liable to be redeemed by the Company shall be redeemed by the Company giving to the Member notice in writing of the intention to redeem such shares (a "Redemption Notice") and specifying the date of such redemption which must be a day on which banks in the Cayman Islands are open for business.

8.3 Any share in respect of which Redemption Notice has been given shall not be entitled to participate in the profits of the Company in respect of the period after the date specified as the date of redemption in the Redemption Notice.

8.4 The redemption or purchase of any share shall not be deemed to give rise to the redemption or purchase of any other share.

8.5 At the date specified in the Redemption Notice, or the date on which the shares are to be purchased, the holder of the shares being redeemed or purchased shall be bound to deliver up to the Company at its Registered Office the certificate thereof for cancellation and thereupon the Company shall pay to him the redemption or purchase moneys in respect thereof.

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8.6 The Directors may when making payments in respect of redemption or purchase of shares, if authorised by the terms of issue of the shares being redeemed or purchased or with the agreement of the holder of such shares, make such payment either in cash or in specie.

9. Fractional Shares

The Directors may issue fractions of a share of any class of shares, and, if so issued, a fraction of a share (calculated to three decimal points) shall be subject to and carry the corresponding fraction of liabilities (whether with respect to any unpaid amount thereon, contribution, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without limitation, voting and participation rights) and other attributes of a whole share of the same class of shares. If more than one fraction of a share of the same class is issued to or acquired by the same Member such fractions shall be accumulated. For the avoidance of doubt, in these Articles the expression "share" shall include a fraction of a share.

10. Lien

10.1 The Company shall have a first priority lien and charge on every share (not being a fully paid up share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a first priority lien and charge on all shares (other than fully paid up shares) registered in the name of a member for all moneys presently payable by him or his estate to the Company, but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a share shall extend to all dividends and other moneys payable in respect thereon.

10.2 The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of 14 days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the persons entitled thereto of which the Company has notice, by reason of his death or bankruptcy, winding up or otherwise by operation of Companies Law or court order.

10.3 To give effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

10.4 The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the date of the sale.

11. Calls on Shares

11.1 The Directors may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium or otherwise), and each Member shall (subject to receiving at least 14 days' notice in writing specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The non-receipt of a notice of any call by, or the accidental omission to give notices of a call to, any Members shall not invalidate the call. A call may be revoked or postponed as the Directors may determine.

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11.2 The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

11.3 If a sum called in respect of a share is remain unpaid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for the payment thereof to the time of the actual payment at such rate not exceeding 10 percent per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of that interest wholly or in part.

11.4 Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium or otherwise, shall for the purposes of these Articles be deemed to be a call duly made, notified and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

11.5 The provisions of these Articles as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

11.6 The Directors may make arrangements on the issue of shares, differentiate between the Members, as to the amount of calls to be paid and the times of payment.

11.7 The Directors may, if they think fit, receive from any Member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding 10 percent per annum (unless the Company in general meeting shall otherwise direct), as may be agreed between the Directors and the Member paying the sum in advance.

12. Forfeiture of Shares

12.1 If a Member fails to pay any call or instalment of a call with any interest on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice in writing on him requiring payment of so much of the call or instalment as is unpaid, together with any interest accrued and expenses incurred by the reason of such non-payment.

12.2 The notice shall name a further day (not earlier than the expiration of 14 days from the date of the service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.

12.3 If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by notice has been made, be forfeited by a resolution of the Directors to that effect and such forfeiture shall extend to all dividends declared in respect of the share so forfeited but not actually paid before such forfeiture.

12.4 A forfeited share may be sold, cancelled or otherwise disposed of on such terms and in such manner as the Directors in their absolute discretion think fit, and at any time before a sale, cancellation or disposition the forfeiture may be cancelled on such terms as the Directors in their absolute discretion think fit.

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12.5 A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company receives payment in full of the fully paid up amount of the shares.

12.6 A statutory declaration in writing that the declarant is a Director of the Company, and that a share in the Company has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

12.7 When any shares have been forfeited, an entry shall be made in the Register of Members recording the forfeiture and the date thereof, and so soon as the shares so forfeited have been sold or otherwise disposed of, an entry shall be made of the manner and date of the sale or disposal thereof.

12.8 The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum, which by the terms of issue of a share, becomes due and payable at any time, whether on account of the amount of the share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

13. Alteration of Share Capital

13.1 The Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into shares of such classes and amount, as the resolution shall prescribe.

13.2 The Company may by Ordinary Resolution:

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) subdivide its existing shares, or any of them, into shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in case of the share from which the reduced share is derived;

(c) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; and

(d) convert all or any of its paid up shares into stock and reconvert that stock into paid up shares of any denomination.

13.3 The Company may by Special Resolution reduce its share capital and any capital redemption reserve in any manner, authorised and consent required by Companies Law.

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14. Closing Register of Members or Fixing Record Date

14.1 For the purpose of determining those Members that are entitled to receive notice of, attend or vote at any meeting of Members or any adjournment thereof, or those Members that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Member for any other purpose, the Directors may provide that the Register of Members shall be closed for transfers for a stated period but not to exceed in any case 40 days. If the Register of Members shall be so closed for the purpose of determining those Members that are entitled to receive notice of, attend or vote at a meeting of Members such register shall be so closed for at least 10 days immediately preceding such meeting and the record date for such determination shall be the first day of the closure of the Register of Members.

14.2 In lieu of or apart from closing the Register of Members, the Directors may fix in advance a date as the record date for any such determination of those Members that are entitled to receive notice of, attend or vote at a meeting of the Members and for the purpose of determining those Members that are entitled to receive payment of any dividend the Directors may, at or within 90 days prior to the date of declaration of such dividend fix a subsequent date as the record date for such determination.

14.3 If the Register of Members is not so closed and no record date is fixed for the determination of those Members that are entitled to receive notice of, attend or vote at a meeting of Members or those Members that are entitled to receive payment of a dividend, the date on which notice of the meeting is posted or the date on which the resolution of the Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of those Members that are entitled to receive notice of, attend or vote at a meeting of Members has been made as provided in this section, such determination shall apply to any adjournment thereof.

15. General Meeting of Members

15.1 The Directors, whenever they consider necessary or desirable, may convene meetings of the Members of the Company. The Directors shall convene a meeting of Members upon the written requisition of any Members or Members entitled to attend and vote at general meeting of the Company who hold not less than 10 percent of the paid up voting share capital of the Company in respect to the matter for which the meeting is requested, deposited at the registered office of the Company specifying the objects of the meeting for a date no later than 21 days from the date of deposit of the requisition signed by the requisitionists. If the Directors do not convene such meeting for a date not later than 30 days after the date of such deposit, the requisitionists themselves may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Directors shall be reimbursed to them by the Company.

15.2 If at any time there are no Directors of the Company, any two Members (or if there is only one Member then that Member) entitled to vote at general meetings of the Company may convene a general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

16. Notice of General Meetings

16.1 At least seven days' notice counting from the date service is deemed to take place as provided in these Articles specifying the place, the day and the hour of the meeting and, in case of special business, the general nature of that business, shall be given in manner hereinafter provided or in such other manner (if any) as may be prescribed by the Company by Ordinary Resolution to such persons as are, under these Articles, entitled to receive such notices from the Company.

16.2 Notwithstanding the aforesaid Article, a meeting of Members is held in contravention of the requirement to give notice shall be deemed to have been validly held if the consent of all Members

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entitled to receive notice of some particular meeting and attend and vote thereat, that meeting may be convened by such shorter notice or without notice and in such manner as those Members may think fit.

16.3 The accidental omission to give notice of a meeting to, or the non-receipt of a notice of a meeting by any Member shall not invalidate the proceedings at any meeting.

17. Proceedings at General Meetings

17.1 No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Save as otherwise provided by these Articles, a quorum shall consist of one or more Members present in person or by proxy holding at least a majority of the paid up voting share capital of the Company. If the Company has only one Member, that only Member present in person or by proxy shall be a quorum for all purposes.

17.2 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Directors may decide, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Member or Members present and entitled to vote shall be a quorum.

17.3 At every meeting the Members present shall choose someone of their number to be the chairman (the "Chairman"). If the Members are unable to choose a Chairman for any reason, then the person representing the greatest number of voting shares present at the meeting shall preside as Chairman, failing which the oldest individual Member present at the meeting or failing any Member personally attending the meeting, the proxy present at the meeting representing the oldest Member of the Company, shall take the chair.

17.4 The Chairman may, with the consent of any meeting, at which a quorum is present (and shall if so directed by the meeting) adjourn any meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 10 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

17.5 All business carried out at a general meeting shall be deemed special with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and reports of the Directors and the Company's auditors, the appointment and removal of Directors, and the appointment and the fixing of the remuneration of the Company's auditors. No special business shall be transacted at any general meeting without the consent of all Members entitled to receive notice of that meeting unless notice of such special business has been given in the notice convening that meeting.

17.6 Any one or more Members may participate in a general meeting by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participating by such means shall constitute presence in person at a meeting. A resolution in writing signed by all the Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorized representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.

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18. Votes of Members

18.1 Subject to any rights and restrictions for the time being attached to any class or classes of shares, on a show of hands every Member present in person and every person representing a Member by proxy shall at a general meeting of the Company have one vote and on a poll every Member and every person representing a Member by proxy shall have one vote for each share of which he or the person represented by proxy is the holder.

18.2 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands by a simple majority, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman; or one or more Members present in person or by proxy entitled to vote and who together hold not less than 10 percent of the paid up voting share capital of the Company. Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

18.3 If a poll is duly demanded it shall be taken in such manner as the Chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.

18.4 In the case of an equality of votes, whether on a show of hands, or on a poll, the Chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.

18.5 A poll demanded on the election of a Chairman of a meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

18.6 In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

18.7 A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, or other person in the nature of a committee appointed by that court, and any such committee or other person, may on a poll, vote by proxy.

18.8 No Member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company held by him and carrying the right to vote have been paid.

19. Members' Proxies

19.1 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy need not be a Member of the Company. An instrument appointing a proxy may be in any usual or common form or such other form as the Directors may approve. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

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19.2 On a poll votes may be given either personally or by proxy. The instrument appointing a proxy shall be deposited at the Registered Office or at such other place appointed for the meeting before the time for holding the meeting at which the person named in such instrument proposes to vote.

20. Corporations Acting by Representatives at Meetings

Any corporation or other form of corporate legal entity which is a Member or a Director of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Members or any class of Members of the Company or of the Board of Directors or of a Committee of Directors, and the person so authorised shall be entitled to exercise the same powers on behalf of such corporation which he represents as that corporation could exercise if it were an individual Member or Director of the Company.

21. Directors

21.1 The name of the first Director(s) shall either be determined in writing by a majority (or in the case of a sole subscriber that subscriber) of, or elected at a meeting of, the subscribers of the Memorandum of Association. The Company may by Ordinary Resolution appoint any person to be a Director.

21.2 Subject to the provisions of these Articles, a Director shall hold office until such time as he is removed from office by the Company by Ordinary Resolution.

21.3 Unless and until otherwise determined by an Ordinary Resolution of the Company, the Directors shall not be less than one in number, and there shall be no maximum number of Directors.

21.4 The remuneration of the Directors shall from time to time be determined by the Company by Ordinary Resolution.

21.5 The shareholding qualification for Directors may be fixed by the Company by Ordinary Resolution and unless and until so fixed no share qualification shall be required.

21.6 The Directors shall have power at any time and from time to time to appoint any other person as a Director, either to fill a casual vacancy or as an additional Director, subject to the maximum number (if any) imposed by the Company by Ordinary Resolution.

22. Alternate Director

22.1 Any Director may in writing appoint another Director or another person to be his alternate to act in his place at any meeting of the Directors at which he is unable to be present and may at any time in writing to revoke the appointment of an alternate appointed by him. Every such alternate shall be entitled to be given notice of meetings of the Directors and to attend and vote thereat as a Director at any such meeting at which the person appointing him is not personally present and generally at such meeting to have and exercise all the powers, right, duties and authorises of the Director appointing him.

22.2 An alternate shall not be an officer of the Company and shall be deemed to be the agent of the Director appointing him. A Director may at any time in writing revoke the appointment of an alternate appointed by him. The remuneration of such alternate shall be payable out of the remuneration of the Director appointing him and the proportion thereof shall be agreed between them. If a Director shall die or cease to hold the office of Director, the appointment of his alternate shall thereupon cease and terminate.

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22.3 Any Director may appoint any person, whether or not a Director, to be the proxy of that Director to attend and vote on his behalf, in accordance with instructions given by that Director, or in the absence of such instructions at the discretion of the proxy, at a meeting or meetings of the Directors which that Director is unable to attend personally. The instrument appointing the proxy shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Directors may approve, and must be lodged with the chairman of the meeting of the Directors at which such proxy is to be used, or first used, prior to the commencement of the meeting.

23. Officers

23.1 The Directors of the Company may, by resolution of Directors, appoint officers of the Company at such times as shall be considered necessary or expedient, and such officers may consist of a president, one or more vice presidents, a secretary, and a treasurer and/or such other officers as may from time to time be deemed desirable. The officers shall perform such duties as shall be prescribed at the time of their appointment subject to any modifications in such duties as may be prescribed by the Directors thereafter, but in the absence of any specific allocation of duties it shall be the responsibility of the president to manage the day to day affairs of the Company, the vice presidents to act in order of seniority in the absence of the president, but otherwise to perform such duties as may be delegated to them by the president, the secretary to maintain the registers, minute books and records (other than financial records) of the Company and to ensure compliance with all procedural requirements imposed on the Company by applicable law, and the treasurer to be responsible for the financial affairs of the Company.

23.2 Any person may hold more than one office and no officer need be a Director or Member of the Company. The officers shall remain in relevant office until removed from the said office by the Directors, whether or not a successor is appointed.

23.3 Any officer who is a body corporate may appoint any person its duly authorised representative for the purpose of representing it and of transacting any of the business of the officers.

24. Powers and Duties of Directors

24.1 The business of the Company shall be managed by the Directors who may pay all expenses incurred preliminary to and in connection with the setup and registration of the Company, and may exercise all such powers of the Company necessary for managing and for directing and supervising, the business affairs of the Company as are not required by the Companies Law or by these Articles required to be exercised by the Members subject to any delegation of such powers as may be authorised by these Articles and permitted by the Companies Law and to such requirements as may be prescribed by resolution of the Members, but no requirement made by resolution of the Members shall prevail if it was inconsistent with these Articles nor shall such resolution invalidate any prior act of the Directors which would have been valid if such resolution had not been made.

24.2 The Directors may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

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24.3 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital or any part thereof, to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.

25. Committees of Directors

25.1 The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

25.2 The Directors may establish any committees, local boards or agencies for managing any of the businesses and affairs of the Company, and may appoint any persons to be members of such committees, local boards, managers or agents for the Company and may fix their remuneration and may delegate to any committees, local board, manager or agent any of the powers, authorities and discretions vested in the Directors, with the power to sub-delegate, and may authorise the members of any committees, local boards or agencies, or any of them, to fill any vacancies therein and to act notwithstanding vacancies, and any such appointment and delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

26. Disqualification of Directors

The office of Director shall be automatically vacated, if the Director:

(a) becomes bankrupt or makes any arrangement or composition with his creditors;
(b) is found to be or becomes of unsound mind;
(c) resigns his office by notice in writing to the Company;
(d) is removed from office by Ordinary Resolution;
(e) is convicted of an arrestable offence; or
(f) dies.

27. Proceedings of Directors

27.1 The meetings of the Board of Directors and any committee thereof shall be held at such place or places as the Directors shall decide.

27.2 The Directors may elect a chairman of their meetings and determine the period for which he is to hold office. If no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman for the meeting. If the Directors are unable to choose a chairman, for any reason, then the seniority Director present at the meeting shall preside as the chairman of the meeting.

27.3 The Directors may meet together (either within or without the Cayman Islands) for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality in votes the chairman shall have a second or casting vote. A Director may at any time summon a meeting of the Directors. If the Company shall have only one Director, the provisions hereinafter contained for meetings of the Directors shall not apply but such sole Director shall have full power to represent and act for the Company in all matters and in lieu of minutes of a meeting shall record written resolutions and sign as a resolution of the Directors. Such note or memorandum shall constitute sufficient evidence of such resolution for all purposes.

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27.4 Any one or more members of the Board of Directors or any committee thereof may participate in a meeting of such Board of Directors or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participating by such means shall constitute presence in person at a meeting.

27.5 The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed, if there be more than two Directors shall be two, and if there be two or less Directors shall be one. A Director represented by proxy or by an alternate Director at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present.

27.6 A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors. A general notice given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract which may thereafter be made with that company or firm shall be deemed a sufficient declaration of interest in regard to any contract so made. A Director may vote in respect of any contract or proposed contract or arrangement notwithstanding that he may be interested therein and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of the Directors at which any such contract or proposed contract or arrangement shall come before the meeting for consideration.

27.7 A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established. A Director, notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged and he may vote on any such appointment or arrangement.

27.8 The Directors shall cause to be entered and kept in books or files provided for the purpose minutes or memoranda of the following (where applicable): -

(a) all appointments of officers made by the Directors;

(b) the names of the Directors, and any alternate Director who is not also a Director, present at each meeting of the Directors and of any committee of the Directors; and

(c) all resolutions and proceedings of all meetings of the Members, all meetings of the Directors and all meetings of committees and, where the Company has only one Member and/or one Director, all written resolutions of the decisions of the sole Member and/or the sole Director;

and any such minutes or memoranda of any meeting or decisions of the Directors, or any committee, or of the Company, if purporting to be signed by the chairman of such meeting, or by the chairman of the next succeeding meeting, shall be receivable as prima facie evidence of the matters stated therein.

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27.9 When the Chairman of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held notwithstanding that all the Directors have not actually come together or that there may have been a technical defect in the proceedings.

27.10 A resolution in writing signed by a majority of the Directors for the time being shall be as valid and effectual for all purposes as a resolution of the Directors passed at a meeting of the Directors duly called and constituted. Such resolution in writing may consist of several documents each signed by one or more of the Directors.

27.11 The continuing Directors may act notwithstanding any vacancy in their body but if and so long as their number is reduced below the number fixed by or pursuant to the Articles of the Company as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number, or of summoning a general meeting of the Company, but for no other purpose.

27.12 A committee appointed by the Directors may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within 15 minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of their meetings.

27.13 A committee appointed by the Directors may meet and adjourn as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes of the committee members present and in case of an equality of votes the chairman shall have a second or casting vote.

27.14 All acts done bona fide by any meeting of the Directors or of a committee of Directors, or by any person acting as a Director, shall notwithstanding that it was afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

28. Dividends

28.1 Subject to any rights and restrictions for the time being attached to any class or classes of shares, the Directors may from time to time declare dividends (including interim dividends) and other distributions on shares of the Company in issue and authorise payment of the same out of the funds of the Company lawfully available therefor.

28.2 Subject to any rights and restrictions for the time being attached to any class or classes of shares, the Company may by Ordinary Resolution declare final dividends, but no dividend shall exceed the amount recommended by the Directors.

28.3 The Directors may, before recommending or declaring any dividend, set aside out of the funds legally available for distribution of the Company such sums as they think proper as a reserve or reserves which shall, at the absolute discretion of the Directors be applicable for meeting contingencies, or for equalising dividends or for any other purpose to which those funds may be properly applied and may pending such application, in the Directors' absolute discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Directors may from time to time think fit.

28.4 No dividend shall be paid otherwise than out of profits or, subject to the restrictions of the Companies Law, the share premium account.

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28.5 Any dividend may be paid by cheque or warrant sent through the post directed to the registered address of the Member or person entitled thereto (or in case of joint holders, to the registered address of any one of such joint holders whose name stands first on the Register of Members of the Company in respect of the joint holding) or addressed to such person at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent, but in any event the Company shall not be liable or responsible for any cheque or warrant lost in transmission nor for any dividend, bonus, interest or other monies lost to the Member or person entitled thereto by the forged endorsement of any cheque or warrant. Any payment of the cheque or warrant by the Company's banker on whom it is drawn shall be a good discharge to the Company.

28.6 The Directors when paying dividends to the Members in accordance with the foregoing provisions may make such payment either in cash or in specie.

28.7 Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this article as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date that share shall rank for dividend accordingly.

28.8 If several persons are registered as joint holders of any share, any of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.

28.9 No dividend shall bear interest against the Company.

29. Accounts and Audit

29.1 The Directors shall cause books of account relating to the Company's affairs to be kept in such manner as may be determined from time to time by the Directors.

29.2 The books of account shall be kept at the registered office of the Company, or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.

29.3 The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by the Companies Law or authorised by the Directors or by the Company by ordinary resolution.

29.4 The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions the records, documents and registers of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any records, documents or registers of the Company except as conferred by the Companies Law or authorised by resolution of the Directors.

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30. Capitalisation of Profits

30.1 Subject to the Companies Law, the Directors may, with the authority of an Ordinary Resolution, resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts (including a share premium account and capital redemption reserve), or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution, amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportion, on condition that the same be not paid in cash but be applied either in or towards paying up any amounts (if any) for the time being unpaid on any shares held by such Members respectively, or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such Members in the proportion aforesaid or partly in the one way and partly in the other. Provided that a share premium account and a capital redemption reserve fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be allotted to Members of the Company as fully paid bonus shares.

30.2 Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of fractional certificates by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or as the case may require, for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such Members.

31. Share Premium Account

31.1 The Board of Directors shall in accordance with the Companies Law establish a share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share.

31.2 There shall be debited to any share premium account on the redemption or purchase of a share the difference between the nominal value of such share and the redemption or purchase price provided always that at the discretion of the Board of Directors such sum may be paid out of the profits of the Company or, if permitted by the Companies Law, out of capital.

32. Indemnity

Subject to the provisions of the Companies Law and in the absence of fraud or wilful default, the Company may indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings any person who:

(a) is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a Director, managing director, agent, auditor, secretary and other officer for the time being of the Company; or

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(b) is or was, at the request of the Company, serving as a Director, managing director, agent, auditor, secretary and other officer for the time being of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise.

33. Notices

33.1 Notice shall be in writing and may be given by the Company or by the person entitled to give notice to any Member either personally by electronic mail, by facsimile or by sending it through the post in a prepaid letter or via a recognised courier service, fees prepaid, addressed to the Member at his address as appearing in the Register of Members. Notices posted to addresses outside the Cayman Islands shall be forwarded by prepaid airmail. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the Register of Members in respect of the share.

33.2 Any Member present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.

33.3 Any notice, if served by (a) post, shall be deemed to have been served 5 days after the time when the letter containing the same is posted and if served by courier, shall be deemed to have been served 5 days after the time when the letter containing the same is delivered to the courier or, (b) facsimile, shall be deemed to have been served upon confirmation of receipt or (c) electronic mail, shall be deemed to have been served upon confirmation of receipt, or (d) recognised delivery service, shall be deemed to have been served 48 hours after the time when the letter containing the same is delivered to the courier service provider.

33.4 A notice may be given by the Company to the persons entitled to a share in consequence of the death, bankruptcy or insolvency of a Member by sending it through the post in a prepaid letter, by airmail if appropriate addressed to them by name or by the title of representatives of the deceased or assignee or trustee of the bankrupt or insolvent or by a like description at the address, if any, supplied for the purpose by the persons claiming to be so entitled, or, until such an address has been so supplied, by giving the notice in any manner in which the same might have been given if the death, bankruptcy or insolvency had not occurred.

33.5 Notice of every general meeting shall be given in the manner hereinbefore authorised to:

(a) all Members who have a right to receive notice and who have supplied the Company with an address for the giving of notices to them and in case of joint holder, the notice shall be sufficient if given to the first named joint holder in the Register of Members; and

(b) every person entitled to a share in consequence of the death or bankruptcy of a Member, who but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other person shall be entitled to receive notice of general meetings.

34. Seal

34.1 The Directors shall provide for the safe custody of the Seal of the Company. The Seal when affixed to any instrument shall be witnessed by a Director or the secretary or officer of the Company or any other person so authorised from time to time by the Directors or of a committee of the Directors authorised by the Directors on that behalf. The Directors may provide for a facsimile of the Seal and approve the signature of any Director or authorised person which may be reproduced by printing or other means on any instrument and it shall have the same force and validity as if the Seal has been affixed to such instrument and the same had been signed as hereinbefore described.

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34.2 Notwithstanding the foregoing, a director or officer, representative or attorney of the Company shall have the authority to affix the Seal, or a duplicate of the Seal, over his signature alone on any instrument or document required to be authenticated by him under Seal or to be filed with the Registrar of Companies in the Cayman Islands or elsewhere wheresoever.

35. Winding Up

35.1 If the Company shall be wound up the liquidator may, with the sanction of an Ordinary Resolution of the Company and any other sanction required by the Companies Law, divide amongst the Members in specie or cash the whole or any part of the assets of the Company whether they shall consist of property of the same kind or not and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributors as the liquidator shall think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

35.2 Without prejudice to the rights of holders of shares issued upon special terms and conditions, if the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid-up, or which ought to have been paid-up, at the commencement of the winding up on the shares held by them respectively. If on a winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding up, the excess shall be distributed among the Members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively.

36. Amendment of Memorandum and Articles of Association

The Company may alter or modify the provisions contained in these Memorandum and Articles of Association as originally drafted or as amended from time to time by a Special Resolution and subject to the Companies Law and the rights attaching to the various classes of shares.

37. Registration By Way of Continuation

The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article. The Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken in accordance to the Companies Law to effect the transfer by way of continuation of the Company.

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Auth Code: E56305422473
www.verify.gov.ky

EXEMPTED Company Registered and filed as No. 338246 On 11-Dec-2019

Assistant Registrar

NAME AND ADDRESS OF SUBSCRIBER

Sertus Nominees (Cayman) Limited
Sertus Chambers, Governors Square,
Suite # 5-204, 23 Lime Tree Bay Avenue,
P.O. Box 2547, Grand Cayman, KY1-1104,
Cayman Islands

Susan Thompson
Authorised Signatory

DATED this 11th day of December, 2019

Witness to the above signature:
Burnette Pope
Sertus Chambers, Governors Square,
Suite # 5-204, 23 Lime Tree Bay Avenue,
P.O. Box 2547, Grand Cayman, KY1-1104,
Cayman Islands

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Auth Code: E56305422473
www.verify.gov.ky

Exhibit 5.1

Bon Natural Life Limited
Sertus Chambers
Governors Square
Suite #5-204
23 Lime Tree Bay Avenue
P.O. Box 2547
Grand Cayman, KY1-1104
Cayman Islands

D +852 3656 6054
E nathan.powell@ogier.com

Reference: NMP/FYC/180371.00001

10 July 2020

Dear Sirs

Bon Natural Life Limited (the Company)

We have acted as Cayman Islands counsel to the Company in connection with the Company's registration statement on Form F-1, including all amendments or supplements thereto (the **Registration Statement**), as filed with the United States Securities and Exchange Commission (the **Commission**) under the United States Securities Act of 1933, as amended to date (the **Act**). The Registration Statement relates to the offering by the Company (the **Offering**) up to an aggregate of 2,000,000 ordinary shares of US$0.0001 par value each of the Company (plus an additional 300,000 ordinary shares of US$0.0001 par value each of the Company to cover the over-allotment option to be granted to the underwriter) (collectively, the **Shares**).

We are furnishing this opinion as Exhibit 5.1 to the Registration Statement.

Unless a contrary intention appears, all capitalised terms used in this opinion have the respective meanings set forth in Schedule 1. A reference to a Schedule is a reference to a schedule to this opinion and the headings herein are for convenience only and do not affect the construction of this opinion.

1 Documents examined

For the purposes of giving this opinion, we have examined originals, copies, or drafts of the following documents:

(a) the certificate of incorporation of the Company dated 11 December 2019 issued by the Registrar of Companies of the Cayman Islands (the **Registrar**);

(b) the memorandum and articles of association of the Company filed with the Registrar on 11 December 2019 (the **Memorandum and Articles**);

(c) a certificate of good standing dated 2 April 2020 (the **Good Standing Certificate**) issued by the Registrar in respect of the Company;

(d) the register of directors and officers of the Company provided to us on 10 July 2020 (the **ROD**);

(e) the register of members of the Company provided to us by The Crone Law Group P.C. on 3 July 2020 (the **ROM**, and together with the ROD, the **Registers**);

(f) a certificate from a director of the Company dated 10 July 2020, a copy of which is attached hereto (the **Director's Certificate**);

(g) a copy of the written resolutions of the directors of the Company dated 8 July 2020 approving the Company's filing of the Registration Statement and issuance of the Shares (the **Board Resolutions**); and

(h) the Registration Statement.

2 Assumptions

In giving this opinion we have relied upon the assumptions set forth in this paragraph 2 without having carried out any independent investigation or verification in respect of those assumptions:

(a) all original documents examined by us are authentic and complete;

(b) all copy documents examined by us (whether in facsimile, electronic or other form) conform to the originals and those originals are authentic and complete;

(c) all signatures, seals, dates, stamps and markings (whether on original or copy documents) are genuine;

(d) each of the Good Standing Certificate, the Registers and the Director's Certificate is accurate and complete as at the date of this opinion;

(e) all copies of the Registration Statement are true and correct copies and the Registration Statement conform in every material respect to the latest drafts of the same produced to us and, where the Registration Statement has been provided to us in successive drafts marked-up to indicate changes to such documents, all such changes have been so indicated;

(f) the Board Resolution remains in full force and effect and each of the directors of the Company has acted in good faith with a view to the best interests of the Company and has exercised the standard of care, diligence and skill that is required of him or her in approving the Offering and no director has a financial interest in or other relationship to a party of the transactions contemplated by the Offering which has not been properly disclosed in the Board Resolutions;

(g) neither the directors and shareholders of the Company have taken any steps to appoint a liquidator of the Company and no receiver has been appointed over any of the Company's property or assets;

(h) the maximum number of Shares to be issued by the Company would not exceed the Company's authorised share capital and the consideration payable for the Shares shall not be less than the aggregate par value of such number of Shares; and

(i) there is no provision of the law of any jurisdiction, other than the Cayman Islands, which would have any implication in relation to the opinions expressed herein.

3 Opinions

On the basis of the examinations and assumptions referred to above and subject to the limitations and qualifications set forth in paragraph 4 below, we are of the opinion that:

Corporate status

(a) The Company has been duly incorporated as an exempted company with limited liability and is validly existing and in good standing with the Registrar under the laws of the Cayman Islands.

Authorised Share capital

(b) The authorised share capital of the Company is US$50,000 divided into 500,000,000 ordinary shares comprising of a par value of US$0.0001 each.

Valid Issuance of Shares

(c) The issuance and allotment of the Shares have been duly authorised and, when issued and allotted and once consideration is paid for in accordance with the Registration Statement, will be validly issued, fully paid and non-assessable. Once the register of members of the Company has been updated to reflect the issuance, the shareholders recorded in the register of members will be deemed to have legal title to the shares set against their respective name.

Registration Statement - Taxation

(d) The statements contained in the Registration Statement in the section headed "Cayman Islands Taxation", in so far as they purport to summarise the laws or regulations of the Cayman Islands, are accurate in all material respects and that such statements constitute our opinion.

4 Limitations and Qualifications

4.1 We offer no opinion:

(a) as to any laws other than the laws of the Cayman Islands, and we have not, for the purposes of this opinion, made any investigation of the laws of any other jurisdiction, and we express no opinion as to the meaning, validity, or effect of references in the Documents to statutes, rules, regulations, codes or judicial authority of any jurisdiction other than the Cayman Islands; or

(b) except to the extent that this opinion expressly provides otherwise, as to the commercial terms of, or the validity, enforceability or effect of the Registration Statement, the accuracy of representations, the fulfilment of warranties or conditions, the occurrence of events of default or terminating events or the existence of any conflicts or inconsistencies among the Registration Statement and any other agreements into which the Company may have entered or any other documents.

4.2 Under the Companies Law (Revised) (**Companies Law**) of the Cayman Islands annual returns in respect of the Company must be filed with the Registrar, together with payment of annual filing fees. A failure to file annual returns and pay annual filing fees may result in the Company being struck off the Register of Companies, following which its assets will vest in the Financial Secretary of the Cayman Islands and will be subject to disposition or retention for the benefit of the public of the Cayman Islands.

4.3 In **good standing** means only that as of the date of this opinion the Company is up-to-date with the filing of its annual returns and payment of annual fees with the Registrar. We have made no enquiries into the Company's good standing with respect to any filings or payment of fees, or both, that it may be required to make under the laws of the Cayman Islands other than the Companies Law.

5 Governing law of this opinion

5.1 This opinion is:

(a) governed by, and shall be construed in accordance with, the laws of the Cayman Islands;

(b) limited to the matters expressly stated in it; and

(c) confined to, and given on the basis of, the laws and practice in the Cayman Islands at the date of this opinion.

5.2 Unless otherwise indicated, a reference to any specific Cayman Islands legislation is a reference to that legislation as amended to, and as in force at, the date of this opinion.

6 Reliance

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our firm under the headings "Legal Matters" of the Registration Statement. In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the U.S. Securities Act of 1933, as amended, or the Rules and Regulations of the Commission thereunder.

This opinion may be used only in connection with the offer and sale of the Shares while the Registration Statement is effective.

Yours faithfully

Ogier

乾中律师事務所
CHAMZON LAW FIRM

5/F, Annex Building of Renaissance Beijing Capital Hotel
Chaoyang District
Beijing

June 10, 2020

Bon Natural Life Limited
c/o Sertus Incorporations (Cayman) Limited
23 Lime Tree Bay Avenue
Grand Cayman, KY1-1104
Cayman Islands

Re: Legal Opinion on Certain PRC Legal Matters

We are qualified lawyers of the People's Republic of China (the "**PRC**", for purposes of this legal Opinion, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan), and are qualified to issue this legal opinion on the laws and regulations of the PRC (this "**Opinion**").

We are acting as the PRC counsel to Bon Natural Life Limited (the "**Company**"), a company incorporated under the laws of Cayman Islands, in connection with (A) the Company's registration statement on Form F-1 including all amendments or supplements thereto (the "**Registration Statement**") to be filed with the Securities and Exchange Commission (the "**SEC**") under the U.S. Securities Act of 1933, as amended, relating to the initial public offering (the "**Offering**") by the Company of its Ordinary Shares (the "**Ordinary Shares**"), each representing a certain number of Ordinary Shares of par value US$ 0.0001 per share of the Company, and (B) listing of the Company's Ordinary Shares on the Nasdaq Capital Market (the "**Nasdaq**"). We have been requested to give this Opinion as to the matters set forth below.

A. Definitions

As used herein, the following terms are defined as follows:

App-Chem	means Xi'an App-Chem Bio (Tech) Co., Lt (in Chinese "西安天美生物科技股份有限公司")
Governmental Authorizations	means all approvals, consents, waivers, sanctions, certificates, authorizations, filings, registrations, exemptions, permissions, annual inspections, qualifications, permits and licenses required by any PRC Authorities pursuant to any PRC Laws
M&A Rules	means the Rules on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors jointly promulgated by the Ministry of Commerce, the State Assets Supervision and Administration Commission, the State Administration of Taxation, the State Administration of Industry and Commerce, China Securities Regulatory Commission (the "**CSRC**") and the State Administration of Foreign Exchange of the PRC on

	August 8, 2006 and became effective on September 8, 2006, as amended by the Ministry of Commerce on June 22, 2009.
PRC Authorities	means any national, provincial or local governmental, regulatory or administrative authority, agency or commission in the PRC, or any court, tribunal or any other judicial or arbitral body in the PRC, or anybody exercising, or entitled to exercise, any administrative, judicial, legislative, police, regulatory, or taxing authority or power of similar nature in the PRC
PRC Group Entities	means App-Chem and WFOE (each a "PRC Group Entity", collectively "PRC Group Entities")
PRC Laws	means any and all officially published laws, regulations, statutes, rules, decrees, notices, and supreme court's judicial interpretations currently in force and publicly available in the PRC as of the date hereof.
Prospectus	means the prospectus, including all amendments or supplements thereto, that forms part of the Registration Statement.
VIE Agreements	means the contracts and agreements set forth in Appendix I hereto;
WFOE	means Xi'an Cell and Molecule Information Technology Co., Ltd. (in Chinese "西安赛美科信息科技有限公司")

B. PRC Laws

This Opinion is rendered on the basis of the PRC laws, regulations, rules, orders, decrees, guidelines or notices effective and publicly available as of the date hereof and there is no assurance that any PRC Laws will not be changed, amended or replaced in the future with or without retrospective effect.

We do not purport to be an expert on or to be generally familiar with or qualified to express legal opinions based on any laws other than the PRC Laws. Accordingly, we express or imply no opinion directly or indirectly on the laws of any jurisdiction other than the PRC.

C. Documents and Assumptions

For the purpose of giving this Opinion, we have examined the Registration Statement, the originals or copies of documents provided to us by the Company, the WFOE and App-Chem, and such other documents, corporate records, certificates, Governmental Authorizations and other instruments as we have deemed necessary or advisable for the purpose of rendering this Opinion, including, without limitation, originals or copies of the agreements listed in Appendix I hereof and the certificates issued by the PRC Authorities and officers of the Company (collectively, the "**Documents**").

For the purpose of this Opinion we have assumed:

(a) the genuineness of all signatures, seals and chops;

(b) the authenticity of the Documents submitted to us as originals, the conformity with the originals of the Documents provided to us as copies and the authenticity of such originals;

(c) the truthfulness, accuracy, fairness and completeness of the Documents and the factual statements contained in the Documents, and the Documents and factual statements contained therein is non-misleading;

(d) that all information (including factual statements) provided to us by the Company, the PRC Group Entities in response to our enquiries for the purpose of this Opinion is true, accurate, complete and not misleading, and that the Company, the PRC Group Entities have not withheld anything that, if disclosed to us, would reasonably cause us to alter this opinion in whole or in part;

(e) that there has been no change in the information contained in the latest records of the Company and each of the PRC Group Entities, respectively, under the PRC Authorities made up to the issuance of this Opinion;

(f) that each party other than PRC Group Entities is duly organized and is validly existing in good standing under the laws of its jurisdiction of organization and/or incorporation.

(g) that all parties other than the PRC Group Entities have the requisite power and authority to enter into, execute, deliver and perform all the Documents to which they are parties and have duly executed, delivered, performed, and will duly perform their obligations under all the Documents to which they are parties;

(h) the documents containing resolutions of directors and shareholders, respectively, or extracts of minutes of meetings of the directors and meetings of the shareholders, respectively accurately and genuinely represent proceedings of meetings of the directors and of meetings of shareholders, respectively, of which adequate notice was either given or waived, and any necessary quorum present throughout;

(i) that all Governmental Authorizations and other official statement or documentation were obtained from competent PRC Authorities by lawful means; and

(j) insofar as any obligation under the Documents is to be performed in any jurisdiction outside PRC, its performance will not be illegal or unenforceable by virtue of the law of that jurisdiction.

Without prejudice to the foregoing, we have also made due inquiries as to other facts and questions of law as we have deemed necessary in order to render this Opinion. Where certain facts were not independently established by us, we have relied upon certificates or statements issued or made by competent national, provincial or local governmental regulatory or administrative authority, agency or commission in the PRC having jurisdiction over the relevant PRC Group Entities, the Company and appropriate representatives of the Company.

D. Opinions

Based upon and subject to the foregoing descriptions, assumptions and further subject to the qualifications set forth below, we are of the opinion that as at the date hereof:

(a) Each of the PRC Group Entities has been duly incorporated and validly exists as a company with limited liability and enterprise legal person status under the PRC Laws. According to applicable PRC Laws, the registered capital only needs to be subscribed when registered at the competent PRC Authorities, and shall be fully paid before the date as specified in articles of association. To the best of our knowledge after due and reasonable inquiries, the registered capital of App-Chem has been fully paid in accordance with its articles of association and applicable PRC Laws. The registered capital of WFOE has not been fully paid, which does not violate its articles of association and applicable PRC Laws. All the equity interest in the registered capital of each of the PRC Group Entities is owned by its shareholders. The current articles of association and the business license of each of the PRC Group Entities complies with applicable PRC Laws and are in full force and effect;

(b) To the best of our knowledge after due inquiries, none of the PRC Group Entities has taken any action nor have any steps been taken or legal or administrative proceedings been commenced or threatened for the winding up, dissolution, bankruptcy or liquidation, or for the appointment of a liquidation committee of any of the PRC Group Entities, or for the suspension, withdrawal, revocation or cancellation of any of the business licenses of the PRC Group Entities;

(c) The corporate structure of the PRC Group Entities as described in the Prospectus is in compliance with applicable regulatory requirements set forth in the PRC Laws;

(d) To the best of our knowledge after due and reasonable inquiries as of the date of this Opinion, there are no legal, governmental, administrative or arbitrative proceedings, actions, initiatives, decisions, rulings, demands or orders before any competent court or arbitration body of the PRC or before or by any competent PRC Authorities pending or threatened against, or involving the business or assets of any PRC Group Entity;

(e) Appendix I sets forth a true, complete and correct list of all the current VIE Agreements by and between App-Chem, WFOE, and the shareholders of App-Chem. Each of the VIE Agreements has been duly authorized, executed and delivered by the parties thereto, each PRC Group Entity or PRC individual has the power and capacity (corporate or otherwise) to enter into and to perform its obligations under such VIE Agreements; each of the VIE Agreements constitutes a legal, valid and binding obligation of the parties thereto, enforceable against such parties in accordance with its terms and does not violate any requirements of the applicable PRC Laws. Except as disclosed in the Registration Statement, no further Governmental Authorizations are required under the applicable PRC Laws in connection with the VIE Agreements or the performance of the terms thereof. The determination that the Company is the primary beneficiary of the VIE Agreements, and the consolidation of the financial results of the PRC Group Entities with the Company, are not contrary to the restrictions placed on foreign ownership and investments in the PRC. However, there are substantial uncertainties regarding the interpretation and application of PRC Laws and future PRC laws, rules, regulations, statutes, orders, decrees, notices, circulars, judicial interpretations and other legislations, and there can be no assurance that the PRC Authorities will not take a view that is contrary to or otherwise different from our opinion stated above;

(f) The Company has duly completed all relevant Governmental Authorizations required under the applicable PRC laws, regulations or rules concerning foreign exchange; Except as disclosed in the Registration Statement, the shareholders of the Company who are PRC citizens and residents, have duly completed all relevant Governmental Authorizations required under applicable PRC laws, regulations or rules concerning foreign exchange;

(g) On August 8, 2006, the PRC Ministry of Commerce, the State Assets Supervision and Administration Commission, the State Administration for Taxation, the State Administration for Industry and Commerce, CSRC and the State Administration of Foreign Exchange jointly promulgated the M&A Rules;

The M&A Rules require offshore special purpose vehicles formed for overseas listing purposes through acquisitions of PRC domestic companies and controlled directly or indirectly by PRC companies or individuals to obtain the approval of the CSRC prior to publicly listing their securities on an overseas stock exchange. We are of the opinion that the Company is not a special purpose vehicle formed for the purpose of acquiring domestic companies that are controlled by its PRC individual shareholders because (i) the WFOE established by means of direct investment rather than by merger with or acquisition of any PRC domestic companies as defined under the M&A Rules; and (ii) there is no statutory provision that clearly classifies the contractual arrangements among the WFOE and App-Chem and their respective shareholders under the VIE Agreements as transactions regulated by the M&A Rules. Therefore the requirement of the M&A Rules is not applicable to the Company and the Company is not required to submit an application to CSRC for the approval of its initial public offering and the listing and trading of the Ordinary Shares on the Nasdaq;

However, uncertainties still exist as to how the M&A Rules will be interpreted and implemented and our opinion stated above is subject to any new laws, rules and regulations or detailed implementations and interpretations in any form relating to the M&A Rules;

(h) PRC courts may recognize and enforce foreign judgments in accordance with the requirements of PRC Civil Procedures Law based either on treaties between China and the country where the judgment is made or on reciprocity between jurisdictions. China does not have any treaties or other form of reciprocity with the United States or the Cayman Islands that provide for the reciprocal recognition and enforcement of foreign judgments. As a result, it is uncertain whether and on what basis a PRC court would recognize and enforce a judgment rendered by a court in the United States or the Cayman Islands;

(i) All statements set forth in the Prospectus under the captions "Corporate History and Structure," "Risk Factors," "Enforceability of Civil Liabilities" , "Organizational Structure," "Regulation," and "People's Republic of China Taxation" in each case insofar as such statements describe or summarize PRC legal or regulatory matters, or documents, agreements or proceedings governed by PRC Laws, are true and accurate in all material aspects, and are fairly disclosed and correctly set forth therein, and nothing has been omitted from such statements which would make the same misleading in all material aspects.

E. Certain Limitations and Qualifications

(a) This Opinion is limited to matters of the PRC Law in effect on the date of this Opinion;

(b) We have not investigated and do not express or imply any opinion on accounting, auditing, or laws of any other jurisdiction;

(c) This Opinion is subject to the effects of (i) certain legal or statutory principles affecting the enforceability of contractual rights generally under the concepts of public interest, national security, good faith and fair dealing, applicable statutes of limitation, and the limitations of bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditor's rights generally; (ii) any circumstance in connection with the formulation, execution or performance of any legal documents that would be deemed materially mistaken, clearly unconscionable or fraudulent; (iii) judicial discretion with respect to the availability of injunctive relief, the calculation of damages, and any entitlement to attorneys' fees and other costs; and (iv) the discretion of any competent PRC legislative, administrative or judicial bodies in exercising their authority in connection with the interpretation, implementation and application of relevant PRC Laws;

(d) This Opinion is given for the benefit of the persons to whom it is addressed upon the request by, and in its capacity as PRC legal counsel to, the Company;

(e) This Opinion is intended to be used in the context which is specifically referred to herein and each paragraph should be considered as a whole and no part should be extracted and referred to independently;

(f) This Opinion is limited to the matters referred to herein and shall not be construed as extending to any other matter or document not referred to herein.

We hereby consent to the quotation or summarization of this Opinion in, and the filing hereof, as an exhibit to the Registration Statement, and to the use of our firm's name under the captions "Risk Factors", "Enforceability of Civil Liabilities", "Corporate History and Structure", "Regulation" "People's Republic of China Taxation" in the Registration Statement. In giving such consent, we do not thereby admit that we come within the category of the persons whose consent is required under Section 7 of the U.S. Securities Act of 1933, as amended, or the regulations promulgated thereunder.

Sincerely yours,

/s/ Chamzon Law Firm

Appendix I

VIE Agreements

1. Proxy Agreement and Power of Attorney dated May 28, 2020, by and between App-Chem, the shareholders of App-Chem and Xi'an Cell and Molecule Information Technology Co., Ltd. ("Xi'an Cell and Molecule").

2. Shares Pledge Agreement dated May 28, 2020, by and between Xi'an Cell and Molecule, App-Chem and the shareholders of App-Chem.

3. Loan Agreement dated May 28, 2020, by and between Xi'an Cell and Molecule and the shareholders of App-Chem.

4. Exclusive Option Agreement dated May 28, 2020, by and between Xi'an Cell and Molecule, App-Chem and the shareholders of App-Chem.

5. Exclusive Services Agreement dated May 28, 2020 by and between Xi'an Cell and Molecule and App-Chem.

6. Spousal Consents executed May 28, 2020 by each of the spouses of the shareholders of App-Chem.

7. Supplemental Shares Pledge Agreement dated June 10, 2020 by and between Xi'an Cell and Molecule, App-Chem and the shareholders of App-Chem.

EXCLUSIVE SERVICE AGREEMENT

独家服务协议

This Exclusive Service Agreement (this "**Agreement**") is entered into as of ____, 2020 by and among the following parties:
本《独家服务协议》（以下简称"**本协议**"）由下列各方于 2020 年 5 月 28 日订立：

(1) Xi'an Cell and Molecule Information Technology Co., Ltd. Co., Ltd. (the "**Party A**"), a domestic company registered in the People's Republic of China ("**China**" or the "**PRC**"), under the laws of the PRC; and
西安赛美科信息科技有限公司（以下简称"**甲方**"）系一家依照中华人民共和国（以下简称"**中国**"）法律在中国注册并设立的公司；

(2) Xi'AN APP·CHEM BIO (TEC) Co., Ltd. (the "**Party B**"), a domestic company registered in China, under the laws of the PRC;
西安天美生物科技股份有限公司（"**乙方**"）系一家依照中国法律在中国注册并设立的中国公司。

(Each of Party A and Party B, shall be hereinafter referred to as a "**Party**", and collectively, as the "**Parties**".)
（以上各方单称为"**一方**"，合称为"**双方**"。）

After friendly consultations conducted on the principle of equality and mutual benefit, the Parties hereby agree as follows:
经双方友好协商，本着平等互利的原则，商定如下：

Article 1 Provision of Services
服务条款

1.1 In accordance with the terms and conditions set forth in this Agreement, Party B hereby irrevocably appoints and designates Party A as their exclusive service provider to provide the technical and business support services as set forth in Schedule 1.

根据本协议条款和条件的规定，乙方特此不可撤销地任命并指定甲方为其独家服务提供商，以提供附件 1 中所述的技术和业务支持服务。

1.2 Party A has the right to designate and appoint, at its sole discretion, any affiliate of Party A to provide any and all services set forth in this Article 1.
甲方有权自行决定任命并委派甲方的任意关联方，提供第 1 条规定的全部服务。

1.3 During the term of this Agreement, Party B shall not, without Party A's written consent, directly and indirectly, obtain the same or similar services as provided under this Agreement from any third party, or enter into any similar service agreement with any third party.
在本协议有效期内，未经甲方书面同意，乙方不得直接或间接从任何第三方获得与本协议相同或类似的服务，也不得与任何第三方订立任何类似的服务协议。

1.4 To ensure that the cash flow requirements of Party B's ordinary operations are met and/or to set off any loss accrued during such operations, Party A is obligated, only to the extent permissible under PRC law, to provide financing support for Party B, whether or not Party B actually incurs any such operational loss. Party A's financing support for Party B may take the form of bank entrusted loans or borrowings. Contracts for any such entrusted loans or borrowings shall be executed separately. Party A will not require Party B to repay the loans or borrowings when Party B has no ability to repay.
为确保满足乙方日常经营中的现金流量要求和/或抵销乙方经营中产生的任何损失，甲方仅在中国法律允许的范围内有义务为乙方提供融资支持，不论乙方实际上是否遭受任何此类经营损失。甲方对乙方的融资支持可以采取银行委托贷款或借款的形式。此类委托贷款合同或借款合同应单独订立。当乙方无力偿还贷款或借款时，甲方将不再要求乙方偿还贷款或借款。

Article 2 Service Fee and Payment
服务费用和支付

2.1 Party A shall have the right to determine, at its sole discretion, the service fee and proper payment manners for Party B. The calculation and payment manners of the service fee are stipulated in Schedule 2 of this Agreement.

甲方有权自行决定为乙方提供服务的服务费和适当的付款方式。服务费的计算和付款方式在附件 2 中规定。

2.2 If Party A, at its sole discretion, determines that the fee calculation mechanism specified herein shall no longer apply for any reasons at any time or from time to time during the term of this Agreement, Party A shall have the rights to adjust the fee by giving a 10-day written notice to Party B in advance.
如果甲方自行决定本协议规定的费用计算机制在本协议有效期内的任何时间因任何原因不再适用，甲方有权通过提前 10 天书面通知乙方的方式调整费用。

Article 3 Intellectual Property Rights
知识产权

3.1 Any intellectual properties developed in the performance of this Agreement, including but not limited to copyrights, patents and knowhow, shall belong to Party A, and Party B shall enjoy no rights other than those expressly provided herein.
在本协议履行期间开发的任何知识产权，包括但不限于版权、专利和商业秘密，均属于甲方，除本协议明确规定的权利外，乙方不享有其他权利。

3.2 If a development is based on the intellectual properties owned by Party B, Party B shall ensure and warrant that such intellectual properties are flawless. Otherwise, Party B shall bear all damage and losses caused to Party A due to any flaw of such intellectual properties. If Party A are to bear any liabilities to any third party thus caused, it has the right to claim to recover all of its losses from Party B.
如果某项开发是基于乙方拥有的知识产权，则乙方应确保并保证此类知识产权无瑕疵。否则，乙方应承担由于此类知识产权的任何缺陷而给甲方造成的所有损害和损失。若甲方因此向任何第三方承担责任，甲方有权向乙方追偿全部损失。

3.3 The Parties agree that this clause shall remain to survive after the termination or expiration of this Agreement.
双方同意，本条在本协议终止或到期后仍然有效。

Article 4 Representations and Warranties
陈述和保证

4.1 Party A hereby represents and warrants as follows:
甲方特此声明并保证：

(a) It is a legal person duly incorporated and validly existing under PRC laws;
甲方是根据中国法律正式成立并有效存续的法人；

(b) Its execution and performance of this Agreement are within Party A's corporate power and business scope;
其签署和履行本协议均在甲方的公司权力和业务范围之内；

(c) It has taken necessary corporate actions and obtained appropriate authorizations, and has obtained the necessary consents or approvals from other third parties or government agencies;
甲方已进行了必要的公司决议活动并获得了适当的授权，并获得了其他第三方或政府机构的必要同意或批准；

(d) The execution and performance of this Agreement by Party A do not violate the laws and contracts binding upon Party A; and
甲方签署和履行本协议不违反法律和对甲方具有约束力的合同；

(e) Upon execution, this Agreement will constitute a legal, valid and binding obligation of Party A enforceable against Party A in accordance with its terms.
本协议一经签署，即构成对甲方合法、有效和具有约束力的义务，并且对甲方具有强制执行力。

4.2 Party B hereby represents and warrants as follows:
乙方特此声明并保证：

(a) It is a legal person duly incorporated and validly existing under PRC laws;
乙方是根据中国法律正式成立并有效存续的法人；

(b) Its execution and performance of this Agreement are within its entity power and business scope;
其签署和履行本协议均在其实体权力和业务范围内；

(c) It has taken necessary corporate actions and obtained appropriate authorizations, and has obtained the necessary consents or approvals from other third parties or government agencies;
其已进行了必要的公司决议并获得了适当的授权，并已获得其他第三方或政府机构的必要同意或批准；

(d) Its execution and performance of this Agreement do not violate the laws and contracts binding upon it; and
其签署和履行本协议不违反法律和对其具有约束力的合同；

(e) Upon execution, this Agreement will constitute a legal, valid and binding obligation of Party B enforceable against Party B in accordance with its terms.
本协议一经签署，即构成对乙方合法、有效和具有约束力的义务，并且对乙方具有强制执行力。

4.3 Party B further warrants Party A as follows:
乙方进一步向甲方承诺：

(a) Party B shall pay the service fee to Party A in full and in a timely manner according to this Agreement.
乙方应根据本协议及时向甲方全额支付服务费。

(b) Within the term of this Agreement, Party B shall:
在本协议有效期内，乙方应：

i. maintain the continuous effectiveness of the permits and qualifications in relation to the business of Party B; and
保持与乙方业务有关的许可证和资质的持续有效性；

ii. cooperate with Party A in Party A's provision of services, and take reasonable advices and suggestions given by Party A in respect of the business of the Party B.
甲方提供服务时配合甲方，并接受甲方就乙方业务提供的合理建议。

4.4 Party A shall have the right to examine the accounts of the Party B regularly or at any time. Within the term of this Agreement, the Party B shall cooperate with Party A and its direct or indirect shareholders on audit or due diligence work and provide the auditor and/or other professionals with the information and materials in respect of operation, business, clients, finance and employee. Furthermore, the Party B shall give consent to Party A or its shareholders that for the purpose of listing, Party A or its shareholders may disclose such information and material when it is necessary.
甲方有权定期或在任何时候检查乙方的账目。在本协议的期限内，乙方应配合甲方及其直接或间接股东进行审计或尽职调查工作，并向审计师和/或其他专业人员提供有关运营、业务、客户、 财务和员工的信息和材料。 此外，乙方应同意甲方或其股东，基于上市的目的，乙方或其股东可以在必要时披露此类信息和材料。

4.5 Each Party warrants to the other Party that, it will execute all the necessary documents and take all the necessary actions, including without limitation, issue necessary power of attorney to the other Party for the purpose of carrying out this Agreement and achieving the purpose of this Agreement.
任一方应向另一方保证，其将签署所有必要的文件并采取所有必要的行动，包括但不限于为执行本协议和为履行本协议的目的而向另一方签发必要的授权委托书。

Article 5 Confidentiality
保密条款

Party B agrees to take all reasonable steps to protect and maintain the confidentiality of the confidential data and information received by Party B in connection with the performance of this Agreement (collectively, the "**Confidential Information**"). Party B shall not disclose, give or transfer any Confidential Information to any third party without Party A's prior written consent. Upon termination of this Agreement,

Party B shall, at Party A's request, return any and all documents, information or software containing any of such Confidential Information to Party A or destroy it at its own discretion, and delete all of such Confidential Information from any memory devices, and cease to use such Confidential Information.
乙方同意采取一切合理行为，以保守乙方收到的与履行本协议有关的秘密数据和信息（统称"**保密信息**"）的机密性。未经甲方事先书面同意，乙方不得将任何保密信息披露、提供或转让给任何第三方。在本协议终止后，乙方应当在甲方的要求下，将包含任何此类保密信息的任何文件、信息或软件退还给甲方，或自行决定销毁，并删除所有存储设备上的此类信息，停止使用此类保密信息。

Article 6 Effective Date and Term
生效日期和期限

6.1 This Agreement shall be signed and take effect as of the date first set forth above.
本协议应于首页载明的日期签署并生效。

6.2 The term of this Agreement is ten (10) years and shall be automatically extended for successive ten (10) years unless terminated as provided herein. Notwithstanding the foregoing provisions, Party A may terminate this Agreement, at its sole discretion, at any time with a written notice to Party B given thirty (30) days in advance. Party B has no right to terminate this Agreement.
本协议的期限为十（10）年，除非另有规定，否则本协议应自动连续十（10）年延长。尽管有上述规定，甲方仍可单方面决定随时终止本协议，并提前三十（30）日书面通知乙方。乙方无权终止本协议。

Article 7 Governing Law and Dispute Resolution
适用法律和争议解决

7.1 This Agreement shall be construed with and governed by the laws of the PRC.
本协议应依据中国法律解释并受其管辖。

7.2 Any dispute arising from or in connection with this Agreement shall be submitted to China International Economic and Trade Arbitration Commission (the "**CIETAC**") for arbitration which shall be conducted in accordance with the CIETAC's arbitration rules in effect at the time of applying for arbitration. The

arbitral award is final and binding upon all Parties. The place of arbitration shall be in Beijing.

任何因本协议引起的或与本协议相关的纠纷，均应提交中国国际经济贸易仲裁委员会（以下简称“**贸仲委**”）进行仲裁，该仲裁应按照申请仲裁时有效的贸仲委仲裁规则进行。仲裁裁决是终局裁决，对所有当事方均具有约束力。仲裁地为北京。

Article 8 Notices

通知

Notices or other communications required to be given by any party pursuant to this Agreement shall be written in Chinese and delivered personally or sent by registered mail or postage prepaid mail or by a recognized courier service or by facsimile transmission or e-mail to the address of each relevant Party or both Parties set forth below or such other address or addressees as specified by such Party from time to time. The date when the notice is deemed to be duly served shall be determined as follows: (a) a notice delivered personally is deemed duly served upon delivery; (b) a notice sent by mail is deemed duly served the tenth (10th) day after the date when the postage prepaid registered airmail was sent out (as is shown on the postmark), or the fourth (4th) day after the delivery date to the internationally-recognized courier service agency; and (c) a notice sent by facsimile transmission or e-mail is deemed duly served upon the receipt time as is shown on the transmission confirmation for relevant documents.

任何一方根据本协议要求发出的通知或其他通讯均应以中文书写并亲自交付，或通过挂号信、邮资预付邮件、被认可的快递、传真或电子邮件方式发送到每个相关方的有效地址。通知视为已合适送达的日期应确定如下：（1）亲自交付的通知在交付时即被视为已送达；（2）以邮寄方式送达的通知，在已预付邮资邮件或挂号信发出之日（以邮戳所示为准）后的第十（10）日，或交付到快递服务公司后的第四（4）日，视为已送达；（3）以传真或电子邮件方式发出的通知，收到传送确认书之日视为已送达。

Article 9 Assignment

转让

9.1 Party B shall not assign any of its respective rights or obligations under this

Agreement to any third party without the prior written consent of Party A.
未经甲方事先书面同意，乙方不得将其在本协议下的任何权利或义务转让给任何第三方。

9.2 Party B hereby agrees that Party A may assign its rights and obligations under this Agreement, only be subject to a written notice to Party B.
乙方同意，甲方可以在仅书面通知乙方的情况下转让其在本协议项下的权利和义务。

Article 10 Severability
可分割性

If any provision of this Agreement is judged to be invalid or unenforceable because it is inconsistent with applicable laws, such invalidity or unenforceability shall be only with respect to such provisions, and the validity, legality and enforceability of the other provisions hereof shall not be affected.
若本协议的任何条款由于与法律不符而被判定为无效或无法执行，则此类无效或不可执行性仅适用于此条款，本协议其他条款的有效性，合法性和可执行性不受影响。

Article 11 Amendment or Supplement
修订或补充

Any amendment or supplement to this Agreement shall be made by Parties in writing. The amendments or supplements duly executed by each party shall form an integral part of this Agreement and shall have the same legal effect as this Agreement.
双方对本协议进行任何修改或补充应以书面形式进行。双方妥为执行的修改或补充应构成本协议的组成部分，并具有与本协议相同的法律效力。

Article 12 Entire Agreement and Amendment to Agreement
完整协议和修订协议

This Agreement and all agreements and/ or documents mentioned or included explicitly by this Agreement constitute the complete agreement with respect to the subject matter of this Agreement and shall substitute any and all prior oral agreements,

contracts, understandings and communications made by the Parties with respect to the subject matter of this Agreement.
本协议及本协议明确提到或包括的所有协议和/或文件，构成本协议所涉事项的完整协议，并取代各方事先就本协议所涉事项达成的任何和全部口头协议、合同、备忘录和沟通。

Article 13 Language
语言

This Agreement was written by English and Chinese. The English version shall prevail in case of discrepancy.
本协议由英文和中文书写。两种文本不一致的，以英文为准。

Article 14 Counterparts
副本

This Agreement shall be executed in two (2) originals by Parties, with Party A and Party B holding one original. All originals shall have the same legal effect. The Agreement may be executed in one or more counterparts.
本协议一式两（2）份，甲乙双方各应持一份。 所有原件具有相同的法律效力。本协议可以签署一份或多份副本。

[The Remainder of this page is intentionally left blank]
[以下无正文]

Signature page to the Exclusive Service Agreement
《独家服务协议》签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
双方已于首页所示日期正式签署本协议，以昭信守。

Xi'an Cell and Molecule Information Technology Co., Ltd.
西安赛美科信息科技有限公司
(Chop of Xi'an Cell and Molecule Information Technology Co., Ltd.)
（西安赛美科信息科技有限公司印章）

Signature:
签字：

Name: Hu Yongwei
姓名：胡永卫

Position: Legal Representative
职位：法定代表人

Signature page to the Exclusive Service Agreement
《独家服务协议》签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
双方已于首页所示日期正式签署本协议，以昭信守。

Xi'AN APP-CHEM BIO (TEC) Co., Ltd.
西安天美生物科技股份有限公司
(Chop of Xi'AN APP-CHEM BIO (TEC) Co., Ltd.)
（西安天美生物科技股份有限公司印章）

Signature:
签字：

Name: Hu Yongwei
姓名：胡永卫

Position: Legal Representative
职位：法定代表人

SCHEDULE 1

附件 1

Contents of Service
服务内容

1 Contents of Service
服务内容

1.1 Providing the following technology development and transfer, technical consulting services:
提供下列技术开发和转让、技术咨询服务：

(a) Technology development of new business;
新业务的科技发展；

(b) Technology support and maintenance of current business;
技术支助和维持现有业务；

(c) Periodical update of all the business content; and
定期更新所有业务内容；

(d) Offering and maintaining the hardware and network which are necessary for the business operation.
提供和维持业务运作所需的硬件和网络。

1.2 Providing occupation and pre-occupation staff training services;
提供职业培训及入职前员工培训服务；

1.3 Providing public relation services;
提供公共关系服务；

1.4 Providing market investigation, research and consulting services;
提供市场调查、研究和咨询服务；

1.5 Providing mid or short-term market development, market plan services;
提供中短期市场开发、市场计划服务；

1.6 Providing human resource management and internal information management;
提供人力资源管理及内部资料管理；

1.7 Providing network development, updating and daily maintenance;
提供网络开发、更新和日常维护；

1.8 Licensing of software and trademark;
软件及商标的特许使用；

1.9 Other services determined from time to time by Party A according to the need of business and capacity of Party A.
甲方根据业务需要和业务能力不时确定的其他服务项目。

SCHEDULE 2

附件 2

Calculation and Payment of Service Fee
服务费的计算和支付

1 Calculation and Payment of Service Fee
服务费的计算及支付

1.1 The fee for the services provided under this Agreement is calculated based on the revenue of Party B and the corresponding operating cost and sales, management and other costs and expenses, and may be charged in the form of:
本协议所指的服务费用是根据乙方的收入和相应的经营成本以及销售、管理和其他成本和费用计算的，可以下形式收取：

(a) a percentage of the revenue of Party B;
按照乙方收入的百分比收取；

(b) a fixed license fee for certain software; and/or
某些软件的固定许可费；

(c) other method determined from time to time by Party A according to the nature of services provided.
甲方根据所提供服务的性质确定的其他方法。

1.2 The specific amount of such fee shall be determined by Party A through taking account of the following factors, and Party A shall send Party B written confirmation for service fee:
具体费用由甲方根据以下因素确定，甲方应向乙方书面确认服务费用：

(a) The technical difficulty and complexity of the services provided by Party A;
甲方所提供服务的技术难度和复杂性；

(b) The time spent by employees of Party A concerning the services;
甲方工作人员在服务上所花的时间；

(c) The contents and commercial value of the services provided by Party A;
甲方提供的服务的内容和商业价值；

(d) The benchmark price of similar services in the market.
市场上同类服务的基准价格。

2 Party A shall calculate service fee payable on a fixed term basis and deliver Party B corresponding invoices. Party B shall pay the service fee to the bank account designated by Party A within 10 business days after receipt of such invoices, and deliver a copy of the remittance certificate by facsimile or mail to Party A within 10 business days after payment. Party A shall issue a receipt within 10 business days after receipt of the service fee.
甲方应按固定期限计算应付服务费，并向乙方提供相应的发票。乙方应在收到汇款发票后 10 个工作日内向甲方指定的银行账户支付服务费，并在付款后 10 个工作日内将汇款凭证复印件以传真或邮寄方式交付甲方。甲方应在收到服务费后 10 个工作日内开具收据。

EXCLUSIVE OPTION AGREEMENT

独家选择权协议

This Exclusive Option Agreement (this "**Agreement**") is entered into as of 28/5 2020 by and among the following parties:
本《独家选择权协议》(以下简称"**本协议**")由以下各方于 2020 年 5 月 28 日签署:

(1) Xi'an Cell and Molecule Information Technology Co., Ltd. (the "**WFOE**"), a domestic company registered in the People's Republic of China ("**China**" or the "**PRC**"), under the laws of the PRC;
西安赛美科信息科技有限公司公司(以下简称"**WFOE**"),系依据中华人民共和国(以下简称"**中国**")法律注册设立的中国公司;

(2) Xi'AN APP·CHEM BIO (TEC) Co., Ltd. (the "**Company**"), a domestic company registered in China, under the laws of the PRC;
西安天美生物科技股份有限公司(以下简称"**公司**"),系依据中国法律注册设立的中国国内公司。

(3) Hu Yongwei, a citizen of China, PRC ID No.: 610103197108023635;
胡永卫,中国居民,身份证号为:610103197108023635;

(4) Liu Jing, a citizen of China, PRC ID No.: 610113197812110065;
刘静,中国居民,身份证号为:610113197812110065;

(5) Wang Wei, a citizen of China, PRC ID No.: 610202197506020826;
王薇,中国居民,身份证号为:610202197506020826;

(6) Liu Jianli, a citizen of China, PRC ID No.: 610103195903123695;
刘建利,中国居民,身份证号为:610103195903123695;

(7) Dong Fangfang, a citizen of China, PRC ID No.: 610402196810016107;
董芳芳,中国居民,身份证号为:610402196810016107;

(8) Zhang Kai, a citizen of China, PRC ID No.: 610122198703251716;
张凯,中国居民,身份证号为:610122198703251716;

(9) Guan Huixia, a citizen of China, PRC ID No.: 610125194705095244;
关会侠,中国居民,身份证号为:610125194705095244;

(10) Jia Yizhen, a citizen of China, PRC ID No.: 610104199208283421;
贾怡真,中国居民,身份证号为:610104199208283421;

(11) An Yanna, a citizen of China, PRC ID No.: 612727198711156045; and
安艳娜，中国居民，身份证号为：612727198711156045；和

(12) Liu Weihua, a citizen of China, PRC ID No.: 610402197008141255; (together with Hu Yongwei, Liu Jing, Wang Wei, Liu Jianli, Dong Fangfang, Zhang Kai, Guan Huixia, Jia Yizhen, An Yanna, and Liu Weihua, the "**Shareholders**").
刘卫华，中国居民，身份证号为：610402197008141255（与胡永卫、刘静、王薇、刘建利、董芳芳、张凯、关会侠、贾怡真和安艳娜合称为"**股东**"）。

(Each of WFOE, the Shareholders and the Company individually being referred to as a "**Party**" and collectively as the "**Parties**".)
（WFOE、股东和公司单独称为"**一方**"，合称为"**各方**"。）

RECITALS

序言

(A) WHEREAS, the Shareholders hold 100% shares in the Company.
鉴于，股东持有公司 100%的股份。

(B) WHEREAS, the WFOE and the Company entered into an exclusive service agreement (the "**Service Agreement**") dated 28/5, 2020, pursuant to which the Company shall pay the WFOE for relevant services it received from the WFOE;
鉴于，WFOE 和公司于 2020 年 5 月 28 日签署一份《独家服务协议》（以下简称"**《服务协议》**"），依据该《服务协议》公司应当就 WFOE 提供的服务支付服务费用；

(C) WHEREAS, the WFOE, the Company and Shareholders entered into an shares pledge agreement (the "**Shares Pledge Agreement**") dated 28/5, 2020;
鉴于，WFOE、公司和股东于 2020 年 5 月 28 日签署一份《股份质押协议》（以下简称"**《股份质押协议》**"）

(D) WHEREAS, the WFOE and Shareholders entered into a loan agreement (the "**Loan Agreement**") dated 28/5, 2020.
鉴于，WFOE 与股东于 2020 年 5 月 28 日签署一份《借款协议》（以下简称"**《借款协议》**"）。

THEREFORE, the Parties hereby agree as follows:
为此，各方达成如下协议：

Section 1 Target Shares
目标股份

1.1 The Shareholders agrees and irrevocably, unconditionally and exclusively grants the WFOE an option to require such Shareholder to transfer any and all of the shares of the Company held by such Shareholder ("**Target Shares**") to the WFOE or a third party designated by the WFOE ("**Designee**"), in whole or in part, subject to the WFOE's specific requirements ("**Shares Transfer Option**") in the following circumstances:
股东同意且不可撤回、无条件、独家地授予 WFOE 一项选择权，以要求该等股东根据 WFOE 的具有要求在下列情形下，转让其持有的任何和全部公司股份（以下简称"**目标股份**"）部分或全部给 WFOE 或 WFOE 指定的第三方（以下简称"**指定人**"）（以下简称"**股份转让选择权**"）：

(a) the WFOE and/or the Designee are permitted to own lawfully all or part of the Target Shares under the PRC laws and regulations; or
根据中国法律法规，WFOE 和/或指定人可合法拥有全部或部分目标股份；或

(b) any other circumstances deemed as appropriate or necessary by the WFOE in its sole discretion.
WFOE 自行认为的适当或必要的任何其他情形。

1.2 The Company hereby agrees the Shareholders to grant this option to the WFOE.
公司特此同意股东向 WFOE 授予股份转让选择权。

1.3 The WFOE shall have the right to exercise its purchase right in whole or in part and to acquire the Target Shares in whole or in part without any limit at any time and from time to time.
WFOE 应有权不受任何限制且随时行使其购买权，全部或部分地收购目标股份。

1.4 The WFOE may designate any third party to acquire the Target Shares in whole or in part and the Shareholders shall not refuse and shall transfer the Target Shares in whole or in part to such Designee as requested by the WFOE.
WFOE 可以指定任何第三方全部或部分地收购目标股份。股东不得拒绝，且应按照 WFOE 的要求，将目标股份全部或部分地转让给指定人。

1.5 Prior to the transfer of the Target Shares to the WFOE or the Designee according to this Agreement, the Shareholders shall not transfer any Target Shares without the WFOE's prior written consent.
在向 WFOE 或指定人转让目标股份前，未经 WFOE 事先书面同意，股东不得转让任何目标股份。

Section 2 Target Assets
目标资产

2.1 The Company hereby agrees and irrevocably, unconditionally and exclusively grants the WFOE an option to require the Company to transfer any and all of the assets of the Company ("**Target Assets**") to the WFOE or the Designee, in whole or in part, subject to the WFOE's specific requirements ("**Assets Transfer Option**"), in the following circumstances:
公司特此同意且不可撤销、无条件、独家地授权 WFOE 一项选择权，以要求公司根据 WFOE 的具有要求在下列情形下，将公司的任何和全部资产（以下简称"**目标资产**"）全部或部分地转让给 WFOE（以下简称"**资产转让选择权**"）

(a) the WFOE and/or the Designee are permitted to own lawfully all or part of the Target Assets under the PRC laws and regulations; or
根据中国法律法规，WFOE 和/或指定人可合法拥有全部或部分目标资产；或

(b) any other circumstances deemed as appropriate or necessary by the WFOE in its sole discretion.
WFOE 自行认为的适当或必要的任何其他情形。

2.2 The Shareholders hereby agree with the Company to grant this option.
股东特此同意公司向 WFOE 授予资产转让选择权。

2.3 The WFOE shall have the right to exercise its purchase right in whole or in part and to acquire the Target Assets in whole or in part without any limit at any time and from time to time.
WFOE 应有权不受任何限制且随时行使其购买权，全部或部分地收购目标资产。

2.4 The WFOE may designate any third party to acquire the Target Assets in whole or in part and the Company and the Shareholders shall not refuse and shall transfer the Target Assets in whole or in part to such Designee as requested by the WFOE.
WFOE 可以指定任何第三方全部或部分地收购目标资产。公司和股东不得拒绝，且应按照 WFOE 的要求，将目标资产全部或部分地转让给指定人。

2.5 Prior to the transfer of the Target Assets to the WFOE or the Designee according to this Agreement, the Company and the Shareholders shall not transfer the Target Assets without the WFOE's prior written consent.
在向 WFOE 或指定人转让目标资产前，未经 WFOE 事先书面同意，公司和股东不得转让任何目标资产。

Section 3 Procedures for the Exercise of Shares Transfer Option
行使股份转让选择权的程序

3.1 Upon execution of this Agreement, the Shareholders shall have duly executed a Shares Purchase Agreement in the format set forth in APPENDIX 1 attached hereto and deliver the said document to the WFOE.
签署本协议后，股东应按本协议附件 1 规定的格式正式签署《股权购买协议》，并将该协议交付至 WFOE。

3.2 If the WFOE decides to exercise the Shares Transfer Option pursuant to Section 1.1 hereinabove, it shall send written notice to the Company and the Shareholders specifying the proportion of the Target Shares to be acquired and the identity of the transferee (**"Shares Purchase Notice"**).
如果 WFOE 决定依据前述第 1.1 条行使股份转让选择权，其应该向公司和股东发出书面通知，说明收购目标股份的比例和受让人的身份（以下简称**"股份收购通知"**）。

3.3 The Company and the Shareholders shall furnish all materials and documents necessary for the registration of the aforesaid shares transfer within thirty (30) days after the date of Shares Purchase Notice, take all necessary actions and measures, including but not limited to holding shareholders meetings and board meetings, and obtain other shareholders' written consent to waive any preemptive right that they may have with respect to the transfer of the Target Shares.
收到股份收购通知后三十（30）日内，公司和股东应当提供全部办理上述股份转让登记所需的材料和文件，并采取一切必要的行动和措施，包括但不限于召开股东大会和董事会会议，并获得其他股东的书面同意以放弃他们可能对拟转让目标股份的任何优先购买权。

3.4 The Company shall cause the Shareholders, the WFOE and/or the Designees to sign the shares purchase agreement in substantially the form attached hereto as APPENDIX 1 with respect to any transfer of Target Shares carried out pursuant to this Agreement and the Shares Purchase Notice; provided, however, if there are specific requirements for the form and substance of the shares purchase agreement under the PRC laws, such specific requirement shall be followed.
公司应促使股东、WFOE 和/或指定人就根据本协议和股份收购通知进行的任何目标股份转让签署其格式大致为本协议附件 1 所附格式的《股份购买协议》。但是，如果中国法律对《股份购买协议》的形式和内容有具体规定的，从其规定。

3.5 The relevant Parties shall execute all other necessary contracts, agreements or documents, obtain all the necessary government licenses and permits and take all necessary actions to transfer the effective ownership of the Target Shares to the

WFOE and/or the Designee(s), without any encumbrance, and cause the WFOE and/or the Designee(s) to become the registered owner(s) of such Target Shares. For the purpose of this section and this Agreement, "Encumbrance" shall mean any security, mortgage, third party's rights or interests, any stock options, acquisition right, right of first refusal, right to offset, ownership retention or other security arrangements, excluding any encumbrance created under this Agreement, the Shares Pledge Agreement and the Service Agreement.
相关各方应签署一切其他必须的合同、协议或文件，获得一切必须的政府执照和许可证，采取一切必须的措施，以实现目标股份的所有权在没有任何权利负担的情形下转让给 WFOE 和/或指定人，并使得 WFOE 和/或指定人成为该等目标股份的登记所有权人。就本条和本协议而言，"权利负担"是指除依据本协议、《股份质押协议》和《服务协议》设定的权利负担以外，任何担保、抵押、第三方权利或利益，和任何股票期权、购买权、优先购买权、抵销权、所有权保留或其他担保安排。

Section 4 Procedures for the Exercise of Assets Transfer Option
行使资产转让选择权的程序

4.1 Upon execution of this Agreement, the Company shall have executed the Assets Transfer Agreement in the format set forth in APPENDIX 2 attached hereto and deliver the aforesaid document to the WFOE.
签署本协议后，公司应按本协议附件 2 规定的格式正式签署《资产转让协议》，并将该协议交付至 WFOE。

4.2 If the WFOE decides to exercise the Assets Transfer Option pursuant to Section 2.1 hereinabove, it shall send written notice to the Company specifying the Target Assets to be transferred and the identity of the transferee ("**Assets Purchase Notice**").
如果 WFOE 决定依据前述第 2.1 条行使资产转让选择权，其应该向公司发出书面通知，说明拟收购的目标资产和受让人的身份（以下简称"**资产收购通知**"）。

4.3 The Company and the Shareholders shall furnish all materials and documents necessary for the assets transfer and the registration thereof (if any) within 30 days after the date of the Assets Purchase Notice, and take all necessary actions and measure, including but not limited to holding shareholders meetings or board meetings to approve the transactions.
收到资产收购通知后三十（30）日内，公司和股东应当提供办理资产转让和登记（如有）所需的全部材料和文件，并采取一切必要的行动和措施，包括但不限于召开股东大会和董事会会议以批准交易。

4.4 The Company and the Shareholders shall cause the Company to sign an Assets Transfer Agreement with the WFOE and/or the Designees in substantially the form attached hereto as APPENDIX 2 with respect to any transfer of Target

Assets carried out pursuant to this Agreement and the Asset Purchase Notice; provided, however, if there are specific requirements for the form and substance of the Assets Transfer Agreement under the PRC laws, such specific requirement shall be followed.
公司和股东应促使公司根据本协议和资产收购通知进行的任何目标资产转让，与 WFOE 和/或被指定人签署《资产转让协议》，其格式大体上应与附件 2 所附格式相同。但是，如果中国法律对《资产转让协议》的形式和内容有具体规定的，从其规定。

4.5 The relevant Parties shall execute all other necessary contracts, agreements or documents, obtain all necessary government licenses and permits and take all necessary actions to transfer the effective ownership of the Target Assets to the WFOE and/or the Designee(s), without any Encumbrance, and cause the WFOE and/or the Designee(s) to become the registered owner(s) of the Target Assets.
相关各方应签署一切其他必须的合同、协议或文件，获得一切必须的政府执照和许可证，采取一切必须的措施，以实现目标资产的所有权在没有任何权利负担的情形下转让给 WFOE 和/或指定人，并使得 WFOE 和/或指定人成为该等目标资产的登记所有权人。

Section 5 Transfer Price
转让价格

5.1 The total transfer price for the Target Shares and/or the Target Assets shall be equal to the loan provided by the WFOE to the Shareholders under the Loan Agreement ("**Transfer Price**"). If any of the Target Shares and/or the Target Assets are transferred in installments, the amount payable for each installment shall be determined in accordance with the proportion of Target Shares and/or the Target Assets to be transferred.
目标股份和/或目标资产的转让总价应等于 WFOE 依据《借款协议》向股东提供的借款的总额（以下简称"**转让价格**"）。如果分期转让目标股份和/或目标资产，应当按照转让目标股份和/或目标资产的比例确定每期的支付金额。

5.2 All the taxes, fees and expenses arising from the transfer of the Target Shares and/or the Target Assets shall be borne by all Parties in accordance with the PRC laws.
因转让目标股份和/或目标资产而产生的全部税费及开支应依据中国法律由全体各方承担。

Section 6 Covenants
承诺

6.1 Covenants of the Company and Shareholders
公司和股东的承诺

The Shareholders and Company hereby covenant as follows:
股东和公司特此作出如下承诺：

6.1.1 Without the prior written consent of the WFOE, they shall not in any manner supplement, change or amend the articles of association and bylaws of the Company, increase or decrease its registered capital, or change its structure of registered capital in other manners;
未经 WFOE 事先书面同意，股东和公司不得以任何方式修改或变更公司章程、增加或减少注册资本、以任何方式改变注册资本的结构；

6.1.2 They shall maintain the Company's corporate existence in accordance with good financial and business standards and practices by prudently and effectively operating its business and handling its affairs;
股东和公司应按照良好的财务和业务标准和惯例，谨慎有效地经营公司业务、处理公司事务，以保持公司的存在；

6.1.3 Without the prior written consent of the WFOE, they shall not at any time following the date hereof, sell, transfer, mortgage, pledge or dispose of in any manner any assets of the Company or any of the Company's subsidiaries, or legal or beneficial interest in the business (except in the ordinary course of business) or revenues of the Company, or allow the encumbrance thereon of any security interest;
未经 WFOE 事先书面同意，在本协议签署日之后的任何时候，股东和公司不得出售、转让、抵押、质押或以任何方式处置公司的任何资产或任何子公司，或在公司业务（正常业务除外）或收入重大合法或实益利益，也不得对其设定任何形式的担保权利负担；

6.1.4 Without the prior written consent of the WFOE, they shall not incur, inherit, guarantee or suffer the existence of any debt, except for debts incurred in the ordinary course of business;
未经 WFOE 事先书面同意，除在正常业务过程中产生的债务外，股东和公司不得招致、承继、保证或承担任何债务的存在；

6.1.5 They shall always operate all of the Company's businesses during the ordinary course of business to maintain the asset value of the Company and refrain from any action/omission that may affect the Company's operating status and asset value;

股东和公司应在正常业务中始终经营公司的全部业务，以维持公司的资产价值，并避免采取可能影响公司经营状况和资产价值的任何作为或不作为；

6.1.6 Without the prior written consent of the WFOE, they shall not cause the Company to execute any material contract, except the contracts in the ordinary course of business;
未经 WFOE 事先书面同意，除正常业务过程中的合同外，股东和公司不得要求公司签署任何重大合同；

6.1.7 Without the prior written consent of the WFOE, they shall not cause the Company to provide any person or business with any loan or credit other than in the course of ordinary business;
未经 WFOE 事先书面同意，除正常业务过程外，股东和公司不得使公司向任何个人或企业提供任何贷款或信贷；

6.1.8 They shall provide the WFOE with information on the Company's business operations and financial condition at the WFOE's request;
股东和公司应根据 WFOE 的要求向 WFOE 提供公司的业务经营和财务信息；

6.1.9 If requested by the WFOE, they shall procure and maintain insurance in respect of the Company's assets and business from an insurance carrier acceptable to the WFOE, at an amount and type of coverage typical for companies that operate similar businesses;
如果 WFOE 有要求，股东和公司应向 WFOE 认可的保险公司购买和维持公司资产和业务的保险，保险数额和类型为经营同类业务公司的同类保险；

6.1.10 Without the prior written consent of the WFOE, they shall not cause or permit the Company to merge, consolidate with, acquire or invest in any person;
未经 WFOE 事先书面同意，不得导致或允许公司合并、收购或投资于任何人；

6.1.11 They shall immediately notify the WFOE of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the Company's assets, business or revenue;
股东和公司应立即将与目标股份有关的任何诉讼、仲裁或行政程序的发生或可能发生的情况告知 WFOE；

6.1.12 To maintain the ownership by the Company of all of its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or

raise necessary and appropriate defenses against all claims;
为保持公司对其全部资产的所有权，股东和公司应当签署一切必须或适当的文件，采取一切必须或适当的措施，并提出一切必要或适当的投诉，或针对所有的主张提出必要或适当的抗辩；

6.1.13 Without the prior written consent of the WFOE, they shall ensure that the Company shall not in any manner distribute dividends, assets or any distributable benefit to the Shareholders, provided that upon the WFOE's written request, the Company shall immediately distribute part or all distributable profits to the Shareholders who shall in turn immediately and unconditionally pay or transfer to the WFOE any such distribution;
未经 WFOE 事先书面同意，股东和公司应当确保公司不得以任何形式向股东分配股息、资产或任何可分配利益。但根据 WFOE 的书面要求，公司应立即将部分或全部可分配利润分配给股东，股东应立即无条件地向 WFOE 支付或转让此类分配；

6.1.14 If the aggregate amount of the Transfer Price received by it in respect of the transfer of the Target Shares it holds is higher than its contribution to the Company, or it receives any form of profit distribution, dividend or bonus from the Company, then the Shareholder agrees to waive, to the extent not in violation of the PRC Laws, the proceeds from such premium and any such profit distribution, dividend or bonus, and the WFOE shall be entitled to such part of proceeds, otherwise the Shareholder shall make compensation to the WFOE and/or the Designees to recover any damage that may arise from such circumstances; and
如果就其持有的目标股份的转让而获得的转让价格总额高于其对公司的出资，或其从公司获得了任何形式的利润分配、股息或红利，则股东同意在不违反中国法律的前提下免除上述溢价和上述任何利润分配、股息或红利。同时，WFOE 有权获得该等收益。否则，股东应向 WFOE 和/或指定人进行补偿，以弥补因此种期限而造成的任何损害；和

6.1.15 At the request of the WFOE, they shall appoint any person designated by the WFOE as the director of the Company.
根据 WFOE 的要求，股东和公司应任命由 WFOE 指定的任何人担任公司董事。

6.2 Covenants related to Shares of the Company
与公司股份有关的承诺

Shareholders hereby covenants as follows:
股东特此承诺如下：

6.2.1 Without the prior written consent of the WFOE, Shareholders shall not

sell, transfer, pledge or dispose of in any other manner any legal or beneficial interest in the Target Shares or allow the encumbrance thereon of any security interest, except for the pledge placed on the Target Shares in accordance with the Shares Pledge Agreement;
未经 WFOE 事先书面同意，股东不得出售、转让、质押或以任何方式处置目标股份的任何合法或实益权益，也不得对其设定任何形式的担保权利负担，但根据《股份质押协议》对目标股份设立的质押除外；

6.2.2 Without the prior written consent of the WFOE, Shareholders shall cause the shareholders' meeting and/or the board of directors of the Company not to approve the sale, transfer, pledge or disposition in any other manner of any legal or beneficial interest in the Target Shares or allow the encumbrance thereon of any security interest, except for the pledge placed on the Target Shares in accordance with the Shares Pledge Agreement;
未经 WFOE 事先书面同意，股东应促使公司股东大会和/或董事会不会批准以任何方式出售、转让、质押或处置目标股份的任何合法或实益权益，也不得对其设定任何形式的担保权利负担，但根据《股份质押协议》对目标股份设立的质押除外；

6.2.3 The Shareholders shall cause the shareholders' meeting or the board of directors of the Company not to approve the merger or consolidation with any person, or the acquisition of or investment in any person, without the prior written consent of the WFOE;
未经 WFOE 事先书面同意，股东应促使公司股东大会或董事会不会批准与任何人的合并，或对任何人的收购或投资；

6.2.4 The Shareholders shall immediately notify the WFOE of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the Target Shares;
股东应立即将与目标股份有关的任何诉讼、仲裁或行政程序的发生或可能发生的情况告知 WFOE；

6.2.5 At the request of the WFOE at any time, the Shareholders shall promptly and unconditionally cause the transfer of the Target Shares to be approved and consummated as set forth in this Agreement;
随时根据 WFOE 的要求，股东应立即无条件促使本协议约定的目标股份的转让被批准和完成；

6.2.6 To the extent necessary to maintain the Shareholders' ownership in the Company, the Shareholders shall execute all necessary or appropriate documents, take all necessary or appropriate actions, and file all necessary or appropriate complaints, or raise necessary and appropriate defenses against all claims;
在维持股东对公司所有权的必要范围内，股东应当签署一切必须或适

当的文件，采取一切必须或适当的措施，并提出一切必要或适当的投诉，或针对所有的主张提出必要或适当的抗辩；

6.2.7 The Shareholders shall appoint any designee of the WFOE as the director of the Company, at the request of the WFOE;
根据 WFOE 的要求，股东应任命 WFOE 指定的任何人担任公司的董事；

6.2.8 The Shareholders shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by and among the Shareholders, the WFOE, and the Company, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. To the extent that the Shareholders have any remaining rights with respect to the Target Shares subject to this Agreement hereunder or under the Shares Pledge Agreement or under the proxy agreement and power of attorney granted in favor of the Shareholders, the Shareholders shall not exercise such rights except in accordance with the written instructions of the WFOE.
股东应严格遵守本协议以及由股东、WFOE 和公司共同或单独签署的其他合同的约定，履行本协议项下的义务，并避免采取任何可能影响本协议有效性和执行力的作为或不作为。如若根据本协议、《股份质押协议》或由股东签署的《代理协议和授权委托书》股东享有对目标股份的任何剩余权利，除非按照 WFOE 的书面指示，股东不得行使该等权利。

Section 7 Representations and Warranties
陈述与保证

The Shareholders and Company hereby represent and warrant to the WFOE, jointly and severally, as of the date of this Agreement and each date of transfer of the Target Shares, that:
股东和公司特此连带地向 WFOE 作出如下陈述与保证，在本协议签署之日和各次目标股份转让之日：

7.1 The Shareholders and the Company have the authority to execute and deliver this Agreement and any relevant Shares Purchase Agreement concerning the Target Shares to be transferred thereunder, and to perform their obligations under this Agreement and any Shares Purchase Agreement;
股东和公司有权签署和交付本协议和任何与本协议项下目标股份转让相关的《股份购买协议》，并有权履行本协议和任何《股份购买协议》项下的义务；

7.2 The execution and delivery of this Agreement or any Shares Purchase Agreements and the obligations under this Agreement or any Shares Purchase

Agreements: (i) do not cause any violation of any applicable laws of PRC; (ii) are not inconsistent with the articles of association, bylaws or other organizational documents of the Company; (iii) do not cause the violation of any contracts or instruments to which they are a party or which are binding on them, or constitute any breach under any contracts or instruments to which they are a party or which are binding on them; (iv) do not cause any violation of any condition for the grant and/or continued effectiveness of any licenses or permits issued to either of them; and (v) do not cause the suspension or revocation of or imposition of additional conditions to any licenses or permits issued to either of them;
签署和交付本协议或任何《股份购买协议》，以及本协议或任何《股份购买协议》项下的义务：（1）不会引起任何违反适用的中国法律的行为；（2）与公司章程、细则或其他组织文件不相抵触；（3）不会违反其作为当事方或对其有约束力的任何合同或文书，也不对其作为当事方或对其有约束力的任何合同或文书的违约；（4）不会违反其获得的任何许可证被授予和/或持续有效的任何条件；（5）不会导致其获得的任何许可证被中止、撤销或课以附加条件；

7.3 The Shareholders have good and merchantable title to the Target Shares. Except for the Shares Pledge Agreement, the Shareholders have not placed any security interest on the Target Shares;
股东对目标股份拥有良好的可交易的所有权。除《股份质押协议》外，股东未对目标股份设置任何担保权利；

7.4 The Company has a good and merchantable title to all of its assets, and has not placed any security interest on the aforementioned assets, except for encumbrance disclosed to the WFOE for which the WFOE's written consent has been obtained;
公司对其全部资产拥有良好的可交易的所有权。除已经获得 WFOE 书面同意且向 WFOE 披露的权利负担外，未对上述资产设定任何担保权利；

7.5 The Company does not have any outstanding debts, except for (i) debt incurred in the ordinary course of business; and (ii) debts disclosed to the WFOE for which the WFOE's written consent has been obtained; and
除（1）在正常经营过程中产生的债务；和（2）已经获得 WFOE 书面同意且向 WFOE 披露的债务外，公司不存在任何未偿付债务；和

7.6 The Company has complied with all laws and regulations of PRC that are applicable to asset acquisitions.
公司遵守所有适用于资产收购的中国法律法规。

Section 8 Taxes and Fees
税费

Each Party shall pay any and all transfer and registration tax, expenses and fees incurred thereby or levied thereon in accordance with the laws of the PRC in

connection with the preparation and execution of this Agreement and the Shares Purchase Agreement, as well as the consummation of the transactions contemplated under this Agreement and the Shares Purchase Agreement.
各方应根据中国法律支付全部转让、登记的税费，或与准备、签署本协议、《股权购买协议》，以及完成本协议、《股份购买协议》相关的税费。

Section 9 Confidentiality
保密

The Parties acknowledge that any oral or written information exchanged among them with respect to this Agreement is confidential information. Each Party shall maintain the confidentiality of all such information, and without obtaining the written consent of other Parties, it shall not disclose any relevant information to any third parties, except in the following circumstances: (a) such information is or will be in the public domain (provided that this is not the result of public disclosure by the receiving party); (b) information disclosed as required by applicable laws or regulations or requirements of any stock exchange; or (c) information required to be disclosed by any Party to its legal counsel or financial advisor regarding the transaction contemplated hereunder, and such legal counsel or financial advisor are also bound by confidentiality duties similar to the duties in this section. Disclosure of any confidential information by the staff members or agency hired by any Party shall be deemed disclosure of such confidential information by such Party, which Party shall be held liable for breach of this Agreement. This Section shall survive the termination of this Agreement for any reason.
各方确认各方之间就本协议交换的任何口头或书面信息均为保密信息。各方均应对所有保密信息保密，未经其他各方书面同意，不得向任何第三方披露，但以下情况除外：（1）该等信息是或将是公开的（但不应当是接收方公开披露的结果）；（2）根据适用法律法规或任何证券交易所的要求披露的信息；或（3）任何一方就本协议项下拟进行的交易需要向其法律顾问或财务顾问披露的信息，且该法律顾问或财务顾问也应当遵守与本条相似的保密义务。由任何一方雇佣的工作人员或代理披露任何保密信息的，均应视为该方披露了保密信息，该方应对违反本协议承担责任。本协议无论因何种原因而终止，本条均持续有效。

Section 10 Assignment
转让

10.1 The Company and the Shareholders shall not assign any of their respective rights or obligations under this Agreement to any third party without the prior written consent of the WFOE.
未经 WFOE 事前书面同意，公司和股东不得将其在本协议项下的各自权利或义务转让给任何第三方。

10.2 The Company and the Shareholders hereby agree that the WFOE may assign its rights and obligations under this Agreement as the WFOE may decide at its

sole discretion, and such assignment shall only be subject to a written notice sent to the Company and the Shareholders.
公司和股东特此同意，WFOE 可以自行决定转让其在本协议项下的权利和义务，且该等转让仅需书面通知公司和股东即可。

Section 11 Entire Agreement and Amendment to Agreement
完整协议和协议的修改

11.1 This Agreement and all agreements and/ or documents mentioned or included explicitly by this Agreement constitute the complete agreement with respect to the subject matter of this Agreement and shall substitute any and all prior oral agreements, contracts, understandings and communications made by the Parties with respect to the subject matter of this Agreement.
本协议及本协议明确提到或包括的所有协议和/或文件，构成本协议所涉事项的完整协议，并取代各方事先就本协议所涉事项达成的任何和全部口头协议、合同、备忘录和沟通。

11.2 The Company and the Shareholders shall not have the right to amend, supplement or cancel this Agreement in any manner without the prior written consent of the WFOE.
未经 WFOE 事先书面同意，公司和股东无权以任何方式修改、补充或解除本协议。

11.3 The appendix is an integral part of this Agreement and has the same legal effects as the other parts of the Agreement.
附件是本协议的组成部分，与本协议其他部分具有相同的法律效力。

Section 12 Governing Law and Dispute Resolution
适用法律及争议解决

12.1 This Agreement shall be construed in accordance with and governed by the laws of the PRC.
本协议应依据中国法律解释，并接受中国法律管辖。

12.2 Any dispute arising from or in connection with this Agreement shall be submitted to China International Economic and Trade Arbitration Commission (**CIETAC**) for arbitration which shall be conducted in accordance with the CIETAC's arbitration rules in effect at the time of applying for arbitration. The arbitral award is final and binding upon all Parties. The place of arbitration shall be in Beijing.
任何因本协议引起的或与本协议相关的纠纷，均应提交至中国国际经济贸易仲裁委员会（以下简称“**贸仲委**”）依据贸仲委适时生效的仲裁规则仲裁。仲裁裁决是终局的，对各方均具有约束力。仲裁地为北京。

Section 13 Effective Date and Term
生效日及期限

13.1 This Agreement shall be signed and take effect as of the date first set forth above.
本协议应于首页载明的日期签署并生效。

13.2 Unless terminated in accordance with Section 14, this Agreement is valid for ten (10) years, and may automatically be extended for another ten (10) years when expires. This Agreement may be extended for unlimited times.
除非根据第 14 条终止外，本协议的有效期是十（10）年，且到期后可以自动延长十（10）年。本协议可以无限次延长。

Section 14 Termination
终止

Neither the Company nor the Shareholders shall have the right to terminate this Agreement. Notwithstanding the foregoing provisions, the WFOE may terminate this Agreement at any time in its sole discretion by giving the Company and the Shareholders ten (10) days prior written notice.
公司或股东均无权终止本协议。尽管有上述规定，提前十（10）日向公司和股东书面通知后，WFOE 可以随时自行决定终止本协议。

Section 15 Notices
通知

Notices or other communications required to be given by any party pursuant to this Agreement shall be written in Chinese and delivered personally or sent by registered mail or postage prepaid mail or by recognized courier service or by facsimile transmission or e-mail to the address of each relevant party as specified by such party from time to time. The date when the notice is deemed to be duly served shall be determined as follows: (a) a notice delivered personally is deemed duly served upon delivery; (b) a notice sent by mail is deemed duly served the tenth (10th) day after the date when the postage prepaid registered airmail was sent out (as is shown on the postmark), or the fourth (4th) day after the delivery date to the courier service company; and (c) a notice sent by facsimile transmission or e-mail is deemed duly served upon the receipt time as is shown on the transmission confirmation for relevant documents.
任何一方依据本协议而发出的通知或其他通讯应当以中文形式作出并亲自交付，或通过挂号信、邮资预付的邮件、受认可的快递或通过传真、电子邮件方式发送至各相关方不时指定的地址。通知视为适当送达的日期应依下列规则确定：（1）亲自交付的，交付时即视为适当送达；（2）通过邮寄方式送达的，自挂号信或邮资预付邮件发出之日（以邮戳所示为准）后第十（10）日，或交付给快递服务

公司之日后第四（4）日，应视为适当送达；和（3）通过传真或电子邮件送达的，收到相关文件发送确认书之日应视为适当送达。

Section 16 Severability
可分割性

If any provision of this Agreement is judged to be invalid or unenforceable because it is inconsistent with applicable laws, such invalidity or unenforceability shall be only limited to such provision. The validity, legality and enforceability of the other provisions hereof shall not be affected.
本协议的任何条款因为违反适用法律而被认定为无效或不可执行的，该等无效或不可执行仅限于该条款。本协议项下其他条款的有效性、合法性和可执行性不受影响。

Section 17 Language
语言

This Agreement was written by English and Chinese. The English version shall prevail in case of discrepancy.
本协议由英文和中文书写。两种文本不一致的，以英文为准。

Section 18 Counterparts
副本

This Agreement shall be executed in twelve (12) originals, with each Party holding one original. All originals shall have the same legal effect. The Agreement may be executed in one or more counterparts.
本协议应由全体各方签署十二（12）份原件，每一方各持一份。所有原件均具有相同的法律效力。本协议可签署一份或多份副本。

[The Remainder of this page is intentionally left blank]
[以下无正文]

Signature page to the Exclusive Option Agreement
《独家选择权协议》的签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

Xi'an Cell and Molecule Information Technology Co., Ltd.
西安赛美科信息科技有限公司
(Chop of Xi'an Cell and Molecule Information Technology Co., Ltd.)
（西安赛美科信息科技有限公司的公章）

Signature:
签字

Name: Hu Yongwei
姓名：胡永卫

Position: Legal Representative
职务：法定代表人

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

Xi'AN APP-CHEM BIO (TEC) Co., Ltd.
西安天美生物科技股份有限公司
(Chop of Xi'AN APP-CHEM BIO (TEC) Co., Ltd.)
（西安天美生物科技股份有限公司的公章）

Signature:
签字

Name: Hu Yongwei
姓名：胡永卫

Position: Legal Representative
职务：法定代表人

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

Hu Yongwei
胡永卫

Signature:
签名

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

Liu Jing
刘静

Signature:
签名 刘静

Signature page to the Exclusive Option Agreement
《独家选择权协议》的签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

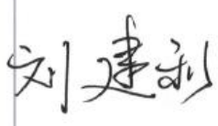
Wang Wei
王薇

Signature:
签名

Signature page to the Exclusive Option Agreement
《独家选择权协议》的签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

Liu Jianli
刘建利

Signature:
签名 

Signature page to the Exclusive Option Agreement
《独家选择权协议》的签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

Dong Fangfang
董芳芳

Signature:
签名 董芳芳

Signature page to the Exclusive Option Agreement
《独家选择权协议》的签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

Zhang Kai
张凯

Signature:
签名 

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

Guan Huixia
关会侠

Signature:
签名 关会侠

Signature page to the Exclusive Option Agreement
《独家选择权协议》的签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

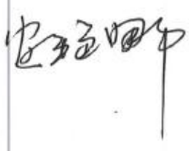
Jia Yizhen
贾怡真

Signature:
签名

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

An Yanna
安艳娜

Signature:
签名



IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

Liu Weihua
刘卫华

Signature:
签名

APPENDIX 1

附件 1

Shares Purchase Agreement
股份收购协议

This Shares Purchase Agreement ("**Agreement**") is entered into in China by:
本《股份收购协议》（以下简称"**本协议**"）由以下各方在中国签署：

Transferor:
出让方

Transferee:
受让方

NOW, the parties hereto agree as follows concerning the shares purchase:
现各方就股份购买达成如下协议：

1. The transferor agrees to transfer to the transferee [ ]% of shares of Xi'AN APP·CHEM BIO (TEC) Co., Ltd. held by the transferor, and the transferee agrees to purchase said shares
出让方同意将其持有的[ ]%西安天美生物科技股份有限公司的股份转让给受让方。受让方同意收购前述股份。

2. After the closing of shares purchase, the transferor shall not have any rights and obligations as a shareholder with regard to the purchased shares, and the transferee shall have such rights and obligations as a shareholder of Xi'AN APP·CHEM BIO (TEC) Co., Ltd.
股权购买交割后，出让方对被购买股份不再享有任何股东权利和义务。受让方将作为西安天美生物科技股份有限公司的股东享有该等权利和义务。

3. Any matter not covered by this Agreement may be further agreed on by the parties hereto by signing supplementary agreements.
各方可以通过签署补充协议进一步约定本协议未尽事项。

4. This Agreement shall be effective from the signing day.
本协议自签署日生效。

5. This Agreement was written by English and Chinese. The Chinese shall prevail.
本协议由英文和中文书写。以中文为准。

6. This Agreement is executed in four (4) originals, with each party holding one

original. The remaining originals will be used for the filing with the administration of industry and commerce.
本协议应签署四（4）份原件，每方各持一份。剩余原件用于办理工商登记。

Transferor:
出让方

Signature:
签字：

Date:
日期：

Transferee:
受让方：

Signature:
签字：

Date:
日期

APPENDIX 2

附件 2

Assets Transfer Agreement
资产转让协议

This Assets Transfer Agreement ("**Agreement**") is entered into in China by:
本《资产转让协议》（以下简称"**本协议**"）由以下双方在中国签署：

Transferor: Xi'AN APP·CHEM BIO (TEC) Co., Ltd.
出让方：西安天美生物科技股份有限公司

Transferee:
受让方：

NOW, the Parties agree as follows concerning the transfer of the assets:
现双方就资产转让达成如下协议：

1. The transferor agrees to transfer to the transferee the assets set forth in Schedule-1 hereto, and the transferee agrees to accept the said assets.
出让方同意将清单-1 所载明的资产转让给受让方。受让方同意收购前述资产。

2. After the closing of assets transfer, the transferor shall not have any rights and obligations as an owner with regard to the transferred assets, and the transferee shall have such rights and obligations as an owner of the transferred assets.
资产转让交割后，出让方不再作为所有权人对被转让资产享有任何权利和义务。受让方应作为所有权人对被转让资产享有权利和义务。

3. Any matter not covered by this Agreement may be further agreed on by the parties hereto by signing supplementary agreements.
各方可以通过签署补充协议进一步约定本协议未尽事项。

4. This Agreement shall be effective from the signing day.
本协议自签署日生效。

5. This Agreement was written by English and Chinese. The Chinese shall prevail.
本协议由英文和中文书写。以中文为准。

6. This Agreement is executed in four (4) originals, with each party holding one original. The remaining originals will be used for the filing with the administration of industry and commerce.

本协议应签署四（4）份原件，每方各持一份。剩余原件用于办理工商登记。

Transferor: Xi'AN APP·CHEM BIO (TEC) Co., Ltd.
出让方：西安天美生物科技股份有限公司
(Chop of Xi'AN APP·CHEM BIO (TEC) Co., Ltd.)
（西安天美生物科技股份有限公司盖章）

Signature:
签字：
Name: Hu Yongwei
姓名：胡永卫
Title: Legal Representative
职务：法定代表人
Date:
日期

Transferee:
受让方

Signature:
签字

Date:
日期

Schedule -1 List of Assets
清单-1 资产清单

No. 序号	Name of Asset 资产名称	Location of Asset 资产所在地	Comments 备注

SHARES PLEDGE AGREEMENT

股份质押协议

This Shares Pledge Agreement (this "**Agreement**") is entered into as of 28/5, 2020 by and among the following parties:
本《股份质押协议》（以下简称"**本协议**"）由以下各方于 2020 年 5 月 28 日签署：

(1) Xi'an Cell and Molecule Information Technology Co., Ltd. (the "**Pledgee**"), a domestic company registered in the People's Republic of China ("**China**" or the "**PRC**"), under the laws of the PRC;
西安赛美科信息科技有限公司（以下简称"**质权人**"），系依据中华人民共和国（以下简称"**中国**"）法律注册设立的中国公司；

(2) Xi'AN APP·CHEM BIO (TEC) Co., Ltd. (the "**Company**"), a domestic company registered in China, under the laws of the PRC;
西安天美生物科技股份有限公司（以下简称"**公司**"），系依据中国法律注册设立的中国公司。

(3) Hu Yongwei, a citizen of China, PRC ID No.: 610103197108023635;
胡永卫，中国居民，身份证号为：610103197108023635；

(4) Liu Jing, a citizen of China, PRC ID No.: 610113197812110065;
刘静，中国居民，身份证号为：610113197812110065；

(5) Wang Wei, a citizen of China, PRC ID No.: 610202197506020826;
王薇，中国居民，身份证号为：610202197506020826；

(6) Liu Jianli, a citizen of China, PRC ID No.: 610103195903123695;
刘建利，中国居民，身份证号为：610103195903123695；

(7) Dong Fangfang, a citizen of China, PRC ID No.: 610402196810016107;
董芳芳，中国居民，身份证号为：610402196810016107；

(8) Zhang Kai, a citizen of China, PRC ID No.: 610122198703251716;
张凯，中国居民，身份证号为：610122198703251716；

(9) Guan Huixia, a citizen of China, PRC ID No.: 610125194705095244;
关会侠，中国居民，身份证号为：610125194705095244；

(10) Jia Yizhen, a citizen of China, PRC ID No.: 610104199208283421;
贾怡真，中国居民，身份证号为：610104199208283421；

(11) An Yanna, a citizen of China, PRC ID No.: 612727198711156045; and
安艳娜，中国居民，身份证号为：612727198711156045；和

(12) Liu Weihua, a citizen of China, PRC ID No.: 610402197008141255 (together with Hu Yongwei, Liu Jing, Wang Wei, Liu Jianli, Dong Fangfang, Zhang Kai, Guan Huixia, Jia Yizhen, and An Yanna, the "**Pledgors**").
刘卫华，中国居民，身份证号为：610402197008141255（与胡永卫、刘静、王薇、刘建利、董芳芳、张凯、关会侠、贾怡真和安艳娜合称为"**出质人**"）。

(Each of the Pledgee, the Company and the Pledgors,shall be hereinafter referred to as a "**Party**", and collectively,as the "**Parties**".)
（质权人、公司、和出质人单独称为"**一方**"，合称为"**各方**"。）

RECITALS
序言

(A) WHEREAS, the Pledgors hold 100% shares, representing RMB28 million of the registered capital of the Company;
鉴于，出质人持有公司 100%的股份，相当于公司注册资本的 2,800 万元人民币；

(B) WHEREAS, the Pledgee and the Company entered into an exclusive service agreement dated 28/5, 2020 (the "**Service Agreement**"), pursuant to which the Company shall pay service fees to the Pledgee for the services provided by the Pledgee;
鉴于，质权人和公司于 2020 年 5 月 28 日签署一份《独家服务协议》（以下简称"**《服务协议》**"），依据该《服务协议》公司应当就质权人提供的服务支付服务费用；

(C) WHEREAS, the Pledgee, the Pledgors, and the Company entered into an exclusive option agreement dated 28/5, 2020 (the "Exclusive Option Agreement"), pursuant to which each of the Pledgors and the other shareholders of the Company agrees to grant the Pledgee an exclusive right to purchase all of the shares of the Company held by it on the terms and conditions therein;
鉴于，质权人、出质人和公司于 2020 年 5 月 28 日签署一份《独家选择权协议》（以下简称"**《独家选择权协议》**"），依据该《独家选择权协议》每位出质人和公司的其他股东同意授予质权人独家权利，按照其中的条款和条件购买其持有的公司的全部股份；

(D) WHEREAS, the Pledgee and the Pledgors entered into a loan agreement dated 28/5, 2020 (the "**Loan Agreement**"), pursuant to which the Pledgee has provided a loan to the Pledgors.
鉴于，质权人、出质人于 2020 年 5 月 28 日签署一份《借款协议》（以下简

称“**《借款协议》**”），依据该《借款协议》质权人向出质人提供一笔借款。

NOW, THEREFORE, the Parties hereby agree as follows:
为此，各方达成如下协议：

Section 1 Principal Agreements
主协议

Each Party acknowledges and confirms that the Principal Agreements for which the security of pledge is provided hereunder include the Service Agreement, the Exclusive Option Agreement, the Loan Agreement and the agreements to be executed among the Pledgors, the Company and the Pledgee from time to time.
各方确认，本协议项下提供质押担保的主协议包括《服务协议》、《独家选择权协议》、《借款协议》，以及由质权人、公司和出质人不时签署的协议。

Section 2 The Pledge
质押

The Pledgors hereby unconditionally and irrevocably agree to pledge all of the shares of the Company held by it (including any and all interest or dividend accrued on such shares) (the **"Pledged Shares"**) to the Pledgee, as a security for the performance of the obligations by the Pledgors and the Company under the Principal Agreements (the **"Pledge"**).
出质人特此无条件且不可撤销地同意将其所持有的公司的全部股份（包括任何及所有因该等股份而累计的利息或股息）（以下简称“**质押股份**”）向质权人出质，用以担保出质人和公司履行主协议项下的义务（以下简称“**质押**”）。

Section 3 The Scope of Pledge
质押范围

The obligations secured by the Pledge under this Agreement include all obligations of the Pledgors and the Company, including without limitation, loan and the interest (if applicable), all service fees payable to the Pledgee, all indebtedness, obligations, and liabilities (including but not limited to any amounts payable to the relevant person), damages (if any), compensation, any fees and expenses for enforcing the creditor's rights and the Pledge (including but not limited to the attorneys' fees, arbitration fees, the assessment and auction fees related to the Pledged Shares) and any other related cost. For the avoidance of doubt, the scope of the Pledge shall not be limited by the amount of the shareholders' capital contribution.
本协议项下质押担保的范围包括出质人和本公司的所有义务，质押担保的范围包括出质人和公司的所有义务，包括但不限于：贷款和利息（如适用）、所有应付给质权人的服务费、所有债务、义务和负债（包括但不限于任何应付给有关人士的款项）、损害赔偿（如有）、补偿金、执行债权和质押而发生的任何费用（包括但不限于：律师费、仲裁费、与质押股份相关的评估和拍卖费用）以及任何其他

相关费用。为避免疑义，质押范围不受股东出资数额的限制。

Section 4 The Term of Pledge
质押期限

4.1 The Pledge shall be effective on the date when the Parties register this Pledge with the administration of industry and commerce (the "**AIC**") in accordance with the Section 5 of this Agreement.
本质押自各方依据本协议第5条向工商行政管理部门就本质押进行登记之日生效。

4.2 The Pledge shall be continuously valid and the term of the Pledge ends at the earliest of the following three dates: (i) the date on which the unpaid secured obligation has been fully settled or otherwise repaid; (ii) the date on which the Pledgee exercises the Pledge in accordance with the terms and conditions of this Agreement to fully realize its rights to the secured obligation and the Pledged Shares; or (iii) the date on which the Pledgors have transferred all of its shares to a third party (natural or legal person) and no longer holds the Company's shares in accordance with the Exclusive Option Agreement.
质押应持续有效，其期限将于以下三个日期中最早的终止：（1）未清偿的担保债务已经被全部清偿或以其他方式清偿之日；（2）质权人按照本协议的约定行使质权，充分实现其对担保债务和质押股份的权利之日；或（3）出质人依据《独家选择权协议》将其持有的公司的全部股份转让第三方（自然人或法人），且不再持有公司股份之日。

4.3 During the term of the Pledge, in the event the Pledgors or the Company fail to perform any of their respective obligations in accordance with the Principal Agreements, the Pledgee shall have the right to dispose of the Pledged Shares in accordance with the provisions of this Agreement.
在质押期限内，如果出质人或公司未能依据主协议履行各自的义务，质权人应有权依据本协议的约定处置质押股份。

4.4 The Pledgee shall have the right to collect any and all dividends or other distributable benefits accrued on the shares and distribute or dispose of such dividends or other distributable benefits at its sole discretion.
质权人应有权收取因股份而产生的任何及所有股息或其他可分配利益，并有权自行分配或处置该等股息或其他可分配利益。

Section 5 Registration
登记

5.1 The Company shall upon execution of this Agreement, record the Pledge in the shareholders' register of the Company and provide the shareholder's register to the Pledgee. The Parties covenant that the Parties hereto have executed and

submitted to the AIC the shares pledge contract in the form required by the AIC at the location of the Company (the "**AIC Pledge Contract**") to register the Pledge with AIC. For matters not specified in the AIC Pledge Contract, the Parties shall be bound by the provisions of this Agreement. In case of any ambiguities or inconsistencies between the AIC Pledge Contract and this Agreement, provisions of this Agreement shall prevail.
公司应在签署本协议后将质押记录在公司的股东名册，并将股东名册提供给质权人。各方承诺在各方已经按照公司所在地工商行政管理局（以下简称"**工商局**"）要求的形式签署了《股份质押合同》（以下简称"**《工商局质押合同》**"），并在工商局登记。对于《工商局质押合同》未尽事宜，双方应受本协议条款的约束。如果《工商局质押合同》与本协议之间存在任何歧义或不一致之处，以本协议为准。

5.2 Without limitation to any provision of this Agreement, during the term of the Pledge, the original of shareholders' register of the Company shall be kept by the Pledgee or its designated person.
在不限制本协议任何规定的情况下，在质押期间，公司的股东名册正本应由质权人或其指定人员保管。

5.3 With the prior consent of the Pledgee, the Pledgors may increase its capital contribution to the Company, provided that any capital contribution by the Pledgors to the Company shall be subject to this Agreement and any such capital increase shall be part of the Pledged Shares. The Company shall immediately amend the shareholders' register and register the change to the Pledge with the AIC pursuant to this Section 5 within five (5) working days after the increase of capital contribution.
经质权人事先同意，出质人可以对公司增资，但出质人对公司的任何增资应受本协议的约束，且此类增资均应作为质押股份的一部分。该等增资完成后五（5）个工作日内，公司应立即按照本协议第 5 条的规定修改公司股东名册，并向工商局对变更进行登记。

Section 6 The Pledgors' Representations and Warranties
出质人的陈述与保证

6.1 The Pledgors are the sole legal owners of the Pledged Shares.
出质人是质押股份的唯一合法所有人。

6.2 No security interest or other encumbrance has been created on the Pledged Shares.
质押股份未设立担保权利或其他权利负担。

6.3 The Company is a joint-stock limited company established and validly existing under the PRC laws. The registered capital of the Company is RMB28 million.
公司是依据中国法律设立并合法存续的股份有限公司。公司的注册资本为

2,800 万元人民币。

Section 7 The Pledgors' Covenants and Further Assurance
出质人的承诺和进一步保证

7.1 The Pledgors hereby covenant to the Pledgee, that during the term of this Agreement, the Pledgors shall:
出质人特此向质权人承诺，在本协议有效期内，出质人应当：

(a) without the Pledgee's prior written consent, not transfer the Pledged Shares, create or permit to create any security interest or other encumbrance on the Pledged Shares, or dispose of the Pledged Shares in any other means, except for the performance of the Exclusive Option Agreement;
未经质权人事先书面同意，不得转让质押股份、在质押股份上设立或允许设立担保权利或其他权利负担、或以其他方式处置质押股份，履行《独家选择权协议》的除外；

(b) comply with any or all laws and regulations applicable to the Pledge, and within five (5) working days of receipt of any notice, order or recommendation issued or prepared by relevant competent authorities regarding the Pledge, provide the aforementioned notice, order or recommendation to the Pledgee, and shall comply with the requirements set forth in the aforementioned notice, order or recommendation, or submit claims and representations with respect to the aforementioned matters upon the Pledgee's reasonable request or with the consent of the Pledgee;
遵守任何或所有适用于质押的法律法规，并且在收到有关主管部门发出或拟订准备的任何与质押相关的通知、命令或建议后五（5）个工作日之内，向质权人提供上述通知、命令或建议，并遵守上述通知、命令或建议中规定的要求，或经质权人合理请求或征得质权人同意后，就上述事项提出索赔和陈述。

(c) promptly notify the Pledgee of any event or notice received that may have an impact on Pledgee's rights to the Pledged Shares or any portion thereof or other obligations of the Pledgors arising out of this Agreement.
将任何可能影响质权人对质押股份或其中任何部分的权利，或出质人因本协议产生的其他义务的事件或通知，及时告知质权人。

7.2 The Pledgors agree that the rights acquired by the Pledgee in accordance with this Agreement with respect to the Pledge shall not be interrupted or harmed by the Company, the Pledgors or any heirs or representatives of the Pledgors or any other persons (collectively, the "**Relevant Persons**") through any legal proceedings.
出质人承诺，质权人依据本协议获得的质押权利不得被公司、出质人或任何出质人的继承人或代表或其他人员（统称为"**相关人员**"）通过任何法律诉

讼干扰或者损害。

(a) Without the prior written consent of the Pledgee, the Relevant Persons shall not in any manner supplement, change or amend the articles of association and bylaws of the Company, increase or decrease its registered capital, or change its structure of registered capital in other manners;
未经质权人事前书面同意，相关人员不得以任何方式增加、变更或修改公司章程，增加或减少公司注册资本，或以其他方式改变公司的注册资本结构；

(b) Without the prior written consent of the Pledgee, after the execution of this Agreement, the Relevant Persons shall not in any manner sell, transfer, pledge or dispose of any assets of the Company or any of its subsidiaries or any statutory or beneficiary interest derived from the business or income of the Company and shall not create any relevant security interest;
未经质权人事前书面同意，本协议签署后，相关人员不得以任何方式出售、转让、质押或处置公司的任何资产，或任何子公司，或从公司业务或收入中获得的任何法定或受益人利益，且不得创设任何相关担保权益；

(c) Without the prior written consent of the Pledgee, the Relevant Persons shall ensure that the Company shall not in any manner distribute dividends to its shareholder(s), make assets distributions or conduct capital reduction or initiate liquidation procedures or make any other distributions. Any distributions, including without limitation, the distributed assets or the residual assets in liquidation shall be deemed as part of the Pledge; or
未经质权人事前书面同意，相关人员应当确保公司不会以任何方式向它的股东分配股息，进行资产分配、减少注册资本、或启动清算程序或进行任何其他形式的分配。任何分配，包括但不限于分配资产或清算中的剩余资产，均应视为质押的一部分；或

(d) Without the prior written consent of the Pledgee, the Relevant Persons shall not take actions that result in or may result in the decrease of the value of Pledged Shares or jeopardize the validity of Pledge under this Agreement. In the event that the value of Pledged Shares decreases significantly and impairs the rights of the Pledgee, the Relevant Persons shall notify the Pledgee immediately, provide other assets as security as reasonably requested by and to the satisfaction of the Pledgee, and take necessary actions to resolve the aforesaid events or reduce their adverse impact.
未经质权人事前书面同意，相关人员不得采取导致或可能导致质押股份价值减少或危及本协议项下质押有效性的行为。如果质押股份的价值显著减少，且损害质权人权利的，相关人员应当立即通知质权人，提供质权人合理要求的且让质权人满意的其他资产作为担保，并采取必要的措施以解决上述事件或降低其不利影响。

7.3 To protect or perfect the security interest granted by this Agreement for the payment obligation under the Principal Agreements, the Pledgors hereby undertake to execute in good faith and to cause other parties who have interests in the Pledge to execute all certificates, agreements, deeds and/or covenants required by the Pledgee. The Pledgors also undertake to perform and to cause other parties who have interests in the Pledge to perform actions required by the Pledgee, to facilitate the exercise by the Pledgee of its rights and authority granted thereto by this Agreement, and to enter into all relevant documents regarding the ownership of the Pledged Shares with the Pledgee or designee(s) of the Pledgee. The Pledgors undertake to provide the Pledgee within a reasonable time with all notices, orders, and decisions regarding the Pledge that are required by the Pledgee.
为了保障或完善本协议所设定的担保权益，以履行根据主协议所承担的付款义务，出质人特此承诺善意签署，并促使在质押中拥有权益的其他当事人签署质权人所要求的所有证明、协议、契约和/或承诺。出质人同时承诺履行并促使其他对质押存在利益关系的其他各方履行质权人所要求的的全部行为，以便利质权人行使本协议项下的权利和利益，同时与质权人或其指定人签署所有与质押股份的所有权相关的文件。出质人承诺在合理的期限内向质权人出具质权人所要求的全部通知、命令和决定。

7.4 The Pledgors hereby undertake to comply with and perform all guarantees, promises, agreements, representations, and conditions under this Agreement. In the event of failure or partial performance of its guarantees, promises, agreements, representations, and conditions, the Pledgors shall indemnify the Pledgee for all losses resulting therefrom.
出质人特此承诺将遵守和履行本协议项下的全部承诺、保证、协议、陈述和条件。如果出质人不履行或不完全履行其作出的承诺、保证、协议、陈述和条件，出质人应当赔偿质权人因此而受到的全部损失。

Section 8 Exercise of Pledge
质押的行使

8.1 Each of the following shall constitute an event of default ("**Event of Default**") hereunder (and an Event of Default is "continuing" if it has not been remedied or waived):
以下各项均构成本协议项下的违约事件（简称"**违约事件**"）（如果该等违约事件未被补救或豁免，违约事件将"持续"发生）

(a) any statement, warranty or representation made by the Pledgors or the Company, under this Agreement or any of the Principal Agreements are not true, complete or accurate in any aspect; or the Pledgors or the Company breaches or fails to fulfill any obligation or abide by any covenants and undertakings under this Agreement or any Principal Agreements; or
出质人或公司在本协议或任何主协议项下作出的声明、保证或陈述在任

何方面不真实、不完整或不准确；或出质人或公司违反或未能履行本协议或任何主协议项下的任何义务或承诺；或

(b) any obligation of the Pledgors or the Company under this Agreement or any of the Principal Agreements is deemed as unlawful or void.
出质人或公司在本协议或任何主协议项下的义务被视为非法或无效。

8.2 Upon the occurrence and during the continuance of an Event of Default, the Pledgee shall have the right to exercise all such rights as a secured party under any applicable Chinese law, including the PRC Guarantee Law and the PRC Property Law, as in effect from time to time, including without limitations:
若违约事件发生及其持续期间，质权人应当有权依据适时有效任何中国法律，（包括《中华人民共和国担保法》和《中华人民共和国物权法》）行使其作为担保权人所享有的权利，包括但不限于：

(a) to sell all or any part of the Pledged Shares in one or more public or private sales upon three (3) days' written notice to Pledgors, and any such sale or sales may be made for cash, upon credit, or for future delivery; or
在书面通知出质人三（3）日后，在一个或多个公开或非公开的市场出售全部或部分质押股份，上述出售可以通过现金、赊账或远期交付的方式进行；或

(b) to execute an agreement with the Pledgors to acquire the Pledged Shares based on its monetary value which shall be determined by referencing the market price of the pledged property.
以货币价值为基准与出质人签署一份质押股份的收购协议，货币价值应参照质押财产的市场价值确定。

The Pledgee has priority to the proceeds obtained by the disposition of the Pledged Shares according to the aforesaid means for repayment of fees listed under Section 3 of this Agreement.
质权人对于依据前述方式处置质押股份所获得的收益享有优先权，以清偿本协议第 3 条所约定的费用。

8.3 The Pledgors and the Company, at the request of the Pledgee, shall take all lawful and appropriate actions to ensure the Pledgee's exercise of the Pledge. For the foregoing, the Pledgors and the Company should sign all the documents and materials and take all actions and measures reasonably required by the Pledgee.
根据质权人的要求，出质人和公司应采取全部合法合理的措施以确保质权人行使质押权利。为实现前述目的，出质人和公司应签署出质人合理要求的全部文件和资料、采取全部行为和措施。

Section 9 Assignment
转让

9.1 None of the Company and the Pledgors shall assign any of its rights or obligations under this Agreement to any third party without the prior written consent of the Pledgee.
未经质权人事前书面同意，公司和出质人不得将其在本协议项下的权利或义务转让给任何第三方。

9.2 The Company and the Pledgors hereby agree that the Pledgee may assign its rights and obligations under this Agreement as the Pledgee may decide, at its sole discretion, and such transfer shall only be subject to a written notice sent to the Company and the Pledgors.
公司和出质人特此同意，质权人可以自行决定转让其在本协议项下的权利和义务，且该等转让仅需书面通知公司和出质人即可。

Section 10 Termination
终止

This Agreement is terminated after the expiration of the term of the Pledge in accordance with Section 4 of this Agreement.
依据本协议第 4 条的规定，本协议将于质押期限届满之后终止。

Section 11 Entire Agreement and Amendment to Agreement
完整协议及协议的修改

11.1 This Agreement and all agreements and/or documents mentioned or included explicitly by this Agreement constitute the complete agreement with respect to the subject matter of this Agreement and shall supersede any and all prior oral agreements, contracts, understandings and communications made by Parties with respect to the subject matter of this Agreement.
本协议及本协议明确提到或包括的所有协议和/或文件，构成本协议所涉事项的完整协议，并取代各方事先就本协议所涉事项达成的任何和全部口头协议、合同、备忘录和沟通。

11.2 Any modification of this Agreement shall be made in a written form and shall only become effective upon the signature by all Parties of the Agreement. Amendments and supplemental agreements to this Agreement duly executed by Parties shall be parts of this Agreement and shall have the same legal effect as this Agreement.
对本协议的任何修改应当以书面形式作出，且仅在本协议各方签署后生效。各方签署的对本协议的修订和补充协议应构成本协议的一部分，与本协议具有相同的法律效力。

Section 12 Governing Law and Dispute Resolution
适用法律及争议解决

12.1 This Agreement shall be construed in accordance with and governed by the PRC laws.
本协议应依据中国法律解释，并接受中国法律管辖。

12.2 Any dispute arising from or in connection with this Agreement shall be submitted to China International Economic and Trade Arbitration Commission (**CIETAC**) for arbitration which shall be conducted in accordance with the CIETAC's arbitration rules in effect at the time of applying for arbitration. The arbitral award is final and binding upon all Parties. The place of arbitration shall be in Beijing.
任何因本协议引起的或与本协议相关的纠纷，均应提交至中国国际经济贸易仲裁委员会（以下简称"**贸仲委**"）依据贸仲委适时生效的仲裁规则仲裁。仲裁裁决是终局的，对各方均具有约束力。仲裁地为北京。

Section 13 Effective Date and Term
生效日及期限

13.1 This Agreement shall be signed and take effect as of the date first set forth above.
本协议应于首页载明的日期签署并生效。

13.2 The term of this Agreement shall remain effective as long as the Pledge exists.
本协议应在质押存续期间保持生效。

Section 14 Notices
通知

Notices or other communications required to be given by any party pursuant to this Agreement shall be written in Chinese and delivered personally, or sent by registered mail or postage prepaid mail or by a recognized courier service, or by facsimile transmission or e-mail to the address of each relevant party as specified by such party from time to time. The date when the notice is deemed to be duly served shall be determined as follows:
任何一方依据本协议而发出的通知或其他通讯应当以中文形式作出，以亲自交付、挂号信或邮资预付的邮件或受认可的快递，或通过传真、电子邮件发送至各相关方不时指定的地址。通知视为适当送达的日期应依下列规则确定：

(a) a notice delivered personally is deemed duly served upon delivery;
以亲自交付方式的，交付时即视为适当送达；

(b) a notice sent by mail is deemed duly served the tenth (10th) day after the date when the registered mail, postage prepaid mail was sent out (as is shown on the postmark), or the fourth (4th) day after the delivery date to the courier service company; and
通过邮寄方式送达的，自挂号信或邮资预付邮件发出之日（以邮戳所示为准）后第十（10）日，或交付给快递服务公司之日后第四（4）日，应视为适当送达；和

(c) a notice sent by facsimile transmission or e-mail is deemed duly served upon the receipt time as is shown on the transmission confirmation for relevant documents.
通过传真或电子邮件送达的，收到相关文件发送确认书之日应视为适当送达。

Section 15 Severability
可分割性

If any provision of this Agreement is deemed to be invalid or unenforceable because it is inconsistent with applicable laws, such invalidity or unenforceability shall be limited to such provision. The validity, legality, and enforceability of the other provisions hereof shall not be affected.
任何本协议的任何条款因为违法适用法律而被认定为无效或不可执行的，该等无效或不可执行仅限于该条款。本协议项下其他条款的有效性、合法性和可执行性不受影响。

Section 16 Language
语言

This Agreement was written by English and Chinese. The English version shall prevail in case of discrepancy.
本协议由英文和中文书写。两种文本不一致的，以英文为准。

Section 17 Counterparts
副本

This Agreement shall be executed in twelve (12) originals by all Parties, with each Party holding one original. All originals shall have the same legal effect. This Agreement may be executed in one or more counterparts.
本协议应由全体各方签署十二（12）份原件，每一方各持一份。所有原件均具有相同的法律效力。本协议可签署一份或多份副本。

[The Remainder of this page is intentionally left blank]
[以下无正文]

Signature page to the Shares Pledge Agreement
《股份质押协议》的签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

Xi'an Cell and Molecule Information Technology Co., Ltd.
西安赛美科信息科技有限公司
(Chop of Xi'an Cell and Molecule Information Technology Co., Ltd.)
（西安赛美科信息科技有限公司的公章）

Signature:
签字

Name: Hu Yongwei
姓名：胡永卫

Position: Legal Representative
职务：法定代表人

Signature page to the Shares Pledge Agreement
《股份质押协议》的签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

Xi'AN APP-CHEM BIO (TEC) Co., Ltd.
西安天美生物科技股份有限公司
(Chop of Xi'AN APP-CHEM BIO (TEC) Co., Ltd.)
（西安天美生物科技股份有限公司的公章）

Signature:
签字

Name: Hu Yongwei
姓名：胡永卫

Position: Legal Representative
职务：法定代表人

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

Hu Yongwei
胡永卫

Signature:
签名

Signature page to the Shares Pledge Agreement
《股份质押协议》的签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
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Liu Jing
刘静

Signature:
签名 刘静

Signature page to the Shares Pledge Agreement
《股份质押协议》的签字页

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Wang Wei
王薇

Signature:
签名 王薇

Signature page to the Shares Pledge Agreement
《股份质押协议》的签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

Liu Jianli
刘建利

Signature:
签名 刘建利

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

Dong Fangfang
董芳芳

Signature:
签名 董芳芳

Signature page to the Shares Pledge Agreement
《股份质押协议》的签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

Zhang Kai
张凯

Signature:
签名 张凯

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

Guan Huixia
关会侠

Signature:
签名 关会侠

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

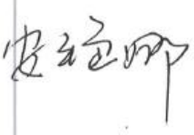
Jia Yizhen
贾怡真

Signature:
签名

Signature page to the Shares Pledge Agreement
《股份质押协议》的签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

An Yanna
安艳娜

Signature:
签名 

Signature page to the Shares Pledge Agreement
《股份质押协议》的签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

Liu Weihua
刘卫华

Signature:
签名

Shareholders' Register of Xi'AN APP·CHEM BIO (TEC) Co., Ltd.
(recorded on 28/5, 2020, registered capital of RMB28 million)
西安天美生物科技股份有限公司股东名册
（截止 2020 年 5 月 28 日，注册资本为 2,800 万元人民币）

No. 序号	Name of Shareholder 股东姓名	PRC ID No. 身份证号码	Amount of Shares (share) 股份数额（股）	Shareholding Percentage 持股比例	Payment Made by 支付方式	Pledge Pledgee 质押状态
001	Hu Yongwei 胡永卫	610103197108023635	20,175,008	72.05%	Cash 现金	20,175,008 shares pledged to Xi'an Cell and Molecule Information Technology Co., Ltd. 将 20,175,008 股质押给西安赛美科信息科技有限公司
002	Liu Jing 刘静	610113197812110065	4,706,576	16.81%	Cash 现金	4,706,576 shares pledged to Xi'an Cell and Molecule Information Technology Co., Ltd. 将 4,706,576 股质押给西安赛美科信息科技有限公司
003	Wang Wei 王薇	610202197506020826	1,036,000	3.7%	Cash 现金	1,036,000 shares pledged to Xi'an Cell and Molecule Information Technology Co., Ltd. 将 1,036,000 股质押给西安赛美科信息科技有限公司
004	Liu Jianli 刘建利	610103195903123695	822,416	2.94%	Cash 现金	822,416 shares pledged to Xi'an Cell and Molecule Information Technology Co., Ltd. 将 822,416 股质押给西安赛美科信息科技有限公司

005	Dong Fangfang 董芳芳	610402196810016107	280,000	1%	Cash 现金	280,000 shares pledged to Xi'an Cell and Molecule Information Technology Co., Ltd. 将 280,000 股质押给西安赛美科信息科技有限公司
006	Zhang Kai 张凯	610122198703251716	280,000	1%	Cash 现金	280,000 shares pledged to Xi'an Cell and Molecule Information Technology Co., Ltd. 将 280,000 股质押给西安赛美科信息科技有限公司
007	Guan Huixia 关会侠	610125194705095244	140,000	0.5%	Cash 现金	140,000 shares pledged to Xi'an Cell and Molecule Information Technology Co., Ltd. 将 140,000 股质押给西安赛美科信息科技有限公司
008	Jia Yizhen 贾怡真	610104199208283421	210,000	0.75%	Cash 现金	210,000 shares pledged to Xi'an Cell and Molecule Information Technology Co., Ltd. 将 210,000 股质押给西安赛美科信息科技有限公司
009	An Yanna 安艳娜	612727198711156045	210,000	0.75%	Cash 现金	210,000 shares pledged to Xi'an Cell and Molecule Information Technology Co., Ltd. 将 210,000 股质押给西安赛美科信息科技有限公司
010	Liu Weihua 刘卫华	610402197008141255	140,000	0.5%	Cash 现金	140,000 shares pledged to Xi'an Cell and Molecule Information Technology Co., Ltd. 将 140,000 股质押给西安赛美科信息科技有限公司

Signature page to Shareholders' Register of Xi'AN APP•CHEM BIO (TEC) Co., Ltd.
《西安天美生物科技股份有限公司股东名册》的签字页

Xi'AN APP·CHEM BIO (TEC) Co., Ltd.
西安天美生物科技股份有限公司
(Seal of Xi'AN APP·CHEM BIO (TEC) Co., Ltd.)
（西安天美生物科技股份有限公司的公章）

Signature:
签字

Name: Hu Yongwei
姓名：胡永卫

Position: Legal Representative
职务：法定代表人

SUPPLEMENTAL SHARES PLEDGE AGREEMENT

股份质押补充协议

This Supplemental Shares Pledge Agreement (this "**Agreement**") is entered into as of 10/6, 2020 by and among the following parties:
本《股份质押补充协议》（以下简称"**本协议**"）由以下各方于 2020 年 6 月 10 日签署：

(1) Xi'an Cell and Molecule Information Technology Co., Ltd. (the "**Pledgee**"), a domestic company registered in the People's Republic of China ("**China**" or the "**PRC**"), under the laws of the PRC;
西安赛美科信息科技有限公司（以下简称"**质权人**"），系依据中华人民共和国（以下简称"**中国**"）法律注册设立的中国公司；

(2) Xi'AN APP-CHEM BIO (TEC) Co., Ltd. (the "**Company**"), a domestic company registered in China, under the laws of the PRC;
西安大美生物科技股份有限公司（以下简称"**公司**"），系依据中国法律注册设立的中国公司。

(3) Hu Yongwei, a citizen of China, PRC ID No.: 610103197108023635;
胡永卫，中国居民，身份证号为：610103197108023635；

(4) Liu Jing, a citizen of China, PRC ID No.: 610113197812110065;
刘静，中国居民，身份证号为：610113197812110065；

(5) Wang Wei, a citizen of China, PRC ID No.: 610202197506020826;
王薇，中国居民，身份证号为：610202197506020826；

(6) Liu Jianli, a citizen of China, PRC ID No.: 610103195903123695;
刘建利，中国居民，身份证号为：610103195903123695；

(7) Dong Fangfang, a citizen of China, PRC ID No.: 610402196810016107;
董芳芳，中国居民，身份证号为：610402196810016107；

(8) Zhang Kai, a citizen of China, PRC ID No.: 610122198703251716;
张凯，中国居民，身份证号为：610122198703251716；

(9) Guan Huixia, a citizen of China, PRC ID No.: 610125194705095244;
关会侠，中国居民，身份证号为：610125194705095244；

(10) Jia Yizhen, a citizen of China, PRC ID No.: 610104199208283421;
贾怡真，中国居民，身份证号为：610104199208283421；

(11) An Yanna, a citizen of China, PRC ID No.: 612727198711156045; and
安艳娜，中国居民，身份证号为：612727198711156045；和

(12) Liu Weihua, a citizen of China, PRC ID No.: 610402197008141255 (together with Hu Yongwei, Liu Jing, Wang Wei, Liu Jianli, Dong Fangfang, Zhang Kai, Guan Huixia, Jia Yizhen, and An Yanna, the "**Pledgors**").
刘卫华，中国居民，身份证号为：610402197008141255（与胡永卫、刘静、王薇、刘建利、董芳芳、张凯、关会侠、贾怡真和安艳娜合称为"**出质人**"）。

(Each of the Pledgee, the Company and the Pledgors,shall be hereinafter referred to as a "**Party**", and collectively,as the "**Parties**".)
（质权人、公司、和出质人单独称为"**一方**"，合称为"**各方**"。）

RECITALS
序言

(A) WHEREAS, the Pledgors hold 100% shares, representing RMB28 million of the registered capital of the Company;
鉴于，出质人持有公司 100%的股份，相当于公司注册资本的 2,800 万元人民币；

(B) WHEREAS, the Pledgee and the Company entered into an exclusive service agreement dated May 28, 2020 (the "**Service Agreement**");
鉴于，质权人和公司于 2020 年 5 月 28 日签署一份《独家服务协议》（以下简称"**《服务协议》**"）；

(C) WHEREAS, the Pledgee, the Pledgors, and the Company entered into an exclusive option agreement dated May 28, 2020 (the "Exclusive Option Agreement");
鉴于，质权人、出质人和公司于 2020 年 5 月 28 日签署一份《独家选择权协议》（以下简称"**《独家选择权协议》**"）；

(D) WHEREAS, the Pledgee and the Pledgors entered into a loan agreement dated May 28, 2020 (the "**Loan Agreement**");
鉴于，质权人、出质人于 2020 年 5 月 28 日签署一份《借款协议》（以下简称"**《借款协议》**"）；

WHEREAS，the Pledgor, the Pledgee, and other shareholders of the Company entered into a shares pledge agreement dated May 28, 2020 (the "**Shares Pledge Agreement**").
鉴于，出质人、质权人和公司其他股东于 2020 年 5 月 28 日签署一份《股份质押协议》（以下"简称《**股份质押协议**》"）。

NOW, THEREFORE, the Parties hereby arrive at the following supplemental agreements. Terms used but not defined in this Agreement shall have the same meanings as those in the Shares Pledge Agreement.
为此，各方达成如下补充协议。本协议使用但未定义的术语与《股份质押协议》具有相同的含义。

Section 1 Amendment to Section 2 of Shares Pledge Agreement
对《股份质押协议》第 2 条的修订

The Parties confirm that Section 2 Shares Pledge Agreement shall be amended as follows: "Hu Yongwei hereby unconditionally and irrevocably agree to pledge 17,075,008 shares of the Company held by him (including any and all interest or dividend accrued on such shares) to the Pledgee, the Pledgors (excluding Hu Yongwei) hereby unconditionally and irrevocably agree to pledge all of the shares of the Company held by them (including any and all interest or dividend accrued on such shares) (together with 17,075,008 shares of the Company held by Hu Yongwei referred as the "**Pledged Shares**") to the Pledgee, as a security for the performance of the obligations by the Pledgors and the Company under the Principal Agreements (the "**Pledge**")."
各方确认对《股份质押协议》第 2 条进行如下修订："胡永卫特此无条件且不可撤销地同意将其所持有的 17,075,008 股公司股份（包括任何及所有因该等股份而累计的利息或股息）向质权人出质，除胡永卫以外的出质人特此无条件且不可撤销地同意将其所持有的全部股份（包括任何及所有因该等股份而累计的利息或股息）（与胡永卫持有的 1717,075,008 股公司股份合称为"**质押股份**"）向质权人出质，用以担保出质人和公司履行主协议项下的义务（以下简称"**质押**"）。"

Section 2 Amendment to Section 5.1 of Shares Pledge Agreement
对《股份质押协议》第 5.1 条的修订

The Parties confirm that Section 2 Shares Pledge Agreement shall be amended as follows: " The Company shall upon execution of this Agreement, record the Pledge in the shareholders' register of the Company, and provide the shareholder's register to the Pledgee. The Parties covenant that the Parties hereto shall execute and submit to the AIC the shares pledge contract in the form required by the AIC at the location of the Company (the "**AIC Pledge Contract**") to register the Pledge with AIC. For matters not specified in the AIC Pledge Contract, the Parties shall be bound by the provisions of this Agreement. In case of any ambiguities or inconsistencies between the AIC Pledge Contract and this Agreement, provisions of this Agreement shall prevail."
各方确认对《股份质押协议》第 5.1 条进行如下修订："公司应在签署本协议后将质押记录在公司的股东名册，并将股东名册提供给质权人。各方承诺在各方应按照公司所在地工商行政管理局（以下简称"工商局"）要求的形式签署了《股份质押合同》（以下简称"**《工商局质押合同》**"），并在工商局登记。对于《工商局质押合同》未尽事宜，各方应受本协议条款的约束。如果《工商局质押合同》

与本协议之间存在任何歧义或不一致之处，以本协议为准。”

Section 3 Amendment to shareholders' register of the Company
对公司的股东名册的修订

The Parties confirm that the shareholders' register of the Company shall be amended as the attachment.
各方确认按照附件对公司的股东名册进行修订。

Section 4 Entire Agreement and Amendment to Agreement
完整协议及协议的修改

4.1 The Parties confirm that this Agreement constitutes an amendment and supplement to the Shares Pledge Agreement. In case of any inconsistency or conflict between this Agreement and the Shares Pledge Agreement, this Agreement shall prevail. The validity of relevant stipulations under this Agreement is superior to the same under the Shares Pledge Agreement. Matters not covered herein shall be as specified in the Shares Pledge Agreement.
各方确认本协议构成《股份质押协议》的修订和补充。如本协议与《股份质押协议》存在任何不一致或冲突，以本协议为准。本协议中的有关规定优先于《股份质押协议》的规定。本协议未尽事宜应按照《股份质押协议》的规定。

4.2 Any modification of this Agreement shall be made in a written form and shall only become effective upon the signature by all Parties of the Agreement. Amendments and supplemental agreements to this Agreement duly executed by Parties shall be parts of this Agreement and shall have the same legal effect as this Agreement.
对本协议的任何修改应当以书面形式作出，且仅在本协议各方签署后生效。各方签署的对本协议的修订和补充协议应构成本协议的一部分，与本协议具有相同的法律效力。

Section 5 Governing Law and Dispute Resolution
适用法律及争议解决

5.1 This Agreement shall be construed in accordance with and governed by the PRC laws.
本协议应依据中国法律解释，并接受中国法律管辖。

5.2 Any dispute arising from or in connection with this Agreement shall be submitted to China International Economic and Trade Arbitration Commission (**CIETAC**) for arbitration which shall be conducted in accordance with the CIETAC's arbitration rules in effect at the time of applying for arbitration. The arbitral

award is final and binding upon all Parties. The place of arbitration shall be in Beijing.
任何因本协议引起的或与本协议相关的纠纷，均应提交至中国国际经济贸易仲裁委员会（以下简称“**贸仲委**”）依据贸仲委适时生效的仲裁规则仲裁。仲裁裁决是终局的，对各方均具有约束力。仲裁地为北京。

Section 6 Effective Date and Term
生效日及期限

6.1 This Agreement shall be signed and take effect as of the date first set forth above.
本协议应于首页载明的日期签署并生效。

6.2 The term of this Agreement shall remain effective as long as the Pledge exists.
本协议应在质押存续期间保持生效。

Section 7 Notices
通知

Notices or other communications required to be given by any party pursuant to this Agreement shall be written in Chinese and delivered personally, or sent by registered mail or postage prepaid mail or by a recognized courier service, or by facsimile transmission or e-mail to the address of each relevant party as specified by such party from time to time. The date when the notice is deemed to be duly served shall be determined as follows:
任何一方依据本协议而发出的通知或其他通讯应当以中文形式作出，以亲自交付、挂号信或邮资预付的邮件或受认可的快递，或通过传真、电子邮件发送至各相关方不时指定的地址。通知视为适当送达的日期应依下列规则确定：

(a) a notice delivered personally is deemed duly served upon delivery;
以亲自交付方式的，交付时即视为适当送达；

(b) a notice sent by mail is deemed duly served the tenth (10th) day after the date when the registered mail, postage prepaid mail was sent out (as is shown on the postmark), or the fourth (4th) day after the delivery date to the courier service company; and
通过邮寄方式送达的，自挂号信或邮资预付邮件发出之日（以邮戳所示为准）后第十（10）日，或交付给快递服务公司之日后第四（4）日，应视为适当送达；和

(c) a notice sent by facsimile transmission or e-mail is deemed duly served upon the receipt time as is shown on the transmission confirmation for relevant documents.
通过传真或电子邮件送达的，收到相关文件发送确认书之日应视为适当送达。

Section 8 Severability
可分割性

If any provision of this Agreement is deemed to be invalid or unenforceable because it is inconsistent with applicable laws, such invalidity or unenforceability shall be limited to such provision. The validity, legality, and enforceability of the other provisions hereof shall not be affected.
任何本协议的任何条款因为违法适用法律而被认定为无效或不可执行的，该等无效或不可执行仅限于该条款。本协议项下其他条款的有效性、合法性和可执行性不受影响。

Section 9 Language
语言

This Agreement was written by English and Chinese. The English version shall prevail in case of discrepancy.
本协议由英文和中文书写。两种文本不一致的，以英文为准。

Section 10 Counterparts
副本

This Agreement shall be executed in twelve (12) originals by all Parties, with each Party holding one original. All originals shall have the same legal effect. This Agreement may be executed in one or more counterparts.
本协议应由全体各方签署十二（12）份原件，每一方各持一份。所有原件均具有相同的法律效力。本协议可签署一份或多份副本。

[The Remainder of this page is intentionally left blank]
[以下无正文]

Signature page to the Supplemental Shares Pledge Agreement
《股份质押补充协议》的签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

Hu Yongwei
胡永卫

Signature:
签名 胡永卫 2000年6月10日

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

Xi'AN APP·CHEM BIO (TEC) Co., Ltd.
西安天美生物科技股份有限公司
(Chop of Xi'AN APP·CHEM BIO (TEC) Co., Ltd.)
（西安天美生物科技股份有限公司的公章）

Signature:
签字 2020年6月10日

Name: Hu Yongwei
姓名：胡永卫

Position: Legal Representative
职务：法定代表人

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

Xi'an Cell and Molecule Information Technology Co., Ltd.
西安赛美科信息科技有限公司
(Chop of Xi'an Cell and Molecule Information Technology Co., Ltd.)
（西安赛美科信息科技有限公司的公章）

Signature:
签字

2020年6月10日

Name: Hu Yongwei
姓名：胡永卫

Position: Legal Representative
职务：法定代表人

Signature page to the Supplemental Shares Pledge Agreement
《股份质押补充协议》的签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
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Liu Jing
刘静

Signature:
签名 刘静

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
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Wang Wei
王薇

Signature:
签名 

Signature page to the Supplemental Shares Pledge Agreement
《股份质押补充协议》的签字页

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兹此证明，各方已于本协议首页载明的日期正式签署本协议。

Liu Jianli
刘建利

Signature:
签名

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兹此证明，各方已于本协议首页载明的日期正式签署本协议。

Dong Fangfang
董芳芳

Signature:
签名 董芳芳

Signature page to the Supplemental Shares Pledge Agreement
《股份质押补充协议》的签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

Zhang Kai
张凯

Signature:
签名 张凯

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

Guan Huixia
关会侠

Signature:
签名

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

Jia Yizhen
贾怡真

Signature:
签名 贾怡真

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

An Yanna
安艳娜

Signature:
签名 安艳娜

Signature page to the Supplemental Shares Pledge Agreement
《股份质押补充协议》的签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
兹此证明，各方已于本协议首页载明的日期正式签署本协议。

Liu Weihua
刘卫华

Signature:
签名 刘卫华

Shareholders' Register of Xi'AN APP·CHEM BIO (TEC) Co., Ltd.
(recorded on 10 / 6, 2020, registered capital of RMB28 million)
西安天美生物科技股份有限公司股东名册
（截止 2020 年 6 月 10 日，注册资本为 2,800 万元人民币）

No. 序号	Name of Shareholder 股东姓名	PRC ID No. 身份证号码	Amount of Shares (share) 股份数额（股）	Shareholding Percentage 持股比例	Payment Made by 支付方式	Pledge Pledgee 质押状态
001	Hu Yongwei 胡永卫	610103197108023635	20,175,008	72.05%	Cash 现金	17,075,008 shares pledged to Xi'an Cell and Molecule Information Technology Co., Ltd.; 将 17,075,008 股质押给西安赛美科信息科技有限公司； 500,000 shares pledged to Shanxi Culture Industry Financing Guarantee Co., Ltd.; 将 500,000 股质押给陕西文化产业融资担保有限公司； 2,600,000 shares pledged to Shanxi Jinma Financing Guarantee Co., Ltd. 将 2,600,000 股质押给陕西金马融资担保有限公司
002	Liu Jing 刘静	610113197812110065	4,706,576	16.81%	Cash 现金	4,706,576 shares pledged to Xi'an Cell and Molecule Information Technology Co., Ltd. 将 4,706,576 股质押给西安赛美科信息科技有限公司

003	Wang Wei 王薇	610202197506020826	1,036,000	3.7%	Cash 现金	1,036,000 shares pledged to Xi'an Cell and Molecule Information Technology Co., Ltd. 将 1,036,000 股质押给西安赛美科信息科技有限公司
004	Liu Jianli 刘建利	610103195903123695	822,416	2.94%	Cash 现金	822,416 shares pledged to Xi'an Cell and Molecule Information Technology Co., Ltd. 将 822,416 股质押给西安赛美科信息科技有限公司
005	Dong Fangfang 董芳芳	610402196810016107	280,000	1%	Cash 现金	280,000 shares pledged to Xi'an Cell and Molecule Information Technology Co., Ltd. 将 280,000 股质押给西安赛美科信息科技有限公司
006	Zhang Kai 张凯	610122198703251716	280,000	1%	Cash 现金	280,000 shares pledged to Xi'an Cell and Molecule Information Technology Co., Ltd. 将 280,000 股质押给西安赛美科信息科技有限公司
007	Guan Huixia 关会侠	610125194705095244	140,000	0.5%	Cash 现金	140,000 shares pledged to Xi'an Cell and Molecule Information Technology Co., Ltd. 将 140,000 股质押给西安赛美科信息科技有限公司
008	Jia Yizhen 贾怡真	610104199208283421	210,000	0.75%	Cash 现金	210,000 shares pledged to Xi'an Cell and Molecule Information Technology Co., Ltd. 将 210,000 股质押给西安赛美科信息科技有限公司
009	An Yanna 安艳娜	612727198711156045	210,000	0.75%	Cash 现金	210,000 shares pledged to Xi'an Cell and Molecule Information Technology Co., Ltd.

						将 210,000 股质押给西安赛美科信息科技有限公司
010	Liu Weihua 刘卫华	: 610402197008141255	140,000	: 0.5%	Cash 现金	140,000 shares pledged to Xi'an Cell and Molecule Information Technology Co., Ltd. 将 140,000 股质押给西安赛美科信息科技有限公司

Signature page to Shareholders' Register of Xi'AN APP•CHEM BIO (TEC) Co., Ltd.
《西安天美生物科技股份有限公司股东名册》的签字页

Xi'AN APP·CHEM BIO (TEC) Co., Ltd.
西安天美生物科技股份有限公司
(Seal of Xi'AN APP·CHEM BIO (TEC) Co., Ltd.)
（西安天美生物科技股份有限公司的公章）

Signature:
签字

Name: Hu Yongwei
姓名：胡永卫

Position: Legal Representative
职务：法定代表人

PROXY AGREEMENT AND POWER OF ATTORNEY

代理协议和授权委托书

This Proxy Agreement and Power of Attorney (this "**Agreement**") is entered into as of 28, 5, 2020 by and among the following parties:
本《代理协议和授权委托书》(以下简称"**本协议**")由以下各方于 2020 5月 28日签订：

(1) Xi'an Cell and Molecule Information Technology Co., Ltd. (the "**WFOE**"), a domestic company registered in the People's Republic of China ("**China**" or the "**PRC**"), under the laws of the PRC;
西安赛美科信息科技有限公司（以下简称"**WFOE**"），系一家按照中华人民共和国（以下简称"**中国**"）法律在中国注册并设立的公司。

(2) Xi'AN APP·CHEM BIO (TEC) Co., Ltd. (the "**Company**"), a domestic company registered in China, under the laws of the PRC;
西安天美生物科技股份有限公司（以下简称"**公司**"），系一家根据中国法律在中国注册并设立的公司。

(3) Hu Yongwei, a citizen of China, PRC ID No.: 610103197108023635;
胡永卫，中国公民，身份证号为 610103197108023635；

(4) Liu Jing, a citizen of China, PRC ID No.: 610113197812110065;
刘静，中国公民，身份证号为 610113197812110065；

(5) Wang Wei, a citizen of China, PRC ID No.: 610202197506020826;
王薇，中国公民，身份证号为 610202197506020826；

(6) Liu Jianli, a citizen of China, PRC ID No.: 610103195903123695;
刘建利，中国公民，身份证号为 610103195903123695；

(7) Dong Fangfang, a citizen of China, PRC ID No.: 610402196810016107;
董芳芳，中国公民，身份证号为 610402196810016107；

(8) Zhang Kai, a citizen of China, PRC ID No.: 610122198703251716;
张凯，中国公民，身份证号为 610122198703251716；

(9) Guan Huixia, a citizen of China, PRC ID No.: 610125194705095244;
关会侠，中国公民，身份证号为 610125194705095244；

(10) Jia Yizhen, a citizen of China, PRC ID No.: 610104199208283421;
贾怡真，中国公民，身份证号为 610104199208283421；

(11) An Yanna, a citizen of China, PRC ID No.: 612727198711156045; and
安艳娜，中国公民，身份证号为 612727198711156045；

(12) Liu Weihua, a citizen of China, PRC ID No.: 610402197008141255; (together with Hu Yongwei, Liu Jing, Wang Wei, Liu Jianli, Dong Fangfang, Zhang Kai, Guan Huixia, Jia Yizhen, and An Yanna, the "**Shareholders**").
刘卫华，中华人民共和国公民，身份证号为 610402197008141255；（与胡永伟、刘静、王薇、刘建利、董芳芳、张凯、关会侠、贾怡真、安艳娜并称为"**股东**"）。

(Each of the WFOE, the Company, and each of the Shareholders shall be hereinafter referred to as a "**Party**", and collectively as the "**Parties**".)
WFOE、公司、股东分别称为"**一方**"，统称为"**各方**"。

RECITALS
序言

(A) WHEREAS, the Shareholders collectively hold 100% shares in the Company.
鉴于，股东共同持有公司 100%的股份。

(B) WHEREAS, the WFOE and the Company have entered into an exclusive service agreement dated 28/5, 2020 (the "**Service Agreement**"), pursuant to which the Company shall pay service fees to the WFOE for the service provided by it.
鉴于，WFOE 与公司已于 2020 年 5 月 28 日签订了《独家服务协议》（以下简称"**《服务协议》**"），据此，公司应就 WFOE 所提供的服务向其支付服务费。

(C) WHEREAS, the WOFE, the Company, and the Shareholders have entered into a shares pledge agreement dated 28/5, 2020 (the "**Shares Pledge Agreement**").
鉴于，WFOE、公司及股东已 2020 年 5 月 28 日订立了《股份质押协议》（以下简称"**《股份质押协议》**"）。

(D) WHEREAS, the WFOE, the Company, and the Shareholders have entered into an exclusive option agreement dated 28/5, 2020 (the "**Exclusive Option Agreement**").
鉴于，WFOE、公司及股东已于 2020 年 5 月 28 日订立了《独家选择权协议》（以下简称"**《独家选择权协议》**"）。

NOW, THEREFORE, the Parties hereby agree as follows:
基于此，双方达成以下协议：

Article 1 Attorney-in-Fact
代理人

1.1 The Shareholders hereby irrevocably appoint the WFOE as their Attorney-in-Fact (the "**Attorney-in-Fact**," which shall include any substitute attorney-in-fact appointed pursuant to this Agreement) to exercise on its behalf any and all rights that such Shareholder has in respect of its shares in the Company conferred by relevant laws and regulations and the articles of association of the Company, including without limitation, the following rights (collectively, the "**Shareholder Rights**"):
股东在此不可撤销地任命 WFOE 为其代理人（"**代理人**"，其中包括根据本协议任命的任何替补代理人），代表股东行使相关法律法规和公司章程赋予其在公司股份方面的一切权利，包括但不限于以下权利（以下统称"**股东权利**"）：

(a) to call and attend shareholders' meeting of the Company;
召集并出席公司的股东会；

(b) to execute and deliver any and all written resolutions in the name and on behalf of the Shareholders;
代表股东以股东的名义签署和交付任何书面决议；

(c) to vote by himself/herself or by proxy on any matters discussed on shareholders' meetings, including without limitation, the sale, transfer, mortgage, pledge or disposal of any or all of the assets of the Company;
就股东会上讨论的事宜，包括但不限于出售、转让、抵押、质押或处分公司的部分或全部资产，由本人或委托他人投票表决；

(d) to sell, transfer, pledge or dispose of any or all of the shares in the Company;
出售、转让、抵押或处分在公司的部分或全部股份；

(e) to nominate, appoint or remove the directors of the Company when necessary;
在必要时有权提名、任命或罢免公司董事；

(f) to oversee the economic performance of the Company;
监督公司的运营；

(g) to have full access to the financial information of the Company at any time;
随时有权获得公司的财务信息；

(h) to file any shareholder lawsuits or take other legal actions against the Company's directors or senior management members when such directors or members are acting to the detriment of the interest of the Company or its Shareholder(s);
当董事或高级管理人员的行为损害了公司或其股东的利益时，有权对该董事或高级管理人员提起股东诉讼或采取其他法律措施；

(i) to approve annual budgets or declare dividends; and
批准年度预算或分配红利；

(j) any other rights conferred by the articles of association of the Company or the relevant laws and regulations on the Shareholders.
公司章程或有关法律法规赋予股东的其他权利。

1.2 Each Shareholder further agrees and undertakes that without the WFOE's prior written consent, he/she shall not exercise any of the Shareholder Rights.
每位股东进一步同意并承诺，未经 WFOE 事先书面同意，他/她将不会行使任何股东权利。

1.3 The WFOE agrees to accept the appointment as an Attorney-in-Fact. In addition, the WFOE has the right to appoint, at its sole discretion, a substitute or substitutes to perform any or all of its rights of the Attorney-in-Fact under this Agreement, and to revoke the appointment of such substitute or substitutes. The WFOE has the right to make such appointment or revocation of such appointment without prior notice to the Company or Shareholders or any consent or instruction from the Company or Shareholders.
WFOE 同意并接受委任为代理人。此外，WFOE 有权自行决定委任一名或多名替代人，以行使其在该协议中享有的权利，也有权撤销对替代人的任命。WFOE 有权在无需事先通知公司或股东的、也无需公司或股东的同意或指示的情况下，作出此项委任或者撤销此项委任。

1.4 The Company confirms, acknowledges and agrees to the appointment of the Attorney-in-Fact to exercise any and all of the Shareholder Rights on behalf of the Shareholders. The Company further confirms and acknowledges that any and all acts done or to be done, decisions made or to be made, and instruments or other documents executed or to be executed by the Attorney-in-Fact, shall therefore be as valid and effective as if it is done, made or executed by the Shareholders.
公司确认，知晓并同意委任代理人代表股东行使所有股东权利。公司进一步确认并承认，代理人所做出的或将要做出的行为、决定，已签署或将要签署的文件或其他文书，与股东本人所做出或签署文件的行为具有等同的效力。

Article 2 Shareholders' Covenants
股东承诺

The Shareholders hereby covenant as follows:
股东特此做出如下承诺：

2.1 Each Shareholder hereby acknowledges that, if the Shareholder increases its shares in the Company, whether by subscribing additional amount of shares or otherwise, any such additional shares acquired by the Shareholder shall be automatically subject to this Agreement and the Attorney-in-Fact shall have the right to exercise the Shareholder Rights as described in Article 1 hereunder with respect to such additional shares on behalf of the Shareholder. Likewise, if the Shareholder's shares in the Company is transferred to any other party, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, any such shares in the Company so transferred remains subject to this Agreement and the Attorney-in-Fact shall continue to have the right to exercise the Shareholder Rights with respect to such shares in the Company so transferred.
各个股东知晓并同意，如果他们增加了持有公司的股份，无论是通过认购还是其他方式，股东获得的任何额外的股份均应自动受本协议的约束，且代理人有权代表股东行使本协议第一条所述的股东权利。同样，如果股东在公司中的股份通过自愿转让、司法出售或其他方式转让给他人，以此方式转让的公司股份依然受本协议的约束。代理人有权继续就此方式转让的股份行使股东权利。

2.2 Furthermore, for the avoidance of any doubt, if any shares transfer to the WFOE, or its affiliates is contemplated under any Exclusive Option Agreement and Shares Pledge Agreement(s) that the Shareholders enters into for the benefits of the WFOE, or its designees (as the same may be amended from time to time), the Attorney-in-Fact shall, on behalf of the Shareholders, have the right to sign the shares transfer agreement and other relevant agreements and to perform the Exclusive Option Agreement and the Shares Pledge Agreement(s). If required by the WFOE, the Shareholders shall sign any documents and fix the chops thereon and the Shareholders shall take any other actions as necessary for purposes of consummation of the aforesaid equity transfer. The Shareholders shall ensure that such equity transfer be consummated and any transferee shall sign an agreement with the WFOE in a form substantially the same as this Agreement for the same purposes hereof.
此外，为免生疑问，为给 WFOE 或其者附属公司而进行股权转让，出于为 WFOE 或其指定人（可能会不时修改）的利益而签订的独家选择权协议和股权质押协议，代理人有权代表股东签署股份转让协议和其他相关协议，并履行该等《独家选择权协议》和《股份质押协议》。若 WFOE 要求股东签署其他文件并盖章，股东应采取必要的行动以完成上述股份转让。股东应确保完成该等股份转让，受让人均应与 WFOE 签署与本协议形式大致相同的协议，

以达到本协议相同的目的。

2.3 Each Shareholder further agrees, and undertakes to the WFOE that, if the Shareholders receive any dividends, interest, any other forms of capital distributions, residual assets upon liquidation, or proceeds or consideration from the transfer of shares as a result of, or in connection with, such Shareholders' shares in the Company, the Shareholder shall, to the extent permitted by applicable laws, remit all such dividends, interest, capital distributions, assets, proceeds or consideration to the WFOE without any compensation.
各股东进一步同意并承诺，如果股东收到任何股息、利息、任何其他形式的资本分配、清算后的剩余资产，或由于股份主让而产生的收益或对价，股东应在法律允许的范围内，将所有此类股息、利息、资本分配、资产、收益或对价无偿汇给 WFOE。

2.4 Each Shareholder hereby authorizes the Attorney-in-Fact to exercise the Shareholder Rights according to its own judgment without any oral or written instruction from the Shareholders. Each Shareholder undertakes to ratify any acts which the Attorney-in-Fact or any substitutes or agents appointed by the Attorney-in-Fact may lawfully do or cause to be done by the Shareholders pursuant to this Agreement.
各股东特此授权代理人根据自己的判断行使股东权利，而无需股东的任何口头或书面指示。各股东承诺，代理人或代理人指定的替补替代人、代理人委派的代理人，可以根据本协议合法地做或促使股东做任何行为。

2.5 The Shareholders and Company shall not have the rights to revise or terminate this Agreement or revoke the appointment of the Attorney-in-Fact without the prior written consent of the WFOE. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their successors and assignees.
未经 WFOE 事先书面同意，股东无权修改或终止本协议或撤销对代理人的任命。 本协议对当事人及其继承人和受让人具有约束力和继受性。

Article 3 Effective Date and Term
生效日及期限

This Agreement shall become effective as of the date hereof when it is duly executed by the Parties' authorized representatives and shall remain effective as long as the Company exists.
本协议自双方授权代表正式签署之日起生效，并在公司存续状态下持续有效。

Article 4 Entire Agreement
完整协议

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof.
本协议构成各方就本协议所涉事项的完整协议。

Article 5 Governing Law
适用法律

This Agreement shall be construed in accordance with and governed by the laws of the China.
本协议应按照中国法律解释并受其管辖。

Article 6 Dispute Resolution
争议解决

Any dispute arising from or in connection with this Agreement shall be submitted to China International Economic and Trade Arbitration Commission (**CIETAC**) for arbitration which shall be conducted in accordance with the CIETAC's arbitration rules in effect at the time of applying for arbitration. The arbitral award is final and binding upon all Parties. The place of arbitration shall be in Beijing.
任何因本协议引起的或与本协议相关的纠纷，均应提交中国国际经济贸易仲裁委员会（**"贸仲委"**）进行仲裁，该仲裁应按照申请仲裁时有效的贸仲委仲裁规则进行。仲裁裁决是终局裁决，对所有当事方均具有约束力。仲裁地点为北京。

Article 7 Language
语言

This Agreement was written by English and Chinese. The English version shall prevail in case of discrepancy.
本协议由英文和中文书写。两种文本不一致的，以英文为准。

Article 8 Counterparts
副本

This Agreement shall be executed in 12 originals by all Parties, with each Party keeping one original. All originals shall have the same legal effect. The Agreement may be executed in one or more counterparts.
本协议应由所有各方签署十二（12）份正本，每一方应持有一份正本。所有正本应具有相同的法律效力。该协议可以签署一份或多份副本。

[The Remainder of this page is intentionally left blank]
[以下无正文]

Signature page to the Proxy Agreement and Power of Attorney
《代理协议和授权委托书》签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
各方已于首页所示日期正式签署本协议，以昭信守。

Xi'an Cell and Molecule Information Technology Co., Ltd.
西安赛美科信息科技有限公司
(Chop of Xi'an Cell and Molecule Information Technology Co., Ltd.)
（西安赛美科信息科技有限公司盖章处）

Signature:
签字：

Name: Hu Yongwei
姓名：胡永卫

Position: Legal Representative

职位：法定代表人

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
各方已于首页所示日期正式签署本协议，以昭信守。

Xi'AN APP-CHEM BIO (TEC) Co., Ltd.
西安天美生物科技股份有限公司
(Chop of Xi'AN APP-CHEM BIO (TEC) Co., Ltd.)
（西安天美生物科技股份有限公司盖章处）

Signature:
签字：

Name: Hu Yongwei
姓名：胡永卫

Position: Legal Representative

职位：法定代表人

Signature page to the Proxy Agreement and Power of Attorney
《代理协议和授权委托书》签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
各方已于首页所示日期正式签署本协议，以昭信守。

Hu Yongwei
胡永卫

Signature:
签名：

Signature page to the Proxy Agreement and Power of Attorney
《代理协议和授权委托书》签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
各方已于首页所示日期正式签署本协议，以昭信守。

Liu Jing
刘静

Signature:
签名：

Signature page to the Proxy Agreement and Power of Attorney
《代理协议和授权委托书》签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
各方已于首页所示日期正式签署本协议，以昭信守。

Wang Wei
王薇

Signature:
签名：

Signature page to the Proxy Agreement and Power of Attorney
《代理协议和授权委托书》签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
各方已于首页所示日期正式签署本协议，以昭信守。

Liu Jianli
刘建利

Signature:
签名：

Signature page to the Proxy Agreement and Power of Attorney
《代理协议和授权委托书》签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
各方已于首页所示日期正式签署本协议，以昭信守。

Dong Fangfang
董芳芳

Signature:
签名：

Signature page to the Proxy Agreement and Power of Attorney
《代理协议和授权委托书》签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
各方已于首页所示日期正式签署本协议，以昭信守。

Zhang Kai
张凯

Signature:
签名：

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
各方已于首页所示日期正式签署本协议，以昭信守。

Guan Huixia
关会侠

Signature:
签名：

Signature page to the Proxy Agreement and Power of Attorney
《代理协议和授权委托书》签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
各方已于首页所示日期正式签署本协议，以昭信守。

Jia Yizhen
贾怡真

Signature:
签名：

Signature page to the Proxy Agreement and Power of Attorney
《代理协议和授权委托书》签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
各方已于首页所示日期正式签署本协议，以昭信守。

An Yanna
安艳娜

Signature:
签名：

Signature page to the Proxy Agreement and Power of Attorney
《代理协议和授权委托书》签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
各方已于首页所示日期正式签署本协议，以昭信守。

Liu Weihua
刘卫华

Signature:
签名：

Spousal Consent Letter

配偶同意函

Date: 28/5, 2020
日期：2020 年 5 月 28 日

The undersigned, Ye Hao, a People's Republic of China ("**China**" or the "**PRC**") citizen with PRC Identification Card No.: 612727198305232479, is the lawful spouse of An Yanna, a PRC citizen with PRC Identification No.: 612727198711156045. I hereby unconditionally and irrevocably agree to the execution of the following documents (the "**Transaction Documents**") by An Yanna on 5.28, 2020, and the disposal of the shares of Xi'AN APP•CHEM BIO (TEC) Co., Ltd. (the "**Company**") held by An Yanna and registered in her name according to the following documents:
签字人，叶浩（中华人民共和国（以下简称"**中国**"）公民，身份证号为：612727198305232479），是安艳娜（中国公民，身份证号为：612727198711156045）的配偶。本人特此无条件且不可撤销地同意安艳娜于 2020 年 5 月 28 日签署的以下文件（统称为"**交易文件**"），并依据以下文件处置安艳娜持有且登记在其名下的西安天美生物科技股份有限公司（以下简称"**公司**"）的股份。

(1) The Shares Pledge Agreement entered into with Xi'an Cell and Molecule Information Technology Co., Ltd. (the "**WFOE**"), the Company, and all shareholders of the Company;
由西安赛美科信息科技有限公司（以下简称"**WFOE**"）、公司和公司全体股东共同签署的《股份质押协议》；

(2) The Exclusive Option Agreement entered into with the WFOE, the Company, and all shareholders of the Company;
由 WFOE、公司和公司全体股东共同签署的《独家选择权协议》；

(3) The Exclusive Service Agreement entered into with the WFOE and the Company;
由 WFOE 和公司共同签署的《独家服务协议》；

(4)The Loan Agreement entered into with the WFOE and all shareholders of the Company;
由 WFOE 和公司全体股东共同签署的《借款协议》；

(5) The Proxy Agreement entered into with the WFOE, the Company, and all shareholders of the Company; and
由 WFOE、公司和公司全体股东共同签署的《代理协议》；和

(6) The Power of Attorney executed by An Yanna.

安艳娜签署的《授权委托书》。

I hereby undertake not to make any assertions in connection with the shares of the Company which are held by An Yanna. I hereby further confirm that An Yanna can perform the Transaction Documents and further amend or terminate the Transaction Documents without the authorization or consent from me.
本人特此保证不会就安艳娜持有的公司股份主张任何权利。本人进一步确认，安艳娜可以在未经本人授权或同意的情形下执行、修改或终止交易文件。

I hereby undertake to execute all necessary documents and take all necessary actions to ensure appropriate performance of the Transaction Documents (as may be amended from time to time).
本人特此保证，将签署所有必要的文件并采取所有必要的行动，以确保交易文件（现行及不时修订的）的适当履行。

I hereby agree and undertake that if I obtain any shares of the Company which are held by An Yanna for any reasons, I shall be bound by the Transaction Documents (as may be amended from time to time) and comply with the obligations thereunder as a shareholder of the Company. For this purpose, upon the WFOE's request, I shall sign a series of written documents in substantially the same format and content as the Transaction Documents (as may be amended from time to time).
本人特此同意并承诺，无论我因何种原因获得安艳娜持有的公司的股份，都必须受交易文件（现行及不时修订的）约束，并作为公司股东遵守交易文件项下的义务。为此，应 WFOE 的要求，我将签署一系列与交易文件（不时修订的）格式和内容基本相同的书面文件。

[The Remainder of this page is intentionally left blank]
[以下无正文]

Ye Hao
叶浩

Signature:
签字：



Spousal Consent Letter

配偶同意函

Date: 28/5, 2020
日期：2020 年 5 月 28 日

The undersigned, Wu Jianchang, a People's Republic of China ("**China**" or the "**PRC**") citizen with PRC Identification Card No.: 610402196508026558, is the lawful spouse of Dong Fangfang, a PRC citizen with PRC Identification No.: 610402196810016107. I hereby unconditionally and irrevocably agree to the execution of the following documents (the "**Transaction Documents**") by Dong Fangfang on _____, 2020, and the disposal of the shares of Xi'AN APP•CHEM BIO (TEC) Co., Ltd. (the "**Company**") held by Dong Fangfang and registered in her name according to the following documents:
签字人，吴建昌（中华人民共和国（以下简称"**中国**"）公民，身份证号为：610402196508026558），是董芳芳（中国公民，身份证号为：610402196810016107）的配偶。本人特此无条件且不可撤销地同意董芳芳于 2020 年 5 月 28 日签署的以下文件（统称为"**交易文件**"），并依据以下文件处置董芳芳持有且登记在其名下的西安天美生物科技股份有限公司（以下简称"**公司**"）的股份。

(1) The Shares Pledge Agreement entered into with Xi'an Cell and Molecule Information Technology Co., Ltd. (the "**WFOE**"), the Company, and all shareholders of the Company;
由西安赛美科信息科技有限公司（以下简称"**WFOE**"）、公司和公司全体股东共同签署的《股份质押协议》；

(2) The Exclusive Option Agreement entered into with the WFOE, the Company, and all shareholders of the Company;
由 WFOE、公司和公司全体股东共同签署的《独家选择权协议》；

(3) The Exclusive Service Agreement entered into with the WFOE and the Company;
由 WFOE 和公司共同签署的《独家服务协议》；

(4)The Loan Agreement entered into with the WFOE and all shareholders of the Company;
由 WFOE 和公司全体股东共同签署的《借款协议》；

(5) The Proxy Agreement entered into with the WFOE, the Company, and all shareholders of the Company; and
由 WFOE、公司和公司全体股东共同签署的《代理协议》；和

(6) The Power of Attorney executed by Dong Fangfang.

董芳芳签署的《授权委托书》。

I hereby undertake not to make any assertions in connection with the shares of the Company which are held by Dong Fangfang. I hereby further confirm that Dong Fangfang can perform the Transaction Documents and further amend or terminate the Transaction Documents without the authorization or consent from me.
本人特此保证不会就董芳芳持有的公司股份主张任何权利。本人进一步确认，董芳芳可以在未经本人授权或同意的情形下执行、修改或终止交易文件。

I hereby undertake to execute all necessary documents and take all necessary actions to ensure appropriate performance of the Transaction Documents (as may be amended from time to time).
本人特此保证，将签署所有必要的文件并采取所有必要的行动，以确保交易文件（现行及不时修订的）的适当履行。

I hereby agree and undertake that if I obtain any shares of the Company which are held by Dong Fangfang for any reasons, I shall be bound by the Transaction Documents (as may be amended from time to time) and comply with the obligations thereunder as a shareholder of the Company. For this purpose, upon the WFOE's request, I shall sign a series of written documents in substantially the same format and content as the Transaction Documents (as may be amended from time to time).
本人特此同意并承诺，无论我因何种原因获得董芳芳持有的公司的股份，都必须受交易文件（现行及不时修订的）约束，并作为公司股东遵守交易文件项下的义务。为此，应 WFOE 的要求，我将签署一系列与交易文件（不时修订的）格式和内容基本相同的书面文件。

[The Remainder of this page is intentionally left blank]
[以下无正文]

Wu Jianchang
吴建昌

Signature:
签字：

Spousal Consent Letter

配偶同意函

Date: 28/5, 2020
日期：2020 年 5 月 28 日

The undersigned, Zhang Jianxia, a People's Republic of China ("**China**" or the "**PRC**") citizen with PRC Identification Card No.: 610125194604194710, is the lawful spouse of Guan Huixia, a PRC citizen with PRC Identification No.: 610125194705095244. I hereby unconditionally and irrevocably agree to the execution of the following documents (the "**Transaction Documents**") by Guan Huixia on _____, 2020, and the disposal of the shares of Xi'AN APP•CHEM BIO (TEC) Co., Ltd. (the "**Company**") held by Guan Huixia and registered in her name according to the following documents:
签字人，张建侠（中华人民共和国（以下简称"**中国**"）公民，身份证号为：610125194604194710），是关会侠（中国公民，身份证号为：610125194705095244）的配偶。本人特此无条件且不可撤销地同意关会侠于 2020 年 5 月 28 日签署的以下文件（统称为"**交易文件**"），并依据以下文件处置关会侠持有且登记在其名下的西安天美生物科技股份有限公司（以下简称"**公司**"）的股份。

(1) The Shares Pledge Agreement entered into with Xi'an Cell and Molecule Information Technology Co., Ltd. (the "**WFOE**"), the Company, and all shareholders of the Company;
由西安赛美科信息科技有限公司（以下简称"**WFOE**"）、公司和公司全体股东共同签署的《股份质押协议》；

(2) The Exclusive Option Agreement entered into with the WFOE, the Company, and all shareholders of the Company;
由 WFOE、公司和公司全体股东共同签署的《独家选择权协议》；

(3) The Exclusive Service Agreement entered into with the WFOE and the Company;
由 WFOE 和公司共同签署的《独家服务协议》；

(4)The Loan Agreement entered into with the WFOE and all shareholders of the Company;
由 WFOE 和公司全体股东共同签署的《借款协议》；

(5) The Proxy Agreement entered into with the WFOE, the Company, and all shareholders of the Company; and
由 WFOE、公司和公司全体股东共同签署的《代理协议》；和

(6) The Power of Attorney executed by Guan Huixia.

关会侠签署的《授权委托书》。

I hereby undertake not to make any assertions in connection with the shares of the Company which are held by Guan Huixia. I hereby further confirm that Guan Huixia can perform the Transaction Documents and further amend or terminate the Transaction Documents without the authorization or consent from me.
本人特此保证不会就关会侠持有的公司股份主张任何权利。本人进一步确认，关会侠可以在未经本人授权或同意的情形下执行、修改或终止交易文件。

I hereby undertake to execute all necessary documents and take all necessary actions to ensure appropriate performance of the Transaction Documents (as may be amended from time to time).
本人特此保证，将签署所有必要的文件并采取所有必要的行动，以确保交易文件（现行及不时修订的）的适当履行。

I hereby agree and undertake that if I obtain any shares of the Company which are held by Guan Huixia for any reasons, I shall be bound by the Transaction Documents (as may be amended from time to time) and comply with the obligations thereunder as a shareholder of the Company. For this purpose, upon the WFOE's request, I shall sign a series of written documents in substantially the same format and content as the Transaction Documents (as may be amended from time to time).
本人特此同意并承诺，无论我因何种原因获得关会侠持有的公司的股份，都必须受交易文件（现行及不时修订的）约束，并作为公司股东遵守交易文件项下的义务。为此，应 WFOE 的要求，我将签署一系列与交易文件（不时修订的）格式和内容基本相同的书面文件。

[The Remainder of this page is intentionally left blank]
[以下无正文]

Zhang Jianxia
张建侠

Signature:
签字：

Spousal Consent Letter

配偶同意函

Date: 28/5, 2020
日期：2020 年 5 月 28 日

The undersigned, Liu Zhulan, a People's Republic of China ("**China**" or the "**PRC**") citizen with PRC Identification Card No.: 610103196205102867, is the lawful spouse of Liu Jianli, a PRC citizen with PRC Identification No.: 610103195903123695. I hereby unconditionally and irrevocably agree to the execution of the following documents (the "**Transaction Documents**") by Liu Jianli on 28/5, 2020, and the disposal of the shares of Xi'AN APP•CHEM BIO (TEC) Co., Ltd. (the "**Company**") held by Liu Jianli and registered in her name according to the following documents:
签字人，刘竹兰（中华人民共和国（以下简称"**中国**"）公民，身份证号为：610103196205102867），是刘建利（中国公民，身份证号为：610103195903123695）的配偶。本人特此无条件且不可撤销地同意刘建利于 2020 年 5 月 28日签署的以下文件（统称为"**交易文件**"），并依据以下文件处置刘建利持有且登记在其名下的西安天美生物科技股份有限公司（以下简称"**公司**"）的股份。

(1) The Shares Pledge Agreement entered into with Xi'an Cell and Molecule Information Technology Co., Ltd. (the "**WFOE**"), the Company, and all shareholders of the Company;
由西安赛美科信息科技有限公司（以下简称"**WFOE**"）、公司和公司全体股东共同签署的《股份质押协议》；

(2) The Exclusive Option Agreement entered into with the WFOE, the Company, and all shareholders of the Company;
由 WFOE、公司和公司全体股东共同签署的《独家选择权协议》；

(3) The Exclusive Service Agreement entered into with the WFOE and the Company;
由 WFOE 和公司共同签署的《独家服务协议》；

(4)The Loan Agreement entered into with the WFOE and all shareholders of the Company;
由 WFOE 和公司全体股东共同签署的《借款协议》；

(5) The Proxy Agreement entered into with the WFOE, the Company, and all shareholders of the Company; and
由 WFOE、公司和公司全体股东共同签署的《代理协议》；和

(6) The Power of Attorney executed by Liu Jianli.

刘建利签署的《授权委托书》。

I hereby undertake not to make any assertions in connection with the shares of the Company which are held by Liu Jianli. I hereby further confirm that Liu Jianli can perform the Transaction Documents and further amend or terminate the Transaction Documents without the authorization or consent from me.
本人特此保证不会就刘建利持有的公司股份主张任何权利。本人进一步确认，刘建利可以在未经本人授权或同意的情形下执行、修改或终止交易文件。

I hereby undertake to execute all necessary documents and take all necessary actions to ensure appropriate performance of the Transaction Documents (as may be amended from time to time).
本人特此保证，将签署所有必要的文件并采取所有必要的行动，以确保交易文件（现行及不时修订的）的适当履行。

I hereby agree and undertake that if I obtain any shares of the Company which are held by Liu Jianli for any reasons, I shall be bound by the Transaction Documents (as may be amended from time to time) and comply with the obligations thereunder as a shareholder of the Company. For this purpose, upon the WFOE's request, I shall sign a series of written documents in substantially the same format and content as the Transaction Documents (as may be amended from time to time).
本人特此同意并承诺，无论我因何种原因获得刘建利持有的公司的股份，都必须受交易文件（现行及不时修订的）约束，并作为公司股东遵守交易文件项下的义务。为此，应 WFOE 的要求，我将签署一系列与交易文件（不时修订的）格式和内容基本相同的书面文件。

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[以下无正文]

Liu Zhulan
刘竹兰

Signature:
签字：刘竹兰

Spousal Consent Letter

配偶同意函

Date: 28/1, 2020
日期：2020 年 1 月 28 日

The undersigned, Jiang Xiaoli, a People's Republic of China ("**China**" or the "**PRC**") citizen with PRC Identification Card No.: 610402197009080802, is the lawful spouse of Liu Weihua, a PRC citizen with PRC Identification No.: 610402197008141255. I hereby unconditionally and irrevocably agree to the execution of the following documents (the "**Transaction Documents**") by Liu Weihua on 28/1, 2020, and the disposal of the shares of Xi'AN APP•CHEM BIO (TEC) Co., Ltd. (the "**Company**") held by Liu Weihua and registered in his name according to the following documents:
签字人，蒋小莉（中华人民共和国（以下简称"**中国**"）公民，身份证号为：610402197009080802），是刘卫华（中国公民，身份证号为：610402197008141255）的配偶。本人特此无条件且不可撤销地同意刘卫华于 2020 年 1 月 28 日签署的以下文件（统称为"**交易文件**"），并依据以下文件处置刘卫华持有且登记在其名下的西安天美生物科技股份有限公司（以下简称"**公司**"）的股份。

(1) The Shares Pledge Agreement entered into with Xi'an Cell and Molecule Information Technology Co., Ltd. (the "**WFOE**"), the Company, and all shareholders of the Company;
由西安赛美科信息科技有限公司（以下简称"**WFOE**"）、公司和公司全体股东共同签署的《股份质押协议》；

(2) The Exclusive Option Agreement entered into with the WFOE, the Company, and all shareholders of the Company;
由 WFOE、公司和公司全体股东共同签署的《独家选择权协议》；

(3) The Exclusive Service Agreement entered into with the WFOE and the Company;
由 WFOE 和公司共同签署的《独家服务协议》；

(4)The Loan Agreement entered into with the WFOE and all shareholders of the Company;
由 WFOE 和公司全体股东共同签署的《借款协议》；

(5) The Proxy Agreement entered into with the WFOE, the Company, and all shareholders of the Company; and
由 WFOE、公司和公司全体股东共同签署的《代理协议》；和

(6) The Power of Attorney executed by Liu Weihua.

刘卫华签署的《授权委托书》。

I hereby undertake not to make any assertions in connection with the shares of the Company which are held by Liu Weihua. I hereby further confirm that Liu Weihua can perform the Transaction Documents and further amend or terminate the Transaction Documents without the authorization or consent from me.
本人特此保证不会就刘卫华持有的公司股份主张任何权利。本人进一步确认，刘卫华可以在未经本人授权或同意的情形下执行、修改或终止交易文件。

I hereby undertake to execute all necessary documents and take all necessary actions to ensure appropriate performance of the Transaction Documents (as may be amended from time to time).
本人特此保证，将签署所有必要的文件并采取所有必要的行动，以确保交易文件（现行及不时修订的）的适当履行。

I hereby agree and undertake that if I obtain any shares of the Company which are held by Liu Weihua for any reasons, I shall be bound by the Transaction Documents (as may be amended from time to time) and comply with the obligations thereunder as a shareholder of the Company. For this purpose, upon the WFOE's request, I shall sign a series of written documents in substantially the same format and content as the Transaction Documents (as may be amended from time to time).
本人特此同意并承诺，无论我因何种原因获得刘卫华持有的公司的股份，都必须受交易文件（现行及不时修订的）约束，并作为公司股东遵守交易文件项下的义务。为此，应 WFOE 的要求，我将签署一系列与交易文件（不时修订的）格式和内容基本相同的书面文件。

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[以下无正文]

Jiang Xiaoli
蒋小莉

Signature:
签字：

Spousal Consent Letter

配偶同意函

Date: 28 / 5, 2020
日期：2020 年 5 月 28 日

The undersigned, Wen Jianbo, a People's Republic of China ("**China**" or the "**PRC**") citizen with PRC Identification Card No.: 610221197512100813, is the lawful spouse of Wang Wei, a PRC citizen with PRC Identification No.: 610202197506020826. I hereby unconditionally and irrevocably agree to the execution of the following documents (the "**Transaction Documents**") by Wang Wei on 28/5, 2020, and the disposal of the shares of Xi'AN APP•CHEM BIO (TEC) Co., Ltd. (the "**Company**") held by Wang Wei and registered in her name according to the following documents:
签字人，文剑波（中华人民共和国（以下简称"**中国**"）公民，身份证号为：610221197512100813），是王薇（中国公民，身份证号为：610202197506020826）的配偶。本人特此无条件且不可撤销地同意王薇于 2020 年 5 月 28 日签署的以下文件（统称为"**交易文件**"），并依据以下文件处置王薇持有且登记在其名下的西安天美生物科技股份有限公司（以下简称"**公司**"）的股份。

(1) The Shares Pledge Agreement entered into with Xi'an Cell and Molecule Information Technology Co., Ltd. (the "**WFOE**"), the Company, and all shareholders of the Company;
由西安赛美科信息科技有限公司（以下简称"**WFOE**"）、公司和公司全体股东共同签署的《股份质押协议》；

(2) The Exclusive Option Agreement entered into with the WFOE, the Company, and all shareholders of the Company;
由 WFOE、公司和公司全体股东共同签署的《独家选择权协议》；

(3) The Exclusive Service Agreement entered into with the WFOE and the Company;
由 WFOE 和公司共同签署的《独家服务协议》；

(4)The Loan Agreement entered into with the WFOE and all shareholders of the Company;
由 WFOE 和公司全体股东共同签署的《借款协议》；

(5) The Proxy Agreement entered into with the WFOE, the Company, and all shareholders of the Company; and
由 WFOE、公司和公司全体股东共同签署的《代理协议》；和

(6) The Power of Attorney executed by Wang Wei.

王薇签署的《授权委托书》。

I hereby undertake not to make any assertions in connection with the shares of the Company which are held by Wang Wei. I hereby further confirm that Wang Wei can perform the Transaction Documents and further amend or terminate the Transaction Documents without the authorization or consent from me.
本人特此保证不会就王薇持有的公司股份主张任何权利。本人进一步确认，王薇可以在未经本人授权或同意的情形下执行、修改或终止交易文件。

I hereby undertake to execute all necessary documents and take all necessary actions to ensure appropriate performance of the Transaction Documents (as may be amended from time to time).
本人特此保证，将签署所有必要的文件并采取所有必要的行动，以确保交易文件（现行及不时修订的）的适当履行。

I hereby agree and undertake that if I obtain any shares of the Company which are held by Wang Wei for any reasons, I shall be bound by the Transaction Documents (as may be amended from time to time) and comply with the obligations thereunder as a shareholder of the Company. For this purpose, upon the WFOE's request, I shall sign a series of written documents in substantially the same format and content as the Transaction Documents (as may be amended from time to time).
本人特此同意并承诺，无论我因何种原因获得王薇持有的公司的股份，都必须受交易文件（现行及不时修订的）约束，并作为公司股东遵守交易文件项下的义务。为此，应 WFOE 的要求，我将签署一系列与交易文件（不时修订的）格式和内容基本相同的书面文件。

[The Remainder of this page is intentionally left blank]
[以下无正文]

Wen Jianbo
文剑波

Signature:
签字：

Spousal Consent Letter

配偶同意函

Date: 28/7, 2020
日期：2020 年 7 月 28 日

The undersigned, Hu Huan, a People's Republic of China ("**China**" or the "**PRC**") citizen with PRC Identification Card No.: 610115199010194027, is the lawful spouse of Zhang Kai, a PRC citizen with PRC Identification No.: 610122198703251716. I hereby unconditionally and irrevocably agree to the execution of the following documents (the "**Transaction Documents**") by Zhang Kai on 28/7, 2020, and the disposal of the shares of Xi'AN APP•CHEM BIO (TEC) Co., Ltd. (the "**Company**") held by Zhang Kai and registered in his name according to the following documents:
签字人，胡欢（中华人民共和国（以下简称"**中国**"）公民，身份证号为：610115199010194027），是张凯（中国公民，身份证号为：610122198703251716）的配偶。本人特此无条件且不可撤销地同意张凯于 2020 年 7 月 28 日签署的以下文件（统称为"**交易文件**"），并依据以下文件处置张凯持有且登记在其名下的西安天美生物科技股份有限公司（以下简称"**公司**"）的股份。

(1) The Shares Pledge Agreement entered into with Xi'an Cell and Molecule Information Technology Co., Ltd. (the "**WFOE**"), the Company, and all shareholders of the Company;
由西安赛美科信息科技有限公司（以下简称"**WFOE**"）、公司和公司全体股东共同签署的《股份质押协议》；

(2) The Exclusive Option Agreement entered into with the WFOE, the Company, and all shareholders of the Company;
由 WFOE、公司和公司全体股东共同签署的《独家选择权协议》；

(3) The Exclusive Service Agreement entered into with the WFOE and the Company;
由 WFOE 和公司共同签署的《独家服务协议》；

(4)The Loan Agreement entered into with the WFOE and all shareholders of the Company;
由 WFOE 和公司全体股东共同签署的《借款协议》；

(5) The Proxy Agreement entered into with the WFOE, the Company, and all shareholders of the Company; and
由 WFOE、公司和公司全体股东共同签署的《代理协议》；和

(6) The Power of Attorney executed by Zhang Kai.

张凯签署的《授权委托书》。

I hereby undertake not to make any assertions in connection with the shares of the Company which are held by Zhang Kai. I hereby further confirm that Zhang Kai can perform the Transaction Documents and further amend or terminate the Transaction Documents without the authorization or consent from me.
本人特此保证不会就张凯持有的公司股份主张任何权利。本人进一步确认，张凯可以在未经本人授权或同意的情形下执行、修改或终止交易文件。

I hereby undertake to execute all necessary documents and take all necessary actions to ensure appropriate performance of the Transaction Documents (as may be amended from time to time).
本人特此保证，将签署所有必要的文件并采取所有必要的行动，以确保交易文件（现行及不时修订的）的适当履行。

I hereby agree and undertake that if I obtain any shares of the Company which are held by Zhang Kai for any reasons, I shall be bound by the Transaction Documents (as may be amended from time to time) and comply with the obligations thereunder as a shareholder of the Company. For this purpose, upon the WFOE's request, I shall sign a series of written documents in substantially the same format and content as the Transaction Documents (as may be amended from time to time).
本人特此同意并承诺，无论我因何种原因获得张凯持有的公司的股份，都必须受交易文件（现行及不时修订的）约束，并作为公司股东遵守交易文件项下的义务。为此，应 WFOE 的要求，我将签署一系列与交易文件（不时修订的）格式和内容基本相同的书面文件。

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[以下无正文]

Hu Huan
胡欢

Signature:
签字：胡欢

Spousal Consent Letter

配偶同意函

Date: 28/4, 2020
日期：2020 年 4 月 28 日

The undersigned, Hu Yongwei, a People's Republic of China ("**China**" or the "**PRC**") citizen with PRC Identification Card No.: 610103197108023635, is the lawful spouse of Liu Jing, a PRC citizen with PRC Identification No.: 610113197812110065. I hereby unconditionally and irrevocably agree to the execution of the following documents (the "**Transaction Documents**") by Liu Jing on 28/4, 2020, and the disposal of the shares of Xi'AN APP•CHEM BIO (TEC) Co., Ltd. (the "**Company**") held by Liu Jing and registered in her name according to the following documents:
签字人，胡永卫（中华人民共和国（以下简称"**中国**"）公民，身份证号为：610103197108023635），是刘静（中国公民，身份证号为：610113197812110065）的配偶。本人特此无条件且不可撤销地同意刘静于 2020 年 4 月 28 日签署的以下文件（统称为"**交易文件**"），并依据以下文件处置刘静持有且登记在其名下的西安天美生物科技股份有限公司（以下简称"**公司**"）的股份。

(1) The Shares Pledge Agreement entered into with Xi'an Cell and Molecule Information Technology Co., Ltd. (the "**WFOE**"), the Company, and all shareholders of the Company;
由西安赛美科信息科技有限公司（以下简称"**WFOE**"）、公司和公司全体股东共同签署的《股份质押协议》；

(2) The Exclusive Option Agreement entered into with the WFOE, the Company, and all shareholders of the Company;
由 WFOE、公司和公司全体股东共同签署的《独家选择权协议》；

(3) The Exclusive Service Agreement entered into with the WFOE and the Company;
由 WFOE 和公司共同签署的《独家服务协议》；

(4)The Loan Agreement entered into with the WFOE and all shareholders of the Company;
由 WFOE 和公司全体股东共同签署的《借款协议》；

(5) The Proxy Agreement entered into with the WFOE, the Company, and all shareholders of the Company; and
由 WFOE、公司和公司全体股东共同签署的《代理协议》；和

(6) The Power of Attorney executed by Liu Jing.

刘静签署的《授权委托书》。

I hereby undertake not to make any assertions in connection with the shares of the Company which are held by Liu Jing. I hereby further confirm that Liu Jing can perform the Transaction Documents and further amend or terminate the Transaction Documents without the authorization or consent from me.
本人特此保证不会就刘静持有的公司股份主张任何权利。本人进一步确认，刘静可以在未经本人授权或同意的情形下执行、修改或终止交易文件。

I hereby undertake to execute all necessary documents and take all necessary actions to ensure appropriate performance of the Transaction Documents (as may be amended from time to time).
本人特此保证，将签署所有必要的文件并采取所有必要的行动，以确保交易文件（现行及不时修订的）的适当履行。

I hereby agree and undertake that if I obtain any shares of the Company which are held by Liu Jing for any reasons, I shall be bound by the Transaction Documents (as may be amended from time to time) and comply with the obligations thereunder as a shareholder of the Company. For this purpose, upon the WFOE's request, I shall sign a series of written documents in substantially the same format and content as the Transaction Documents (as may be amended from time to time).
本人特此同意并承诺，无论我因何种原因获得刘静持有的公司的股份，都必须受交易文件（现行及不时修订的）约束，并作为公司股东遵守交易文件项下的义务。为此，应 WFOE 的要求，我将签署一系列与交易文件（不时修订的）格式和内容基本相同的书面文件。

[The Remainder of this page is intentionally left blank]
[以下无正文]

Hu Yongwei
胡永卫

Signature:
签字：

Spousal Consent Letter

配偶同意函

Date: 28/5, 2020
日期：2020 年 5 月 28 日

The undersigned, Liu Jing, a People's Republic of China ("**China**" or the "**PRC**") citizen with PRC Identification Card No.: 610113197812110065, is the lawful spouse of Hu Yongwei, a PRC citizen with PRC Identification No.: 610103197108023635. I hereby unconditionally and irrevocably agree to the execution of the following documents (the "**Transaction Documents**") by Hu Yongwei on 28/5, 2020, and the disposal of the shares of Xi'AN APP•CHEM BIO (TEC) Co., Ltd. (the "**Company**") held by Hu Yongwei and registered in his name according to the following documents:
签字人，刘静（中华人民共和国（以下简称"**中国**"）公民，身份证号为：610113197812110065），是胡永卫（中国公民，身份证号为：610103197108023635）的配偶。本人特此无条件且不可撤销地同意胡永卫于 2020 年 5 月 28 日签署的以下文件（统称为"**交易文件**"），并依据以下文件处置胡永卫持有且登记在其名下的西安天美生物科技股份有限公司（以下简称"**公司**"）的股份。

(1) The Shares Pledge Agreement entered into with Xi'an Cell and Molecule Information Technology Co., Ltd. (the "**WFOE**"), the Company, and all shareholders of the Company;
由西安赛美科信息科技有限公司（以下简称"**WFOE**"）、公司和公司全体股东共同签署的《股份质押协议》；

(2) The Exclusive Option Agreement entered into with the WFOE, the Company, and all shareholders of the Company;
由 WFOE、公司和公司全体股东共同签署的《独家选择权协议》；

(3) The Exclusive Service Agreement entered into with the WFOE and the Company;
由 WFOE 和公司共同签署的《独家服务协议》；

(4)The Loan Agreement entered into with the WFOE and all shareholders of the Company;
由 WFOE 和公司全体股东共同签署的《借款协议》；

(5) The Proxy Agreement entered into with the WFOE, the Company, and all shareholders of the Company; and
由 WFOE、公司和公司全体股东共同签署的《代理协议》；和

(6) The Power of Attorney executed by Hu Yongwei.

胡永卫签署的《授权委托书》。

I hereby undertake not to make any assertions in connection with the shares of the Company which are held by Hu Yongwei. I hereby further confirm that Hu Yongwei can perform the Transaction Documents and further amend or terminate the Transaction Documents without the authorization or consent from me.
本人特此保证不会就胡永卫持有的公司股份主张任何权利。本人进一步确认，胡永卫可以在未经本人授权或同意的情形下执行、修改或终止交易文件。

I hereby undertake to execute all necessary documents and take all necessary actions to ensure appropriate performance of the Transaction Documents (as may be amended from time to time).
本人特此保证，将签署所有必要的文件并采取所有必要的行动，以确保交易文件（现行及不时修订的）的适当履行。

I hereby agree and undertake that if I obtain any shares of the Company which are held by Hu Yongwei for any reasons, I shall be bound by the Transaction Documents (as may be amended from time to time) and comply with the obligations thereunder as a shareholder of the Company. For this purpose, upon the WFOE's request, I shall sign a series of written documents in substantially the same format and content as the Transaction Documents (as may be amended from time to time).
本人特此同意并承诺，无论我因何种原因获得胡永卫持有的公司的股份，都必须受交易文件（现行及不时修订的）约束，并作为公司股东遵守交易文件项下的义务。为此，应 WFOE 的要求，我将签署一系列与交易文件（不时修订的）格式和内容基本相同的书面文件。

[The Remainder of this page is intentionally left blank]
[以下无正文]

Liu Jing
刘静

Signature:
签字：

7、乙方的竞业限制补偿金由甲方按季度向其支付。乙方领取补偿金时，应向甲方出示当前的任职情况证明，经甲方向乙方工作单位确认后方可领取。乙方逾期一个季度未能向甲方提交任职情况证明，视为放弃该季度的补偿金。

8、乙方被新单位录用后应在一周内将新单位的名称及乙方的职位通知甲方。同时乙方应将自己负有竞业限制义务的情况告知其工作单位并将新单位的知晓证明文件提供给甲方。

9、甲方如认为乙方已无竞业限制必要，有权随时通知乙方终止其竞业限制义务，自通知按乙方提供的地址发出七日后，乙方竞业限制义务终止，甲方应按照乙方已承担竞业限制义务的时间支付竞业限制补偿金。

10、乙方可与甲方协商解除竞业限制义务，但乙方不得单方面终止自己的竞业限制义务。

11、甲方逾期支付竞业限制补偿金，应按银行同期贷款利率支付违约金。

12、乙方违反本协议第 1 条，应立即与甲方竞争单位脱离关系，继续履行本协议，并按照违约期间本合同约定的竞业限制补偿金的两倍支付违约金。无法确定违约时间长短的，按照一年计算，甲方因此而受到的损失大于该违约金的，应赔偿甲方因此受到的全部损失。损失额依照以下三种方式计算，以计算结果最高的为准：获取或开发该产品技术的全部费用；甲方相关业务因此损失的利润；竞争单位相关业务因此取得的利润。

13、乙方违反本协议第 2 条，应立即停止违约，继续履行本协议外，向甲方支付违约金 10，0000 元，违约金不足以补偿甲方损失的，乙方还应赔偿甲方因此受到的所有损失，计算标准参照第 12 条。

14、因履行本协议发生争议，双方首先应协商解决，如协商不成，任何一方提起的诉讼均由甲方所在地人民法院管辖。

15、本合同所称甲方关联公司以乙方离开甲方时本集团名单为准。

16、双方传递文件的通讯地址如下：

甲方：西安高新区锦业路 69 号创业研发园 C601 室　　邮编：710077

乙方：　　邮编：

任何一方变更通讯地址均应以书面方式及时通知对方，否则视为未变更。

17、本协议双方签字盖章后生效，一式两份，双方各执一份，具有同等效力。

甲方（签字盖章）： 代 表 人： 日　　期：2014 年 11 月 3 日	乙方（签字盖章）： 日　　期：2014 年 11 月 3 日

劳动合同

Labor Contract

甲　　方：西安应化生物技术有限公司

公司地址：中国•西安高新区锦业路 69 号创业研发园 C601 室

电　　话：029-88346301

邮　　编：710077

Party A: Xi'an App-Chem Bio (Tech) Co.,Ltd
Address: Room C601, Entrepreneurship Research and Development Park, No. 69, Jinye Road, Xi'an Hi-Tech Industries Development Zone, China
Telephone: 029-88346301
Postal Code: 710077

乙　　方：胡永上

身份证号：610103197108023635

地　　址：西安市莲湖区莲湖路34号

电　　话：18066610998

邮　　编：

Party B: Yongwei Hu
ID Number: 610103197108023635
Address: No. 34, Caotan Road, Lianhu District, Xi' an
Telephone: 18066610998
Postal Code:

劳动合同书

编号：_____

Term of Labor Contract

根据《中华人民共和[illegible]自愿签订本合同，共同遵守本合同所列条款。

一、劳动合同期限

第一条 本合同为无固定期限劳动合同。

本合同于 2014 年 11 月 3 日生效。

二、工作内容

第二条 乙方根据甲方要求，经过协商，从事 总经理 岗位工作。甲方可[illegible]乙方服[illegible]的工作

1. The term of this labor contract is open-ended.
This labor contract becomes effective on November 3, 2014.
II. Job descriptions
2. Party B agrees to be employed as Chief Executive according to the requirements of Party A and through consultations between both Parties.

第四条 甲乙双方在工作时间和休息方面协商一致，控制加班加点，保证乙方的休息与身心健康，甲方因工作需要必须安排乙方加班加点的，应与乙方协商同意，给予乙方换休或支付加班工资。

第五条 甲方为乙方提供必要的劳动条件和劳动工具，建立健全生产工艺流程，制定操作规程、工作规范和劳动安全卫生制度及其标准。

第六条 甲方负责对乙方进行政治思想、职业道德、业务技术、劳动安全卫生及有关规章制度的教育和培训。

第七条 乙方在劳动过程中必须严格遵守安全操作规程。乙方对甲方管理人员违章指挥、强令冒险作业，有权拒绝执行。

四、劳动报酬

第八条 甲方的工资分配应遵循按劳分配原则，实行同工同酬。乙方在规定的工作时间内提供了正常的劳动，完成规定的工作任务，甲方每月 15 日以货币形式支付乙方工资，不得无故克扣或者拖欠乙方的工资。

第九条 乙方的工资报酬按照甲方依法制定的规章制度中的内部工资分配办法及乙方的工作岗位确定。

第十条 甲方对乙方实行基本工资和绩效工资相结合的内部工资分配办法，以后根据内部工资分配办法调整其工资；绩效工资根据乙方的工作业绩、劳动成果和实际贡献按照内部分配办法考核确定。

五、保险福利待遇

第十一条 双方依法参加社会保险，按时缴纳各项社会保险费，其中依法应由乙方缴纳的部分，由甲方从乙方工资报酬中代扣代缴。

第十二条 甲方应当将为乙方缴纳各项社会保险费的情况公示，乙方有权向甲方查询其各项社会保险的缴费情况，甲方应当提供帮助。

六、劳动纪律

第十三条 乙方应遵守甲方的规章制度；严格遵守劳动安全卫生、生产工艺、操作规程和工作规范 ；爱护甲方的财产，遵守职业道德；积极参加甲方组织的培训，提高思想觉悟和职业技能。

第十四条 乙方违反劳动纪律，甲方可根据本单位规章制度，给予纪律处分直至解除本合同。

七、劳动合同的变更、解除、终止、续订

第十五条 订本合同所依据的法律行政法规、规章制度发生变化，本合同应变更相关内容。

第十六条 订立本合同所依据的客观情况发生重大变化，致使本合同无法履行的，经甲乙双方协商同意，可以变更本合同相关内容。

第十七条 经甲乙双方协商一致，本合同可以解除。

第十八条 乙方有下列情形之一，甲方可以解除本合同：

1、在试用期间，经试用不符合录用条件的；

2、乙方所提供个人资料不实的；

3、严重违反劳动纪律或甲方规章制度的；

4、严重失职、营私舞弊，对甲方利益造成重大损害的；

5、被依法追究刑事责任的。

第十九条 下列情形之一，甲方可解除本合同：

1、乙方患病或非因工负伤，医疗期满后，不能从事原工作或甲方另行安排的工作的；

2、乙方转正后不能胜任工作；

3、双方不能依据本合同第十六条规定就变更合同达成协议的。

第二十条 甲方濒临破产进行法定整顿期间或者生产经营发生严重困难，经向全体职工说明情况，听取职工的意见，并向劳动行政部门报告后，可以解除本合同。

第二十一条 乙方解除劳动合同，应当提前 30 日以书面形式通知甲方（《保密协议》和《竞业禁止协议》另有约定的从约定）。

第二十二条 有下列情形之一，乙方可以随时通知甲方解除合同：

1、在试用期内的；

2、甲方以暴力、威胁、监禁或者非法限制人身自由的手段强迫劳动的；

3、甲方不能按照本合同规定支付劳动报酬或者提供劳动条件的。

第二十三条 本合同期限届满 ，劳动合同即终止。双方当事人在本合同期满前 30 天向对方表示续订意向。甲乙双方经协商同意，可以续订劳动合同。

八、经济补偿与赔偿

第二十四条 下列情形之一，甲方应通知乙方，并结清乙方工资：

1、乙方转正后不能胜任工作，由甲方解除劳动合同的。

2、劳动合同订立时所依据的客观情况发生重大变化，致使本合同无法履行，经当事人协商不能就变更劳动合同达成协议，由甲方解除劳动合同的；

3、甲方濒临破产进行法定整顿期间或者生产经营状况发生严重困难，必须裁减人员的。

第二十五条 甲方违反本合同约定的条件解除劳动合同或由于甲方原因订立的无效劳动合同，给乙方造成损害的，应按损失程度承担赔偿责任。

第二十六条 乙方违反本合同约定的条件解除劳动合同，对甲方造成经济损失的，应依法赔偿相应损失。

第二十七条 乙方解除本合同的，凡由甲方出资参加培训或参加国际展会，应向甲方偿付培训费或参加展会个人费用。其标准为：服务（工作）每满一年培训费按总额的 20%递减，服务（工作）满 5 年不再偿付；服务（工作）每满一年参加国际展会个人费用按总额的 50%递减，服务（工作）满 2 年不再偿付。

第二十八条 乙方由于工作失误，未能尽到合同约定职责范围内的责任，所造成的损失依据公司相关规定进行处罚。

九、劳动争议处理

第二十九条 因履行本合同发生的劳动争议，当事人可以向本单位劳动争议调解委员会申请调解；调解不成，当事人一方要求仲裁的，应当自劳动争议发生之日起六十日内向西安市劳动争议仲裁委员会申请仲裁。当事人一方也可以直接向劳动争议仲裁委员会申请仲裁。对裁决不服的，可以向人民法院提起诉讼。

十、其他约定

第三十条 双方就保护商业秘密及竞业限制等事宜另行签订协议，协议作为本合同附件具有同等法律效应。

第三十一条 乙方个人履历及相关证件作为本合同附件。

第三十二条 乙方应对个人待遇及相关奖金等严格保密，不得与公司内部人员进行交流，不得询问、讨论、告知工资待遇问题，一经发现即做开除处理。

第三十三条 本合同未尽事宜，双方协商解决。

第三十四条 本合同一式两份，甲乙双方各执一份。

甲方（签字盖章）：陕西应化生物技术有限公司 代 表 人： 日　　期：2014年11月3日	乙方（签字盖章）： 日　　期：2014年11月3日

保密协议

甲　　方：西安应化生物技术有限公司　　乙　　方：胡永卫

地　　址：西安高新区锦业路 69 号创业研发园 C601 室

Confidentiality Agreement

Party A: Xi'an App-Chem Bio (Tech) Co.,Ltd　Party B: Yongwei Hu

Address: Room C601, Entrepreneurship Research and Development Park, No. 69, Jinye Road, Xi'an Hi-Tech Industries Development Zone, Xi'an

漏甲方商业秘密会对甲方利益造成损害。为保护甲方的知识产权及商业秘密，维护甲方及乙方共同的长远利益，双方自愿约定如下：

第一条：为确保乙方所承诺的保守甲方非专利技术和商业秘密的责任（以下简称商业秘密），维护双方的合法权益，特签订本协议。

第二条：商业秘密的范围：包括但不限于甲方所有或与甲方业务有关的、具有商业价值、目前尚未公知的且甲方认为需要保密的技术方案、技术文档、客户名单和联系方式、行销计划、发展规划、财务资料、程序文件、公司档案等方面的内容。

第三条：　包括但不限于下列事项属于甲方的商业秘密的范围：

1、　影响企业生产和发展的事项；

2、　影响企业技术进步的事项；

3、　影响企业营销活动的事项；

4、　使企业在商业竞争中处于被动或不利的事项；

5、　使企业直接或间接的经济利益受到损害的事项；

6、　影响企业对外交流和商业谈判顺利进行的事项；

7、　影响企业稳定和安全的事项；

8、　影响企业对外承担保密义务的事项。

第四条：乙方因工作需要接触或使用甲方的商业秘密，应在甲方要求的范围、程度范围内合理使用。乙方不得将含有甲方商业秘密的资料擅自带离工作岗位，不能通过任何途径泄漏给第三方。

第五条：乙方受聘于甲方期间，承诺不会泄漏虽不属于甲方但甲方对第三方承诺有保密义务的商业秘密，若因违反上述承诺而导致甲方被第三方追究法律责任时，乙方承担由此产生的全部法律责任。

第六条：乙方受聘于甲方期间，承诺不直接或间接从事同甲方具有竞争性的业务，不得同时接受甲方竞争对手的任何形式的聘用，不为甲方竞争对手提供任何形式的咨询、顾问服务。

第七条：乙方因工作需要或其他原因调离现有工作岗位或离职时，应将接触到的所有记录着甲方商业秘密信息的文件、资料、报告、信件、传真、磁带、磁盘、仪器以及其他形式的载体（包括但不限于上述内容）交回甲方，并办妥有关手续，所有记录均为甲方绝对的财产，乙方保证信息不外泄，不得以任何形式留存甲方商业秘密信息，也不能得以任何方式再现、复制或传递，更不得利用前述信息谋取利益。

第八条：甲方没有规定或者规定不明确之处，乙方有义务直接采取合理的措施以防止甲方商业秘密被第三方非法使用或者泄漏。

第九条：乙方承诺离职后承担与任职期间同样的保密义务和不能使用有关秘密信息的义务，不得利用甲方商业秘密进行新的研究和开发，直到这些信息在本行业中成为公知信息为止。

第十条：乙方若违反本协议的任何一条款，视为乙方违约，乙方须承担由其违约行为而给甲方造成的全部直接损失和间接损失。

第十一条：双方应努力通过友好协商解决由本协议产生的或与本协议有关的所有争议，违反本协议引起的争议，甲乙双方均可向有管辖权的人民法院提起诉讼，诉讼过程中，双方应尽可能得继续履行本协议除争议事项外的其余部分。

第十二条：双方意图在法律允许的范围内最大限度上执行本协议，但本协议任何部分的不可执行不应影响或削弱本协议其余部分的可执行性，以便在法律允许的范围内最大限度地反映双方的原意。

第十三条：乙方承认已经阅读本协议，并确切了解协议中的法律含义。

第十四条：本协议为甲乙双方所签《劳动合同书》的附件，为《劳动合同书》不可分割的部分，本协议与《劳动合同书》内容不一致的，以本协议的内容为准。

第十五条：本协议一式两份，甲乙双方各执一份，具有同等效力，自双方盖章签字之日起生效。

甲方（签字盖章）： 代 表 人： 日　　期：2014年11月3日	乙方（签字盖章）： 日　　期：2014年11月3日

竞业限制协议

甲　　方：西安应化生物技术有限公司　　乙　　方：胡永卫

地　　址：西安高新区锦业路 69 号创业研发园 C601 室

Non-Competition Agreement

Party A: Xi' an App-Chem Bio (Tech) Co., Ltd.　Party B: Yongwei Hu
Address: Room C601, Entrepreneurship Research and Development Park, No. 69, Jinye Road, Xi'an Hi-Tech Industries Development Zone, China

根据劳动部、国家科委的有关规定及其他相关法律，双方协商一致签订以下竞业限制协议。

1、乙方在甲方工作期间及乙方从甲方离职之日起 三 年内，乙方不得在与甲方及甲方关联公司有竞争关系的单位内任职或以任何方式为其服务，也不得自己生产、经营与甲方及甲方关联公司有竞争关系的同类产品或业务。

1. Party B, during his/her employment at Party A and within 3 years after the termination of his/her employment, shall not by any means be employed or served at competitive companies of Party A and any of its affiliated companies, or produce similar products and operate businesses that are competitive to the products and businesses of Party A and any of its affiliated companies.

3、第 1 条所指的"有竞争关系"是指与该员工离职时甲方及其关联公司已开展的业务有竞争关系；有竞争关系的单位包括与甲方及其关联公司直接竞争的单位及其直接或间接参股或控股或受同一公司控制的的单位。

4、乙方从甲方离职时，应提前与甲方确认其是否开始离职后的竞业限制义务。甲方如确认乙方有竞业限制必要，应发给《竞业限制开始通知书》，乙方离职后竞业限制义务开始；甲方如确认乙方无竞业限制必要，应发给《竞业限制终止通知书》，乙方无需承担离职后竞业限制义务。

5、乙方在离开甲方时未提出确认申请的，其离职后竞业限制义务自其离开在甲方的工作岗位之日起自动开始，竞业限制期内该员工可以向甲方提出竞业限制确认申请，甲方确认乙方有竞业限制必要并发给《竞业限制开始通知书》后，乙方可以开始领取竞业限制补偿金，但在此之前的竞业限制补偿金视为乙方主动放弃。甲方确认乙方无竞业限制必要时应发给《竞业限制终止通知书》，乙方竞业限制义务终止，在此之前即使乙方履行了竞业限制义务也无权领取补偿金。

6、乙方在甲方及甲方关联公司工作期间履行竞业限制义务，甲方无需给乙方任何补偿。乙方离开甲方及其关联公司后如按照本协议的约定履行了竞业限制义务，甲方应给予竞业限制补偿金。每月的数额为乙方在甲方最后 12 个月月平均工资（以工资条为准）的 10 % 。

Exhibit 10.8

劳动合同

Labor Contract

甲　　方
法定代表人
公司地址
电　　话
邮　　编

Party A: Xi'an App-Chem Bio (Tech) Co.,Ltd

Address: Room C601, Entrepreneurship Research and Development Park, No. 69, Jinye Road, Xi'an Hi-Tech Industries Development Zone, China

乙　　方：李振朝
身份证号：
地　　址：
电　　话：
邮　　编：

Party B: **Zhenchao Li**

ID Number: 610404196503210833

Address:Ziwei Yonghe Fang

Telephone: 13309232083

PostalCode: 710086 Telephone: 029-88346301

劳动合同书

根据《中华人民共和国劳动法》，甲乙双方经平等协商同意，自愿签订本合同，共同遵守本合同所列条款。

一、劳动合同期限

第一条 本合同为 3 年期合同。本合同于 2019 年 7 月 1 日生效（其中试用期 3 个月），至 2022 年 6 月 30 日终止。

二、工作内容

第二条 乙方根据甲方要求，经过协商，从事 财务长/官 岗位工作

I. Term of Labor Contract

1. This is a three-year contract. It becomes effective on July 1st, 2019 (including 3-month probation) and terminates on June 30, 2022.

II. Job descriptions

2. Party B agrees to be employed as Chief Financial Officer of Directors according to the requirements of Party A and through consultations between both Parties. Postal Code: 710077

与或操规

规制度的教育和培训。

第七条 乙方在劳动过程中必须严格遵守安全操作规程。乙方对甲方管理人员违章指挥、强令冒险作业，有权拒绝执行。

四、劳动报酬

第八条 甲方的工资分配应遵循按劳分配原则，实行同工同酬。乙方在规定的工作时间内提供了正常的劳动，完成规定的工作任务，甲方每月 25 日以货币形式支付乙方工资，不得无故克扣或者拖欠乙方的工资。

第九条 乙方的工资报酬按照甲方依法制定的规章制度中的内部工资分配办法及乙方的工作岗位确定。

第十条 甲方对乙方实行基本工资和绩效工资相结合的内部工资分配办法，以后根据内部工资分配办法调整其工资；绩效工资根据乙方的工作业绩、劳动成果和实际贡献按照内部分配办法考核确定。

五、保险福利待遇

第十一条 双方依法参加社会保险，按时缴纳各项社会保险费，其中依法应由乙方缴纳的部分，由甲方从乙方工资报酬中代扣代缴。

第十二条 甲方应当将为乙方缴纳各项社会保险费的情况公示，乙方有权向甲方查询其

各项社会保险的缴费情况，甲方应当提供帮助。

六、劳动纪律

第十三条 乙方应遵守甲方的规章制度；严格遵守劳动安全卫生、生产工艺、操作规程和工作规范；爱护甲方的财产，遵守职业道德；积极参加甲方组织的培训，提高思想觉悟和职业技能。

第十四条 乙方违反劳动纪律，甲方可根据本单位规章制度，给予纪律处分直至解除本合同。

七、劳动合同的变更、解除、终止、续订

第十五条 订本合同所依据的法律行政法规、规章制度发生变化，本合同应变更相关内容。

第十六条 订立本合同所依据的客观情况发生重大变化，致使本合同无法履行的，经甲乙双方协商同意，可以变更本合同相关内容。

第十七条 经甲乙双方协商一致，本合同可以解除。

第十八条 乙方有下列情形之一，甲方可以解除本合同：

1、在试用期间，经试用不符合录用条件的；

2、乙方所提供个人资料不实的；

3、严重违反劳动纪律或甲方规章制度的；

4、严重失职、营私舞弊，对甲方利益造成重大损害的；

5、被依法追究刑事责任的。

第十九条 下列情形之一，甲方可解除本合同：

1、乙方患病或非因工负伤，医疗期满后，不能从事原工作或甲方另行安排的工作的；

2、乙方转正后不能胜任工作；

3、双方不能依据本合同第十六条规定就变更合同达成协议的。

第二十条 甲方濒临破产进行法定整顿期间或者生产经营发生严重困难，经向全体职工说明情况，听取职工的意见，并向劳动行政部门报告后，可以解除本合同。

第二十一条 乙方解除劳动合同，应当提前 30 日以书面形式通知甲方（《保密协议》和《竞业禁止协议》另有约定的从约定）。

第二十二条 有下列情形之一，乙方可以随时通知甲方解除合同：

1、在试用期内的；

2、甲方以暴力、威胁、监禁或者非法限制人身自由的手段强迫劳动的；

3、甲方不能按照本合同规定支付劳动报酬或者提供劳动条件的。

第二十三条 本合同期限届满，劳动合同即终止。双方当事人在本合同期满前 30 天向对方表示续订意向。甲乙双方经协商同意，可以续订劳动合同。

八、经济补偿与赔偿

第二十四条 下列情形之一，甲方应通知乙方，并结清乙方工资：

1、乙方转正后不能胜任工作，由甲方解除劳动合同的。

2、劳动合同订立时所依据的客观情况发生重大变化，致使本合同无法履行，经当事人协商不能就变更劳动合同达成协议，由甲方解除劳动合同的；

3、甲方濒临破产进行法定整顿期间或者生产经营状况发生严重困难，必须裁减人员的。

第二十五条 甲方违反本合同约定的条件解除劳动合同或由于甲方原因订立的无效劳动合同，给乙方造成损害的，应按损失程度承担赔偿责任。

第二十六条 乙方违反本合同约定的条件解除劳动合同，对甲方造成经济损失的，应依法赔偿相应损失。

第二十七条 乙方解除本合同的，凡由甲方出资参加培训或参加国际展会，应向甲方偿付培训费或参加展会个人费用。其标准为：参加培训后，服务（工作）每满一年培训费按总额的20%递减，服务（工作）满5年不再偿付；参加展会后，服务（工作）每满一年参加国际展会个人费用按总额的50%递减，服务（工作）满2年不再偿付。

第二十八条 乙方由于工作失误，未能尽到合同约定职责范围内的责任，所造成的损失依据公司相关规定进行处罚。

九、劳动争议处理

第二十九条 因履行本合同发生的劳动争议，当事人可以向本单位劳动争议调解委员会申请调解；调解不成，当事人一方要求仲裁的，应当自劳动争议发生之日起六十日内向西安市劳动争议仲裁委员会申请仲裁。当事人一方也可以直接向劳动争议仲裁委员会申请仲裁。对裁决不服的，可以向人民法院提起诉讼。

十、其他约定

第三十条 乙方执行甲方的任务或者主要是利用甲方的物质技术条件所完成的发明创造为职务发明创造。职务发明创造申请专利的权利属于甲方；申请被批准后，甲方为专利权人。乙方享有署名权，负有保密义务。

第三十一条 对职务发明创造的发明人或者设计人依甲方的规章制度给予一定物质和精神奖励。

第三十二条 双方就保护商业秘密及竞业限制等事宜另行签订协议，协议作为本合同附件具有同等法律效应。

第三十三条 乙方个人履历及相关证件作为本合同附件。

第三十四条 乙方应对个人待遇及相关奖金等严格保密，不得与公司内部人员进行交流，不得询问、讨论、告知工资待遇问题，一经发现即做开除处理。

第三十五条 本合同未尽事宜，双方协商解决。

第三十六条 本合同一式两份，甲乙双方各执一份。

甲方（签章）：西安天关生物科技股份有限公司　　乙方：

代 表 人：

日　　期：2019 年 7 月 1 日　　日　　期：2019 年 7 月 1 日

保密协议

鉴于乙方受聘于或服务于甲方，在职或服务期间乙方有从甲方获得商业秘密的机会，有利用甲方物质技术资料进行创作的机会，有获得及增进知识、经验、技能的机会；甲方给乙方的劳动支付了工资、奖金、提成、奖励等报酬；乙方明白乙方对甲方知识产权的侵犯或泄漏甲方商业秘密会对甲方利益造成损害。为保护甲方的知识产权及商业秘密，维护甲方及乙方共同的长远利益，双方自愿约定如下：

第一条 为确保乙方所承诺的保守甲方非专利技术和商业秘密的责任（以下简称商业秘密），维护双方的合法权益，特签订本协议。

第二条 商业秘密的范围：包括但不限于甲方所有或与甲方业务有关的、具有商业价值、目前尚未公知的且甲方认为需要保密的技术方案、技术文档、客户名单和联系方式、行销计划、发展规划、财务资料、程序文件、公司档案等方面的内容。

第三条 包括但不限于下列事项属于甲方的商业秘密的范围：

1、影响企业生产和发展的事项；

2、影响企业技术进步的事项；

3、影响企业营销活动的事项；

4、使企业在商业竞争中处于被动或不利的事项；

5、使企业直接或间接的经济利益受到损害的事项；

6、影响企业对外交流和商业谈判顺利进行的事项；

7、影响企业稳定和安全的事项；

8、影响企业对外承担保密义务的事项。

第四条 乙方因工作需要接触或使用甲方的商业秘密，应在甲方要求的范围、程度范围内合理使用。乙方不得将含有甲方商业秘密的资料擅自带离工作岗位，不能通过任何途径泄漏给第三方。

第五条 乙方受聘于甲方期间，承诺不会泄漏虽不属于甲方但甲方对第三方承诺有保密义务的商业秘密，若因违反上述承诺而导致甲方被第三方追究法律责任时，乙方承担由此产生的全部法律责任。

第六条 乙方受聘于甲方期间，承诺不直接或间接从事同甲方具有竞争性的业务，不得同时接受甲方竞争对手的任何形式的聘用，不为甲方竞争对手提供任何形式的咨询、顾问服务。

第七条 乙方因工作需要或其他原因调离现有工作岗位或离职时，应将接触到的所有记录着甲方商业秘密信息的文件、资料、报告、信件、传真、磁带、磁盘、仪器以及其他形式的载体（包括但不限于上述内容）交回甲方，并办妥有关手续，所有记录均为甲方绝对的财产，乙方保证信息不外泄，不得以任何形式留存甲方商业秘密信息，也不能得以任何方式再现、复制或传递，更不得利用前述信息谋取利益。

第八条 甲方没有规定或者规定不明确之处，乙方有义务直接采取合理的措施以防止甲

3、甲方濒临破产进行法定整顿期间或者生产经营状况发生严重困难，必须裁减人员的。

第二十五条 甲方违反本合同约定的条件解除劳动合同或由于甲方原因订立的无效劳动合同，给乙方造成损害的，应按损失程度承担赔偿责任。

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第二十七条 乙方解除本合同的，凡由甲方出资参加培训或参加国际展会，应向甲方偿付培训费或参加展会个人费用。其标准为：参加培训后，服务（工作）每满一年培训费按总额的20%递减，服务（工作）满5年不再偿付；参加展会后，服务（工作）每满一年参加国际展会个人费用按总额的50%递减，服务（工作）满2年不再偿付。

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九、劳动争议处理

第二十九条 因履行本合同发生的劳动争议，当事人可以向本单位劳动争议调解委员会申请调解；调解不成，当事人一方要求仲裁的，应当自劳动争议发生之日起六十日内向西安市劳动争议仲裁委员会申请仲裁。当事人一方也可以直接向劳动争议仲裁委员会申请仲裁。对裁决不服的，可以向人民法院提起诉讼。

十、其他约定

第三十条 乙方执行甲方的任务或者主要是利用甲方的物质技术条件所完成的发明创造为职务发明创造。职务发明创造申请专利的权利属于甲方；申请被批准后，甲方为专利权人。乙方享有署名权，负有保密义务。

第三十一条 对职务发明创造的发明人或者设计人依甲方的规章制度给予一定物质和精神奖励。

第三十二条 双方就保护商业秘密及竞业限制等事宜另行签订协议，协议作为本合同附件具有同等法律效应。

第三十三条 乙方个人履历及相关证件作为本合同附件。

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甲方（签章）：西安天美生物科技股份有限公司　　乙方：

代 表 人：

日　　期：2019 年 7 月 1 日　　日　　期：2019 年 7 月 1 日

竞业限制协议

Non-Competition Agreement

鉴于乙方受聘于或服务于甲方，在职或服务期间乙方有从甲方获得商业秘密的机会，有利用甲方物质技术资料进行创作的机会，有获得及增进知识、经验、技能的机会；甲方给乙方的劳动支付了工资、奖金、提成、奖励等报酬；乙方明白不与甲方竞业是获取以上回报的必要条件。为切实保护甲方的知识产权、商业秘密及其他合法权益，确保乙方不与甲方竞业，根据劳动部、国家科委的有关规定及其他相关法律，双方协商一致签订以下竞业限制协议。

1、乙方在甲方工作期间及乙方从甲方离职之日起两年内，乙方不得在与甲方及甲方关联公司有竞争关系的单位内任职或以任何方式为其服务，也不得自己生产、经营与甲方及甲方关联公司有竞争关系的同类产品或业务。

2、乙方在甲方工作期间及乙方从甲方离职后，乙方承担的其他义务包括但不限于：不泄漏、不使用、不使他人获得或使用甲方的商业秘密；不传播、不扩散不利于甲方的消息或报道；不直接或间接的劝诱或帮助他人劝诱甲方员工或客户离开甲方。乙方履行本条义务，甲方无需给予任何补偿。

3、第1条所指的“有竞争关系”是指与该员工离职时甲方及其关联公司已开展的业务有竞争关系；有竞争关系的单位包括与甲方及其关联公司直接竞争的单位及其直接或间接参股或控股或受同一公司控制的的单位。

4、乙方从甲方离职时，应提前与甲方确认其是否开始离职后的竞业限制义务。甲方如确认乙方有竞业限制必要，应发给《竞业限制开始通知书》，乙方离职后竞业限制义务开始；甲方如确认乙方无竞业限制必要，应发给《竞业限制终止通知书》，乙方无需承担离职后竞业限制义务。

5、乙方在离开甲方时未提出确认申请的，其离职后竞业限制义务自其离开在甲方的工作岗位之日起自动开始，竞业限制期内该员工可以向甲方提出竞业限制确认申请，甲方确认乙方有竞业限制必要并发给《竞业限制开始通知书》后，乙方可以开始领取竞业限制补偿金，但在此之前的竞业限制补偿金视为乙方主动放弃。甲方确认乙方无竞业限制必要时应发给《竞业限制终止通知书》，乙方竞业限制义务终止，在此之前即使乙方履行了竞业限制义务也无权领取补偿金。

6、乙方在甲方及甲方关联公司工作期间履行竞业限制义务，甲方无需给乙方任何补偿。乙方离开甲方及其关联公司后如按照本协议的约定履行了竞业限制义务，甲方应给予竞业限制补偿金。每月的数额为乙方在甲方最后12个月月平均工资（以工资条为准）的10％。

7、乙方的竞业限制补偿金由甲方按季度向其支付。乙方领取补偿金时，应向甲方出示当前的任职情况证明，经甲方向乙方工作单位确认后方可领取。乙方逾期一个季度未能向甲方提交任职情况证明，视为放弃该季度的补偿金。

8、乙方被新单位录用后应在一周内将新单位的名称及乙方的职位通知甲方。同时乙方应将自己负有竞业限制义务的情况告知其工作单位并将新单位的知晓证明文件提供给甲方。

9、甲方如认为乙方已无竞业限制必要，有权随时通知乙方终止其竞业限制义务，自通

知按乙方提供的地址发出七日后，乙方竞业限制义务终止，甲方应按照乙方已承担竞业限制义务的时间支付竞业限制补偿金。

10、乙方可与甲方协商解除竞业限制义务，但乙方不得单方面终止自己的竞业限制义务。

11、甲方逾期支付竞业限制补偿金，应按银行同期贷款利率支付违约金。

12、乙方违反本协议第1条，应立即与甲方竞争单位脱离关系，继续履行本协议，并按照违约期间本合同约定的竞业限制补偿金的两倍支付违约金。无法确定违约时间长短的，按照一年计算，甲方因此而受到的损失大于该违约金的，应赔偿甲方因此受到的全部损失。损失额依照以下三种方式计算，以计算结果最高的为准：获取或开发该产品技术的全部费用；甲方相关业务因此损失的利润；竞争单位相关业务因此取得的利润。

13、乙方违反本协议第2条，应立即停止违约，继续履行本协议外，向甲方支付违约金10，0000元，违约金不足以补偿甲方损失的，乙方还应赔偿甲方因此受到的所有损失，计算标准参照第12条。

14、因履行本协议发生争议，双方首先应协商解决，如协商不成，任何一方提起的诉讼均由甲方所在地人民法院管辖。

15、本合同所称甲方关联公司以乙方离开甲方时本集团名单为准。

16、双方传递文件的通讯地址如下：

甲方：西安高新区锦业路69号创业研发园C601室　　邮编：710077

乙方：邮编：陕西渭南市迎宾大道人民东路7号1号楼2单元121室.

任何一方变更通讯地址均应以书面方式及时通知对方，否则视为未变更。

17、本协议双方签字盖章后生效，一式两份，双方各执一份，具有同等效力。

甲方（签章）：西安天美生物科技股份有限公司　　乙方：

代 表 人：

日　　期：2019年7月1日　　日　　期：2019年7月1日

BON NATURAL LIFE LIMITED

DIRECTOR SERVICE AGREEMENT

This Director Service Agreement (the "**Agreement**") is made and entered into as of June 30, 2020, by and between Bon Natural Life Limited, a Cayman Islands corporation (the "**Company**"), and Christopher Constable, an individual (the "**Director**").

I. SERVICES

A. Service on the Board of Directors. The Director has been appointed as an Independent Director of the Company's Board of Directors (the "**Board**"), with his service to commence upon the effectiveness of the Company's Registration Statement on Form F-1 to be filed with the U.S. Securities and Exchange Commission (the "**Effective Date**"), and to continue until the earlier of the date on which Director ceases to be a member of the Board for any reason or the date of termination of this Agreement in accordance with this Section V(B) hereof (such earlier date being the "**Expiration Date**"). The Board shall consist of the Director and such other members as nominated and elected pursuant to the then current Memorandum and Articles of Association of the Company (the "**Articles**").

B. Director Services. Director's services to the Company hereunder shall include service as a member of the Board to direct the business of the Company in accordance with applicable law and the then current Articles. Director shall devote such time and attention to the business and affairs of the Company as is necessary to perform his duties as a Director in a faithful and competent manner. Director shall comply with all laws, rules, and regulations applicable to the Company and its business. Director shall further comply with all policies and codes of conduct which the Company shall reasonably determine are necessary for the proper functioning of its business (collectively, the "**Director Services**").

II. COMPENSATION

A. Expense Reimbursement. The Company shall reimburse Director for all reasonable travel and other out-of-pocket expenses incurred in connection with the Director Services rendered by Director.

B. Cash Fees to Director. The Company agrees to pay Director a fee of $2,000 per month for each month of service as a Director. In the event Director ceases to be a member of the Board on a day other than the last day of a calendar month, the Director shall be paid the pro rata portion of the monthly fee for his final month of service.

C. Stock Options. Immediately upon the Effective Date, the Company will grant to the Director options to purchase Ordinary Shares of the Company, par value $0.0001 per share, at an exercise price of $0.01 per share. The stock options issued to the Director shall have a value of $50,000, to be determined by reference to the Company's IPO price as stated in its final prospectus under the Registration Statement on Form F-1. If, at the time such stock options are granted to the Director, the Company has adopted an equity incentive plan, the options shall be issued pursuant to the plan and shall be subject to the terms and conditions of the plan. The options shall vest and become exercisable by the Director in equal monthly installments over the course of the Director's initial year of service. In

the event that the Director ceases to be a member of the Board prior to the end of one year of service, all unvested stock options awarded hereunder shall be forfeit.

D. Additional Stock Options for Committee Chairmanships. As additional compensation for the Director's service as a chairman of a committee of the Board, if applicable, the Director shall receive an additional grant of stock options (a "Committee Grant"). The value determination, vesting, and other terms of the options included in each Committee Grant shall be under as set forth in Section II(C), above, except that the value of the additional options for each committee chairmanship shall be as follows:

- For service as chairman of the Audit Committee - $20,000 worth of options
- For service as chairman of the Compensation Committee - $5,000 worth of options
- For service as chairman of the Nominating and Governance Committee - $5,000 worth of options

E. Director and Officer Liability Insurance. The Company's proposed director and officer liability insurance policy shall provide Director with coverage for damages and losses incurred in connection with the Director Services.

III. DUTIES OF DIRECTOR

A. Fiduciary Duties. In fulfilling his responsibilities, Director shall be charged with a fiduciary duty to the Company and all of its shareholders. Director shall be attentive and inform himself of all material facts regarding a decision before taking action. In addition, Director's actions shall be motivated solely by the best interests of the Company and its shareholders.

B. Confidentiality. During the term of this Agreement, and for a period of one (1) year after the Expiration Date, Director shall maintain in strict confidence all information he has obtained or shall obtain from the Company which the Company has designated as "confidential" or which is, by its nature confidential, relating to the Company's business, operations, properties, assets, services, condition (financial or otherwise), liabilities, employee relations, customers, suppliers, prospects, technology, or trade secrets, except to the extent such information (i) is in the public domain through no act or omission of the Company, or (ii) is required to be disclosed by law or a valid order by a court or other governmental body (the "**Confidential Information**").

C. Nondisclosure and Nonuse Obligations. Director will use the Confidential Information solely to perform the Director Services for the benefit of the Company. Director will treat all Confidential Information of the Company with the same degree of care as Director treats his own Confidential Information, and Director will use his best efforts to protect the Confidential Information. Director will not use the Confidential Information for his own benefit or the benefit of any other person or entity, except as may be specifically permitted in this Agreement. Director will immediately give notice to the Company of any unauthorized use or disclosure by or through him, or of which he becomes aware, of the Confidential Information. Director agrees to assist the Company in remedying any such unauthorized use or disclosure of the Confidential Information.

D. Return of the Company Property. All materials furnished to Director by the Company, whether delivered to Director by the Company or made by Director in the performance of Director

Services under this Agreement (the "**Company Property**") are the sole and exclusive property of the Company. Director agrees to promptly deliver the original and any copies of the Company Property to the Company at any time upon the Company's request. Upon termination of this Agreement by either party for any reason, Director agrees to promptly deliver to the Company or destroy, at the Company's option, the original and any copies of the Company Property. Director agrees to certify in writing that Director has so returned or destroyed all such the Company Property.

IV. COVENANTS OF DIRECTOR

A. No Conflict of Interest. For so long as Director is a member of the Board, Director shall not be employed by, own, manage, control or participate in the ownership, management, operation or control of any business entity that is competitive with the Company or otherwise undertake any obligation inconsistent with the terms hereof, provided that Director may continue Director's current affiliations or other current relationships in existence on the date of this Agreement (collectively, the "**Current Affiliations**"). For a period of one (1) year after the Expiration Date, Director shall not be employed by, operate or manage any business entity that is competitive with the Company. This Agreement is subject to the current terms and agreements governing Director's relationship with the Current Affiliations, and nothing in this Agreement is intended to be or will be construed to inhibit or limit any of Director's obligations to the Current Affiliations. Director represents that nothing in this Agreement conflicts with Director's obligations to the Current Affiliations. A business entity shall be deemed to be "competitive with the Company" for purpose of this Article IV only if and to the extent it engages in a business substantially similar to the Company's natural products and ingredients businesses.

B. Noninterference with Business. During the term of this Agreement, and for a period of one (1) year after the Expiration Date, Director agrees not to interfere with the business of the Company in any manner. By way of example and not of limitation, Director agrees not to solicit or induce any employee, independent contractor, customer or supplier of the Company to terminate or breach his or her employment, contractual or other relationship with the Company.

C. Mutual Non-Disparagement. Director and the Company mutually agree to forbear from making, causing to be made, publishing, ratifying or endorsing any and all disparaging remarks, derogatory statements or comments made to any party with respect to either of them. Further, the parties hereto agree to forbear from making any public or non-confidential statement with respect to any claim or complain against either party without the mutual consent of each of them, to be given in advance of any such statement.

V. TERM AND TERMINATION

A. Term. This Agreement is effective on the Effective Date and will continue for one year. In the absence of any agreement in writing to the contrary, this Agreement shall continue to renew for successive one (1) year terms on the anniversary of the Effective Date. Upon each annual renewal, and in the absence of a written agreement to the contrary:

1. The Director shall receive an additional grant of stock options (a "Renewal Grant"). The dollar value, vesting, and other terms of the options included in each Renewal Grant shall be under as set forth in Section II(C), above, (and, if applicable, Section II(D), above, for Committee Grants) except that the number of options granted shall be determined with reference to the volume weighted average price for the Company's Ordinary Shares during the thirty (30) trading days preceding the annual renewal date; and

2. The Director shall continue to receive the monthly stipend as set forth in Section II(B), above, and shall continue to be reimbursed for expenses as set forth in Section II(A), above.

B. Termination. This Agreement, and the Director's service as a member of the Board, shall terminate:

1. at any time upon thirty (30) days prior written notice by the Director of his resignation;

2. upon the close of any shareholder's meeting for the election of directors, if the Director is not re-elected to the Board by the Company's shareholders at such meeting;

3. upon removal of the Director by Ordinary Resolution as provided in the Articles;

4. automatically if, at any time, the Director becomes disqualified under the terms of the Articles; or

5. upon a determination by a majority of the Board (not including the Director), that:

- the Director has committed a breach a of any of Director's obligations under this Agreement;
- the Director is or has become prohibited by any law, regulation, or rule applicable to the Company from serving as a member of the Board;
- the Director has become unable to perform his duties under this Agreement due to health reasons, disability, or being of unsound mind, unless the Company can accommodate the Director's health impairment or disability without the Company incurring undue hardship;
- the Director is guilty of any serious misconduct or serious neglect in the discharge of the Director's duties hereunder;
- the Director's actions or omissions bring the name or reputation of the Company, or any of Company's affiliates, subsidiaries, or parent (each a "Group Member") into serious disrepute or prejudices the business interests of the Company or any Group Member; or
- the Director is charged or convicted of any criminal offence other than an offence which, in the reasonable opinion of the Board, does not affect the Director's position as a director (bearing in mind the nature of the duties in which the Director is engaged and the capacities in which the Director is engaged).

C. Survival. The rights and obligations contained in Articles III and IV will survive any termination or expiration of this Agreement.

VI. MISCELLANEOUS

A. Assignment. Except as expressly permitted by this Agreement, neither party shall assign, delegate, or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party. Subject to the foregoing, this Agreement will be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

B. No Waiver. The failure of any party to insist upon the strict observance and performance of the terms of this Agreement shall not be deemed a waiver of other obligations hereunder, nor shall it be considered a future or continuing waiver of the same terms.

C. Notices. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by facsimile transmission upon acknowledgment of receipt of electronic transmission; or (iv) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to the addresses set forth below or such other address as either party may specify in writing.

To the Company:

_____
_____
_____

To Director:

_____
_____
_____

D. Governing Law. This Agreement shall be governed in all respects by the laws of the Cayman Islands, without regard to conflicts of law principles thereof.

E. Severability. Should any provisions of this Agreement be held by a court of law to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected or impaired thereby.

F. Entire Agreement. This Agreement constitutes the entire agreement between the parties relating to this subject matter and supersedes all prior or contemporaneous oral or written agreements concerning such subject matter. The terms of this Agreement will govern all Director Services undertaken by Director for the Company

G. Amendments. This Agreement may only be amended, modified or changed by an agreement signed by the Company and Director. The terms contained herein may not be altered, supplemented or interpreted by any course of dealing or practices.

H. Counterparts. This Agreement may be executed in two counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Company:

Bon Natural Life Limited

By: _____ 2020年6月30日

Name: Yongwei Hu

Title: Chairman & CEO

Independent Director:

_____

Name: Christopher Constable

POWER OF ATTORNEY

授权委托书

The undersigned, Hu Yongwei, a Chinese citizen with PRC ID No.: 610103197108023635 and a holder of 72.05% of the registered capital (corresponding to 20,175,008 shares) in Xi'AN APP·CHEM BIO (TEC) Co., Ltd. (the "**Company**") ("**My Shareholding**"), as of 28/5, 2020, hereby irrevocably authorize Xi'an Cell and Molecule Information Technology Co., Ltd. (the "**WFOE**") to exercise the following rights relating to My Shareholding during the term of this Power of Attorney:
签名人胡永卫，中国公民（身份证号码为 610103197108023635），持有西安天美生物科技股份有限公司（"**公司**"）72.05%的注册资本（相当于 20,175,008 股）（"**本人持有股份**"）。自 2020 年 5 月 28 日起，特此不可撤销地授权西安赛美科信息科技有限公司（"**WFOE**"）在本授权书有效期内行使与本人持有股份有关的以下权利：

The WFOE is hereby authorized to act on behalf of myself as my exclusive agent and attorney with respect to all matters concerning My Shareholding, including without limitation to:
特此授权 WFOE 代表我本人担任我的独家代理人，处理与本人持有股份有关的所有事宜，包括但不限于：

1) to execute and deliver any and all written resolutions in the name and on behalf of the Shareholders;
以股东的名义代表其签署和交付任何书面决议；

2) to vote by itself or by proxy on any matters discussed on shareholders' meetings, including without limitation, the sale, transfer, mortgage, pledge or disposal of any or all of the assets of the Company;
就股东大会上讨论的任何事项，包括但不限于出售、转让、抵押、质押或处分公司的部分或全部资产，自行表决或委托他人代为表决；

3) to sell, transfer, pledge or dispose of any or all of the shares in the Company;
出售、转让、质押或处分部分或全部股份；

4) nominate, appoint or remove the directors of the Company when necessary;
在必要时，有权提名、任命或罢免公司董事；

5) to oversee the economic performance of the Company;
监督公司的经营；

6) to have full access to the financial information of the Company at any time;
随时有权获得公司的财务信息；

7) to file any shareholder lawsuits or take other legal actions against the Company's directors or senior management members when such directors or members are acting to the detriment of the interest of the Company or its Shareholder(s);
当董事或高级管理人员的行为损害了公司或其股东的利益时，有权对该董事或高级管理人员提起股东诉讼或采取其他法律措施；

8) to approve annual budgets or declare dividends; and
批准年度预算或分配红利；

9) any other rights conferred by the articles of association of the Company and/or the relevant laws and regulations on the Shareholders.
公司章程和/或有关法律法规赋予股东的任何其他权利。

Without limiting the generality of the powers granted hereunder, the WFOE shall have the power and authority under this Power of Attorney to execute the Transfer Contracts stipulated in Exclusive Option Agreement, to which I am required to be a party, on behalf of myself, and to perform the terms of the Shares Pledge Agreement and Exclusive Option Agreement, both dated the date hereof, to which I am a party.
在不限制本协议授予权的一般性的前提下，WFOE 有权根据本授权委托书代表我本人签署《独家选择权协议》中规定的转让合同，并履行本人作为当事人的《股份质押协议》和《独家选择权协议》的条款。

All the actions associated with My Shareholding conducted by the WFOE shall be deemed as my own actions, and all the documents related to My Shareholding executed by the WFOE shall be deemed to be executed by me. The WFOE has the right to make the aforesaid actions according to its own judgment without my prior consent. I hereby acknowledge and ratify those actions and/or documents by the WFOE.
WFOE 所作出的与本人持有股份相关的所有行为均应视为我的行为，WFOE 签署的与本人持有股份相关的所有文件均应视为由我签署。WFOE 有权未经我事先同意，根据自己的判断采取上述行为。我在此承认并批准 WFOE 的这些行动和/或签署的文件。

The WFOE is entitled to re-authorize or assign its rights related to the aforesaid matters to any other person or entity at its own discretion and without giving prior notice to me or obtaining my consent.
WFOE 有权自行决定将与上述事项相关的权利转授权或转让给任何其他个人或法人，而无需事先通知我或征得我的同意。

Provided that I am a shareholder of the Company, this Power of Attorney shall be irrevocable and continuously effective as of the date of execution, unless written instructions to the contrary are given by the WFOE. Once the WFOE notice me in writing to terminate this Power of Attorney in whole or in part, I will immediately withdraw the entrustment and authorization under this Power of Attorney, and immediately sign a power of attorney in the same format as this Power of Attorney to

authorize the same right as provided under this Power of Attorney to other persons nominated by the WFOE.
在我担任公司股东期间，该授权委托书自签署之日起将是不可撤销且持续有效，除非 WFOE 发出相反的书面指示。一旦 WFOE 以书面形式通知我终止全部或部分本授权书，我将立即撤销本授权书的委托和授权，并立即以与本授权书相同的格式签署授权书，授权由 WFOE 提名的其他人享有本授权书所赋予的相同权利。

During the term of this Power of Attorney, I hereby waive all the rights associated with My Shareholding, which have been authorized to the WFOE through this Power of Attorney, and shall not exercise such rights by myself.
在本授权书期限内，我特此放弃与本人持有股份相关的所有权利，这些权利已通过本授权书授予 WFOE 行使，我本人不再行使任何权利。

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Hu Yongwei
胡永卫

Signature:
签名：

POWER OF ATTORNEY

授权委托书

The undersigned, Liu Jing, a Chinese citizen with PRC ID No.: 610113197812110065 and a holder of 16.81% of the registered capital (corresponding to 4,706,576 shares) in Xi'AN APP·CHEM BIO (TEC) Co., Ltd. (the "**Company**") ("**My Shareholding**"), as of 2815, 2020, hereby irrevocably authorize Xi'an Cell and Molecule Information Technology Co., Ltd. (the "**WFOE**") to exercise the following rights relating to My Shareholding during the term of this Power of Attorney:

签名人刘静，中国公民（身份证号码为 610113197812110065），持有西安天美生物科技股份有限公司（"**公司**"）16.81%的注册资本（相当于 4,706,576）（"**本人持有股份**"）。自 2020 年 5 月 28 日起，特此不可撤销地授权西安赛美科信息科技有限公司（"WFOE"）在本授权书有效期内行使与本人持有股份有关的以下权利：

The WFOE is hereby authorized to act on behalf of myself as my exclusive agent and attorney with respect to all matters concerning My Shareholding, including without limitation to:

特此授权 WFOE 代表我本人担任我的独家代理人，处理与本人持有股份有关的所有事宜，包括但不限于：

1) to execute and deliver any and all written resolutions in the name and on behalf of the Shareholders;
以股东的名义代表其签署和交付任何书面决议；

2) to vote by itself or by proxy on any matters discussed on shareholders' meetings, including without limitation, the sale, transfer, mortgage, pledge or disposal of any or all of the assets of the Company;
就股东大会上讨论的任何事项，包括但不限于出售、转让、抵押、质押或处分公司的部分或全部资产；自行表决或委托他人代为表决；

3) to sell, transfer, pledge or dispose of any or all of the shares in the Company;
出售、转让、质押或处分部分或全部股份；

4) nominate, appoint or remove the directors of the Company when necessary;
在必要时，有权提名、任命或罢免公司董事；

5) to oversee the economic performance of the Company;
监督公司的经营；

6) to have full access to the financial information of the Company at any time;
随时有权获得公司的财务信息；

7) to file any shareholder lawsuits or take other legal actions against the Company's directors or senior management members when such directors or members are acting to the detriment of the interest of the Company or its Shareholder(s);
当董事或高级管理人员的行为损害了公司或其股东的利益时，有权对该董事或高级管理人员提起股东诉讼或采取其他法律措施；

8) to approve annual budgets or declare dividends; and
批准年度预算或分配红利；

9) any other rights conferred by the articles of association of the Company and/or the relevant laws and regulations on the Shareholders.
公司章程和/或有关法律法规赋予股东的任何其他权利。

Without limiting the generality of the powers granted hereunder, the WFOE shall have the power and authority under this Power of Attorney to execute the Transfer Contracts stipulated in Exclusive Option Agreement, to which I am required to be a party, on behalf of myself, and to perform the terms of the Shares Pledge Agreement and Exclusive Option Agreement, both dated the date hereof, to which I am a party.
在不限制本协议授予权的一般性的前提下，WFOE 有权根据本授权委托书代表我本人签署《独家选择权协议》中规定的转让合同，并履行本人作为当事人的《股份质押协议》和《独家选择权协议》的条款。

All the actions associated with My Shareholding conducted by the WFOE shall be deemed as my own actions, and all the documents related to My Shareholding executed by the WFOE shall be deemed to be executed by me. The WFOE has the right to make the aforesaid actions according to its own judgment without my prior consent. I hereby acknowledge and ratify those actions and/or documents by the WFOE.
WFOE 所作出的与本人持有股份相关的所有行为均应视为我的行为，WFOE 签署的与本人持有股份相关的所有文件均应视为由我签署。WFOE 有权未经我事先同意，根据自己的判断采取上述行为。我在此承认并批准 WFOE 的这些行动和/或签署的文件。

The WFOE is entitled to re-authorize or assign its rights related to the aforesaid matters to any other person or entity at its own discretion and without giving prior notice to me or obtaining my consent.
WFOE 有权自行决定将与上述事项相关的权利转授权或转让给任何其他个人或法人，而无需事先通知我或征得我的同意。

Provided that I am a shareholder of the Company, this Power of Attorney shall be irrevocable and continuously effective as of the date of execution, unless written instructions to the contrary are given by the WFOE. Once the WFOE notice me in writing to terminate this Power of Attorney in whole or in part, I will immediately withdraw the entrustment and authorization under this Power of Attorney, and immediately sign a power of attorney in the same format as this Power of Attorney to

authorize the same right as provided under this Power of Attorney to other persons nominated by the WFOE.
在我担任公司股东期间，该授权委托书自签署之日起将是不可撤销且持续有效，除非 WFOE 发出相反的书面指示。一旦 WFOE 以书面形式通知我终止全部或部分本授权书，我将立即撤销本授权书的委托和授权，并立即以与本授权书相同的格式签署授权书，授权由 WFOE 提名的其他人享有本授权书所赋予的相同权利。

During the term of this Power of Attorney, I hereby waive all the rights associated with My Shareholding, which have been authorized to the WFOE through this Power of Attorney, and shall not exercise such rights by myself.
在本授权书期限内，我特此放弃与本人持有股份相关的所有权利，这些权利已通过本授权书授予 WFOE 行使，我本人不再行使任何权利。

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[以下无正文]

Liu Jing
刘静

Signature:
签字：刘静

POWER OF ATTORNEY

授权委托书

The undersigned, Wang Wei, a Chinese citizen with PRC ID No.: 610202197506020826 and a holder of 3.7% of the registered capital (corresponding to 1,0360,000 shares) in Xi'AN APP·CHEM BIO (TEC) Co., Ltd. (the "**Company**") ("**My Shareholding**"), as of 28/5, 2020, hereby irrevocably authorize Xi'an Cell and Molecule Information Technology Co., Ltd. (the "**WFOE**") to exercise the following rights relating to My Shareholding during the term of this Power of Attorney:
签名人王薇，中国公民（身份证号码为 610202197506020826），持有西安天美生物科技股份有限公司（"**公司**"）3.7%的注册资本（相当于 1,0360,000 股）（"**本人持有股份**"）。自 2020 年 5 月 28 日起，特此不可撤销地授权西安赛美科信息科技有限公司（"**WFOE**"）在本授权书有效期内行使与本人持有股份有关的以下权利：

The WFOE is hereby authorized to act on behalf of myself as my exclusive agent and attorney with respect to all matters concerning My Shareholding, including without limitation to:
特此授权 WFOE 代表我本人担任我的独家代理人，处理与本人持有股份有关的所有事宜，包括但不限于：

1) to execute and deliver any and all written resolutions in the name and on behalf of the Shareholders;
以股东的名义代表其签署和交付任何书面决议；

2) to vote by itself or by proxy on any matters discussed on shareholders' meetings, including without limitation, the sale, transfer, mortgage, pledge or disposal of any or all of the assets of the Company;
就股东大会上讨论的任何事项，包括但不限于出售、转让、抵押、质押或处分公司的部分或全部资产；自行表决或委托他人代为表决；

3) to sell, transfer, pledge or dispose of any or all of the shares in the Company;
出售、转让、质押或处分部分或全部股份；

4) nominate, appoint or remove the directors of the Company when necessary;
在必要时，有权提名、任命或罢免公司董事；

5) to oversee the economic performance of the Company;
监督公司的经营；

6) to have full access to the financial information of the Company at any time;
随时有权获得公司的财务信息；

7) to file any shareholder lawsuits or take other legal actions against the Company's directors or senior management members when such directors or members are acting to the detriment of the interest of the Company or its Shareholder(s);
当董事或高级管理人员的行为损害了公司或其股东的利益时，有权对该董事或高级管理人员提起股东诉讼或采取其他法律措施；

8) to approve annual budgets or declare dividends; and
批准年度预算或分配红利；

9) any other rights conferred by the articles of association of the Company and/or the relevant laws and regulations on the Shareholders.
公司章程和/或有关法律法规赋予股东的任何其他权利。

Without limiting the generality of the powers granted hereunder, the WFOE shall have the power and authority under this Power of Attorney to execute the Transfer Contracts stipulated in Exclusive Option Agreement, to which I am required to be a party, on behalf of myself, and to perform the terms of the Shares Pledge Agreement and Exclusive Option Agreement, both dated the date hereof, to which I am a party.
在不限制本协议授予权的一般性的前提下，WFOE 有权根据本授权委托书代表我本人签署《独家选择权协议》中规定的转让合同，并履行本人作为当事人的《股份质押协议》和《独家选择权协议》的条款。

All the actions associated with My Shareholding conducted by the WFOE shall be deemed as my own actions, and all the documents related to My Shareholding executed by the WFOE shall be deemed to be executed by me. The WFOE has the right to make the aforesaid actions according to its own judgment without my prior consent. I hereby acknowledge and ratify those actions and/or documents by the WFOE.
WFOE 所作出的与本人持有股份相关的所有行为均应视为我的行为，WFOE 签署的与本人持有股份相关的所有文件均应视为由我签署。WFOE 有权未经我事先同意，根据自己的判断采取上述行为。我在此承认并批准 WFOE 的这些行动和/或签署的文件。

The WFOE is entitled to re-authorize or assign its rights related to the aforesaid matters to any other person or entity at its own discretion and without giving prior notice to me or obtaining my consent.
WFOE 有权自行决定将与上述事项相关的权利转授权或转让给任何其他个人或法人，而无需事先通知我或征得我的同意。

Provided that I am a shareholder of the Company, this Power of Attorney shall be irrevocable and continuously effective as of the date of execution, unless written instructions to the contrary are given by the WFOE. Once the WFOE notice me in writing to terminate this Power of Attorney in whole or in part, I will immediately withdraw the entrustment and authorization under this Power of Attorney, and immediately sign a power of attorney in the same format as this Power of Attorney to

authorize the same right as provided under this Power of Attorney to other persons nominated by the WFOE.
在我担任公司股东期间，该授权委托书自签署之日起将是不可撤销且持续有效，除非 WFOE 发出相反的书面指示。一旦 WFOE 以书面形式通知我终止全部或部分本授权书，我将立即撤销本授权书的委托和授权，并立即以与本授权书相同的格式签署授权书，授权由 WFOE 提名的其他人享有本授权书所赋予的相同权利。

During the term of this Power of Attorney, I hereby waive all the rights associated with My Shareholding, which have been authorized to the WFOE through this Power of Attorney, and shall not exercise such rights by myself.
在本授权书期限内，我特此放弃与本人持有股份相关的所有权利，这些权利已通过本授权书授予 WFOE 行使，我本人不再行使任何权利。

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[以下无正文]

Wang Wei
王薇

Signature:
签名：

POWER OF ATTORNEY

The undersigned, Liu Jianli, a Chinese citizen with PRC ID No.: 610103195903123695 and a holder of 2.94% of the registered capital (corresponding to 822,416 shares) in Xi'AN APP·CHEM BIO (TEC) Co., Ltd. (the "**Company**") ("**My Shareholding**"), as of 28/5, 2020, hereby irrevocably authorize Xi'an Cell and Molecule Information Technology Co., Ltd. (the "**WFOE**") to exercise the following rights relating to My Shareholding during the term of this Power of Attorney:
签名人刘建利，中国公民（身份证号码为 610103195903123695），持有西安天美生物科技股份有限公司（"**公司**"）2.94%的注册资本（相当于 822,416 股）（"**本人持有股份**"）。自 2020 年 5 月 28 日起，特此不可撤销地授权西安赛美科信息科技有限公司（"**WFOE**"）在本授权书有效期内行使与本人持有股份有关的以下权利：

The WFOE is hereby authorized to act on behalf of myself as my exclusive agent and attorney with respect to all matters concerning My Shareholding, including without limitation to:
特此授权 WFOE 代表我本人担任我的独家代理人，处理与本人持有股份有关的所有事宜，包括但不限于：

1) to execute and deliver any and all written resolutions in the name and on behalf of the Shareholders;
以股东的名义代表其签署和交付任何书面决议；

2) to vote by itself or by proxy on any matters discussed on shareholders' meetings, including without limitation, the sale, transfer, mortgage, pledge or disposal of any or all of the assets of the Company;
就股东大会上讨论的任何事项，包括但不限于出售、转让、抵押、质押或处分公司的部分或全部资产；自行表决或委托他人代为表决；

3) to sell, transfer, pledge or dispose of any or all of the shares in the Company;
出售、转让、质押或处分部分或全部股份；

4) nominate, appoint or remove the directors of the Company when necessary;
在必要时，有权提名、任命或罢免公司董事；

5) to oversee the economic performance of the Company;
监督公司的经营；

6) to have full access to the financial information of the Company at any time;
随时有权获得公司的财务信息；

7) to file any shareholder lawsuits or take other legal actions against the Company's

directors or senior management members when such directors or members are acting to the detriment of the interest of the Company or its Shareholder(s);
当董事或高级管理人员的行为损害了公司或其股东的利益时，有权对该董事或高级管理人员提起股东诉讼或采取其他法律措施；

8) to approve annual budgets or declare dividends; and
批准年度预算或分配红利；

9) any other rights conferred by the articles of association of the Company and/or the relevant laws and regulations on the Shareholders.
公司章程和/或有关法律法规赋予股东的任何其他权利。

Without limiting the generality of the powers granted hereunder, the WFOE shall have the power and authority under this Power of Attorney to execute the Transfer Contracts stipulated in Exclusive Option Agreement, to which I am required to be a party, on behalf of myself, and to perform the terms of the Shares Pledge Agreement and Exclusive Option Agreement, both dated the date hereof, to which I am a party.
在不限制本协议授予权的一般性的前提下，WFOE 有权根据本授权委托书代表我本人签署《独家选择权协议》中规定的转让合同，并履行本人作为当事人的《股份质押协议》和《独家选择权协议》的条款。

All the actions associated with My Shareholding conducted by the WFOE shall be deemed as my own actions, and all the documents related to My Shareholding executed by the WFOE shall be deemed to be executed by me. The WFOE has the right to make the aforesaid actions according to its own judgment without my prior consent. I hereby acknowledge and ratify those actions and/or documents by the WFOE.
WFOE 所作出的与本人持有股份相关的所有行为均应视为我的行为，WFOE 签署的与本人持有股份相关的所有文件均应视为由我签署。WFOE 有权未经我事先同意，根据自己的判断采取上述行为。我在此承认并批准 WFOE 的这些行动和/或签署的文件。

The WFOE is entitled to re-authorize or assign its rights related to the aforesaid matters to any other person or entity at its own discretion and without giving prior notice to me or obtaining my consent.
WFOE 有权自行决定将与上述事项相关的权利转授权或转让给任何其他个人或法人，而无需事先通知我或征得我的同意。

Provided that I am a shareholder of the Company, this Power of Attorney shall be irrevocable and continuously effective as of the date of execution, unless written instructions to the contrary are given by the WFOE. Once the WFOE notice me in writing to terminate this Power of Attorney in whole or in part, I will immediately withdraw the entrustment and authorization under this Power of Attorney, and immediately sign a power of attorney in the same format as this Power of Attorney to authorize the same right as provided under this Power of Attorney to other persons

nominated by the WFOE.
在我担任公司股东期间，该授权委托书自签署之日起将是不可撤销且持续有效，除非 WFOE 发出相反的书面指示。一旦 WFOE 以书面形式通知我终止全部或部分本授权书，我将立即撤销本授权书的委托和授权，并立即以与本授权书相同的格式签署授权书，授权由 WFOE 提名的其他人享有本授权书所赋予的相同权利。

During the term of this Power of Attorney, I hereby waive all the rights associated with My Shareholding, which have been authorized to the WFOE through this Power of Attorney, and shall not exercise such rights by myself.
在本授权书期限内，我特此放弃与本人持有股份相关的所有权利，这些权利已通过本授权书授予 WFOE 行使，我本人不再行使任何权利。

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[以下无正文]

Liu Jianli
刘建利

Signature:
签名：

POWER OF ATTORNEY

授权委托书

The undersigned, Dong Fangfang, a Chinese citizen with PRC ID No.: 610402196810016107 and a holder of 1% of the registered capital (corresponding to 280,000 shares) in Xi'AN APP·CHEM BIO (TEC) Co., Ltd. (the "**Company**") ("**My Shareholding**"), as of 2815, 2020, hereby irrevocably authorize Xi'an Cell and Molecule Information Technology Co., Ltd. (the "**WFOE**") to exercise the following rights relating to My Shareholding during the term of this Power of Attorney:
签名人董芳芳，中国公民（身份证号码为 610402196810016107），持有西安天美生物科技股份有限公司（"**公司**"）1%的注册资本（相当于 280,000 股）（"**本人持有股份**"）。自 2020 年 5 月 28 日起，特此不可撤销地授权西安赛美科信息科技有限公司（"**WFOE**"）在本授权书有效期内行使与本人持有股份有关的以下权利：

The WFOE is hereby authorized to act on behalf of myself as my exclusive agent and attorney with respect to all matters concerning My Shareholding, including without limitation to:
特此授权 WFOE 代表我本人担任我的独家代理人，处理与本人持有股份有关的所有事宜，包括但不限于：

1) to execute and deliver any and all written resolutions in the name and on behalf of the Shareholders;
以股东的名义代表其签署和交付任何书面决议；

2) to vote by itself or by proxy on any matters discussed on shareholders' meetings, including without limitation, the sale, transfer, mortgage, pledge or disposal of any or all of the assets of the Company;
就股东大会上讨论的任何事项，包括但不限于出售、转让、抵押、质押或处分公司的部分或全部资产；自行表决或委托他人代为表决；

3) to sell, transfer, pledge or dispose of any or all of the shares in the Company;
出售、转让、质押或处分部分或全部股份；

4) nominate, appoint or remove the directors of the Company when necessary;
在必要时，有权提名、任命或罢免公司董事；

5) to oversee the economic performance of the Company;
监督公司的经营；

6) to have full access to the financial information of the Company at any time;
随时有权获得公司的财务信息；

7) to file any shareholder lawsuits or take other legal actions against the Company's directors or senior management members when such directors or members are acting to the detriment of the interest of the Company or its Shareholder(s);
当董事或高级管理人员的行为损害了公司或其股东的利益时，有权对该董事或高级管理人员提起股东诉讼或采取其他法律措施；

8) to approve annual budgets or declare dividends; and
批准年度预算或分配红利；

9) any other rights conferred by the articles of association of the Company and/or the relevant laws and regulations on the Shareholders.
公司章程和/或有关法律法规赋予股东的任何其他权利。

Without limiting the generality of the powers granted hereunder, the WFOE shall have the power and authority under this Power of Attorney to execute the Transfer Contracts stipulated in Exclusive Option Agreement, to which I am required to be a party, on behalf of myself, and to perform the terms of the Shares Pledge Agreement and Exclusive Option Agreement, both dated the date hereof, to which I am a party.
在不限制本协议授予权的一般性的前提下，WFOE 有权根据本授权委托书代表我本人签署《独家选择权协议》中规定的转让合同，并履行本人作为当事人的《股份质押协议》和《独家选择权协议》的条款。

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WFOE 所作出的与本人持有股份相关的所有行为均应视为我的行为，WFOE 签署的与本人持有股份相关的所有文件均应视为由我签署。WFOE 有权未经我事先同意，根据自己的判断采取上述行为。我在此承认并批准 WFOE 的这些行动和/或签署的文件。

The WFOE is entitled to re-authorize or assign its rights related to the aforesaid matters to any other person or entity at its own discretion and without giving prior notice to me or obtaining my consent.
WFOE 有权自行决定将与上述事项相关的权利转授权或转让给任何其他个人或法人，而无需事先通知我或征得我的同意。

Provided that I am a shareholder of the Company, this Power of Attorney shall be irrevocable and continuously effective as of the date of execution, unless written instructions to the contrary are given by the WFOE. Once the WFOE notice me in writing to terminate this Power of Attorney in whole or in part, I will immediately withdraw the entrustment and authorization under this Power of Attorney, and immediately sign a power of attorney in the same format as this Power of Attorney to

authorize the same right as provided under this Power of Attorney to other persons nominated by the WFOE.
在我担任公司股东期间，该授权委托书自签署之日起将是不可撤销且持续有效，除非 WFOE 发出相反的书面指示。一旦 WFOE 以书面形式通知我终止全部或部分本授权书，我将立即撤销本授权书的委托和授权，并立即以与本授权书相同的格式签署授权书，授权由 WFOE 提名的其他人享有本授权书所赋予的相同权利。

During the term of this Power of Attorney, I hereby waive all the rights associated with My Shareholding, which have been authorized to the WFOE through this Power of Attorney, and shall not exercise such rights by myself.
在本授权书期限内，我特此放弃与本人持有股份相关的所有权利，这些权利已通过本授权书授予 WFOE 行使，我本人不再行使任何权利。

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[以下无正文]

Dong Fangfang
董芳芳

Signature:
签名：董芳芳

POWER OF ATTORNEY

授权委托书

The undersigned, Zhang Kai, a Chinese citizen with PRC ID No.: 610122198703251716 and a holder of 1% of the registered capital (corresponding to 280,000 shares) in Xi'AN APP·CHEM BIO (TEC) Co., Ltd. (the "**Company**") ("**My Shareholding**"), as of 28/5, 2020, hereby irrevocably authorize Xi'an Cell and Molecule Information Technology Co., Ltd. (the "**WFOE**") to exercise the following rights relating to My Shareholding during the term of this Power of Attorney:
签名人张凯，中国公民（身份证号码为 610122198703251716），持有西安天美生物科技股份有限公司（"**公司**"）1%的注册资本（相当于 280,000 股）("**本人持有股份**")。自 2020 年 5 月 28 日起，特此不可撤销地授权西安赛美科信息科技有限公司("**WFOE**")在本授权书有效期内行使与本人持有股份有关的以下权利：

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1) to execute and deliver any and all written resolutions in the name and on behalf of the Shareholders;
以股东的名义代表其签署和交付任何书面决议；

2) to vote by itself or by proxy on any matters discussed on shareholders' meetings, including without limitation, the sale, transfer, mortgage, pledge or disposal of any or all of the assets of the Company;
就股东大会上讨论的任何事项，包括但不限于出售、转让、抵押、质押或处分公司的部分或全部资产；自行表决或委托他人代为表决；

3) to sell, transfer, pledge or dispose of any or all of the shares in the Company;
出售、转让、质押或处分部分或全部股份；

4) nominate, appoint or remove the directors of the Company when necessary;
在必要时，有权提名、任命或罢免公司董事；

5) to oversee the economic performance of the Company;
监督公司的经营；

6) to have full access to the financial information of the Company at any time;
随时有权获得公司的财务信息；

7) to file any shareholder lawsuits or take other legal actions against the Company's

directors or senior management members when such directors or members are acting to the detriment of the interest of the Company or its Shareholder(s);
当董事或高级管理人员的行为损害了公司或其股东的利益时，有权对该董事或高级管理人员提起股东诉讼或采取其他法律措施；

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Without limiting the generality of the powers granted hereunder, the WFOE shall have the power and authority under this Power of Attorney to execute the Transfer Contracts stipulated in Exclusive Option Agreement, to which I am required to be a party, on behalf of myself, and to perform the terms of the Shares Pledge Agreement and Exclusive Option Agreement, both dated the date hereof, to which I am a party.
在不限制本协议授予权的一般性的前提下，WFOE 有权根据本授权委托书代表我本人签署《独家选择权协议》中规定的转让合同，并履行本人作为当事人的《股份质押协议》和《独家选择权协议》的条款。

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WFOE 所作出的与本人持有股份相关的所有行为均应视为我的行为，WFOE 签署的与本人持有股份相关的所有文件均应视为由我签署。WFOE 有权未经我事先同意，根据自己的判断采取上述行为。我在此承认并批准 WFOE 的这些行动和/或签署的文件。

The WFOE is entitled to re-authorize or assign its rights related to the aforesaid matters to any other person or entity at its own discretion and without giving prior notice to me or obtaining my consent.
WFOE 有权自行决定将与上述事项相关的权利转授权或转让给任何其他个人或法人，而无需事先通知我或征得我的同意。

Provided that I am a shareholder of the Company, this Power of Attorney shall be irrevocable and continuously effective as of the date of execution, unless written instructions to the contrary are given by the WFOE. Once the WFOE notice me in writing to terminate this Power of Attorney in whole or in part, I will immediately withdraw the entrustment and authorization under this Power of Attorney, and immediately sign a power of attorney in the same format as this Power of Attorney to authorize the same right as provided under this Power of Attorney to other persons

nominated by the WFOE.
在我担任公司股东期间，该授权委托书自签署之日起将是不可撤销且持续有效，除非 WFOE 发出相反的书面指示。一旦 WFOE 以书面形式通知我终止全部或部分本授权书，我将立即撤销本授权书的委托和授权，并立即以与本授权书相同的格式签署授权书，授权由 WFOE 提名的其他人享有本授权书所赋予的相同权利。

During the term of this Power of Attorney, I hereby waive all the rights associated with My Shareholding, which have been authorized to the WFOE through this Power of Attorney, and shall not exercise such rights by myself.
在本授权书期限内，我特此放弃与本人持有股份相关的所有权利，这些权利已通过本授权书授予 WFOE 行使，我本人不再行使任何权利。

[The Remainder of this page is intentionally left blank]
[以下无正文]

Zhang Kai
张凯

Signature:
签名：

POWER OF ATTORNEY

授权委托书

The undersigned, Guan Huixia, a Chinese citizen with PRC ID No.: 610125194705095244 and a holder of 0.5% of the registered capital (corresponding to 140,000 shares) in Xi'AN APP·CHEM BIO (TEC) Co., Ltd. (the "**Company**") ("**My Shareholding**"), as of 28/5, 2020, hereby irrevocably authorize Xi'an Cell and Molecule Information Technology Co., Ltd. (the "**WFOE**") to exercise the following rights relating to My Shareholding during the term of this Power of Attorney:
签名人关会侠，中国公民（身份证号码为 610125194705095244），持有西安天美生物科技股份有限公司（"**公司**"）0.5%的注册资本（相当于 140,000 股）（"**本人持有股份**"）。自 2020 年 5 月 28 日起，特此不可撤销地授权西安赛美科信息科技有限公司（"**WFOE**"）在本授权书有效期内行使与本人持有股份有关的以下权利：

The WFOE is hereby authorized to act on behalf of myself as my exclusive agent and attorney with respect to all matters concerning My Shareholding, including without limitation to:
特此授权 WFOE 代表我本人担任我的独家代理人，处理与本人持有股份有关的所有事宜，包括但不限于：

1) to execute and deliver any and all written resolutions in the name and on behalf of the Shareholders;
以股东的名义代表其签署和交付任何书面决议；

2) to vote by itself or by proxy on any matters discussed on shareholders' meetings, including without limitation, the sale, transfer, mortgage, pledge or disposal of any or all of the assets of the Company;
就股东大会上讨论的任何事项，包括但不限于出售、转让、抵押、质押或处分公司的部分或全部资产；自行表决或委托他人代为表决；

3) to sell, transfer, pledge or dispose of any or all of the shares in the Company;
出售、转让、质押或处分部分或全部股份；

4) nominate, appoint or remove the directors of the Company when necessary;
在必要时，有权提名、任命或罢免公司董事；

5) to oversee the economic performance of the Company;
监督公司的经营；

6) to have full access to the financial information of the Company at any time;
随时有权获得公司的财务信息；

7) to file any shareholder lawsuits or take other legal actions against the Company's directors or senior management members when such directors or members are acting to the detriment of the interest of the Company or its Shareholder(s);
当董事或高级管理人员的行为损害了公司或其股东的利益时，有权对该董事或高级管理人员提起股东诉讼或采取其他法律措施；

8) to approve annual budgets or declare dividends; and
批准年度预算或分配红利；

9) any other rights conferred by the articles of association of the Company and/or the relevant laws and regulations on the Shareholders.
公司章程和/或有关法律法规赋予股东的任何其他权利。

Without limiting the generality of the powers granted hereunder, the WFOE shall have the power and authority under this Power of Attorney to execute the Transfer Contracts stipulated in Exclusive Option Agreement, to which I am required to be a party, on behalf of myself, and to perform the terms of the Shares Pledge Agreement and Exclusive Option Agreement, both dated the date hereof, to which I am a party.
在不限制本协议授予权的一般性的前提下，WFOE 有权根据本授权委托书代表我本人签署《独家选择权协议》中规定的转让合同，并履行本人作为当事人的《股份质押协议》和《独家选择权协议》的条款。

All the actions associated with My Shareholding conducted by the WFOE shall be deemed as my own actions, and all the documents related to My Shareholding executed by the WFOE shall be deemed to be executed by me. The WFOE has the right to make the aforesaid actions according to its own judgment without my prior consent. I hereby acknowledge and ratify those actions and/or documents by the WFOE.
WFOE 所作出的与本人持有股份相关的所有行为均应视为我的行为，WFOE 签署的与本人持有股份相关的所有文件均应视为由我签署。WFOE 有权未经我事先同意，根据自己的判断采取上述行为。我在此承认并批准 WFOE 的这些行动和/或签署的文件。

The WFOE is entitled to re-authorize or assign its rights related to the aforesaid matters to any other person or entity at its own discretion and without giving prior notice to me or obtaining my consent.
WFOE 有权自行决定将与上述事项相关的权利转授权或转让给任何其他个人或法人，而无需事先通知我或征得我的同意。

Provided that I am a shareholder of the Company, this Power of Attorney shall be irrevocable and continuously effective as of the date of execution, unless written instructions to the contrary are given by the WFOE. Once the WFOE notice me in writing to terminate this Power of Attorney in whole or in part, I will immediately withdraw the entrustment and authorization under this Power of Attorney, and immediately sign a power of attorney in the same format as this Power of Attorney to

authorize the same right as provided under this Power of Attorney to other persons nominated by the WFOE.
在我担任公司股东期间，该授权委托书自签署之日起将是不可撤销且持续有效，除非 WFOE 发出相反的书面指示。一旦 WFOE 以书面形式通知我终止全部或部分本授权书，我将立即撤销本授权书的委托和授权，并立即以与本授权书相同的格式签署授权书，授权由 WFOE 提名的其他人享有本授权书所赋予的相同权利。

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[The Remainder of this page is intentionally left blank]
[以下无正文]

Guan Huixia
关会侠

Signature:
签名：

POWER OF ATTORNEY

授权委托书

The undersigned, Jia Yizhen, a Chinese citizen with PRC ID No.: 610104199208283421 and a holder of 0.75% of the registered capital (corresponding to 210,000 shares) in Xi'AN APP·CHEM BIO (TEC) Co., Ltd. (the "**Company**") ("**My Shareholding**"), as of 28/5, 2020, hereby irrevocably authorize Xi'an Cell and Molecule Information Technology Co., Ltd. (the "**WFOE**") to exercise the following rights relating to My Shareholding during the term of this Power of Attorney:
签名人贾怡真，中国公民（身份证号码为 610104199208283421），持有西安天美生物科技股份有限公司（"**公司**"）0.75%的注册资本（相当于 210,000 股）（"**本人持有股份**"）。自 2020 年 5 月 28 日起，特此不可撤销地授权西安赛美科信息科技有限公司（"**WFOE**"）在本授权书有效期内行使与本人持有股份有关的以下权利：

The WFOE is hereby authorized to act on behalf of myself as my exclusive agent and attorney with respect to all matters concerning My Shareholding, including without limitation to:
特此授权 WFOE 代表我本人担任我的独家代理人，处理与本人持有股份有关的所有事宜，包括但不限于：

1) to execute and deliver any and all written resolutions in the name and on behalf of the Shareholders;
以股东的名义代表其签署和交付任何书面决议；

2) to vote by itself or by proxy on any matters discussed on shareholders' meetings, including without limitation, the sale, transfer, mortgage, pledge or disposal of any or all of the assets of the Company;
就股东大会上讨论的任何事项，包括但不限于出售、转让、抵押、质押或处分公司的部分或全部资产；自行表决或委托他人代为表决；

3) to sell, transfer, pledge or dispose of any or all of the shares in the Company;
出售、转让、质押或处分部分或全部股份；

4) nominate, appoint or remove the directors of the Company when necessary;
在必要时，有权提名、任命或罢免公司董事；

5) to oversee the economic performance of the Company;
监督公司的经营；

6) to have full access to the financial information of the Company at any time;
随时有权获得公司的财务信息；

7) to file any shareholder lawsuits or take other legal actions against the Company's directors or senior management members when such directors or members are acting to the detriment of the interest of the Company or its Shareholder(s);
当董事或高级管理人员的行为损害了公司或其股东的利益时，有权对该董事或高级管理人员提起股东诉讼或采取其他法律措施；

8) to approve annual budgets or declare dividends; and
批准年度预算或分配红利；

9) any other rights conferred by the articles of association of the Company and/or the relevant laws and regulations on the Shareholders.
公司章程和/或有关法律法规赋予股东的任何其他权利。

Without limiting the generality of the powers granted hereunder, the WFOE shall have the power and authority under this Power of Attorney to execute the Transfer Contracts stipulated in Exclusive Option Agreement, to which I am required to be a party, on behalf of myself, and to perform the terms of the Shares Pledge Agreement and Exclusive Option Agreement, both dated the date hereof, to which I am a party.
在不限制本协议授予权的一般性的前提下，WFOE 有权根据本授权委托书代表我本人签署《独家选择权协议》中规定的转让合同，并履行本人作为当事人的《股份质押协议》和《独家选择权协议》的条款。

All the actions associated with My Shareholding conducted by the WFOE shall be deemed as my own actions, and all the documents related to My Shareholding executed by the WFOE shall be deemed to be executed by me. The WFOE has the right to make the aforesaid actions according to its own judgment without my prior consent. I hereby acknowledge and ratify those actions and/or documents by the WFOE.
WFOE 所作出的与本人持有股份相关的所有行为均应视为我的行为，WFOE 签署的与本人持有股份相关的所有文件均应视为由我签署。WFOE 有权未经我事先同意，根据自己的判断采取上述行为。我在此承认并批准 WFOE 的这些行动和/或签署的文件。

The WFOE is entitled to re-authorize or assign its rights related to the aforesaid matters to any other person or entity at its own discretion and without giving prior notice to me or obtaining my consent.
WFOE 有权自行决定将与上述事项相关的权利转授权或转让给任何其他个人或法人，而无需事先通知我或征得我的同意。

Provided that I am a shareholder of the Company, this Power of Attorney shall be irrevocable and continuously effective as of the date of execution, unless written instructions to the contrary are given by the WFOE. Once the WFOE notice me in writing to terminate this Power of Attorney in whole or in part, I will immediately withdraw the entrustment and authorization under this Power of Attorney, and immediately sign a power of attorney in the same format as this Power of Attorney to

authorize the same right as provided under this Power of Attorney to other persons nominated by the WFOE.
在我担任公司股东期间，该授权委托书自签署之日起将是不可撤销且持续有效，除非 WFOE 发出相反的书面指示。一旦 WFOE 以书面形式通知我终止全部或部分本授权书，我将立即撤销本授权书的委托和授权，并立即以与本授权书相同的格式签署授权书，授权由 WFOE 提名的其他人享有本授权书所赋予的相同权利。

During the term of this Power of Attorney, I hereby waive all the rights associated with My Shareholding, which have been authorized to the WFOE through this Power of Attorney, and shall not exercise such rights by myself.
在本授权书期限内，我特此放弃与本人持有股份相关的所有权利，这些权利已通过本授权书授予 WFOE 行使，我本人不再行使任何权利。

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[以下无正文]

Jia Yizhen
贾怡真

Signature:
签名：

POWER OF ATTORNEY

授权委托书

The undersigned, An Yanna, a Chinese citizen with PRC ID No.: 612727198711156045 and a holder of 0.75% of the registered capital (corresponding to 210,000 shares) in Xi'AN APP·CHEM BIO (TEC) Co., Ltd. (the "**Company**") ("**My Shareholding**"), as of 28/5, 2020, hereby irrevocably authorize Xi'an Cell and Molecule Information Technology Co., Ltd. (the "**WFOE**") to exercise the following rights relating to My Shareholding during the term of this Power of Attorney:
签名人安艳娜，中国公民（身份证号码为 612727198711156045），持有西安天美生物科技股份有限公司（"**公司**"）0.75%的注册资本（相当于 210,000 股）（"**本人持有股份**"）。自 2020 年 5 月 28 日起，特此不可撤销地授权西安赛美科信息科技有限公司（"**WFOE**"）在本授权书有效期内行使与本人持有股份有关的以下权利：

The WFOE is hereby authorized to act on behalf of myself as my exclusive agent and attorney with respect to all matters concerning My Shareholding, including without limitation to:
特此授权 WFOE 代表我本人担任我的独家代理人，处理与本人持有股份有关的所有事宜，包括但不限于：

1) to execute and deliver any and all written resolutions in the name and on behalf of the Shareholders;
以股东的名义代表其签署和交付任何书面决议；

2) to vote by itself or by proxy on any matters discussed on shareholders' meetings, including without limitation, the sale, transfer, mortgage, pledge or disposal of any or all of the assets of the Company;
就股东大会上讨论的任何事项，包括但不限于出售、转让、抵押、质押或处分公司的部分或全部资产；自行表决或委托他人代为表决；

3) to sell, transfer, pledge or dispose of any or all of the shares in the Company;
出售、转让、质押或处分部分或全部股份；

4) nominate, appoint or remove the directors of the Company when necessary;
在必要时，有权提名、任命或罢免公司董事；

5) to oversee the economic performance of the Company;
监督公司的经营；

6) to have full access to the financial information of the Company at any time;
随时有权获得公司的财务信息；

7) to file any shareholder lawsuits or take other legal actions against the Company's directors or senior management members when such directors or members are acting to the detriment of the interest of the Company or its Shareholder(s);
当董事或高级管理人员的行为损害了公司或其股东的利益时，有权对该董事或高级管理人员提起股东诉讼或采取其他法律措施；

8) to approve annual budgets or declare dividends; and
批准年度预算或分配红利；

9) any other rights conferred by the articles of association of the Company and/or the relevant laws and regulations on the Shareholders.
公司章程和/或有关法律法规赋予股东的任何其他权利。

Without limiting the generality of the powers granted hereunder, the WFOE shall have the power and authority under this Power of Attorney to execute the Transfer Contracts stipulated in Exclusive Option Agreement, to which I am required to be a party, on behalf of myself, and to perform the terms of the Shares Pledge Agreement and Exclusive Option Agreement, both dated the date hereof, to which I am a party.
在不限制本协议授予权的一般性的前提下，WFOE 有权根据本授权委托书代表我本人签署《独家选择权协议》中规定的转让合同，并履行本人作为当事人的《股份质押协议》和《独家选择权协议》的条款。

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WFOE 所作出的与本人持有股份相关的所有行为均应视为我的行为，WFOE 签署的与本人持有股份相关的所有文件均应视为由我签署。WFOE 有权未经我事先同意，根据自己的判断采取上述行为。我在此承认并批准 WFOE 的这些行动和/或签署的文件。

The WFOE is entitled to re-authorize or assign its rights related to the aforesaid matters to any other person or entity at its own discretion and without giving prior notice to me or obtaining my consent.
WFOE 有权自行决定将与上述事项相关的权利转授权或转让给任何其他个人或法人，而无需事先通知我或征得我的同意。

Provided that I am a shareholder of the Company, this Power of Attorney shall be irrevocable and continuously effective as of the date of execution, unless written instructions to the contrary are given by the WFOE. Once the WFOE notice me in writing to terminate this Power of Attorney in whole or in part, I will immediately withdraw the entrustment and authorization under this Power of Attorney, and immediately sign a power of attorney in the same format as this Power of Attorney to

authorize the same right as provided under this Power of Attorney to other persons nominated by the WFOE.
在我担任公司股东期间，该授权委托书自签署之日起将是不可撤销且持续有效，除非 WFOE 发出相反的书面指示。一旦 WFOE 以书面形式通知我终止全部或部分本授权书，我将立即撤销本授权书的委托和授权，并立即以与本授权书相同的格式签署授权书，授权由 WFOE 提名的其他人享有本授权书所赋予的相同权利。

During the term of this Power of Attorney, I hereby waive all the rights associated with My Shareholding, which have been authorized to the WFOE through this Power of Attorney, and shall not exercise such rights by myself.
在本授权书期限内，我特此放弃与本人持有股份相关的所有权利，这些权利已通过本授权书授予 WFOE 行使，我本人不再行使任何权利。

[The Remainder of this page is intentionally left blank]
[以下无正文]

An Yanna
安艳娜

Signature:
签名：

POWER OF ATTORNEY

授权委托书

The undersigned, Liu Weihua, a Chinese citizen with PRC ID No.: 610402197008141255 and a holder of 0.5% of the registered capital (corresponding to 140,000 shares) in Xi'AN APP·CHEM BIO (TEC) Co., Ltd. (the "**Company**") ("**My Shareholding**"), as of 28/5, 2020, hereby irrevocably authorize Xi'an Cell and Molecule Information Technology Co., Ltd. (the "**WFOE**") to exercise the following rights relating to My Shareholding during the term of this Power of Attorney:
签名人刘卫华，中国公民（身份证号码为 610402197008141255），持有西安天美生物科技股份有限公司（"**公司**"）0.5%的注册资本（相当于 140,000 股）（"**本人持有股份**"）。自 2020 年 5 月 28 日起，特此不可撤销地授权西安赛美科信息科技有限公司（"**WFOE**"）在本授权书有效期内行使与本人持有股份有关的以下权利：

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以股东的名义代表其签署和交付任何书面决议；

2) to vote by itself or by proxy on any matters discussed on shareholders' meetings, including without limitation, the sale, transfer, mortgage, pledge or disposal of any or all of the assets of the Company;
就股东大会上讨论的任何事项，包括但不限于出售、转让、抵押、质押或处分公司的部分或全部资产；自行表决或委托他人代为表决；

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4) nominate, appoint or remove the directors of the Company when necessary;
在必要时，有权提名、任命或罢免公司董事；

5) to oversee the economic performance of the Company;
监督公司的经营；

6) to have full access to the financial information of the Company at any time;
随时有权获得公司的财务信息；

7) to file any shareholder lawsuits or take other legal actions against the Company's directors or senior management members when such directors or members are acting to the detriment of the interest of the Company or its Shareholder(s);
当董事或高级管理人员的行为损害了公司或其股东的利益时，有权对该董事或高级管理人员提起股东诉讼或采取其他法律措施；

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在不限制本协议授予权的一般性的前提下，WFOE 有权根据本授权委托书代表我本人签署《独家选择权协议》中规定的转让合同，并履行本人作为当事人的《股份质押协议》和《独家选择权协议》的条款。

All the actions associated with My Shareholding conducted by the WFOE shall be deemed as my own actions, and all the documents related to My Shareholding executed by the WFOE shall be deemed to be executed by me. The WFOE has the right to make the aforesaid actions according to its own judgment without my prior consent. I hereby acknowledge and ratify those actions and/or documents by the WFOE.
WFOE 所作出的与本人持有股份相关的所有行为均应视为我的行为，WFOE 签署的与本人持有股份相关的所有文件均应视为由我签署。WFOE 有权未经我事先同意，根据自己的判断采取上述行为。我在此承认并批准 WFOE 的这些行动和/或签署的文件。

The WFOE is entitled to re-authorize or assign its rights related to the aforesaid matters to any other person or entity at its own discretion and without giving prior notice to me or obtaining my consent.
WFOE 有权自行决定将与上述事项相关的权利转授权或转让给任何其他个人或法人，而无需事先通知我或征得我的同意。

Provided that I am a shareholder of the Company, this Power of Attorney shall be irrevocable and continuously effective as of the date of execution, unless written instructions to the contrary are given by the WFOE. Once the WFOE notice me in writing to terminate this Power of Attorney in whole or in part, I will immediately withdraw the entrustment and authorization under this Power of Attorney, and immediately sign a power of attorney in the same format as this Power of Attorney to

authorize the same right as provided under this Power of Attorney to other persons nominated by the WFOE.
在我担任公司股东期间，该授权委托书自签署之日起将是不可撤销且持续有效，除非 WFOE 发出相反的书面指示。一旦 WFOE 以书面形式通知我终止全部或部分本授权书，我将立即撤销本授权书的委托和授权，并立即以与本授权书相同的格式签署授权书，授权由 WFOE 提名的其他人享有本授权书所赋予的相同权利。

During the term of this Power of Attorney, I hereby waive all the rights associated with My Shareholding, which have been authorized to the WFOE through this Power of Attorney, and shall not exercise such rights by myself.
在本授权书期限内，我特此放弃与本人持有股份相关的所有权利，这些权利已通过本授权书授予 WFOE 行使，我本人不再行使任何权利。

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[以下无正文]

Liu Weihua
刘卫华

Signature:
签名：

Loan Agreement

借款协议

This Loan Agreement (this "**Agreement**") is made and entered into by and among the following Parties as of _____, 2020, the People's Republic of China ("**China**" or the "**PRC**"):
本《借款协议》 (以下简称"**本协议**")由下列各方，在 2020 年 7 月 28 日于中华人民共和国（以下简称"**中国**"） 订立并签订：

(1) Xi'an Cell and Molecule Information Technology Co., Ltd. (the "**Lender**"), a domestic company registered in the PRC, under the laws of the PRC;
西安赛美科信息科技有限公司("**出借人**")，系一家根据中国法律在中国注册并设立的公司。

(2) Hu Yongwei, a citizen of China, PRC ID No.: 610103197108023635;
胡永卫，中国公民，身份证号为 610103197108023635；

(3) Liu Jing, a citizen of China, PRC ID No.: 610113197812110065;
刘静，中国公民，身份证号为 610113197812110065；

(4) Wang Wei, a citizen of China, PRC ID No.: 610202197506020826;
王薇，中国公民，身份证号为 610202197506020826；

(5) Liu Jianli, a citizen of China, PRC ID No.: 610103195903123695;
刘建利，中国公民，身份证号为 610103195903123695；

(6) Dong Fangfang, a citizen of China, PRC ID No.: 610402196810016107;
董芳芳，中国公民，身份证号为 610402196810016107；

(7) Zhang Kai, a citizen of China, PRC ID No.: 610122198703251716;
张凯，中国公民，身份证号为 610122198703251716；

(8) Guan Huixia, a citizen of China, PRC ID No.: 610125194705095244;
关会侠，中国公民，身份证号为 610125194705095244；

(9) Jia Yizhen, a citizen of China, PRC ID No.: 610104199208283421;
贾怡真，中国公民，身份证号为 610104199208283421；

(10) An Yanna, a citizen of China, PRC ID No.: 612727198711156045; and
安艳娜，中国公民，身份证号为 612727198711156045；

(11) Liu Weihua, a citizen of China, PRC ID No.: 610402197008141255; (together with

Hu Yongwei, Liu Jing, Wang Wei, Liu Jianli, Dong Fangfang, Zhang Kai, Guan Huixia, Jia Yizhen, and An Yanna, the "**Borrowers**").
刘卫华，中国公民，身份证号为 610402197008141255；（与胡永伟、刘静、王薇、刘建利、董芳芳、张凯、关会侠、贾怡真和安艳娜并称为"**借款人**"）。

Each of the Lender and the Borrowers shall be hereinafter referred to as a "**Party**" respectively, and as the "**Parties**" collectively.
出借人和借款人以下分别称为"**一方**"，统称为"**各方**"。

Whereas:
鉴于：

1. Borrowers collectively hold 100% of shares ("**Borrower Shares**") in Xi'AN APP·CHEM BIO (TEC) Co., Ltd. ("**Borrower Company**"), which is a joint-stock limited company duly registered in the PRC with its registered capital of RMB28,000,000;
借款人共同持有西安天美生物科技股份有限公司（"**借款人公司**"）100%的股份（"**借款人股份**"），该公司系在中国正式注册的股份有限公司，注册资本人民币 28,000,000 元；

2. Lender intends to provide Borrowers with a loan to be used for the purposes set forth under this Agreement.
出借人计划向借款人提供一笔借款，以用于本协议规定的目的。

After friendly consultation, the Parties agree as follows:

经过友好协商，各方达成如下合意：

Article 1 Loan
借款

1.1 In accordance with the terms and conditions of this Agreement, Lender agrees to provide an interest-free loan in the amount of RMB70,000,000 to Borrowers in the aggregate (the "**Loan**"). The specific amount for each borrower is shown in Attachment 1. The term of the Loan shall be 10 years from the date of this Agreement, which may be extended upon mutual written consent of the Parties. During the term of the Loan or the extended term of the Loan, upon the request of Lender, any Borrower shall immediately repay the full amount of the Loan in the event any one or more of the following circumstances occur:
根据本协议的条款和条件，出借人同意向借款人提供总额为人民币 7,000 万元的无息借款（以下简称"**借款**"）。附件 1 附有每个借款人借款的具体金额。借款期限为自本协议签订之日起 10 年，经各方共同书面同意可以延长。在借款期限或借款的延长期限内，应出借人的要求，若发生以下任何一种或多种情况，任何借款人都应立即偿还全部借款：

1.1.1 30 days elapse after such Borrower receives a written notice from the Lender requesting repayment of the Loan;
该借款人收到出借人要求偿还借款的书面通知超过 30 日；

1.1.2 Such Borrower's death, lack, or limitation of civil capacity;
该借款人死亡、丧失民事行为能力或民事行为能力受限制；

1.1.3 Such Borrower ceases (for any reason) to be an employee of the Lender, the Borrower Company or their affiliates;
该借款人（无论何种原因）不再是出借人的雇员，或不再是借款人公司或其分支机构的雇员；

1.1.4 Such Borrower engages in or is involved in criminal activities;
该借款人从事或参与犯罪活动；

1.1.5 According to the applicable laws of China, foreign investors are permitted to invest in the principle business that is currently conducted by the Borrower Company in China with a controlling stake and/or in the form of enterprises, the relevant competent authorities of China begin to approve such investments, and the Lender exercises the exclusive option under the Exclusive Option Agreement (the "**Exclusive Option Agreement**") described in this Agreement.
根据中国的相关法律，外国投资者可以投资由借款人公司目前在中国拥有控股权和/或以企业形式存在的公司。中国主管部门开始批准此类投资，出借人根据本协议所述《独家选择权协议》（以下简称"**《独家选择权协议》**"）行使独家选择权。

1.2 The Loan provided by the Lender under this Agreement shall inure to the Borrowers' benefit only and not to the Borrowers' successor(s) or assign(s).
出借人根据本协议提供的借款仅供借款人使用，借款人的继承人或受让人对该笔借款不享有权利。

1.3 The Borrowers agree to accept the aforementioned Loan provided by the Lender, and hereby agrees and warrants using the Loan to increase the registered capital of the Borrower Company. Without the Lender's prior written consent, the Borrowers shall not use the Loan for any purpose other than as set forth herein.
借款人同意接受出借人提供的上述借款，并特此同意并保证将该笔借款用于增加借款人公司的注册资本。未经出借人事先书面同意，借款人不得将借款用于本协议所述目的以外的任何用途。

1.4 The Lender and the Borrowers hereby agree and acknowledge that the Borrowers' method of repayment shall be at the sole discretion of the Lender, and shall at the Lender's option take the form of the Borrowers' transferring the Borrower Shares

in whole to the Lender or the Lender's designated persons (legal or natural persons) pursuant to the Lender's exercise of its right to acquire the Borrower Shares under the Exclusive Option Agreement, and any proceeds from the transfer of the Borrower Shares (to the extent permissible) shall be used by the Borrowers to repay the Loan to the Lender, in accordance with this Agreement and in the manner designated by the Lender.
出借人与借款人达成共识，借款人的还款方式应由出借人全权决定，并根据出借人的选择通过以下方式进行：出借人行使《独家选择权协议》项下收购借款人股份的权利，借款人将全部借款人股份转让给出借人或出借人指定的人（法人或自然人）。根据本协议约定或出借人指定的方式，借款人从转让借款人股份中获得的任何收益（在允许的范围内）应用于向出借人偿还借款。

1.5 The Lender and the Borrowers hereby agree and acknowledge that to the extent permitted by the applicable laws, the Lender shall have the right but not the obligation to purchase or designate other persons (legal or natural persons) to purchase the Borrower Shares in part or in whole at any time, at the price stipulated in the Exclusive Option Agreement.
出借人与借款人特此达成共识，在相关法律允许的范围内，出借人有权利但无义务购买，或指定其他人（法人或自然人）随时全部或部分购买借款人股份并按照《独家选择权协议》中约定的价格支付。

1.6 The Borrowers also undertake to execute an irrevocable Proxy Agreement and Power of Attorney (the "**Proxy Agreement and Power of Attorney**"), which authorizes the Lender or a legal or natural person designated by the Lender to exercise all of the Borrowers' rights as the shareholders of the Borrower Company.
借款人还承诺签署不可撤销的《代理协议和授权委托书》（以下简称"**《代理协议和授权委托书》**"），授权出借人或出借人指定的法人或自然人行使借款人作为借款人公司的股东的所有权利。

1.7 When the Borrowers transfer the Borrower Shares to the Lender or the Lender's designated person(s), in the event that the transfer price of such shares is equal to or lower than the principal of the Loan under this Agreement, the Loan under this Agreement shall be deemed an interest-free loan. In the event that the transfer price of such shares exceeds the principal of the Loan under this Agreement, the excess over the principal shall be deemed the interest of the Loan under this Agreement payable by the Borrowers to the Lender.
当借款人将借款人股份转让给出借人或出借人指定的人时，如果该股份的转让价格等于或低于本协议项下的借款本金，则本协议应被视为无息贷款。如果该股份的转让价格超过了本协议项下的借款本金，则超出本金的部分应视为借款人应向出借人支付的本协议项下的借款利息。

Article 2 Representations and Warranties
陈述与保证

2.1 Between the date of execution of this Agreement and the date of termination of this Agreement, the Lender hereby makes the following representations and warranties to the Borrowers:
自本协议签署之日至本协议的终止之日，出借人向借款人作出如下陈述和保证：

2.1.1 The Lender is a corporation duly organized and legally existing in accordance with the laws of China;
出借人是根据中国法律正式成立并合法存续的公司；

2.1.2 The Lender has the legal capacity to execute and perform this Agreement. The execution and performance by the Lender of this Agreement is consistent with the Lender's scope of business and the provisions of the Lender's corporate bylaws and other organizational documents, and the Lender has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement; and
出借人具有签订和履行本协议的民事法律能力。出借人签订和履行本协议符合出借人公司的业务范围及公司章程和其他组织文件的规定，并且出借人已获得签订和履行本协议的所有必要和适当的批准和授权；及

2.1.3 This Agreement constitutes the Lender's legal, valid, and binding obligations enforceable in accordance with its terms.
本协议一经签署，即构成了对出借人合法、有效和具有约束力的条款。

2.2 Between the date of execution of this Agreement and the date of termination of this Agreement, the Borrowers hereby make the following representations and warranties:
自本协议的签署之日至本协议的终止之日，借款人作出以下陈述和保证：

2.2.1 The Borrowers have the legal capacity to execute and perform this Agreement. The Borrowers have obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement;
借款人具有签订和履行本协议的民事法律能力，并已获得签署和履行本协议的所必要和适当的批准和授权；

2.2.2 This Agreement constitutes the Borrowers' legal, valid, and binding obligations enforceable in accordance with its terms; and
本协议一经签署，即构成了对出借人合法、有效和具有约束力的条

款；及

2.2.3 There are no disputes, litigations, arbitrations, administrative proceedings, or any other legal proceedings relating to the Borrowers, nor are there any potential disputes, litigations, arbitrations, administrative proceedings, or any other legal proceedings relating to the Borrowers.
不存在任何与借款人有关的争议、民事诉讼、仲裁、行政诉讼或任何其他法律程序，也没有与借款人有关的潜在争议、诉讼、仲裁、行政诉讼或任何其他法律程序。

Article 3 Borrowers' Covenants
借款人的承诺

3.1 As and when they become, and for so long as they remain shareholders of the Borrower Company, the Borrowers irrevocably covenant that during the term of this Agreement, they shall cause the Borrower Company:
在借款人成为且持续担任借款人公司的股东期间，在本协议有效期内不可撤销地承诺，借款人应促使借款人公司：

3.1.1 to strictly abide by the provisions of the Exclusive Option Agreement and the Exclusive Service Agreement (the "**Exclusive Service Agreement**") to which the Borrower Company is a party, and to refrain from any action/omission that may affect the effectiveness and enforceability of the Exclusive Option Agreement and the Exclusive Service Agreement.
严格遵守借款人公司签署的《独家选择权协议》和《独家服务协议》（以下简称"**《独家服务协议》**"）的规定，并避免任何可能影响到《独家选择权协议》和《独家服务协议》有效性和可执行性的行为或不作为。

3.1.2 at the request of the Lender (or a party designated by the Lender), to execute the contracts/agreements on business cooperation with the Lender (or a party designated by the Lender), and to strictly abide by such contracts/agreements;
根据出借人（或出借人指定的一方）的要求，与出借人（或出借人指定的一方）签订业务合作合同或协议，并严格遵守此类合同或协议；

3.1.3 to provide the Lender with all of the information on the Borrower Company's business operations and financial condition at the Lender's request;
若出借人的要求，应向其提供有关借款人公司的业务运营和财务状况的所有信息；

3.1.4 to immediately notify the Lender of the occurrence or possible occurrence of any litigation, arbitration, or administrative proceedings relating to the

Borrower Company's assets, business, or income;
在发生或者可能发生与借款人公司的资产、业务或收入有关的任何诉讼、仲裁或行政程序的情况时立即通知出借人；

3.1.5 at the request of the Lender, to appoint any persons designated by the Lender as directors of the Borrower Company;
根据出借人的要求，任命出借人指定的人为借款人公司的董事；

3.2 The Borrowers covenant that during the term of this Agreement, they shall:
借款人承诺，在本协议有效期内应：

3.2.1 endeavor to keep the Borrower Company engaged in its principle businesses and to keep the specific business scope of its business license;
促使借款人公司从事其主要业务，并维持其营业执照中登记的特定业务范围；

3.2.2 abide by the provisions of this Agreement, the Proxy Agreement and Power of Attorney, the Shares Pledge Agreement (the "Shares Pledge Agreement") and the Exclusive Option Agreement to which each Borrower is a party, perform his/her obligations under this Agreement, the Proxy Agreement and Power of Attorney, the Shares Pledge Agreement and the Exclusive Option Agreement, and refrain from any action/omission that may affect the effectiveness and enforceability of this Agreement, the Proxy Agreement and Power of Attorney, the Equity Interest Pledge Agreement and the Exclusive Option Agreement;
借款人作为本协议、《代理协议和授权委托书》、《股份质押协议》（以下简称"**《股份质押协议》**"）和《独家选择权协议》的一方当事人，应遵守该等协议的规定，履行其在该等协议项下的义务。 并避免任何可能影响到本协议、《代理协议和授权委托书》、《股份质押协议》和《独家选择权协议》有效性和可执行性的行为/不作为；

3.2.3 not sell, transfer, mortgage or dispose of in any other manner the legal or beneficial interest in the Borrower Shares, or allow the encumbrance thereon of any security interest, except in accordance with the Shares Pledge Agreement;
除非按照《股份质押协议》的约定外，不得出售、转让、抵押或以任何其他方式处置借款人股份的法定权益或受益权益，也不得对其设定任何形式的担保权利负担；

3.2.4 cause any shareholders' meeting and/or the board of directors of the Borrower Company to not approve the sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the Borrower Shares, or allow the encumbrance thereon of any security interest, except to the Lender or the Lender's designated person;

除向出借人或出借人指定的人外，促使借款人公司的股东大会和/或董事会不批准出售、转让、抵押或以任何方式处置借款人股份的法定权益或受益权益，也不得批准对其设定任何形式的担保权利负担；

3.2.5 cause any shareholders' meeting and/or the board of directors of the Borrower Company to not approve the merger or consolidation of the Borrower Company with any person, or its acquisition of or investment in any person, without the prior written consent of the Lender;
促使借款人公司的股东大会和/或董事会在未事先征得出借人书面同意的情况下，不得批准借款人公司与任何人合并或对任何人进行收购或投资。

3.2.6 immediately notify the Lender of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the Borrower Shares;
在发生任何与借款人股份有关的诉讼、仲裁或行政程序时应立即通知出借人；

3.2.7 to the extent necessary to maintain his/her ownership of the Borrower Shares, execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defense against all claims;
为维持对借款人股份的所有权，借款人应签署所有必要或适当的文件，采取一切必要或适当的措施，提出所有必要或适当的投诉，或针对索赔在必要范围内提出必要适当的抗辩；

3.2.8 without the prior written consent of the Lender, refrain from any action/omission that may have a material impact on the assets, business and liabilities of the Borrower Company;
未经出借人事先书面同意，不得采取可能对借款人公司的资产、经营和负债产生重大影响的任何行为/不作为；

3.2.9 appoint any designee of the Lender as director of the Borrower Company, at the request of the Lender;
根据出借人的要求，任命出借人指定的人为借款人公司的董事；

3.2.10 to the extent permitted by the laws of China, at the request of the Lender at any time, promptly and unconditionally transfer all of the Borrower Shares to the Lender or the Lender's designated representative(s) at any time, and cause the other shareholders of the Borrower Company to waive their right of first refusal with respect to the share transfer described in this Article;
在中国法律允许的范围内并根据出借人的要求，随时无条件地将所有借款人股份转让给出借人或出借人指定的代理人，并保证借款人

公司的其他股东放弃对本条所述转让股份的优先购买权；

3.2.11 to the extent permitted by the laws of China, at the request of the Lender at any time, cause the other shareholders of the Borrower Company to promptly and unconditionally transfer all of their equity interests to the Lender or the Lender's designated representative(s) at any time, and the Borrower hereby waives their right of first refusal (if any) with respect to the share transfer described in this Article;
在中国法律允许的范围内，根据出借人的要求，促使借款人公司的其他股东随时无条件的将其所有股份转让给出借人或出借人指定的代理人，并且借款人放弃对本节所述的股份转让的优先购买权（如有）；

3.2.12 in the event that the Lender purchases the Borrower Shares from the Borrowers in accordance with the provisions of the Exclusive Option Agreement, use such purchase price obtained thereby to repay the Loan to the Lender; and
若出借人按照《独家选择权协议》的规定从借款人处购得借款人股份，则借款人应用对价偿还出借人的借款；及

3.2.13 without the prior written consent of the Lender, not cause the Borrower Company to supplement, change, or amend its articles of association in any manner, increase or decrease its registered capital or change its share capital structure in any manner.
未经出借人事先书面同意，不得以任何方式补充、更改或修订借款人公司的公司章程，不得以任何方式增加或减少其注册资本或改变其股本结构。

Article 4 Liability for Default
违约责任

4.1 If the Borrowers conduct any material breach of any term of this Agreement, the Lender shall have the right to terminate this Agreement and require the Borrowers to compensate all damages; this Article 4.1 shall not prejudice any other rights of the Lender herein.
如出借人严重违反本协议的任何条款，出借人有权终止本协议并要求借款人赔偿所有损失； 本第 4.1 条不损害出借人在本协议中的任何其他权利。

4.2 The Borrowers shall not terminate this Agreement in any event unless otherwise required by the applicable laws.
除非适用法律另有要求，借款人在任何情况下均不得终止本协议。

4.3 In the event that the Borrowers fail to perform the repayment obligations set forth in this Agreement, the Borrowers shall pay an overdue interest of 0.01% per day for the outstanding payment, until the day the Borrowers repay the full principal of

the Loan, overdue interests and other payable amounts.
如果借款人未能履行本协议中规定的还款义务，借款人应每天支付未偿还款项的 0.01%的逾期利息，直至借款人偿清借款的全部本金、逾期利息和其他应付款项。

Article 5 Notices
通知

Notices or other communications required to be given by any party pursuant to this Agreement shall be written in Chinese and delivered personally or sent by registered mail or postage prepaid mail or by a recognized courier service, by facsimile transmission or e-mail to the address of each relevant party as specified by such party from time to time. The date when the notice is deemed to be duly served shall be determined as follows: (a) a notice delivered personally is deemed duly served upon delivery; (b) a notice sent by mail is deemed duly served the tenth (10th) day after the date when the postage prepaid registered airmail was sent out (as is shown on the postmark), or the fourth (4th) day after the delivery date to the courier service company; and (c) a notice sent by facsimile transmission or e-mail is deemed duly served upon the receipt time as is shown on the transmission confirmation for relevant documents.
任何一方根据本协议要求而发出的通知或其他通讯均应以中文书写并亲自交付，或通过挂号信、邮资预付邮件、受认可的快递、传真或电子邮件方式发送到每个相关方的有效地址。通知视为适当送达的日期应确定如下：（1）亲自交付的通知在交付时即视为已送达； （2）以邮寄方式送达的，自挂号信或邮资预付邮件发出之日（以邮戳所示为准）后的第十（10）日，或交付给快递服务公司之后第四（4）日，视为已送达；和 （3）以传真或电子邮件方式发出的通知，收到相关文件发送确认书之日视为已送达。

Article 6 Confidentiality
保密条款

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance of this Agreement are regarded as confidential information. Each Party shall maintain the confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this article. Disclosure of any confidential

information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.
各方知晓并承诺，本协议的存在和条款以及各方之间就本协议的签订和履行而交换的任何口头或书面信息均视为保密信息。各方均应对所有此类保密信息保密，未经其他各方书面同意，不得向给任何第三方披露，但以下情况除外：（1）属于或将属于公共领域的信息（未经接收方授权的披露除外）；（2）根据法律或法规，任何证券交易所的规则，或法院或其他政府机构的命令有义务予以披露；（3）任何一方都必须就本协议项下的交易向其股东、董事、雇员、法律顾问或财务顾问披露的信息，但该股东、董事、雇员、法律顾问或财务顾问应当遵守本节规定的保密义务。任何一方的股东、董事、雇员或代理机构披露的任何保密信息应视为该方披露此类保密信息，并且该方应承担违反本协议的责任。

Article 7 Governing Law and Resolution of Dispute
适用法律和争议解决

7.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes shall be governed by the laws of China.
本协议的签订、效力、解释、履行、修改和终止以及争议的解决应受中国法律的管辖。

7.2 Any dispute arising from or in connection with this Agreement shall be submitted to China International Economic and Trade Arbitration Commission (the "**CIETAC**") for arbitration which shall be conducted in accordance with the CIETAC's arbitration rules in effect at the time of applying for arbitration. The arbitral award is final and binding upon all Parties. The place of arbitration shall be in Beijing.
因本协议或与本协议有关的任何争议，均应提交中国国际经济贸易仲裁委员会（"**贸仲委**"）进行仲裁，该仲裁应按照申请仲裁时有效的贸仲委仲裁规则进行。仲裁裁决是终局裁决，对所有当事方均具有约束力。仲裁地为北京。

Article 8 Effective Date and Term
生效日期和期限

8.1 This Agreement shall be signed and take effect as of the date first set forth above.
本协议应于首页载明的日期签署并生效。

8.2 The term of this Agreement shall remain effective as long as the Loan exists.
本协议在借款未完全清偿前持续有效。

Article 9 Severability
可分割性

If any provision of this Agreement is deemed to be invalid or unenforceable because it is inconsistent with applicable laws, such invalidity or unenforceability shall be limited to such laws, and the validity, legality and enforceability of the other provisions hereof shall not be affected.
若本协议的任何条款由于与法律不符而被判定为无效或无法执行，则此类无效或不可执行性仅适用于此条款，本协议项下其他条款的有效性，合法性和可执行性不受影响。

Article 10 Language
语言

This Agreement was written by English and Chinese. The English version shall prevail in case of discrepancy.
本协议由英文和中文书写。两种文本不一致的，以英文为准。

Article 11 Counterparts
副本

This Agreement shall be executed in eleven (11) originals by all Parties, with each Party holding one original. All originals shall have the same legal effect. The Agreement may be executed in one or more counterparts.
本协议应由所有各方以十一（11）份正本签署，每一方应持有一份正本。 所有正本应具有相同的法律效力。 该协议可以签署一份或多份副本。

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[以下无正文]

Signature page to the Loan Agreement
《借款协议》签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
各方已于首页所示日期正式签署本协议，以昭信守。

Xi'an Cell and Molecule Information Technology Co., Ltd.
西安赛美科信息科技有限公司
(Chop of Xi'an Cell and Molecule Information Technology Co., Ltd.)
（西安赛美科信息科技有限公司盖章处）

Signature:
签字：

Name: Hu Yongwei
姓名：胡永卫

Position: Legal Representative
职务：法定代表人

Signature page to the Loan Agreement
《借款协议》签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
各方已于首页所示日期正式签署本协议，以昭信守。

Hu Yongwei
胡永卫

Signature:
签名：

Signature page to the Loan Agreement
《借款协议》签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
各方已于首页所示日期正式签署本协议，以昭信守。

Liu Jing
刘静

Signature:
签名：

Signature page to the Loan Agreement
《借款协议》签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
各方已于首页所示日期正式签署本协议，以昭信守。

Wang Wei
王薇

Signature:
签名：

Signature page to the Loan Agreement
《借款协议》签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
各方已于首页所示日期正式签署本协议，以昭信守。

Liu Jianli
刘建利

Signature:
签名：

Signature page to the Loan Agreement
《借款协议》签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
各方已于首页所示日期正式签署本协议，以昭信守。

Dong Fangfang
董芳芳

Signature:
签名：

Signature page to the Loan Agreement
《借款协议》签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
各方已于首页所示日期正式签署本协议，以昭信守。

Zhang Kai
张凯

Signature:
签名：

Signature page to the Loan Agreement
《借款协议》签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.
各方已于首页所示日期正式签署本协议，以昭信守。

Guan Huixia
关会侠

Signature:
签名：

Signature page to the Loan Agreement
《借款协议》签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.

各方已于首页所示日期正式签署本协议，以昭信守。

Jia Yizhen
贾怡真

Signature:
签名：

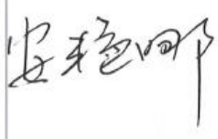
Signature page to the Loan Agreement
《借款协议》签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.

各方已于首页所示日期正式签署本协议，以昭信守。

An Yanna
安艳娜

Signature:
签名：



Signature page to the Loan Agreement
《借款协议》签字页

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date appearing at the head hereof.

各方已于首页所示日期正式签署本协议，以昭信守。

Liu Weihua
刘卫华

Signature:
签名：

Attachment 1

附件 1

No.	Name of Borrower 借款人姓名	Amount of Loan(RMB) 借款数额（元）
001	Hu Yongwei 胡永卫	50,435,000
002	Liu Jing 刘静	11,767,000
003	Wang Wei 王薇	2,590,000
004	Liu Jianli 刘建利	2,058,000
005	Dong Fangfang 董芳芳	700,000
006	Zhang Kai 张凯	700,000
007	Guan Huixia 关会侠	350,000
008	Jia Yizhen 贾怡真	525,000
009	An Yanna 安艳娜	525,000
010	Liu Weihua 刘卫华	350,000
Total 合计		70,000,000

BON NATURAL LIFE LIMITED

DIRECTOR SERVICE AGREEMENT

This Director Service Agreement (the "**Agreement**") is made and entered into as of June 30, 2020, by and between Bon Natural Life Limited, a Cayman Islands corporation (the "**Company**"), and James E. Burns, an individual (the "**Director**").

I. SERVICES

A. Service on the Board of Directors. The Director has been appointed as an Independent Director of the Company's Board of Directors (the "**Board**"), with his service to commence upon the effectiveness of the Company's Registration Statement on Form F-1 to be filed with the U.S. Securities and Exchange Commission (the "**Effective Date**"), and to continue until the earlier of the date on which Director ceases to be a member of the Board for any reason or the date of termination of this Agreement in accordance with this Section V(B) hereof (such earlier date being the "**Expiration Date**"). The Board shall consist of the Director and such other members as nominated and elected pursuant to the then current Memorandum and Articles of Association of the Company (the "**Articles**").

B. Director Services. Director's services to the Company hereunder shall include service as a member of the Board to direct the business of the Company in accordance with applicable law and the then current Articles. Director shall devote such time and attention to the business and affairs of the Company as is necessary to perform his duties as a Director in a faithful and competent manner. Director shall comply with all laws, rules, and regulations applicable to the Company and its business. Director shall further comply with all policies and codes of conduct which the Company shall reasonably determine are necessary for the proper functioning of its business (collectively, the "**Director Services**").

II. COMPENSATION

A. Expense Reimbursement. The Company shall reimburse Director for all reasonable travel and other out-of-pocket expenses incurred in connection with the Director Services rendered by Director.

B. Cash Fees to Director. The Company agrees to pay Director a fee of $2,000 per month for each month of service as a Director. In the event Director ceases to be a member of the Board on a day other than the last day of a calendar month, the Director shall be paid the pro rata portion of the monthly fee for his final month of service.

C. Stock Options. Immediately upon the Effective Date, the Company will grant to the Director options to purchase Ordinary Shares of the Company, par value $0.0001 per share, at an exercise price of $0.01 per share. The stock options issued to the Director shall have a value of $50,000, to be determined by reference to the Company's IPO price as stated in its final prospectus under the Registration Statement on Form F-1. If, at the time such stock options are granted to the Director, the Company has adopted an equity incentive plan, the options shall be issued pursuant to the plan and shall be subject to the terms and conditions of the plan. The options shall vest and become exercisable by the Director in equal monthly installments over the course of the Director's initial year of service. In

the event that the Director ceases to be a member of the Board prior to the end of one year of service, all unvested stock options awarded hereunder shall be forfeit.

D. Additional Stock Options for Committee Chairmanships. As additional compensation for the Director's service as a chairman of a committee of the Board, if applicable, the Director shall receive an additional grant of stock options (a "Committee Grant"). The value determination, vesting, and other terms of the options included in each Committee Grant shall be under as set forth in Section II(C), above, except that the value of the additional options for each committee chairmanship shall be as follows:

- For service as chairman of the Audit Committee - $20,000 worth of options
- For service as chairman of the Compensation Committee - $5,000 worth of options
- For service as chairman of the Nominating and Governance Committee - $5,000 worth of options

E. Director and Officer Liability Insurance. The Company's proposed director and officer liability insurance policy shall provide Director with coverage for damages and losses incurred in connection with the Director Services.

III. DUTIES OF DIRECTOR

A. Fiduciary Duties. In fulfilling his responsibilities, Director shall be charged with a fiduciary duty to the Company and all of its shareholders. Director shall be attentive and inform himself of all material facts regarding a decision before taking action. In addition, Director's actions shall be motivated solely by the best interests of the Company and its shareholders.

B. Confidentiality. During the term of this Agreement, and for a period of one (1) year after the Expiration Date, Director shall maintain in strict confidence all information he has obtained or shall obtain from the Company which the Company has designated as "confidential" or which is, by its nature confidential, relating to the Company's business, operations, properties, assets, services, condition (financial or otherwise), liabilities, employee relations, customers, suppliers, prospects, technology, or trade secrets, except to the extent such information (i) is in the public domain through no act or omission of the Company, or (ii) is required to be disclosed by law or a valid order by a court or other governmental body (the "**Confidential Information**").

C. Nondisclosure and Nonuse Obligations. Director will use the Confidential Information solely to perform the Director Services for the benefit of the Company. Director will treat all Confidential Information of the Company with the same degree of care as Director treats his own Confidential Information, and Director will use his best efforts to protect the Confidential Information. Director will not use the Confidential Information for his own benefit or the benefit of any other person or entity, except as may be specifically permitted in this Agreement. Director will immediately give notice to the Company of any unauthorized use or disclosure by or through him, or of which he becomes aware, of the Confidential Information. Director agrees to assist the Company in remedying any such unauthorized use or disclosure of the Confidential Information.

D. Return of the Company Property. All materials furnished to Director by the Company, whether delivered to Director by the Company or made by Director in the performance of Director

Services under this Agreement (the "**Company Property**") are the sole and exclusive property of the Company. Director agrees to promptly deliver the original and any copies of the Company Property to the Company at any time upon the Company's request. Upon termination of this Agreement by either party for any reason, Director agrees to promptly deliver to the Company or destroy, at the Company's option, the original and any copies of the Company Property. Director agrees to certify in writing that Director has so returned or destroyed all such the Company Property.

IV. COVENANTS OF DIRECTOR

A. No Conflict of Interest. For so long as Director is a member of the Board, Director shall not be employed by, own, manage, control or participate in the ownership, management, operation or control of any business entity that is competitive with the Company or otherwise undertake any obligation inconsistent with the terms hereof, provided that Director may continue Director's current affiliations or other current relationships in existence on the date of this Agreement (collectively, the "**Current Affiliations**"). For a period of one (1) year after the Expiration Date, Director shall not be employed by, operate or manage any business entity that is competitive with the Company. This Agreement is subject to the current terms and agreements governing Director's relationship with the Current Affiliations, and nothing in this Agreement is intended to be or will be construed to inhibit or limit any of Director's obligations to the Current Affiliations. Director represents that nothing in this Agreement conflicts with Director's obligations to the Current Affiliations. A business entity shall be deemed to be "competitive with the Company" for purpose of this Article IV only if and to the extent it engages in a business substantially similar to the Company's natural products and ingredients businesses.

B. Noninterference with Business. During the term of this Agreement, and for a period of one (1) year after the Expiration Date, Director agrees not to interfere with the business of the Company in any manner. By way of example and not of limitation, Director agrees not to solicit or induce any employee, independent contractor, customer or supplier of the Company to terminate or breach his or her employment, contractual or other relationship with the Company.

C. Mutual Non-Disparagement. Director and the Company mutually agree to forbear from making, causing to be made, publishing, ratifying or endorsing any and all disparaging remarks, derogatory statements or comments made to any party with respect to either of them. Further, the parties hereto agree to forbear from making any public or non-confidential statement with respect to any claim or complain against either party without the mutual consent of each of them, to be given in advance of any such statement.

V. TERM AND TERMINATION

A. Term. This Agreement is effective on the Effective Date and will continue for one year. In the absence of any agreement in writing to the contrary, this Agreement shall continue to renew for successive one (1) year terms on the anniversary of the Effective Date. Upon each annual renewal, and in the absence of a written agreement to the contrary:

1. The Director shall receive an additional grant of stock options (a "Renewal Grant"). The dollar value, vesting, and other terms of the options included in each Renewal Grant shall be under as set forth in Section II(C), above, (and, if applicable, Section II(D), above, for Committee Grants) except that the number of options granted shall be determined with reference to the volume weighted average price for the Company's Ordinary Shares during the thirty (30) trading days preceding the annual renewal date; and

2. The Director shall continue to receive the monthly stipend as set forth in Section II(B), above, and shall continue to be reimbursed for expenses as set forth in Section II(A), above.

B. Termination. This Agreement, and the Director's service as a member of the Board, shall terminate:

1. at any time upon thirty (30) days prior written notice by the Director of his resignation;

2. upon the close of any shareholder's meeting for the election of directors, if the Director is not re-elected to the Board by the Company's shareholders at such meeting;

3. upon removal of the Director by Ordinary Resolution as provided in the Articles;

4. automatically if, at any time, the Director becomes disqualified under the terms of the Articles; or

5. upon a determination by a majority of the Board (not including the Director), that:

- the Director has committed a breach a of any of Director's obligations under this Agreement;
- the Director is or has become prohibited by any law, regulation, or rule applicable to the Company from serving as a member of the Board;
- the Director has become unable to perform his duties under this Agreement due to health reasons, disability, or being of unsound mind, unless the Company can accommodate the Director's health impairment or disability without the Company incurring undue hardship;
- the Director is guilty of any serious misconduct or serious neglect in the discharge of the Director's duties hereunder;
- the Director's actions or omissions bring the name or reputation of the Company, or any of Company's affiliates, subsidiaries, or parent (each a "Group Member") into serious disrepute or prejudices the business interests of the Company or any Group Member; or
- the Director is charged or convicted of any criminal offence other than an offence which, in the reasonable opinion of the Board, does not affect the Director's position as a director (bearing in mind the nature of the duties in which the Director is engaged and the capacities in which the Director is engaged).

C. Survival. The rights and obligations contained in Articles III and IV will survive any termination or expiration of this Agreement.

VI. MISCELLANEOUS

A. Assignment. Except as expressly permitted by this Agreement, neither party shall assign, delegate, or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party. Subject to the foregoing, this Agreement will be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

B. No Waiver. The failure of any party to insist upon the strict observance and performance of the terms of this Agreement shall not be deemed a waiver of other obligations hereunder, nor shall it be considered a future or continuing waiver of the same terms.

C. Notices. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by facsimile transmission upon acknowledgment of receipt of electronic transmission; or (iv) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to the addresses set forth below or such other address as either party may specify in writing.

To the Company:

_____
_____
_____

To Director:

_____
_____
_____

D. Governing Law. This Agreement shall be governed in all respects by the laws of the Cayman Islands, without regard to conflicts of law principles thereof.

E. Severability. Should any provisions of this Agreement be held by a court of law to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected or impaired thereby.

F. Entire Agreement. This Agreement constitutes the entire agreement between the parties relating to this subject matter and supersedes all prior or contemporaneous oral or written agreements concerning such subject matter. The terms of this Agreement will govern all Director Services undertaken by Director for the Company

G. Amendments. This Agreement may only be amended, modified or changed by an agreement signed by the Company and Director. The terms contained herein may not be altered, supplemented or interpreted by any course of dealing or practices.

H. Counterparts. This Agreement may be executed in two counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Company:

Bon Natural Life Limited

By: _____

Name: Yongwei Hu

Title: Chief Executive Officer

Independent Director:

_____

Name: James Edward Burns

BON NATURAL LIFE LIMITED

DIRECTOR SERVICE AGREEMENT

This Director Service Agreement (the "**Agreement**") is made and entered into as of June 30, 2020, by and between Bon Natural Life Limited, a Cayman Islands corporation (the "**Company**"), and Lawrence Leighton, an individual (the "**Director**").

I. SERVICES

A. Service on the Board of Directors. The Director has been appointed as an Independent Director of the Company's Board of Directors (the "**Board**"), with his service to commence upon the effectiveness of the Company's Registration Statement on Form F-1 to be filed with the U.S. Securities and Exchange Commission (the "**Effective Date**"), and to continue until the earlier of the date on which Director ceases to be a member of the Board for any reason or the date of termination of this Agreement in accordance with this Section V(B) hereof (such earlier date being the "**Expiration Date**"). The Board shall consist of the Director and such other members as nominated and elected pursuant to the then current Memorandum and Articles of Association of the Company (the "**Articles**").

B. Director Services. Director's services to the Company hereunder shall include service as a member of the Board to direct the business of the Company in accordance with applicable law and the then current Articles. Director shall devote such time and attention to the business and affairs of the Company as is necessary to perform his duties as a Director in a faithful and competent manner. Director shall comply with all laws, rules, and regulations applicable to the Company and its business. Director shall further comply with all policies and codes of conduct which the Company shall reasonably determine are necessary for the proper functioning of its business (collectively, the "**Director Services**").

II. COMPENSATION

A. Expense Reimbursement. The Company shall reimburse Director for all reasonable travel and other out-of-pocket expenses incurred in connection with the Director Services rendered by Director.

B. Cash Fees to Director. The Company agrees to pay Director a fee of $2,000 per month for each month of service as a Director. In the event Director ceases to be a member of the Board on a day other than the last day of a calendar month, the Director shall be paid the pro rata portion of the monthly fee for his final month of service.

C. Stock Options. Immediately upon the Effective Date, the Company will grant to the Director options to purchase Ordinary Shares of the Company, par value $0.0001 per share, at an exercise price of $0.01 per share. The stock options issued to the Director shall have a value of $50,000, to be determined by reference to the Company's IPO price as stated in its final prospectus under the Registration Statement on Form F-1. If, at the time such stock options are granted to the Director, the Company has adopted an equity incentive plan, the options shall be issued pursuant to the plan and shall be subject to the terms and conditions of the plan. The options shall vest and become exercisable by the Director in equal monthly installments over the course of the Director's initial year of service. In

the event that the Director ceases to be a member of the Board prior to the end of one year of service, all unvested stock options awarded hereunder shall be forfeit.

D. Additional Stock Options for Committee Chairmanships. As additional compensation for the Director's service as a chairman of a committee of the Board, if applicable, the Director shall receive an additional grant of stock options (a "Committee Grant"). The value determination, vesting, and other terms of the options included in each Committee Grant shall be under as set forth in Section II(C), above, except that the value of the additional options for each committee chairmanship shall be as follows:

- For service as chairman of the Audit Committee - $20,000 worth of options
- For service as chairman of the Compensation Committee - $5,000 worth of options
- For service as chairman of the Nominating and Governance Committee - $5,000 worth of options

E. Director and Officer Liability Insurance. The Company's proposed director and officer liability insurance policy shall provide Director with coverage for damages and losses incurred in connection with the Director Services.

III. DUTIES OF DIRECTOR

A. Fiduciary Duties. In fulfilling his responsibilities, Director shall be charged with a fiduciary duty to the Company and all of its shareholders. Director shall be attentive and inform himself of all material facts regarding a decision before taking action. In addition, Director's actions shall be motivated solely by the best interests of the Company and its shareholders.

B. Confidentiality. During the term of this Agreement, and for a period of one (1) year after the Expiration Date, Director shall maintain in strict confidence all information he has obtained or shall obtain from the Company which the Company has designated as "confidential" or which is, by its nature confidential, relating to the Company's business, operations, properties, assets, services, condition (financial or otherwise), liabilities, employee relations, customers, suppliers, prospects, technology, or trade secrets, except to the extent such information (i) is in the public domain through no act or omission of the Company, or (ii) is required to be disclosed by law or a valid order by a court or other governmental body (the "**Confidential Information**").

C. Nondisclosure and Nonuse Obligations. Director will use the Confidential Information solely to perform the Director Services for the benefit of the Company. Director will treat all Confidential Information of the Company with the same degree of care as Director treats his own Confidential Information, and Director will use his best efforts to protect the Confidential Information. Director will not use the Confidential Information for his own benefit or the benefit of any other person or entity, except as may be specifically permitted in this Agreement. Director will immediately give notice to the Company of any unauthorized use or disclosure by or through him, or of which he becomes aware, of the Confidential Information. Director agrees to assist the Company in remedying any such unauthorized use or disclosure of the Confidential Information.

D. Return of the Company Property. All materials furnished to Director by the Company, whether delivered to Director by the Company or made by Director in the performance of Director

Services under this Agreement (the "**Company Property**") are the sole and exclusive property of the Company. Director agrees to promptly deliver the original and any copies of the Company Property to the Company at any time upon the Company's request. Upon termination of this Agreement by either party for any reason, Director agrees to promptly deliver to the Company or destroy, at the Company's option, the original and any copies of the Company Property. Director agrees to certify in writing that Director has so returned or destroyed all such the Company Property.

IV. COVENANTS OF DIRECTOR

A. No Conflict of Interest. For so long as Director is a member of the Board, Director shall not be employed by, own, manage, control or participate in the ownership, management, operation or control of any business entity that is competitive with the Company or otherwise undertake any obligation inconsistent with the terms hereof, provided that Director may continue Director's current affiliations or other current relationships in existence on the date of this Agreement (collectively, the "**Current Affiliations**"). For a period of one (1) year after the Expiration Date, Director shall not be employed by, operate or manage any business entity that is competitive with the Company. This Agreement is subject to the current terms and agreements governing Director's relationship with the Current Affiliations, and nothing in this Agreement is intended to be or will be construed to inhibit or limit any of Director's obligations to the Current Affiliations. Director represents that nothing in this Agreement conflicts with Director's obligations to the Current Affiliations. A business entity shall be deemed to be "competitive with the Company" for purpose of this Article IV only if and to the extent it engages in a business substantially similar to the Company's natural products and ingredients businesses.

B. Noninterference with Business. During the term of this Agreement, and for a period of one (1) year after the Expiration Date, Director agrees not to interfere with the business of the Company in any manner. By way of example and not of limitation, Director agrees not to solicit or induce any employee, independent contractor, customer or supplier of the Company to terminate or breach his or her employment, contractual or other relationship with the Company.

C. Mutual Non-Disparagement. Director and the Company mutually agree to forbear from making, causing to be made, publishing, ratifying or endorsing any and all disparaging remarks, derogatory statements or comments made to any party with respect to either of them. Further, the parties hereto agree to forbear from making any public or non-confidential statement with respect to any claim or complain against either party without the mutual consent of each of them, to be given in advance of any such statement.

V. TERM AND TERMINATION

A. Term. This Agreement is effective on the Effective Date and will continue for one year. In the absence of any agreement in writing to the contrary, this Agreement shall continue to renew for successive one (1) year terms on the anniversary of the Effective Date. Upon each annual renewal, and in the absence of a written agreement to the contrary:

1. The Director shall receive an additional grant of stock options (a "Renewal Grant"). The dollar value, vesting, and other terms of the options included in each Renewal Grant shall be under as set forth in Section II(C), above, (and, if applicable, Section II(D), above, for Committee Grants) except that the number of options granted shall be determined with reference to the volume weighted average price for the Company's Ordinary Shares during the thirty (30) trading days preceding the annual renewal date; and

2. The Director shall continue to receive the monthly stipend as set forth in Section II(B), above, and shall continue to be reimbursed for expenses as set forth in Section II(A), above.

B. Termination. This Agreement, and the Director's service as a member of the Board, shall terminate:

1. at any time upon thirty (30) days prior written notice by the Director of his resignation;

2. upon the close of any shareholder's meeting for the election of directors, if the Director is not re-elected to the Board by the Company's shareholders at such meeting;

3. upon removal of the Director by Ordinary Resolution as provided in the Articles;

4. automatically if, at any time, the Director becomes disqualified under the terms of the Articles; or

5. upon a determination by a majority of the Board (not including the Director), that:

- the Director has committed a breach a of any of Director's obligations under this Agreement;
- the Director is or has become prohibited by any law, regulation, or rule applicable to the Company from serving as a member of the Board;
- the Director has become unable to perform his duties under this Agreement due to health reasons, disability, or being of unsound mind, unless the Company can accommodate the Director's health impairment or disability without the Company incurring undue hardship;
- the Director is guilty of any serious misconduct or serious neglect in the discharge of the Director's duties hereunder;
- the Director's actions or omissions bring the name or reputation of the Company, or any of Company's affiliates, subsidiaries, or parent (each a "Group Member") into serious disrepute or prejudices the business interests of the Company or any Group Member; or
- the Director is charged or convicted of any criminal offence other than an offence which, in the reasonable opinion of the Board, does not affect the Director's position as a director (bearing in mind the nature of the duties in which the Director is engaged and the capacities in which the Director is engaged).

C. Survival. The rights and obligations contained in Articles III and IV will survive any termination or expiration of this Agreement.

VI. MISCELLANEOUS

A. Assignment. Except as expressly permitted by this Agreement, neither party shall assign, delegate, or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party. Subject to the foregoing, this Agreement will be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

B. No Waiver. The failure of any party to insist upon the strict observance and performance of the terms of this Agreement shall not be deemed a waiver of other obligations hereunder, nor shall it be considered a future or continuing waiver of the same terms.

C. Notices. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by facsimile transmission upon acknowledgment of receipt of electronic transmission; or (iv) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to the addresses set forth below or such other address as either party may specify in writing.

To the Company:

_____

_____

_____

To Director:

_____

_____

_____

D. Governing Law. This Agreement shall be governed in all respects by the laws of the Cayman Islands, without regard to conflicts of law principles thereof.

E. Severability. Should any provisions of this Agreement be held by a court of law to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected or impaired thereby.

F. Entire Agreement. This Agreement constitutes the entire agreement between the parties relating to this subject matter and supersedes all prior or contemporaneous oral or written agreements concerning such subject matter. The terms of this Agreement will govern all Director Services undertaken by Director for the Company

G. Amendments. This Agreement may only be amended, modified or changed by an agreement signed by the Company and Director. The terms contained herein may not be altered, supplemented or interpreted by any course of dealing or practices.

H. Counterparts. This Agreement may be executed in two counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Company:

Bon Natural Life Limited

By: 2020年6月30日
Name: Yongwei Hu
Title: Chief Executive Officer

Independent Director:

Name: Lawrence Leighton

Exhibit 10.14

BON NATURAL LIFE LIMITED

CODE OF BUSINESS CONDUCT AND ETHICS

Bon Natural Life Limited (the "Company") has adopted the following Code of Business Conduct and Ethics (this "Code") for directors, executive officers and employees of the Company. This Code is intended to focus the directors, executive officers and employees on areas of ethical risk, provide guidance to directors, executive officers and employees to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct, and help foster a culture of honesty and accountability. Each director, executive officer and employee must comply with the letter and spirit of this Code.

No code or policy can anticipate every situation that may arise. Accordingly, this Code is intended to serve as a source of guiding principles for directors, executive officers and employees. Directors, executive officers and employees are encouraged to bring questions about particular circumstances that may implicate one or more of the provisions of this Code to the attention of the Chairman of the Audit Committee, who may consult with inside or outside legal counsel as appropriate.

1. Maintain Fiduciary Duties.

Directors and executive officers must be loyal to the Company and must act at all times in the best interest of the Company and its shareholders and subordinate self-interest to the corporate and shareholder good. Directors and executive officers should never use their position to make a personal profit. Directors and executive officers must perform their duties in good faith, with sound business judgment and with the cafe of a prudent person.

2. Conflict of Interest.

A "conflict of' interest" occurs when the private interest of' a director, executive officer or employee interferes in any way, or appears to interfere, with the interests of the Company as a whole. Conflicts of interest also arise when a director, executive officer or employee, or a member of his or her family, receives improper personal benefits as a result of his or her position as a director, executive officer or employee of the Company. Loans to, or guarantees of the obligations of a director, executive officer or employee, of a member of his or her family, may create conflicts of interest.

Directors and executive officers must avoid conflicts of interest with the Company. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company must be disclosed immediately to the Chairman of the Board.

This Code does not attempt to describe all possible conflicts of interest which could develop. Some of the more common conflicts from which directors and executive offices must refrain, however, are set out below.

- Relationship of Company with third-parties. Directors, executive officers and employees may not engage in any conduct or activities that are inconsistent with the Company's best interests or that disrupt or impair the Company's relationship with any person or entity with which the Company has or proposes to enter into a business or contractual relationship.

- Compensation from non-Company sources. Directors, executive officers and employees may not accept compensation, in any form, for services performed for the Company from any source other than the Company.

- Gifts. Directors, executive officers and employees and members of their families may not offer, give or receive gifts from persons or entities who deal with the Company in those cases where any such gift is being made in order to influence the actions of a director as member of the Board or the actions of an executive officer as an officer of the Company, or where acceptance of the gifts would create the appearance of a conflict of interest.

3. Corporate Opportunities.

Directors, executive officers and employees owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. Directors, executive officers and employees are prohibited from: (a) taking for themselves personally opportunities that are discovered through the use of corporate property, information or the director's or executive officer's position; (b) using the Company's property, information, or position for personal gain, or (c) competing with the Company, directly or indirectly, for business opportunities, provided, however, if the Company's disinterested directors determine that the Company will not pursue an opportunity that relates to the Company's business, a director, executive officer or employee may do so.

4. Confidentiality.

Directors, executive officers and employees must maintain the confidentiality of information entrusted to them by the Company or its customers, and any other confidential information about the Company that comes to them, from whatever source, in their capacity as a director, executive officer or employee, except when disclosure is authorized or required by laws or regulations. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed.

5. Protection and Proper Use of Company Assets.

Directors, executive officers and employees must protect the Company's assets and ensure their efficient use. Theft, loss, misuse, carelessness and waste of' assets have a direct impact on the Company's profitability. Directors, executive officers and employees must not use Company time, employees, supplies, equipment, tools, buildings or other assets for personal benefit without prior authorization from the Chairman of the Corporate Governance/Nominating Committee or as part of a compensation or expense reimbursement program available to all directors or executive officers.

6. Fair Dealing.

Directors, executive officers and employees shall deal fairly and directors and executive officers shall oversee fair dealing by employees and officers with the Company's directors, officers, employees, customers, suppliers and competitors. None should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of' material facts or any other unfair dealing practices.

7. Compliance with Laws, Rules and Regulations.

Directors and executive officers shall comply, and oversee compliance by employees, officers and other directors, with all laws, rules and regulations applicable to the Company, including insider-trading laws. Transactions in Company securities are governed by Company Policy entitled “Insider Trading Policy.”

8. Accuracy of Records.

The integrity, reliability and accuracy in all material respects of the Company’s books, records and financial statements is fundamental to the Company’s continued and future business success. No director, executive officer or employee may cause the Company to enter into a transaction with the intent to document or record it in a deceptive or unlawful manner. In addition, no director, executive officer, or employee may create any false or artificial documentation or book entry for any transaction entered into by the Company. Similarly, executive officers and employees who have responsibility for accounting and financial reporting matters have a responsibility to accurately record all funds, assets and transactions on the Company’s books and records.

9. Quality of Public Disclosures.

The Company is committed to providing its shareholders with information about its financial condition and results of operations as required by the securities laws of the United States. It is the Company’s policy that the reports and documents it files with or submits to the Securities and Exchange Commission, and its earnings releases and similar public communications made by the Company, include fair, timely and understandable disclosure. Executive officers and employees who are responsible for these filings and disclosures, including the Company’s principal executive, financial and accounting officers, must use reasonable judgment and perform their responsibilities honestly, ethically and objectively in order to ensure that this disclosure policy is fulfilled. The Company’s senior management are primarily responsible for monitoring the Company’s public disclosure.

10. Waivers and Amendments of the Code of Business Conduct and Ethics.

No waiver of any provisions of the Code for the benefit of a director or an executive officer (which includes without limitation, for purposes of this Code, the Company’s principal executive, financial and accounting officers) shall be effective unless (i) approved by the Board of Directors, and (ii) if applicable, such a waiver is promptly disclosed to the Company’s shareholders in accordance with applicable United States securities laws and/or the rules and regulations of the exchange or system on which the Company’s shares are traded or quoted, as the case may be.

Any waivers of this Code for the other employees may be made by the Board of Directors, or, if permitted, a committee thereof.

All amendments to this Code must be approved by the Board of Directors or a committee thereof and, if applicable, must be promptly disclosed to the Company’s shareholders in accordance with applicable United States securities laws and/or the rules and regulations of the exchange or system on which the Company’s shares are traded or quoted, as the case may be.

11. Encouraging the Reporting of any Illegal or Unethical Behavior.

Directors and executive officers should promote ethical behavior and take steps to ensure the Company (a) encourages employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation; (b) encourages employees to report violations of laws, rules or regulations to appropriate personnel; and (c) informs employees that the Company will not permit retaliation for reports made in good faith.

Any executive officer or employee who in good faith reports a suspected violation under this Code by the Company, or its agents acting on behalf of the Company, or who in good faith raises issues or concerns regarding the Company's business or operations, may not be fired, demoted, reprimanded or otherwise harmed for, or because of, the reporting of the suspected violation, issues or concerns, regardless of whether the suspected violation involves the executive officer or employee, the executive officer's or employee's supervisor or senior management of the Company.

In addition, any executive officer or employee who in good faith reports a suspected violation under this Code which the executive officer or employee reasonably believes constitutes a violation of a federal statute by the Company, or its agents acting on behalf of the Company, to a federal regulatory or law enforcement agency, may not be reprimanded, discharged, demoted, suspended, threatened, harassed or in any manner discriminated against in the terms and conditions of the executive officer's or employee's employment for, or because of, the reporting of the suspected violation, regardless of whether the suspected violation involves the executive officer or employee, the executive officer's or employee's supervisor or senior management of the Company.

12. Communication of Code.

All directors, executive officers and employees will be supplied with a copy of this Code upon beginning service at the Company. Updates of this Code will be provided from time to time. A copy of this Code is also available to all directors, executive officers and employees by requesting one from the Company.

13. Failure to Comply; Compliance Procedures.

A failure by any director or executive officer to comply with the laws or regulations governing the Company's business, this Code or any other Company policy or requirement may result in disciplinary action, and, if warranted, legal proceedings.

Directors and executive officers should communicate any suspected violations of this Code promptly to the Chairman of the Audit Committee, or if no Audit Committee has been appointed, to the Board of Directors.

Violations will be investigated by the Board or by a person or persons designated by the Board and appropriate action will be taken in the event of any violations of this Code.

ACKNOWLEDGEMENT

I acknowledge that I have reviewed and understand Bon Natural Life Limited's Code of Business Conduct and Ethics (the "Code") and agree to abide by the provisions of the Code.

Signature

Name (Printed or typed)

Position

Date

Exhibit 21.1

Significant Subsidiaries and Consolidated Affiliated Entities of
Bon Natural Life Limited

Direct Subsidiary

Tea Essence Limited (Hong Kong); 100% owned by Bon Natural Life Limited

Wholly Foreign-Owned Enterprise

Xi'an Cell and Molecule Information Technology Limited (PRC); 100% owned by Tea Essence Limited

Consolidated Variable Interest Entity

Xi'an App-Chem Bio(Tech) Co., Ltd. (PRC)

Subsidiaries of Consolidated Variable Interest Entity (all entities PRC)

Shaanxi App-Chem Health Industry Co., Ltd.	100% owned by VIE
Shaanxi App-Chem Ag-tech Co., Ltd.	100% owned by VIE
Xi'an Yanhuang TCM Medical Research and Development Co., Ltd.	100% owned by VIE
Balikun Tianmei Bio (Tech) Co., Ltd.	100% owned by VIE
App-Chem Bio (Tech) (Guangzhou) Co., Ltd.	100% owned by VIE
Tongchuan Dietary Therapy Health Technology Co., Ltd.	100% owned by VIE
Xi'an Dietary Therapy Health Management Co., Ltd.	75% owned by VIE
Tianjin Yonghexiang Bio (Tech) Co., Ltd.	51% owned by VIE
Gansu Baimeikang Bioengineering Co., Ltd.	100% owned by VIE