

# WINHA INTERNATIONAL GROUP LTD

## **FORM S-1** (Securities Registration Statement)

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

FORM S-1  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

**WINHA INTERNATIONAL GROUP LIMITED**  
(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction of  
incorporation)

**5961**

(Primary Standard Industrial  
Classification Code Number)

(I.R.S. Employer Identification  
Number)

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

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this 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.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please 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 a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
Non-accelerated filer (Do not check if a smaller reporting company)  Smaller reporting company

**Calculation of Registration Fee**

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to be Registered (1)</b>	<b>Proposed Maximum Offering Price Per Share</b>	<b>Proposed Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee (2)</b>
Common Stock, par value \$0.001 per share	1,139,290	\$ 0.10	\$ 113,929	\$ 15.54

(1) In accordance with Rule 416(a), the registrant is also registering hereunder an indeterminate number of additional common stock that may be issued and resold resulting from stock splits, stock dividends or similar transactions.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(a). The proposed maximum offering price per share is based on the last private sales price for common stock of the registrant as there is currently no public market price for the registrant's common stock. The last private sales price is determined by the price at which the registrant's common stock was sold in a private placement completed on August 16, 2013.

**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 or until the registration statement shall become effective on such date as the commission, acting pursuant to such section 8(a), may determine.**

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**The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

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**PRELIMINARY PROSPECTUS SUBJECT TO COMPLETION**

**DATED SEPTEMBER 9, 2013**

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**WINHA International Group Limited**

**1,139,290 Shares of Common Stock**

This prospectus relates to the resale by the selling shareholders named in this prospectus of up to 1,139,290 shares of common stock, par value \$0.001 per share.

Our common stock is presently not traded on any market or securities exchange and there is currently no public trading market for our shares. We intend to apply for quotation of our common stock on the Over the Counter Bulletin Board (the "OTC Bulletin Board"). There can be no assurance that a market maker will agree to file the necessary documents with the Financial Industry Regulatory Authority ("FINRA"), nor can there be any assurance that such an application for quotation will be approved. In the absence of a trading market or an active trading market, investors may be unable to liquidate their investment or make any profit from the investment. There can be no assurance that an active trading market will develop, or if an active market does develop, that it will continue.

The selling stockholders may sell common stock from time to time as negotiated in private transactions, or at prices established on the OTC Bulletin Board after our common stock are quoted on the OTC Bulletin Board, or as otherwise described under the heading "Plan of Distribution."

We will not receive any of the proceeds from the sale of the common stock by the selling shareholders. We have agreed to pay all of the registration expenses incurred in connection with the registration of the common stock, but we will not pay any of the selling commissions, brokerage fees and related expenses.

We are an "emerging growth company" as that term is used in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and as such, may elect to comply with certain reduced public company reporting requirements for future filings. However, we have elected to opt out of the extended transition period for complying with new or revised accounting standards pursuant to Section 107(b), and this election is irrevocable. Please refer to more discussions under "Prospectus Summary" beginning on page 4 and "Risk Factors" beginning on page 6 of how and when we may lose emerging growth company status and the various exemptions that are available to us.

**Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page 6 to read about factors you should consider before investing in our common stock.**

**NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**The date of this prospectus is: September 9, 2013**

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You should rely only on the information contained in this prospectus that we authorize to be distributed to you. We have not authorized any other person to provide you with information different from that contained in this prospectus that we authorize to be distributed to you. This prospectus is not an offer to sell, nor is it seeking an offer to buy, these securities in any state where the offer or sale is not permitted. The information in this prospectus speaks only as of the date of this prospectus unless the information specifically indicates that another date applies, regardless of the time of delivery of this prospectus or of any sale of our common stock.

### Third Party Data

This prospectus contains estimates and other information concerning our industry, which are based on industry publications, surveys and forecasts, including those generated by us. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates. Please contact us if you have any specific questions. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in “Risk Factors.”

## PROSPECTUS SUMMARY

*This summary highlights select information contained elsewhere in this prospectus. This summary does not contain all the information that you should consider before investing in our common stock. You should carefully read the entire prospectus, including “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and the “Financial Statements,” before making an investment decision.*

*In this prospectus, the terms “WINHA,” “Company,” “we,” “us,” and “our,” refer to WINHA International Group Limited, and its wholly-owned subsidiary C&V International Holdings Company Limited (“C&V International”), C&V International’s wholly-owned subsidiary WINHA International Investment Holdings Company Limited (“WINHA International”), WINHA International’s wholly-owned subsidiary Shenzhen WINHA Information Technology Company, Ltd. (“Shenzhen WINHA”), and Shenzhen WINHA’s variable interest entity Zhongshan WINHA Electronic Commerce Company Limited (“Zhongshan WINHA”).*

### Overview

WINHA is a retailer of local specialty products from different regions across China, selling through physical franchise stores, its website, mobile application store, and set-top boxes for television sets. Our innovative business model utilizes a multi-channel shopping platform to sell locally-produced food, beverages, and arts and crafts that are well-known across China. Through our comprehensive shopping platform, we provide customers with access to a large variety of local products that can typically only be found in local stores or markets in specific regions.

### Our Business Model

Our franchisees supply us with local specialty products and help us build our customer base by developing customer memberships. We market and sell the local specialty goods supplied by our franchisees to customers through the following four channels:

- **Physical Franchise Stores** . Customers may purchase our products at local physical stores. We have set our gross profit margin for products sold in stores at 15%, all of which will go to franchisees.
- **Online Store** . Our products are available for purchase at our online store at [www.winha.com](http://www.winha.com). Each franchise owner is required to pay us a one-time RMB 68,000 website construction and maintenance fee. We have set our gross profit margin for all of our products sold online at 15%, of which 10% belongs to WINHA and 5% is rewarded back to the franchisee that the membership of the purchaser originated from. Additionally, we also generate revenue from fees received from third-party advertisers.
- **Mobile Application Store**. We unveiled our mobile application store in August 2013. The mobile application store is fully functional. Our customers may purchase our products through our mobile application store using a third-party application Tencent WeChat Mall. We have set our gross profit margin for all our products sold online at 15%, of which 10% belongs to WINHA and 5% is rewarded back to the franchisee that the membership of the purchaser originated from.
- **Set-Top Box Store**. Customers can browse our products on a television set (TV) screen if they choose to install a pre-programmed set-top box on their TVs. A set-top box turns a TV into a display device. Customers with a set-top box pre-programmed with our product information will be able to view and select products and complete purchases on a TV screen. In addition, customers will be able to utilize other functions of set-top boxes such as accessing internet web pages, streaming videos and movies, and playing games. We are working with third-parties to program our store of local specialty products for availability on set-top boxes.

## **Market Needs**

Since the turn of the century, as the living standard in China has drastically improved and residents in China are no longer satisfied with having only basic necessities, the demand for specialty products from local cultures has been on the rise every year. Specialty goods, which reflect local cultures, history, and tradition, have become increasingly popular gifts among families and friends. However, due to factors such as limited business investment, incomplete infrastructure in certain rural areas, low brand awareness, lack of sales channels and ineffective marketing, the local specialty goods business is still in an early stage.

## **Growth Strategy**

Our growth strategy is based on our focus to specialize in selling local specialty goods, a concept that is relatively novel in China. Equipped with modern-day technology, we implement a business model that allows franchise owners and customers to interact both physically and virtually. Using physical franchise stores as the foundation of their business, franchise owners also sell products through our online store, mobile application store and set-top boxes for television sets. As a result, customers are able to purchase local specialty products from across China, through our website, mobile application store and set-top boxes for television sets from virtually anywhere in China, as well as local physical stores for an in-person experience. The uniformity of the products between those in stores and those available in virtual stores not only ensures the consistency of our product offering and quality, but also provides the Company and franchisees with a mechanism to track and understand our customers' needs, thus allowing the Company and franchisees to constantly improve services.

Our franchisees are given discretion in selecting inventory for the physical franchise stores, online store, mobile application store and set-top boxes for television sets. Our present goal is to attract as many franchisees to join our team and cover as many cities and towns in China as possible, thus providing us with access to a broad range of locally-sourced products throughout China. Once we establish a stable and comprehensive supply of specialty products from across the country, we plan to seek outside capital and launch a marketing campaign to fully promote and advertise our brand.

## **Competition**

Several major e-commerce websites, such as Amazon, Taobao and Tmall.com, offer products similar to what we intend to specialize in. These websites vary in size. The larger, more established websites have key competitive advantages with existing customer bases, bargaining power to negotiate product supply prices, and experience in managing inventory.

Though we are a small company at this stage, we specialize in the growing niche market of selling local specialty goods through a multi-channel shopping platform consisting of physical franchise stores, our online store, mobile application store and set-top boxes for television sets. We also provide in-person customer services both pre-sales and post-sales through physical franchise stores, which is an offering to our customers not commonly available when shopping with other e-commerce companies.

For more discussion regarding our competition, please see the section titled "Competitive Advantages" beginning on page 32.

## **Where You Can Find Us**

Our principal executive office is located at Suite 918, Yihe Center, 5 Xinzhong Avenue, Shiqi District, Zhongshan, People's Republic of China and our telephone number is +86 (760) 8896-3655. Our website is [www.winha.com](http://www.winha.com). The information on our website does not constitute a part of this prospectus.

## The Offering

<b>Common stock offered by selling security holders</b>	1,139,290 shares of common stock.
<b>Common stock outstanding before the offering</b>	49,989,500 shares of common stock (1)
<b>Common stock outstanding after the offering</b>	49,989,500 shares of common stock (1)
<b>Use of proceeds</b>	We are not selling any common stock covered by this prospectus, and, as a result, will not receive any proceeds from this offering.
<b>Risk Factors</b>	See “Risk Factors” and other information included in this prospectus for a discussion of the risks you should carefully consider before making a decision to invest in our common stock.

(1) Based on 49,989,500 shares of common stock outstanding as of September 9, 2013.

## RISK FACTORS

*The shares of our common stock being offered for sale are highly speculative in nature, involve a high degree of risk and should be purchased only by persons who can afford to lose the entire amount invested in the common stock. Before purchasing any of the shares of common stock, you should carefully consider the following factors relating to our business and prospects. If any of the following risks actually occurs, our business, financial condition or operating results could be materially adversely affected. In such case, you may lose all or part of your investment. You should carefully consider the risks described below and the other information in this prospectus before investing in our common stock.*

### Risks Related to Our Financial Position and Capital Requirements

#### **WE HAVE A HISTORY OF LOSSES, AND WE ANTICIPATE THAT WE WILL INCUR CONTINUED LOSSES.**

We reported a net loss of \$156,061 and used cash in operations of \$137,989 during the period from April 15, 2013 (inception) to June 30, 2013. As of June 30, 2013, the Company had an accumulated deficit of \$156,061.

We have not begun to generate any revenue. In the course of our development activities, we have devoted substantially all of our resources to development of franchisees, our online store, mobile application store, and set-top box store. We expect to continue to incur expenses of (i) administration and start-up costs, (ii) website, mobile application and set-top boxes development and maintenance, (iii) marketing and advertising, (iv) legal and accounting fees at various stages of operation, and (v) hiring employees. In addition, unanticipated problems, expenses and delays are frequently encountered in developing and commercializing new businesses. As a result, we anticipate that we will incur continued losses. These losses, among other things, have had and will continue to have an adverse effect on our stockholders' equity.

We expect to finance operations primarily through capital contributions from a principal stockholder. In the event that we require additional funding to finance the growth of the Company's current and expected future operations as well as to achieve our strategic objectives, our principal stockholder has indicated the intent to provide additional equity financing. However, this principal stockholder is not under any contractual obligation to provide such financing. If we are unable to obtain the necessary capital or financing to fund our cash needs, our operation will adversely be affected.

#### **THE REPORT OF OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM EXPRESSES SUBSTANTIAL DOUBT ABOUT OUR ABILITY TO CONTINUE AS A GOING CONCERN.**

Our auditor has indicated in their report on our financial statements for the period from April 15, 2013 (inception) through June 30, 2013 that conditions exist that raise substantial doubt about our ability to continue as a going concern due to our recurring losses from operations, deficit in equity, and the need to raise additional capital to fund operations. Our ability to continue as a going concern will depend on our ability to meet obligations as they become due and obtain additional equity or alternative financing required to fund operations until sufficient sources of recurring revenues can be generated. There can be no assurance that we will be successful in our plans described above or in attracting equity or alternative financing on acceptable terms, or if at all. In addition, a “going concern” opinion could impair our ability to finance our operations through the sale of debt or equity securities. If we are unable to achieve these goals, our business would be jeopardized and we may not be able to continue. If we ceased operations, it is likely that all of our investors would lose their investment.

### Risks Related to Our General Business Operation

#### **WE HAVE LIMITED OPERATING HISTORY AND MAY FACE MANY RISKS AND DIFFICULTIES.**

We have a limited operating history for investors to evaluate the potential of our business. Although we have developed an initial customer base, we may face many of the risks and difficulties inherent in gaining market share as a company with a limited history. These risks and difficulties include but are not limited to:

- our ability to effectively implement our business plan and growth strategy;
- uncertain market acceptance of our business model;
- our ability to modify our business model and growth strategy to respond to unexpected market reactions;
- our ability to further develop our customer base and build customer loyalty;
- our ability to establish and maintain brand recognition;
- our ability to improve and upgrade our products and services;
- our ability to manage the growth of our business; and
- our ability to raise capital when expanding our business.

Our future will depend, in part, on our ability to continually bring our products and services to the marketplace, which requires careful planning to provide products and services that meet customer standards without incurring unnecessary cost and expense.

**OUR BUSINESS MODEL IS NOVEL AND IS THEREFORE UNPROVEN.**

To the best of our management's knowledge, WINHA is currently the first and only company that specializes in retailing locally-produced specialty goods via a website, a mobile application store, set-top boxes for television sets and physical franchise stores in China. There is no history upon which to base any assumption as to the likelihood that the Company will prove successful. In order to generate significant operating revenue or ever achieve profitable operations, we will have to attract individuals to become our franchisees and further develop, maintain and market our online, mobile and set-top box platform. We cannot provide any assurance that our business concept will attract franchisees or our website, mobile application store and set-top boxes for television sets will attract purchasers. Hence, our business model has not been proven by an established record to be potentially profitable and sustainable.

**WE MAY ENCOUNTER SUBSTANTIAL COMPETITION IN OUR BUSINESS AND OUR FAILURE TO COMPETE EFFECTIVELY MAY ADVERSELY AFFECT OUR ABILITY TO GENERATE REVENUE.**

We believe that new competitors will enter the market and adopt our business model to introduce new websites, mobile applications and services and set-top boxes with competitive characteristics. We expect that we will be required to continue to invest in improving our services to compete effectively in our markets. Our competitors could develop a more efficient business model or undertake more aggressive and costly marketing campaigns than ours, which may adversely affect our marketing strategies and could have a material adverse effect on our business, results of operations and financial condition.

**BECAUSE OUR MANAGEMENT IS INEXPERIENCED IN OPERATING WINHA'S BUSINESS, OUR BUSINESS PLAN MAY FAIL.**

Our management does not have any specific training in running an e-commerce company. With no direct technical training or experience in this area, management may not be fully aware of many of the specific requirements related to working within this industry. As a result, our management may lack certain skills that are advantageous in managing our company. Consequently, our operations, earnings, and ultimate financial success could suffer irreparable harm due to management's lack of experience in this industry.

**THE LOSS OF THE SERVICES OF OUR EXECUTIVE OFFICER AND SENIOR MANAGEMENT WOULD DISRUPT OUR OPERATIONS AND INTERFERE WITH OUR ABILITY TO COMPETE.**

We depend upon the continued contributions of our executive officer and senior management. Our management personnel handle all of the responsibilities in the area of corporate administration, business development and research. We do not carry key person life insurance on any of their lives and the loss of services of any of these individuals could disrupt our operations and interfere with our ability to compete with others.

**ANY INTELLECTUAL PROPERTY RIGHTS WE DEVELOP MAY BE VALUABLE AND ANY INABILITY TO PROTECT THEM COULD REDUCE THE VALUE OF OUR PRODUCTS, SERVICES AND BRAND.**

Any trademarks, trade secrets, copyrights and other intellectual property rights that we develop will be important assets to us. We are currently seeking trademark protection for our website logo. There can be no assurance that the protections provided by these intellectual property rights will be adequate to prevent our competitors from misappropriating our technology or that our competitors will not independently develop technologies that are substantially equivalent or superior to our technology. There are events that are outside our control that could pose a threat to our intellectual property rights. Additionally, protecting our intellectual property rights is costly and time consuming. Any increase in the unauthorized use of our intellectual property could make it more expensive to do business and harm our operating results.

**WE MAY BE SUBJECT TO INTELLECTUAL PROPERTY RIGHTS CLAIMS IN THE FUTURE, WHICH MAY BE COSTLY TO DEFEND, COULD REQUIRE THE PAYMENT OF DAMAGES AND COULD LIMIT OUR ABILITY TO USE CERTAIN TECHNOLOGIES IN THE FUTURE.**

Companies in the internet, technology and software industries own large numbers of patents, copyrights, trademarks and trade secrets and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. As we face increasing competition, the possibility of intellectual property rights claims increases. Our technologies may not be able to withstand any third-party claims or rights against their use. Any intellectual property claims, with or without merit, could be time consuming, expensive to litigate or settle and could divert management resources and attention. An adverse determination also could prevent us from offering our products and services to others and may require that we procure substitute products or services for these members.

With respect to any intellectual property rights claim, we may have to pay damages or stop using technology found to be in violation of a third party's rights. We may have to seek a license for the technology, which may not be available on reasonable terms and may significantly increase our operating expenses. The technology also may not be available for license to us at all. As a result, we may also be required to develop alternative non-infringing technology, which could require significant effort and expense. If we cannot license or develop technology for the infringing aspects of our business, we may be forced to limit our product and service offerings and may be unable to compete effectively. Any of these results could harm our brand and operating results.

**CHANGES IN REGIONAL ECONOMIC CONDITIONS MAY INFLUENCE THE RETAIL INDUSTRY, CONSUMER PREFERENCES AND SPENDING PATTERNS.**

Our revenues may be negatively influenced by changes in regional or local economic variables and consumer confidence. External factors that affect economic variables and consumer confidence and over which we exercise no influence include unemployment rates, levels of personal disposable income and regional or local economic conditions. Changes in economic conditions could adversely affect consumer spending patterns, travel and tourism in certain of our market areas. Most of our stores are located in popular tourist destinations and, historically, travel and consumer behavior in such markets is more severely affected by weak economic conditions.

**THE DISRUPTIONS IN THE NATIONAL AND GLOBAL ECONOMIES MAY ADVERSELY IMPACT OUR REVENUES, RESULTS OF OPERATIONS, BUSINESS AND FINANCIAL CONDITION.**

Disruptions in the Chinese national and global economies may result in high unemployment rates and declines in consumer confidence and spending. If such conditions occur, they may result in significant declines in consumer spending and customer traffic on our website and mobile application store and in our franchisees' stores. There can be no assurance that government responses to the disruptions will be able to restore consumer confidence. Disruptions in the national and global economies therefore may adversely impact our revenues, results of operations, business and financial condition.

**Risks Related to Our Franchisees**

**THE GROWTH OF OUR COMPANY IS DEPENDENT, IN PART, ON NEW FRANCHISE STORE OPENINGS, WHICH MAY BE AFFECTED BY FACTORS BEYOND OUR CONTROL.**

Our business derives earnings from sales online, sales through our mobile application and set-top boxes for television sets and franchise fees received from franchisees for each new franchise store opened. Growth in our revenues therefore is dependent, in part, on our ability to keep developing new franchise stores. Numerous factors beyond our control may affect store openings. These factors include but are not limited to:

- our ability to provide a profitable model for our franchise stores;
- our ability to select franchisees that fit with our Company's culture and vision;
- the availability of site locations for new stores;
- the ability of prospective franchisees to obtain financing;
- the ability of franchisees to hire, train and retain qualified operating personnel;
- construction and development costs of new stores;
- the ability of franchisees to secure required governmental approvals and permits in a timely manner, or at all; and
- adverse environmental conditions.

**WE DEPEND ON OUR FRANCHISEES FOR PRODUCT CHOICE, AVAILABILITY AND SUPPLY PRICE.**

Our franchise owners usually, compared to us, have relatively better and quicker market information regarding local specialty products. Therefore, we provide franchise owners with discretion to choose the type of products to be sold in their local stores and on our website, mobile application store and set-top box store. Our franchisees' choices of products may not meet market demand and thus could lead to loss of revenue.

In addition, our franchisees also act as suppliers of our business. Due to the nature of our business model, we may not often have direct contact with the end sources of the specialty products in each region, and thus have limited control over the availability of our products and competitiveness of the price at which our products are sourced. We strive to offer a full-range of specialty products from across the country and thus diversify our product supplies. We also plan to open regional branches to establish oversight of our franchisees. However, there is no guarantee that these steps would be sufficient in gaining control of the availability of our products and price at which the products are sourced.

**WE MAY NOT HAVE THE RESOURCES TO ENSURE THAT FRANCHISEES COMPLY WITH OUR REQUIREMENTS FOR PRODUCTS IN THE PHYSICAL STORES.**

We require our franchisees to submit for approval a sample, with proposed documentation, for each product to be sold before the product is offered via our website, mobile application store, set-top box store and physical franchise stores. While we can enforce requirements for products on our website, mobile application store and set-top box store by controlling the operations of these online platforms, we do not have the same effective tool to ensure that franchisees comply with our requirements for products in physical stores. Franchisee's failure to comply with our company policy could lead to unsatisfactory products, and thus harm our businesses and damage our reputation.

**OUR SUCCESS DEPENDS, IN PART, ON FRANCHISEES' PARTICIPATION IN BRAND STRATEGIES.**

Our franchisees are an integral part of our business. We will be unable to successfully implement the branding strategies that to our belief are necessary for further growth if franchisees do not ensure a precise and thorough execution on their part. Our business and operating results could be adversely affected if a significant number of franchisees do not participate in and support our branding strategies.

**OUR FRANCHISEES COULD TAKE ACTIONS THAT COULD HARM OUR BUSINESS.**

Our franchisees are contractually obligated to operate their stores in accordance with the standards set forth in our agreements with them, including, but not limited to, the responsibilities of providing supply and distribution of our products, responding to customer inquiries, and handling returns and exchange. We also provide training and support to franchisees. However, franchisees are independent third parties that we do not otherwise control, and franchisees own, operate and oversee the daily operations of their stores. As a result, the ultimate success and quality of any franchise store rests with the given franchisee. If franchisees do not successfully operate stores in a manner consistent with our required standards, our reputation could be harmed, which in turn could hurt our business and operating results.

**Risks Related To Our Online Retail Platform**

**WE MAY NOT BE ABLE TO MARKET OUR WEBSITE, MOBILE APPLICATION STORE AND SET-TOP BOX STORE SUCCESSFULLY.**

Once we establish a stable and comprehensive supply of specialty products across the country, we plan to seek outside capital and launch a marketing campaign to fully promote and advertise our brand. The e-commerce industry is extremely competitive. Though very few, if any, specialize in local specialty goods, there are currently many general online shopping websites both in China and worldwide that sell local products. An effective marketing plan will need to be executed in order to establish a loyal client base, and to get our website and mobile application known in the marketplace. If we fail to develop such an effective marketing plan, and if we are unable to market our website, mobile application and set-top boxes successfully to consumers, we may not be able to sustain business operations.

**THE CHANGING INDUSTRY REQUIRES EXPANSION AND CONSTANT UPDATING OF OUR WEBSITE, MOBILE APPLICATION STORE, SET-TOP BOXES AND SOFTWARE.**

The e-commerce industry is characterized by rapid technological change that could render our website, mobile application store, set-top box store and backend application obsolete. The development of our website, mobile application store and set-top box store entails significant technical and business risks. We can give no assurance that we will successfully use new technologies effectively or adapt our website, application or set-top boxes to customer requirements or needs. If our management is unable, for technical, legal, financial, or other reasons, to adapt in a timely manner in response to changing market conditions or customer requirements, we may never become profitable which may result in the loss of all or part of your investment.

**OUR TECHNICAL SYSTEMS ARE VULNERABLE TO INTERRUPTION AND DAMAGE THAT MAY BE COSTLY AND TIME-CONSUMING TO RESOLVE AND MAY HARM OUR BUSINESS AND REPUTATION.**

A disaster could interrupt our services for an indeterminate length of time and severely damage our business, prospects, financial condition and results of operations. Our systems and operations will be vulnerable to damage or interruption from fire, floods, network failure, hardware failure, software failure, power loss, telecommunication failures, break-ins, terrorism, war or sabotage, computer viruses, denial of service attacks, penetration of our network by unauthorized computer users and “hackers” and other similar events, and other unanticipated problems.

We may not have developed or implemented adequate protections or safeguards to overcome any of these events. We may also not have anticipated or addressed many of the potential events that could threaten or undermine our technology network. Any of these occurrences could cause material interruptions or delays in our business, result in the loss of data or render us unable to provide services to our consumers. In addition, if anyone can circumvent our security measures, he or she could destroy or misappropriate valuable information or disrupt our operations. We do not have insurance to compensate us for all the losses that may occur as a result of a catastrophic system failure or other loss.

If we fail to address these issues in a timely manner, we may lose the confidence of our customers, and our revenue may decline and our business could suffer.

**WE RELY ON OUTSIDE FIRMS TO HOST OUR SERVERS, AND A FAILURE OF SERVICE BY THESE PROVIDERS COULD ADVERSELY AFFECT OUR BUSINESS AND REPUTATION.**

We rely upon third-party providers to host our main server. In the event that our providers experience any interruption in operations or cease operations for any reason or if we are unable to agree on satisfactory terms for continued hosting relationships, we would be forced to enter into a relationship with other service providers or assume hosting responsibilities ourselves. If we are forced to switch hosting facilities, we may not be successful in finding an alternative service provider on acceptable terms or in hosting the computer server ourselves. We may also be limited in our remedies against these providers in the event of a failure of service.

**WE MAY NOT BE ABLE TO FIND SUITABLE SOFTWARE DEVELOPERS AT AN ACCEPTABLE COST.**

We contract software developers to further develop and upgrade our website and mobile application store and associated backend interface. Due to the current demand for skilled technological developers, we run the risk of not being able to find or retain suitable personnel at an acceptable price. We would also need to ensure that the candidates are adequately qualified to develop a website or mobile application that is user friendly, free of errors and seamless in design. Without these developers, we may not be able to further develop and upgrade the software, which is the most important aspect of our business development.

**OUR BUSINESS DEPENDS, IN PART, ON THE GROWTH AND MAINTENANCE OF THE INTERNET AND TELECOMMUNICATIONS INFRASTRUCTURE.**

The success of our business depends in part on the continued growth and maintenance of the internet and telecommunication infrastructure. This includes maintaining a reliable network backbone with the necessary speed, data capacity and security for providing reliable internet services. Internet infrastructure may be unable to support the demands placed on it if the number of internet users continue to increase or if existing or future internet users access the internet more often or increase their bandwidth requirements. We have no control over the providers of access services to the internet. Interruptions, delays or capacity problems with any points of access between the internet and our website could adversely affect our ability to provide services to users of our websites. The temporary or permanent loss of all or a portion of our services on the internet, the internet infrastructure generally, or our users’ ability to access the internet, could have a material adverse effect on our business, results of operations, financial condition and the trading price of our common stock.

## **Risks Related To Product Liabilities**

### **FOOD SAFETY EVENTS INVOLVING US OR OUR SUPPLY CHAIN COULD CREATE NEGATIVE PUBLICITY AND ADVERSELY AFFECT SALES AND OPERATING RESULTS.**

Because some of our items are perishable food products, food safety is a top priority, and we dedicate resources to ensure that our customers enjoy safe and quality food products. However, food safety events, including instances of food-borne illness have often occurred in the Chinese food industry in the past, and could occur in the future. As a result, our franchise stores could experience a significant increase in supply costs if there are food safety events whether or not such events involve our stores or those of competitors.

In addition, food safety events, whether or not accurate or involving us, could result in negative publicity for WINHA or for the industry or market segments in which we operate. Increased use of social media could create and/or amplify the effects of negative publicity. This negative publicity, as well as any other negative publicity concerning types of food products we serve, may reduce demand for our products and could result in a decrease in guest traffic to our online, mobile application store and physical stores as consumers shift their preferences to our competitors or to other products or food types. A decrease in traffic to our stores, website and/or mobile application store as a result of these health concerns or negative publicity could result in a decline in sales.

### **WE MAY BE SUBJECT TO PRODUCT LIABILITY CLAIMS IF PEOPLE OR PROPERTIES ARE HARMED BY THE PRODUCTS SOLD THROUGH OUR STORE, WEBSITE OR MOBILE APPLICATION STORE.**

Products sold through our stores, website and mobile application store are manufactured by third parties . Some of those products may be defectively designed or manufactured. As a result, sales of such products through our stores, website or mobile application store could expose us to product liability claims relating to personal injury or property damage and may require product recalls or other actions. Third parties subject to such injury or damage may bring claims or legal proceedings against us as the e-commerce platform to offer the products. We do not currently maintain any third-party liability insurance or product liability insurance in relation to products sold through our store, website or mobile application store. As a result, any material product liability claim or litigation could have a material and adverse effect on our business, financial condition and results of operations. Even unsuccessful claims could result in the expenditure of funds and managerial efforts in defending them and could have a negative impact on our reputation.

## **Risks Related to Doing Business in China**

### **ALL OF OUR ASSETS AND OUR DIRECTOR AND OFFICER ARE OUTSIDE THE UNITED STATES, WITH THE RESULT THAT IT MAY BE DIFFICULT OR IMPOSSIBLE FOR INVESTORS TO ENFORCE WITHIN THE UNITED STATES ANY JUDGMENTS OBTAINED AGAINST US OR OUR DIRECTOR OR OFFICER.**

All of our assets are located in China and we do not currently maintain a permanent place of business within the United States. Consequently, it may be difficult for United States investors to affect service of process within the United States upon our assets or our officer and director, or to realize in the United States upon judgments of United States courts predicated upon civil liabilities under U.S. Federal Securities Laws. A judgment of a U.S. court predicated solely upon such civil liabilities may not be enforceable in China by a Chinese court if the U.S. court in which the judgment was obtained did not have jurisdiction, as determined by the Chinese court, in the matter. There is substantial doubt whether an original action could be brought successfully in China against any of our assets or our sole director and officer predicated solely upon such civil liabilities. You may not be able to recover damages as compensation for a decline in your investment.

**ADVERSE CHANGES IN POLITICAL AND ECONOMIC POLICIES OF THE PRC GOVERNMENT COULD HAVE A MATERIAL ADVERSE EFFECT ON THE OVERALL ECONOMIC GROWTH OF CHINA, WHICH COULD REDUCE THE DEMAND FOR OUR PRODUCTS AND MATERIALLY AND ADVERSELY AFFECT OUR COMPETITIVE POSITION.**

Substantially all of our business operations are conducted in China. Accordingly, our business, results of operations, financial condition and prospects are subject to economic, political and legal developments in China. Although the Chinese economy is no longer a planned economy, the PRC government continues to exercise significant control over China's economic growth through direct allocation of resources, monetary and tax policies, and a host of other government policies such as those that encourage or restrict investment in certain industries by foreign investors, control the exchange between RMB and foreign currencies, and regulate the growth of the general or specific market. These government involvements have been instrumental in China's significant growth in the past 30 years. In response to the recent global and Chinese economic downturn, the PRC government has adopted policy measures aimed at stimulating economic growth in China. If the PRC government's current or future policies fail to help the Chinese economy achieve further growth or if any aspect of the PRC government's policies limits the growth of our industry or otherwise negatively affects our business, our growth rate or strategy, our results of operations could be adversely affected as a result.

**UNCERTAINTIES WITH RESPECT TO THE PRC LEGAL SYSTEM COULD ADVERSELY AFFECT US.**

We conduct all of our business through our subsidiary in China. Our operations in China are generally subject to laws and regulations applicable to foreign investments in China and, in particular, laws and regulations applicable to wholly foreign-owned enterprises. The PRC legal system is based on statutes. Prior court decisions may be cited for reference but have limited precedential value.

Since 1979, PRC legislation and regulations have 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, because these laws and regulations are relatively new, and because of the limited volume of published decisions and their nonbinding nature, the interpretation and enforcement of these laws and regulations involve uncertainties. In addition, 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) that may have a retroactive effect. As a result, we may not be aware of our violation of these policies and rules until sometime after the violation. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management's attention.

**NEW LABOR LAWS IN THE PRC MAY ADVERSELY AFFECT OUR RESULTS OF OPERATIONS.**

On June 29, 2007, the PRC government promulgated a new labor law, namely, the Labor Contract Law of the PRC, or the New Labor Contract Law, which became effective on January 1, 2008, as amended on December 28, 2012. The New Labor Contract Law imposes greater liabilities on employers and significantly affects the cost of an employer's decision to reduce its workforce. Further, it requires certain terminations to be based upon seniority and not merit. In the event we decide to significantly change or decrease our workforce, the New Labor Contract Law could adversely affect our ability to enact such changes in a manner that is most advantageous to our business or in a timely and cost-effective manner, thus materially and adversely affecting our financial condition and results of operations.

**UNDER THE ENTERPRISE INCOME TAX LAW, WE MAY BE CLASSIFIED AS A "RESIDENT ENTERPRISE" OF CHINA. SUCH CLASSIFICATION WILL LIKELY RESULT IN UNFAVORABLE TAX CONSEQUENCES TO US AND OUR NON-PRC STOCKHOLDERS.**

China passed a new Enterprise Income Tax Law, or the EIT Law, and its implementing rules, both of which became effective on January 1, 2008. Under the EIT Law, an enterprise established outside of China with "de facto management bodies" within China is considered a "resident enterprise," meaning that it can be treated in a manner similar to a Chinese enterprise for enterprise income tax purposes. The implementing rules of the EIT Law define de facto management as "substantial and overall management and control over the production and operations, personnel, accounting, and properties" of the enterprise.

On April 22, 2009, the State Administration of Taxation of China (the “SAT”), issued the Notice Concerning Relevant Issues Regarding Cognizance of Chinese Investment Controlled Enterprises Incorporated Offshore as Resident Enterprises pursuant to Criteria of de facto Management Bodies, or the Notice, further interpreting the application of the EIT Law and its implementation to offshore entities controlled by a Chinese enterprise or group. Further to the Notice, the SAT issued the Administrative Measures for Enterprise Income Tax on Chinese-controlled Offshore Incorporated Resident Enterprises (Trial) on July 27, 2011, or Bulletin No. 45, which took effect on September 1, 2011, to provide more guidance on the implementation of the Notice. Pursuant to the Notice, an enterprise incorporated in an offshore jurisdiction and controlled by a Chinese enterprise or group will be classified as a “non-domestically incorporated resident enterprise” if (i) its senior management in charge of daily operations perform their duties mainly in China; (ii) its financial or personnel decisions are made or approved by bodies or persons in China; (iii) its substantial assets and properties, accounting books, corporate stamps, board and stockholder minutes are kept in China; and (iv) at least half of its directors with voting rights or senior management often reside in China. The Bulletin No. 45 provides clarification on the resident status determination, post-determination administration and competent tax authorities. It also specifies that when provided with a copy of PRC resident determination certificate from a Chinese-controlled offshore-incorporated resident enterprise, the payer should not withhold 10% income tax when paying certain Chinese-sourced income such as dividends, interest and royalties to the Chinese-controlled offshore-incorporated resident enterprise. A resident enterprise would be subject to an enterprise income tax rate of 25% on its worldwide income and must pay a withholding tax at a rate of 10% when paying dividends to its non-PRC stockholders. However, it remains unclear as to whether the Notice is applicable to an offshore enterprise controlled by a Chinese natural person. Therefore, it is unclear how tax authorities will determine tax residency based on the facts of each case.

If the PRC tax authorities determine that we are a “resident enterprise” for PRC enterprise income tax purposes, a number of unfavorable PRC tax consequences could follow. First, we may be subject to the enterprise income tax at a rate of 25% on our worldwide taxable income as well as PRC enterprise income tax reporting obligations. In our case, this would mean that income such as non-China source income would be subject to PRC enterprise income tax at a rate of 25%. Currently, we do not have any non-China source income. Second, under the EIT Law and its implementing rules, dividends paid to us from our PRC subsidiary would qualify as “tax-exempt income.” Finally, it is possible that future guidance issued with respect to the new “resident enterprise” classification could result in a situation in which a 10% withholding tax is imposed on dividends we pay to our non-PRC stockholders and with respect to gains derived by our non-PRC stockholders from transferring our shares. We are actively monitoring the possibility of “resident enterprise” treatment for the 2013 tax year and are evaluating appropriate organizational changes to avoid this treatment, to the extent possible.

If we were treated as a “resident enterprise” by PRC tax authorities, we would be subject to taxation in both the U.S. and China, and our PRC tax may not be creditable against our U.S. tax.

#### **OUR CONTRACTUAL OR OTHER ARRANGEMENTS MAY RESULT IN ADVERSE TAX CONSEQUENCES TO US.**

Under PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities. We could face material adverse tax consequences if the PRC tax authorities determine that our contractual arrangements as well as other related party transactions among our PRC subsidiary were not made at arm’s length. These consequences include adjusting our income and expenses for PRC tax purposes in the form of a transfer pricing adjustment. A transfer pricing adjustment may result in adverse tax consequences to us.

#### **OUR HOLDING COMPANY STRUCTURE MAY LIMIT THE PAYMENT OF DIVIDENDS.**

We have no direct business operations, other than our ownership of our subsidiary and our contractual control of Zhongshan WINHA. While we have no current intention of paying dividends, should we decide in the future to do so, as a holding company, our ability to pay dividends and meet other obligations depends upon the receipt of dividends or other payments from our operating subsidiaries and other holdings and investments. Current PRC regulations permit our PRC subsidiary to pay dividends to us only out of their accumulated profits, if any, determined in accordance with Chinese accounting standards and regulations. In addition, our subsidiary in China is required to set aside at least 10% of its after-tax profits each year, if any, to fund a statutory reserve until such reserve reaches 50% of its registered capital. These reserves are not distributable as cash dividends. Furthermore, if our subsidiary in China 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. As a result, there may be limitations on the ability of our PRC subsidiary to pay dividends or make other investments or acquisitions that could be beneficial to our business or otherwise fund and conduct our business.

**PRC REGULATION OF LOANS AND DIRECT INVESTMENT BY OFFSHORE HOLDING COMPANIES TO PRC ENTITIES MAY DELAY OR PREVENT US FROM MAKING LOANS OR ADDITIONAL CAPITAL CONTRIBUTIONS TO OUR PRC OPERATING SUBSIDIARY, WHICH COULD MATERIALLY AND ADVERSELY AFFECT OUR LIQUIDITY AND OUR ABILITY TO FUND AND EXPAND OUR BUSINESS.**

As an offshore holding company of our PRC operating subsidiary, we may make loans to our PRC subsidiary, or we may make additional capital contributions to our PRC subsidiary. Any loans to our PRC subsidiary are subject to PRC regulations. For example, loans by us to our subsidiary in China to finance their activities cannot exceed statutory limits which is the difference between the total investment and the registered capital of our PRC subsidiary and must be registered with the State Administration of Foreign Exchange, or SAFE. On August 29, 2008, SAFE promulgated Circular 142, a notice regulating the conversion by a foreign-invested company of foreign currency into RMB by restricting how the converted RMB may be used. Circular 142 requires that RMB converted from the foreign currency-denominated capital of a foreign-invested company may only be used for purposes within the business scope approved by the applicable governmental authority and may not be used for equity investments within the PRC unless such investments are otherwise provided for in the business scope. The foreign currency-denominated capital shall be verified by an accounting firm before converting into RMB. In addition, SAFE strengthened its oversight over the flow and use of RMB funds converted from the foreign currency-denominated capital of a foreign-invested company. To convert such capital into RMB, the foreign-invested company must report the use of such RMB to the bank, and the RMB must be used for the reported purposes. According to Circular 142, change of the use of such RMB without approval is prohibited. In addition, such RMB may not be used to repay RMB loans if the proceeds of such loans have not yet been used. Violations of Circular 142 may result in severe penalties, including substantial fines as set forth in the Foreign Exchange Administration Rules. In addition, the SAFE promulgated the Notice on Relevant Issues Concerning Strengthening the Administration of Foreign Exchange Business, or Circular 59, on November 9, 2010, which requires the government to closely examine the authenticity of settlement of net proceeds from offshore offerings and the net proceeds to be settled in the manner described in the offering documents.

We may also decide to finance our subsidiary by means of capital contributions. These capital contributions must be approved by the Ministry of Commerce of China, or MOFCOM, or its local counterpart. We may not be able to obtain these government approvals on a timely basis, if at all, with respect to future capital contributions by us to our PRC subsidiary. If we fail to receive such approvals, our ability to capitalize our PRC operations may be negatively affected, which could adversely affect our liquidity and our ability to fund and expand our business.

**GOVERNMENTAL CONTROL OF CURRENCY CONVERSION MAY AFFECT THE VALUE OF YOUR INVESTMENT.**

The PRC government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of China. We receive substantially all of our revenues in RMB. Under our current corporate structure, our income is primarily derived from dividend payments from our PRC subsidiary. Shortages in the availability of foreign currency may restrict the ability of our PRC subsidiary to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy its foreign currency denominated obligations. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and expenditures from trade-related transactions can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. However, approval from appropriate government authorities is required where RMB 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. The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions. If the foreign exchange control system prevents us from obtaining sufficient foreign currency to satisfy our currency demands, we may not be able to pay dividends in foreign currencies to our security-holder.

**FLUCTUATION IN THE VALUE OF THE RMB MAY HAVE A MATERIAL ADVERSE EFFECT ON THE VALUE OF YOUR INVESTMENT.**

The value of the RMB against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions. On July 21, 2005, the PRC government changed its decade-old policy of pegging the value of the RMB to the U.S. dollar. Under the new policy, the RMB is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. This change in policy has resulted in an approximately 34.9% appreciation of the RMB against the U.S. dollar between July 21, 2005 and June 30, 2013. Provisions on Administration of Foreign Exchange, as amended in August 2008, further changed China's exchange regime to a managed floating exchange rate regime based on market supply and demand. During the period between July 2008 and June 2010, the exchange rate between the RMB and the U.S. dollar had been stable and traded within a narrow band. However, the RMB fluctuated significantly during that period against other freely traded currencies, in tandem with the U.S. dollar. Since June 2010, the RMB has started to slowly appreciate against the U.S. dollar, though there have been periods recently when the U.S. dollar has appreciated against the RMB. It is difficult to predict how long the current situation may continue and when and how it may change again. Substantially all of our revenues and costs are denominated in RMB, and a significant portion of our financial assets are also denominated in RMB. We principally rely on dividends and other distributions paid to us by our subsidiary in China. Any significant revaluation of the RMB may materially and adversely affect our cash flows, revenues, earnings and financial position, and the value of, and any dividends payable on, our ordinary shares in U.S. dollars. Any fluctuations of the exchange rate between the RMB and the U.S. dollar could also result in foreign currency translation losses for financial reporting purposes.

**WE CONTROL ZHONGSHAN WINHA THROUGH CONTRACTUAL ARRANGEMENTS WHICH MAY NOT BE AS EFFECTIVE IN PROVIDING CONTROL OVER ZHONGSHAN WINHA AS DIRECT OWNERSHIP, AND IF ZHONGSHAN WINHA OR ITS SHAREHOLDERS BREACH THE CONTRACTUAL ARRANGEMENTS, WE WOULD HAVE TO RELY ON LEGAL REMEDIES UNDER PRC LAW, WHICH MAY NOT BE AVAILABLE OR EFFECTIVE, TO ENFORCE OR PROTECT OUR RIGHTS.**

We conduct substantially all of our operations, and generate substantially all of our revenues, through contractual arrangements with Zhongshan WINHA that provide us, through our ownership of WINHA International and its ownership of Shenzhen WINHA, with effective control over Zhongshan WINHA. We have no direct ownership interest in Zhongshan WINHA. We depend on Zhongshan WINHA to hold and maintain contracts with our customers. Zhongshan WINHA also owns substantially all of our products, facilities and other assets relating to the operation of our business, and employs the personnel for substantially all of our business. Neither our company nor Shenzhen WINHA has any ownership interest in Zhongshan WINHA. Although we believe that each contract under Shenzhen WINHA's contractual arrangements with Zhongshan WINHA is valid, binding and enforceable under current PRC laws and regulations in effect, these contractual arrangements may not be as effective in providing us with control over Zhongshan WINHA as direct ownership of Zhongshan WINHA would be. In addition, Zhongshan WINHA may breach the contractual arrangements. For example, Zhongshan WINHA may decide not to make contractual payments to Shenzhen WINHA, and consequently to our company, in accordance with the existing contractual arrangements. In the event of any such breach, we would have to rely on legal remedies under PRC law. These remedies may not always be available or effective, particularly in light of uncertainties in the PRC legal system.

**PRC LAWS AND REGULATIONS GOVERNING OUR BUSINESSES AND THE VALIDITY OF CERTAIN OF OUR CONTRACTUAL ARRANGEMENTS ARE UNCERTAIN. IF WE ARE FOUND TO BE IN VIOLATION OF SUCH PRC LAWS AND REGULATIONS, WE COULD BE SUBJECT TO SANCTIONS. IN ADDITION, CHANGES IN SUCH PRC LAWS AND REGULATIONS MAY MATERIALLY AND ADVERSELY AFFECT OUR BUSINESS.**

There are substantial uncertainties regarding the interpretation and application of PRC laws and regulations, including, but not limited to, the laws and regulations governing our business, or the enforcement and performance of Shenzhen WINHA's contractual arrangements with Zhongshan WINHA. Shenzhen WINHA is considered a foreign invested enterprise under PRC law. Foreign investment in internet-based businesses as well as advertising businesses is subject to significant restrictions under current PRC laws and regulations. Accordingly, we operate our domestic website and advertising business in China through Zhongshan WINHA, which we control through a series of contractual arrangements.

There are considerable uncertainties regarding the interpretation and application of current and future PRC laws, rules and regulations, including but not limited to the laws, rules and regulations governing the validity and enforcement of our contractual arrangements with Zhongshan WINHA. The effectiveness of newly enacted laws, regulations or amendments may be delayed, resulting in detrimental reliance by foreign investors. New laws and regulations that affect existing and proposed future businesses may also be applied retroactively.

The PRC government has broad discretion in dealing with violations of laws and regulations, including levying fines, revoking business and other licenses and requiring actions necessary for compliance. In particular, licenses and permits issued or granted to us by relevant governmental bodies may be revoked at a later time by higher regulatory bodies. We cannot predict the effect of the interpretation of existing or new PRC laws or regulations on our businesses. We cannot assure you that our current ownership and operating structure would not be found in violation of any current or future PRC laws or regulations. As a result, we may be subject to sanctions, including fines, and could be required to restructure our operations or cease to provide certain services. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention. Any of these or similar actions could significantly disrupt our business operations or restrict us from conducting a substantial portion of our business operations, which could materially and adversely affect our business, financial condition and results of operations.

#### **VIOLATION OF PRC LAWS REGULATING ADVERTISEMENT MAY RESULT IN PENALTIES AND OTHER ADMINISTRATIVE ACTIONS**

Under PRC advertising laws and regulations, if we conduct advertising business, we are obligated to monitor the advertising content shown on our websites to ensure that such content is true and accurate and in full compliance with applicable laws and regulations. In addition, where a special government review is required for specific types of advertisements prior to website posting, such as advertisements relating to pharmaceuticals, medical instruments, agrochemicals and veterinary pharmaceuticals, we are obligated to confirm that such review has been performed and approval has been obtained. Violation of these laws and regulations may subject us to penalties, including fines, confiscation of our advertising income, orders to cease dissemination of the advertisements and orders to publish an announcement correcting the misleading information. In circumstances involving serious violations by us, PRC governmental authorities may force us to terminate our advertising operations or revoke our licenses. Furthermore, we may be subject to civil liability for our advertising business.

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**ACCORDING TO PRC LAWS AND REGULATIONS REGARDING COMMERCIAL FRANCHISING, OUR BUSINESS MODEL MAY BE RECOGNIZED AS COMMERCIAL FRANCHISING. HOWEVER, WE HAVE NOT MET LEGAL REQUIREMENTS TO CONDUCT COMMERCIAL FRANCHISING ACTIVITIES. THEREFORE, WE MAY BE SUBJECT TO PENALTIES AND ADMINISTRATIVE ACTIONS.**

Under related PRC laws and regulations, commercial franchising refers to the business activities where an enterprise that possesses the registered trademarks, enterprise logos, patents, proprietary technology or any other business resources, the franchisor, allows such business resources to be used by another business operator, the franchisee, through a contract and the franchisee follows the uniform business model to conduct business operation and pays franchising fees according to the contract to conduct commercial franchising activities. A franchisor must have certain prerequisites including a mature business model, the capability to provide long-term business guidance and training services to franchisees and ownership of at least two self-operated storefronts that have been in operation for at least one year within China. Franchisors engaged in franchising activities without satisfying the above requirements may be subject to penalties such as forfeit of illegal income and imposition of fines and may be bulletined by MOFCOM or its local counterparts. In addition, franchisors shall carry out record-filing with MOFCOM or its counterparts within 15 days upon executing the first franchise contract. We may be recognized as a commercial franchisor for authorizing other business entities to use our trademark and adopting a uniform business model. We do not own two self-operated storefronts that have been in operation for one year or longer and have not carried out record-filing with MOFCOM or its counterparts until now. However, we are arranging to establish two or more self-operated stores and attempt to carry out record-filing with MOFCOM or its local counterparts.

**WE MAY BE REQUIRED TO OBTAIN PRIOR APPROVALS UNDER THE M&A RULES FOR OUR CURRENT CORPORATE STRUCTURE AND THIS OFFERING. OUR FAILURE TO OBTAIN THESE AND OTHER REQUIRED PRIOR APPROVALS UNDER THE M&A RULES COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS AND THIS OFFERING.**

On August 8, 2006, the PRC Ministry of Commerce (“MOFCOM”), joined by the State-owned Assets Supervision and Administration Commission of the State Council, the State Administration of Taxation, the State Administration for Industry and Commerce, the China Securities Regulatory Commission and SAFE, released a substantially amended version of the Provisions for Foreign Investors to Merge with or Acquire Domestic Enterprises (the “M&A Rules”), which took effect on September 8, 2006 and was further amended on June 22, 2009.

According to the M&A Rules, foreign companies that are established or controlled, directly or indirectly, by PRC companies or individuals shall obtain approval from MOFCOM in order to merge or acquire PRC domestic companies that are owned by such PRC companies or individuals. In addition, the M&A Rules include provisions that purport to require that an offshore special purpose vehicle, or SPV, formed for listing purposes and controlled directly or indirectly by PRC companies or individuals must obtain the approval of the CSRC prior to the listing and trading of such SPV’s securities on an overseas stock exchange. On September 21, 2006, the CSRC published on its official website procedures regarding its approval of overseas listings by special purpose vehicles. However, substantial uncertainty remains regarding the scope and applicability of the M&A Rules to offshore special purpose vehicles.

We believe that we are not required to submit applications for MOFCOM’s and CSRC’s prior approvals with respect to the formation of our current corporate structure and this offering given that (i) Shenzhen WINHA was incorporated by the means of direct investment by WINHA International, and there was no acquisition of the equity or assets of a “PRC domestic company” as such term is defined under the M&A Rules; (ii) there is no provision in the M&A Rules that clearly classifies the contractual arrangements between Shenzhen WINHA and Zhongshan WINHA as a kind of transaction falling under the M&A Rules; (iii) our offshore companies are directly controlled by Ms. Chung Yan Lam who is a Hong Kong citizen rather than a PRC individual .

However, the application of the M&A Rules remains unclear and substantially uncertain in terms of the scope and applicability of the CSRC approval requirement. If MOFCOM and CSRC or other PRC government agencies subsequently determine that prior approvals of MOFCOM and CSRC are required with respect to the formation of our current corporate structure and this offering, we may face material regulatory actions or other sanctions from MOFCOM, CSRC or other PRC government agencies. These regulatory agencies may impose fines and penalties on our operations in the PRC, restriction or limitation on remitting dividends outside of China, or take other actions that could have a material adverse effect on our business, financial condition, results of operations, reputation and prospects.

**PRC REGULATIONS RELATING TO THE ESTABLISHMENT OF OFFSHORE SPECIAL PURPOSE COMPANIES BY PRC RESIDENTS MAY SUBJECT OUR POTENTIAL PRC RESIDENT SHAREHOLDERS TO PENALTIES AND LIMIT OUR ABILITY TO INJECT CAPITAL INTO OUR PRC SUBSIDIARY, LIMIT OUR PRC SUBSIDIARY'S ABILITY TO DISTRIBUTE PROFITS TO US, OR OTHERWISE ADVERSELY AFFECT US.**

The SAFE has promulgated several regulations, including the Notice on Relevant Issues Concerning Foreign Exchange Administration for Domestic Residents' Financing and Roundtrip Investment through Offshore Special Purpose Vehicles, or Circular 75, effective on November 1, 2005 and its implementation rules. These regulations require PRC residents and PRC companies to register with local branches of the SAFE before SPVs conduct any overseas financing, have any change in equity interest, conduct any round-trip investments or have any other material changes in capital or equity interest in SPVs. An amendment to registration or filing with the local SAFE branch by such PRC residents or PRC companies is also required for the injection of equity interests or assets of an onshore enterprise in the offshore special purpose company or overseas funds raised by such offshore company, or any other material change involving a change in the capital of the offshore special purpose company. We do not believe that any of our current shareholders is subject to Circular 75 and its implementation rules. However, relevant PRC government agencies might deem that Ms. Lai is subject to Circular 75 and its implementation rules due to the arrangement under a Power of Attorney, according to which Ms. Lam grants all her shareholder's rights in PILOT International Investment Company Limited ("PILOT International") to Ms. Lai. Further, Ms. Lai may have to register with local branches of the SAFE if she exercises the option and becomes our offshore companies' shareholder according to a share transfer agreement (the "Share Transfer Agreement") entered into by and between Chung Yan Winnie Lam, our President and sole director as well as the sole shareholder of PILOT International Investment Company Limited ("PILOT International") and Zening Lai, the director of PILOT International, pursuant to which Ms. Lam agreed to grant to Ms. Lai an option (the "Option") to purchase 100% of the outstanding ordinary shares of PILOT International currently held by Ms. Lam in three installments, provided that WINHA achieves certain performance thresholds in each given time period. Moreover, any potential PRC resident shareholders holding direct or indirect interest in our company may be subject to Circular 75 and its implementation rules. Failure by any such PRC residents to comply with Circular 75 and its implementation rules could subject themselves to fines or legal sanctions, restrict our overseas or cross-border investment activities, limit our ability to inject capital into our PRC subsidiary, limit our PRC subsidiary's ability to distribute profits to us or affect our ownership structure, which could adversely affect our business and prospects.

**Risks Related To Our Securities**

**THERE IS NO CURRENT TRADING MARKET FOR OUR COMMON STOCK, AND THERE IS NO ASSURANCE OF AN ESTABLISHED PUBLIC TRADING MARKET, WHICH WOULD SUBSTANTIALLY RESTRICT THE ABILITY OF OUR INVESTORS TO SELL THEIR SECURITIES IN THE PUBLIC MARKET.**

Our common stock is not currently listed or quoted for trading on any national securities exchange or national quotation system. We plan to apply for the quotation of our common stock on the OTC Bulletin Board maintained by the Financial Industry Regulatory Authority, Inc., or FINRA. However, there is no guarantee that the OTC Bulletin Board, or any other quotation system, will permit our shares to be quoted and traded. The OTC Bulletin Board is an inter-dealer, over-the-counter market that provides significantly less liquidity than the New York Stock Exchange or NASDAQ Stock Market. The quotation of our shares on the OTC Bulletin Board may result in a less liquid market available for existing and potential stockholders to trade our shares, could depress the trading price of our common stock and could have a long-term adverse impact on our ability to raise capital in the future. In addition, FINRA has enacted changes that limit quotations on the OTC Bulletin Board to securities of issuers that are current in their reports filed with the SEC. The effect on the OTC Bulletin Board of these rule changes and other proposed changes cannot be determined at this time.

**IN THE EVENT THAT THE COMPANY'S SHARES ARE TRADED, THEY WILL PROBABLY TRADE UNDER \$5.00 PER SHARE AND THUS WILL BE A PENNY STOCK. TRADING IN PENNY STOCKS HAS MANY RESTRICTIONS AND THESE RESTRICTIONS COULD SEVERLY AFFECT THE PRICE AND LIQUIDITY OF THE COMPANY'S SHARES.**

In the event that our shares are traded, our stock will probably trade below \$5.00 per share, and our stock will therefore be known as a "penny stock", which is subject to various regulations involving disclosures to be given to you prior to the purchase of any penny stock. The SEC has adopted regulations which generally define a "penny stock" to be any equity security that has a market price of less than \$5.00 per share, subject to certain exceptions. A penny stock is subject to rules that impose additional sales practice requirements on broker/dealers who sell these securities to persons other than established customers and accredited investors. For transactions covered by these rules, the broker/dealer must make a special suitability determination for the purchase of these securities. In addition, the broker/dealer must receive the purchaser's written consent to the transaction prior to the purchase. He must also provide certain written disclosures to the purchaser. Consequently, the "penny stock" rules may restrict the ability of broker/dealers to sell our securities, and may negatively affect the ability of holders of shares of our common stock to resell them. These disclosures require you to acknowledge that you understand the risks associated with buying penny stocks and that you can absorb the loss of your entire investment. Penny stocks are low priced securities that do not have a very high trading volume. Consequently, the price of the stock is often volatile and you may not be able to buy or sell the stock when you want to.

**WE DO NOT ANTICIPATE PAYING DIVIDENDS IN THE FORESEEABLE FUTURE.**

We have never declared or paid any cash dividends or distributions on our capital stock. We currently intend to retain our future earnings, if any, to support operations and to finance expansion and therefore we do not anticipate paying any cash dividends on our common stock in the foreseeable future.

The declaration, payment and amount of any future dividends will be made at the discretion of the board of directors, and will depend upon, among other things, the results of our operations, cash flows and financial condition, operating and capital requirements, and other factors as the board of directors considers relevant. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividend.

**WE MAY INCUR SIGNIFICANT COSTS TO BE A PUBLIC COMPANY TO ENSURE COMPLIANCE WITH U.S. CORPORATE GOVERNANCE AND ACCOUNTING REQUIREMENTS AND WE MAY NOT BE ABLE TO ABSORB SUCH COSTS.**

We may incur significant costs associated with our public company reporting requirements, costs associated with newly applicable corporate governance requirements, including but not limited to requirements under the Sarbanes-Oxley Act of 2002. We expect all of these applicable rules and regulations to significantly increase our legal and financial compliance costs and to make some activities more time consuming and costly. We also expect that these applicable rules and regulations may 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. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as executive officers. We are currently evaluating and monitoring developments with respect to these newly applicable rules, and we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. In addition, we may not be able to absorb these costs of being a public company which will negatively affect our business operations.

**THE LACK OF PUBLIC COMPANY EXPERIENCE OF OUR MANAGEMENT TEAM COULD ADVERSELY IMPACT OUR ABILITY TO COMPLY WITH THE REPORTING REQUIREMENTS OF U.S. SECURITIES LAWS.**

Our management lacks public company experience, which could impair our ability to comply with legal and regulatory requirements such as those imposed by Sarbanes-Oxley Act of 2002. Our management has never been responsible for managing a publicly traded company. Such responsibilities include complying with federal securities laws and making required disclosures on a timely basis. Our management may not be able to implement programs and policies in an effective and timely manner that adequately respond to such increased legal, regulatory compliance and reporting requirements, including establishing and maintaining internal controls over financial reporting. Any such deficiencies, weaknesses or lack of compliance could have a materially adverse effect on our ability to comply with the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act") which is necessary to maintain our public company status. If we were to fail to fulfill those obligations, our ability to continue as a U.S. public company would be in jeopardy in which event you could lose your entire investment in our company.

**WE ARE AN "EMERGING GROWTH COMPANY" UNDER THE JOBS ACT AND ANY DECISION ON OUR PART TO COMPLY WITH CERTAIN REDUCED DISCLOSURE REQUIREMENTS APPLICABLE TO "EMERGING GROWTH COMPANIES" COULD MAKE OUR COMMON STOCK LESS ATTRACTIVE TO INVESTORS.**

We are an "emerging growth company," as defined in the JOBS Act, and, for as long as we continue to be an "emerging growth company," we may choose to take advantage of exemptions from various reporting requirements applicable to other public companies but not to "emerging growth companies," including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We could be 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 annual gross revenues exceed \$1 billion, (ii) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our common stock 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.

In addition, Section 107 of the JOBS Act also 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 for complying with new or revised accounting standards. In other words, an “emerging growth company” can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. However, we have elected to opt out of the extended transition period for complying with the revised accounting standards.

**OUR STATUS AS AN “EMERGING GROWTH COMPANY” UNDER THE JOBS ACT OF 2012 MAY MAKE IT MORE DIFFICULT TO RAISE CAPITAL AS AND WHEN WE NEED IT.**

Because of the exemptions from various reporting requirements provided to us as an “emerging growth company,” we may be less attractive to investors and it may be difficult for us to raise additional capital as and when we need it. Investors may be unable to compare our business with other companies in our industry if they believe that our reports are not as transparent as other companies in our industry. If we are unable to raise additional capital as and when we need it, our financial condition and results of operations may be materially and adversely affected.

**UNTIL WE REGISTER A CLASS OF OUR SECURITIES UNDER SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934 (“EXCHANGE ACT”), WE WILL ONLY BE SUBJECT TO THE PERIODIC REPORTING OBLIGATIONS IMPOSED BY SECTION 15(D) OF THE EXCHANGE ACT.**

Until such time as we register a class of our securities under Section 12 of the Exchange Act, we will only be subject to the periodic reporting obligations imposed by Section 15(d) of the Exchange Act. Accordingly, we will not be subject to the proxy rules, Section 16 short-swing profit provisions, beneficial ownership reporting, the bulk of the tender offer rules and the reporting requirements of Section 13 of the Exchange Act.

**OUR REPORTING OBLIGATIONS UNDER THE EXCHANGE ACT MAY BE SUSPENDED IF WE CONTINUE TO HAVE FEWER THAN 300 SHAREHOLDERS.**

Under Section 12(g) of the Exchange Act, a company is eligible to deregister its shares under the Exchange Act if it has fewer than 300 shareholders of record. Deregistration exempts a company from the reporting obligations under the Exchange Act, thereby such company will not be required to file any periodic reports, including Form 10-Q and 10-K filings with the SEC, subsequent to the Form 10-K required for the fiscal year in which the registration statement is effective.

We expect to register our shares under the Exchange Act by filing a Registration Statement on Form 8-A with the SEC concurrently with, or immediately following, the effectiveness of this Registration Statement on Form S-1. However, we currently have fewer than 300 shareholders and expect to maintain a fewer than 300 shareholder base. Therefore, we will be eligible to deregister our shares under the Exchange Act and suspend our Exchange Act reporting obligations.

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus contains forward-looking statements. The forward-looking statements are contained principally in the sections entitled “Prospectus Summary,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and “Business.” These statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. These risks and uncertainties include, but are not limited to, the factors described in the section captioned “Risk Factors” above.

In some cases, you can identify forward-looking statements by terms such as “will,” “anticipates,” “believes,” “could,” “estimates,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “projects,” “should,” “would,” and similar expressions intended to identify forward-looking statements. Forward-looking statements reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties. Given these uncertainties, you should not place undue reliance on these forward-looking statements. These forward-looking statements include, among other things, statements relating to:

- our expectations regarding the market for our products and services;
- our expectations regarding the continued growth of our industry in the PRC;
- our beliefs regarding the competitiveness of our business model;
- our expectations regarding the expansion of our operations;
- our expectations with respect to revenue generation and growth and our ability to achieve profitability resulting from increases in our sale volumes;
- our future business development, results of operations and financial condition; and
- competition from companies with similar businesses.

Also, forward-looking statements represent our estimates and assumptions only as of the date of this prospectus. You should read this prospectus and the documents that we reference in this prospectus, or that we filed as exhibits to the registration statement of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect.

Except as required by law, we assume no obligation to update any forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in any forward-looking statements, even if new information becomes available in the future.

### **Third Party Data**

This prospectus also contains estimates and other information concerning our industry which are based on industry publications, surveys and forecasts, including those generated by us. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates. Please contact us if you have any specific questions. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in “Risk Factors.”

### **USE OF PROCEEDS**

The selling shareholders are selling the common stock covered by this prospectus for their own account. We will not receive any of the proceeds from the sale of these shares. We have agreed to bear the expenses relating to the registration of the shares for the selling security holders, but we will not pay any of the selling commissions, brokerage fees and related expenses.

### **DETERMINATION OF OFFERING PRICE**

Since our common stock is not currently listed or quoted on any exchange or quotation system, the offering price of the common stock covered by this prospectus was estimated by the Company, based on the price of the common stock sold in a private placement completed on August 16, 2013, pursuant to an exemption under Section 4(2) of the Securities Act and Rule 506 of Regulation D promulgated under the Securities Act.

The offering price of our common stock does not necessarily bear any relationship to our book value, assets, or any other established criteria of value. The facts considered in determining the offering price were our financial condition and prospects, our limited operating history and the general condition of the securities market.

Our common stock is not currently listed or quoted for trading on any national securities exchange or national quotation system. Our intention is to apply for quotation of our common stock on the OTC Bulletin Board maintained by FINRA. However, there is no guarantee that the OTC Bulletin Board, or any other quotation system, will permit our shares to be quoted and traded. The OTC Bulletin Board is an inter-dealer, over-the-counter market that provides significantly less liquidity than the New York Stock Exchange or NASDAQ Stock Market. The quotation of our shares on the OTC Bulletin Board may result in a less liquid market available for existing and potential stockholders to trade our shares, could depress the trading price of our common stock and could have a long-term adverse impact on our ability to raise capital in the future. In addition, FINRA has enacted changes that limit quotations on the OTC Bulletin Board to securities of issuers that are not current in their reports filed with the SEC. The effect on the OTC Bulletin Board of these rule changes and other proposed changes cannot be determined at this time.

In addition, there is no assurance that our common stock will trade at market prices in excess of the purchase price as prices for the common stock in any public market which may develop will be determined in the marketplace and may be influenced by many factors, including the breadth and liquidity of the trading in our shares.

### **SELLING SHAREHOLDERS**

This prospectus relates to the resale by the selling shareholders named below from time to time of up to a total of 1,139,290 shares of common stock that were issued or are issuable to selling shareholders pursuant to transactions exempt from registration under the Securities Act. All of the common stock offered by this prospectus are being offered by the selling shareholders for their own accounts.

On August 16, 2013, we completed a private placement transaction with a group of investors. Pursuant to the Subscription Agreement with the investors, we issued to the investors an aggregate of 139,500 shares of common stock for an aggregate purchase price of \$13,950, or \$0.10 per share. On September 9, 2013, Albeck Financial Services, Inc. and Alta Capital Partners, Inc. each received 499,895 shares of the Company's common stock as compensation for their consulting services provided to the Company.

The following table sets forth certain information regarding the selling shareholders and the shares offered by them in this prospectus. Beneficial ownership is determined in accordance with the rules of the SEC.

Except Chung Yan Winnie Lam, our President and sole director, none of the selling shareholders has held a position as an officer or director of the Company, nor has any material relationship of any kind with us or any of our affiliates. All information with respect to share ownership has been furnished by the selling shareholders. The common stock being offered is being registered to permit secondary trading of the shares and the selling shareholders may offer all or part of the common stock owned for resale from time to time. In addition, none of the selling shareholders has any family relationships with our officers, directors or controlling shareholders. Furthermore, no selling shareholder is a registered broker-dealer or an affiliate of a registered broker-dealer, except Alta Capital Partners, Inc., whose Chief Executive Officer and director, is a registered representative of a broker-dealer.

The term "selling shareholders" also includes any transferees, pledges, donees, or other successors in interest to the selling shareholders named in the table below. To our knowledge, subject to applicable community property laws, each person named in the table has sole voting and investment power with respect to the common stock set forth opposite such person's name. We will file a supplement to this prospectus (or a post-effective amendment hereto, if necessary) to name successors to any named selling shareholder who is able to use this prospectus to resell the securities registered hereby.

Name and Address of Beneficial Owner	Shares Beneficially Owned Prior to the Offering (1)		Shares Being Offered	Shares Beneficially Owned After the Offering (2)	
	Number	Percentage		Number	Percentage (3)
Amy Debuysere	10,000	0%	10,000	0	0%
Keith Richard Debuysere	10,000	0%	10,000	0	0%
Lam Wing Chi	10,000	0%	10,000	0	0%
Cary Wong	10,000	0%	10,000	0	0%
Wong Yin Kwong (Steven)	3,000	0%	3,000	0	0%
Lai Siu Jing Jennifer	5,000	0%	5,000	0	0%
Chan Kai Hing (Ray)	3,000	0%	3,000	0	0%
Chan Yuk Ching Sally	3,000	0%	3,000	0	0%
Tsai Chiu Hua (Allan)	4,000	0%	4,000	0	0%
Joey Kwok Yuk Chan	4,000	0%	4,000	0	0%
Leung Ho Cheung (Louis)	3,000	0%	3,000	0	0%
Hui Wing Yan (June)	3,000	0%	3,000	0	0%
Chueng Ka Fai	8,000	0%	8,000	0	0%
Yang Ta Ching (Tom)	3,000	0%	3,000	0	0%
Lam Ping Kwong	10,000	0%	10,000	0	0%
Wong Lai Shan (Annabell)	4,000	0%	4,000	0	0%
Ng Yu Hin (Hades)	3,000	0%	3,000	0	0%
Chan Chi Yan (Angel)	3,000	0%	3,000	0	0%
Julianna Ng	4,000	0%	4,000	0	0%
Ip Sze Man, Vivica	2,000	0%	2,000	0	0%
Poon Tak Hing	2,000	0%	2,000	0	0%
Kin Man Poon	2,000	0%	2,000	0	0%
Cheung Mui	2,000	0%	2,000	0	0%
Chan Chiu Pang (Novo)	3,000	0%	3,000	0	0%
Lam Nga Fan (Emily)	2,000	0%	2,000	0	0%
Tse Kai Ching (Jonathan)	3,000	0%	3,000	0	0%
Chow Chor Kong	2,500	0%	2,500	0	0%
Chow Tsz Kit Edison	2,500	0%	2,500	0	0%
Leung Mei Fun	2,500	0%	2,500	0	0%
Li Suk Chun	2,500	0%	2,500	0	0%
Wong King Hang	2,500	0%	2,500	0	0%
Wong King Yan	2,500	0%	2,500	0	0%
Wong Tse Cheung	2,500	0%	2,500	0	0%
Leung Wing Lin Winnie	3,000	0%	3,000	0	0%
Albeck Financial Services, Inc. (4)	499,895	1.00%	499,895	0	0%
Alta Capital Partners, Inc. (5)	499,895	1.00%	499,895	0	0%
<b>Totals</b>	<b>1,139,290</b>	<b>2.28%</b>	<b>1,139,290</b>	<b>0</b>	<b>0%</b>

\* Less than 1%.

(1) Beneficial ownership is determined in accordance with Rule 13d-3 promulgated under the Exchange Act. Generally, a person is considered to beneficially own securities: (i) over which such person, directly or indirectly, exercises sole or shared voting or investment power, and (ii) of which such person has the right to acquire beneficial ownership at any time within 60 days (such as through exercise of stock options or warrants).

(2) Assumes that all securities offered are sold.

(3) Based upon a total of 49,989,500 shares of common stock outstanding as of September 9, 2013. Pursuant to Rule 13d-3 promulgated under the Exchange Act, for each beneficial owner above, any share of which such person has the right to acquire beneficial ownership at any time within 60 days (such as through exercise of stock options or warrants) have been included in the denominator.

(4) Christy Albeck is the Chief Executive Officer and director of Albeck Financial Services, Inc., and has voting and dispositive control over shares beneficially owned by Albeck Financial Services, Inc.

(5) Mark Tashkovich is the Chief Executive Officer and director of Alta Capital Partners, Inc., and has voting and dispositive control over shares beneficially owned by Alta Capital Partners, Inc.

#### PLAN OF DISTRIBUTION

The selling shareholders may use any one or more of the following methods when disposing of shares or interests therein:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent, but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;

- short sales effected after the date the registration statement of which this prospectus is a part is declared effective by the SEC;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;

- broker-dealers may agree with the selling shareholders to sell a specified number of such shares at a stipulated price per share; and
- a combination of any such methods of sale.

The selling shareholders may also resell all or a portion of the shares in open market transactions in reliance upon Rule 144 under the Securities Act, provided that they meet the criteria and conform to the requirements of that rule.

The selling shareholders may, from time to time, pledge or grant a security interest in some or all of the common stock owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the common stock, from time to time, under this prospectus, or under an amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act amending the list of selling shareholders to include the pledgee, transferee or other successors in interest as selling shareholders under this prospectus. The selling shareholders also may transfer the securities in other circumstances, in which case the transferees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

In connection with the sale of our common stock or interests therein, the selling shareholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the common stock in the course of hedging the positions they assume. The selling shareholders may also sell our common stock short and deliver these securities to close out their short positions, or loan or pledge the common stock to broker-dealers that in turn may sell these securities. The selling shareholders may also enter into option or other transactions with broker-dealers or other financial institutions or the creation of one or more derivative securities which require the delivery to such broker-dealer or other financial institution of shares offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The aggregate proceeds to the selling shareholders from the sale of the common stock offered by them will be the purchase price of the common stock less discounts or commissions, if any. Each of the selling shareholders reserves the right to accept and, together with their agents from time to time, to reject, in whole or in part, any proposed purchase of common stock to be made directly or through agents. We will not receive any of the proceeds from this offering.

Broker-dealers engaged by the selling shareholders may arrange for other broker-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the selling shareholders (or, if any broker-dealer acts as agent for the purchase of shares, from the purchaser) in amounts to be negotiated. The selling shareholders do not expect these commissions and discounts to exceed what is customary in the types of transactions involved, and in no case will the maximum compensation received by any broker-dealer exceed eight percent (8%).

Any underwriters, agents, or broker-dealers, and any selling shareholders who are affiliates of broker dealers that participate in the sale of the ordinary shares or interests therein may be deemed as underwriters within the meaning of Section 2(11) of the Securities Act. In such event, any discounts, commissions, concessions or profit they earn on any resale of the shares may be underwriting discounts and commissions under the Securities Act. Because selling stockholders may be deemed to be “underwriters” within the meaning of the Securities Act, they may be subject to the prospectus delivery requirements of the Securities Act including Rule 172 thereunder. In addition, the common stock covered by this prospectus which qualifies for sale pursuant to Rule 144 under the Securities Act may be sold under Rule 144 rather than under this prospectus. We know of no existing arrangements between any of the selling shareholders and any other shareholder, broker, dealer, underwriter, or agent relating to the sale or distribution of the shares, nor can we presently estimate the amount, if any, of such compensation. See “Selling Shareholders” for a description of any material relationship that a shareholder has with us and the description of such relationship.

To the extent required, the shares of our common stock to be sold, the names of the selling shareholders, the purchase price and public offering prices if a public offering is formulated, the names of any agents, dealer or underwriter, any applicable commissions or discounts with respect to a particular offer will be set forth in an accompanying prospectus supplement or, if appropriate, a post-effective amendment to the registration statement that includes this prospectus.

In order to comply with the securities laws of some states, if applicable, the common stock may be sold in these jurisdictions only through registered or licensed brokers or dealers. In addition, in some states the common stock may not be sold unless it has been registered or qualified for sale or an exemption from registration or qualification requirements is available and is complied with.

We have advised the selling shareholders that the anti-manipulation rules of Regulation M under the Exchange Act may apply to sales of shares in the market and to the activities of the selling shareholders and their affiliates. In addition, we will make copies of this prospectus (as it may be supplemented or amended from time to time) available to the selling shareholders for the purpose of satisfying the prospectus delivery requirements of the Securities Act. The selling shareholders may indemnify any broker-dealer that participates in transactions involving the sale of the shares against certain liabilities, including liabilities arising under the Securities Act.

We have agreed to pay certain fees and expenses incurred by us incident to the registration of the shares. Such fees and expenses are estimated to be approximately \$127,000. We have agreed to indemnify the selling shareholders against liabilities, including liabilities under the Securities Act and state securities laws, relating to the registration of the shares offered by this prospectus.

## **DESCRIPTION OF SECURITIES**

### **General**

Our authorized share capital is 200,000,000 shares of common stock, par value \$0.001 per share, of which 49,989,500 shares of common stock are issued and outstanding as of this filing. We are a Nevada corporation and our affairs are governed by our Articles of Incorporation and By-laws. The following are summaries of material provisions of our Articles of Incorporation and By-laws insofar as they relate to the material terms of our common stock. Complete copies of our Articles of Incorporation and By-laws are filed as exhibits to our public filings.

### **Common Stock**

All outstanding shares of common stock are of the same class and have equal rights and attributes. The holders of common stock are entitled to one vote per share on all matters submitted to a vote of stockholders of the Company. All stockholders are entitled to share equally in dividends, if any, as may be declared from time to time by the board of directors out of funds legally available. In the event of liquidation, the holders of common stock are entitled to share ratably in all assets remaining after payment of all liabilities. The stockholders do not have cumulative or preemptive rights.

### **Dividend Rights**

Holders of the common stock may receive dividends when, as and if declared by our board of directors out of the assets legally available for that purpose and subject to the preferential dividend rights of any other classes or series of stock of our Company.

### **Voting Rights**

Holders of the common stock are entitled to one vote per share in all matters as to which holders of common stock are entitled to vote. Holders of not less than a majority of the outstanding shares of common stock entitled to vote at any meeting of stockholders constitute a quorum unless otherwise required by law.

### **Election of Directors**

Directors hold office until the next annual meeting of stockholders and are eligible for reelection at such meeting. Directors are elected by a plurality of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. There is no cumulative voting for directors.

## **Liquidation**

In the event of any liquidation, dissolution or winding up of the Company, holders of the common stock have the right to receive ratably and equally all of the assets remaining after payment of liabilities and liquidation preferences of any preferred stock then outstanding.

## **Redemption**

The common stock is not redeemable or convertible.

## **Preemptive Rights**

Holders of the common stock do not have preemptive rights.

## **Other Provisions**

This section is a summary and may not describe every aspect of the common stock that may be important to you. We urge you to read applicable Nevada law, our articles of incorporation and bylaws, as amended, because they, and not this description, define your rights as a holder of our common stock. See “Where You Can Find More Information” for information on how to obtain copies of these documents.

## **DESCRIPTION OF BUSINESS**

### **Overview**

WINHA is a retailer of local specialty products from different regions across China, selling through physical franchise stores, its website, mobile application store, and set-top boxes for television sets. Our innovative business model utilizes a multi-channel shopping platform to sell locally-produced food, beverages, and arts and crafts that are well-known across China. Through our shopping platform, we provide customers with access to a large variety of local products that can traditionally only be found in local stores or markets in specific regions.

Our vision is to promote different local cultures and traditions that exist throughout China, while bolstering local economies and raising people’s awareness of each region’s cultural heritage.

### **Our Corporate History and Structure**

WINHA International was incorporated in Nevada on April 15, 2013. We operate our business in China through Zhongshan WINHA, a variable interest entity of us. On August 1, 2013, we obtained the controlling interest of Zhongshan WINHA via Shenzhen WINHA through a series of contractual arrangements executed on August 1, 2013, including:

- exclusive business cooperation agreement, through which Zhongshan WINHA appoints Shenzhen WINHA as its exclusive services provider to provide Zhongshan WINHA with comprehensive services and the service fee shall be determined by the parties through negotiation. In addition, Zhongshan WINHA grants Shenzhen WINHA an irrevocable and exclusive option to purchase from Zhongshan WINHA at Shenzhen WINHA’s sole discretion, any or all of the assets and business of Zhongshan WINHA at the lowest purchase price permitted by PRC law;
- exclusive option agreements executed by Shenzhen WINHA, Zhongshan WINHA and each shareholder of Zhongshan WINHA, according to which Shenzhen WINHA has an irrevocable and exclusive right to purchase the equity interests in Zhongshan WINHA at Shenzhen WINHA’s sole and absolute discretion to the extent permitted by Chinese laws. The purchase price of all of the equity interest of Zhongshan WINHA held by each of its shareholders is equal to the loan borrowed by each shareholder of Zhongshan WINHA from Shenzhen WINHA;
- loan agreements, pursuant to which Shenzhen WINHA extends a loan to each shareholder of Zhongshan WINHA respectively and the loan shall be repaid by the shareholders by transferring all equity interest in Zhongshan WINHA to Shenzhen WINHA, and any proceeds herefrom shall be used to repay the loan to Shenzhen WINHA;
- equity pledge agreements, pursuant to which each shareholder of Zhongshan WINHA pledges all of his/her equity interest in Zhongshan WINHA and all of the equity interest hereafter acquired by him/her in favor of Shenzhen WINHA to secure Zhongshan WINHA and its shareholders’ obligations under these contractual arrangements and, if Zhongshan WINHA or any of its shareholders breach any of their contractual obligations under these arrangements, Shenzhen WINHA will be entitled to exercise the pledge;

- powers of attorney executed by each shareholder of Zhongshan WINHA who appoints Shenzhen WINHA to be its attorney-in-fact, and to vote on its behalf on all the matters concerning Zhongshan WINHA that may require shareholders' approval; and
- spousal consent letters executed by spouses of certain shareholders of Zhongshan WINHA, acknowledging that a certain percentage of the equity interest in Zhongshan WINHA held by those spouses will be disposed of pursuant to the exclusive option agreement and equity pledge agreement.

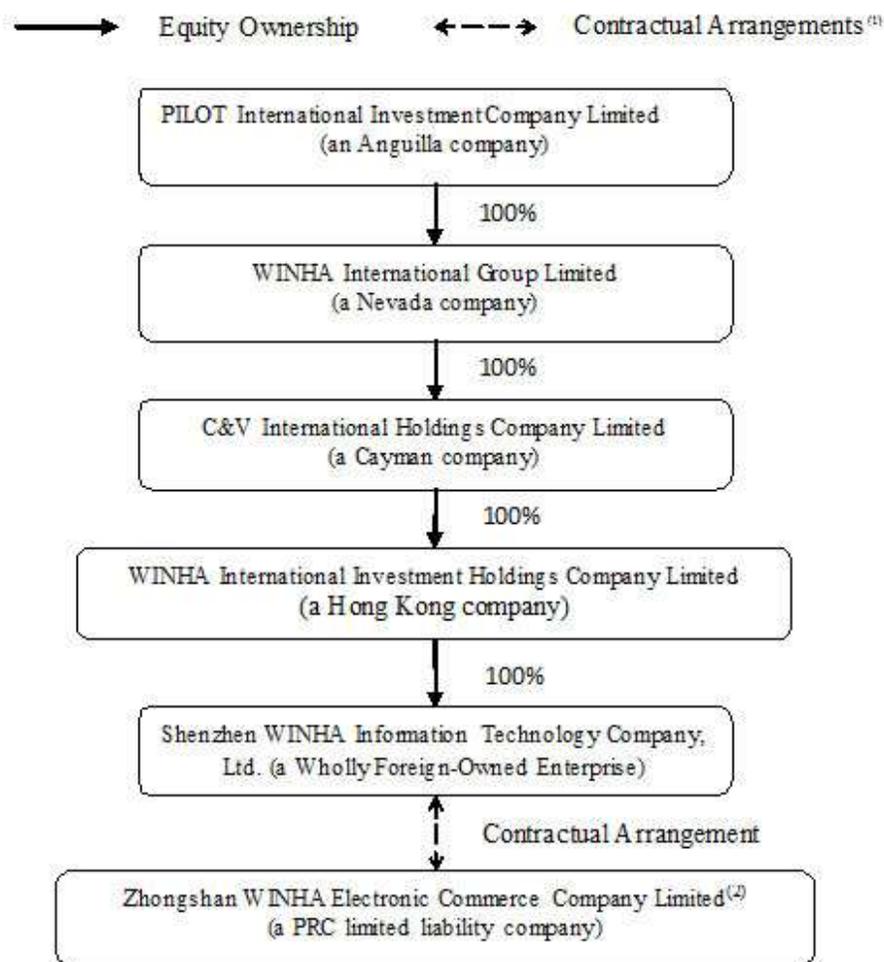
Shenzhen WINHA through these arrangements became the primary beneficiary of and consolidated with its variable interest entity, Zhongshan WINHA.

On August 1, 2013, Chung Yan Winnie Lam, our President and sole director as well as the sole shareholder of PILOT International, entered into a Share Transfer Agreement with Zening Lai, the director of PILOT International, pursuant to which Ms. Lam agreed to grant to Ms. Lai an Option to purchase 100% of the outstanding ordinary shares of PILOT International currently held by Ms. Lam in three installments, provided that WINHA achieves certain performance thresholds in each given time period. On August 1, 2013, Ms. Lam entered into a Power of Attorney with Ms. Lai to grant Ms. Lai as her agent, attorney and proxy to exercise any and all shareholder rights with the same powers in respect of all the shares of PILOT International on any and all matters on behalf of Ms. Lam.

Pursuant to the Share Transfer Agreement and Power of Attorney, as well as the contractual control of Zhongshan WINHA by the Company (the "Restructuring"), Ms. Lai, who also had controlling interest of Zhongshan WINHA with ownership of 70.2% of its shares, was deemed to have retained financial controlling interests in the combined entity, and the combined entity remained under common control. As a result, the Restructuring was accounted for as a combination of entities under common control.

### Corporate Structure

The following chart demonstrates our current corporate structure.



(1) Such arrangements include an exclusive business cooperation agreement, exclusive option agreements, loan agreements, share pledge agreements, powers of attorney and spousal consents.



(2) The shareholders of Zhongshan WINHA are Zening Lai (70.2%), Wanfang Zhong (4.9%), Qifang Zhong (4.9%), Fang Tian (4.5%), Hong Cui (4.8%), Zhifei Huang (4.6%), Wenliang Zhou (3.5%) and Yun Teng (2.6%).

## **Our Business Model**

Because our franchisees supply us with local specialty products and help us build our customer base by developing customer memberships, we are focused on developing franchise stores across the country. We target to develop one franchise store in each region, typically in a city or a town. This strategy provides a given franchisee territorial exclusivity for that geographic area and thus helps franchise owners obtain exclusive access to potential customers in a given region. Our four largest groups of potential franchisees include existing retail shop owners who specialize in local specialty goods, online sellers who specialize in local specialty goods, wholesale trading companies, and entrepreneurs.

Each franchisee is required to register at least 1,000 members within one year of operation. Registered members receive store credits for each purchase at our online store and through our mobile application store. We help our franchisees achieve this feat by granting 100,000 membership points to each franchisee, who then has discretion to offer free membership points to prospective customers. We collect RMB 3,000 annually from each franchisee for our services including but not limited to management, marketing and consulting.

We market and sell the local specialty goods supplied by our franchisees to customers through the following four channels:

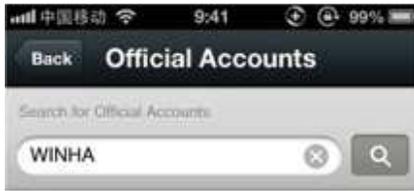
**Physical Franchise Stores.** We provide advice to the franchisees in areas such as store decoration and layout, marketing materials, and employee training and management. We have set our gross profit margin for products sold in stores at 15%, all of which will go to franchisees.

**Online Store.** Consumers may access our products at our website [www.winha.com](http://www.winha.com). Our goal is to build our website into a one-stop shop for local specialty products of all kinds. We are working to recruit employees in areas such as graphic design, photography, and business administration.

Each franchise owner is required to pay us a one-time RMB 68,000 website construction and maintenance fee. We have set our gross profit margin for all of our products sold online at 15%, of which 10% belongs to WINHA and 5% will be rewarded back to the franchisee that the membership of the purchaser originated from. Additionally, we also generate revenue from fees received from third-party advertisers.

**Mobile Application Store.** We unveiled the mobile application store at the end of August 2013. The mobile application store is fully functional. Our customers are able to purchase our products through our mobile application store using a third-party application Tencent WeChat Mall. We built WINHA WeChat Mall using Tencent's application WeChat Mall. WeChat is a mobile text and voice messaging communication service developed by Tencent in China, available on Android, iPhone, BlackBerry, Windows Phone, and Symbian platforms in languages including English, Chinese, Indonesian, Spanish, Portuguese, Thai, Vietnamese, and Russian, supported by Wi-Fi, 2G, 3G, and 4G data networks. WeChat is popular among our customer base as it is fast and convenient for its end users. WeChat Mall allows its users to market and sell its products through its account. WINHA WeChat Mall has two segments, introductory pages of local cultures throughout China and a virtual store that provides exclusive deals, such as free samples and special discounted items. We have set our gross profit margin for all our products sold online at 15%, of which 10% belongs to WINHA and 5% will be rewarded back to the franchisee that the membership of the purchaser originated from.

Below is a series of graphical information showing a virtual shopping experience through our mobile application store.



### Search for WINHA

Our users can find WINHA’s WeChat page through WeChat’s search engine with the keyword “WINHA.”



### Subscribe

Our users can then subscribe to WINHA’s WeChat page, which contains a brief description of WINHA’s products and services.



### Subscribe

Our users may choose to receive updates or unsubscribe from WINHA's WeChat Page



### Browse for Products

Our mobile home page allows users to browse products, and learn about the historical background of our many featured products and the local regions they come from across China.



### **Complete Purchase**

Our users can select desired products, add them to a cart, and enter payment information to complete purchases.

### *Mobile Store Push Notifications*

We periodically send our registered members push notifications regarding featured products and sales items, with a direct link for them to easily review and purchase them. Our push notifications also provide our registered members with information about different local Chinese cultures and a variety of specialty goods, as well as direct links to items on sales and featured items.

**Set-Top Box Store.** Customers can browse our products on a television set (TV) screen if they choose to install a pre-programmed set-top box on their TVs. A set-top box turns a TV into a display device, and customers with a set-top box pre-programmed with our product information can view and select products and complete purchase on a TV screen, among other functions of set-top boxes such as accessing internet web pages, streaming videos and movies, and playing games. We are working with third-parties to programming our store of local specialty products into set-top boxes.

### **Products**

We offer a broad array of specialty products, including locally-produced food and beverages as well as locally-sourced arts and crafts for sale at our franchise stores, online website, mobile application store and set-top box store. Our franchisees have discretion in choosing the products to be sold and sourcing their supplies, and through the monitoring and feedback process we ensure that the products available to our customers are satisfactory.

### **Supply and Distribution**

We grant our franchisees discretion in selecting the products to be sold in their stores, thus offering franchisees the opportunity to tailor their services to customers' wants and maximize store revenue.

Franchise owners source each specialty product from suppliers in the region. We require that our franchisees only sell products that reflect the local culture of their respective region.

Each local franchisee is responsible for the shipping and handling of orders in its physical store, and of its products sold online and through our mobile application and set-top box store. Franchisees are required to use express mail service to deliver all orders within seven business days.

### **Quality Control**

We control our product quality by requiring pre-approval for any item to be sold in a store, online and through our mobile application and set-top boxes. In order for products to be marketed and sold by us, we ask franchise owners to ship samples of product to our company headquarter for quality and safety inspection. In addition, for each order through our website, mobile application store and set-top box store, our customer service staff follows up with the customer to obtain feedback regarding the quality of our products and services. We remove any item receiving three or more complaints within a month and we only re-list such item if it passes our further inspection.

We may revoke a franchise license if we discover that a franchisee in bad faith refuses to provide proper pre- and post-sale customer care as required by our company policy.

### **Our Industry**

China has developed rapidly in the last two decades and its GDP has been growing at a steady rate for the last ten years. In 2012, China's total GDP reached approximately USD\$8 trillion, making it the second largest economy in the world. This attractive economic outlook is also evident in the tourism industry. In 2012, total revenue from the tourism industry alone is estimated at RMB 2,570 billion, representing a 14% increase from the previous year.

With nearly 5,000 years of history and 56 ethnic groups, China is known for its large population, abundant resources and diverse locally-produced specialty goods. As China covers almost 9.6 million square kilometers of land, the variation of climate and environment nourished many distinct local folk cultures and traditions that produced myriad local specialty goods.

Since the turn of the century, as the living standard in China has drastically improved, the demand for diversified consumer products has been on the rise every year. Specialty goods, which reflect local cultures, history, and tradition, have become increasingly popular gifts for families and friends. However, due to factors such as limited business investment, incomplete infrastructure in certain rural areas, low brand awareness, lack of sales channels and ineffective marketing, the local specialty product business is still at its early stage. In addition, with the goal to promote local cultures, China's State Council has been actively working to stimulate domestic demand for local specialty goods.

### **Competitive Advantages**

We are a development stage company compared to major e-commerce platforms, including Taobao, Tmall.com, and Amazon China. While most major e-commerce platforms offer a broad range of products, we distinguish ourselves by specializing in local specialty products. Our competitive advantage also lies in our innovative business model of integrating traditional physical stores into our supply and distribution channels. To the best of our knowledge, the Company is the first and only online platform in China that specializes in selling local specialty products through an integration of online store, mobile application store, and physical franchise stores.

### **Development Cost of Our Website**

We incurred website development cost for our online store of approximately \$8,147 from inception to June 30, 2013.

### **Government Regulation**

#### ***Foreign Exchange Regulation Relating to Foreign Invested Enterprises***

Under current Chinese regulations, RMB are freely convertible for trade and service-related transactions denominated in foreign currency, but not for direct investment, loans or investments in securities outside China without the prior approval of the SAFE or its local branches.

Foreign-invested enterprises in China may execute foreign exchange transactions without the SAFE approval for trade and service-related transactions denominated in foreign currency by providing commercial documents evidencing these transactions. They may also retain foreign currency, subject to a cap approved by the SAFE, to satisfy foreign currency-denominated liabilities or to pay dividends. Foreign exchange transactions related to direct investment, loans and investment in securities outside China are still subject to limitations and require approval from the SAFE.

Furthermore, on August 29, 2008, the SAFE issued 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, or Circular 142. Pursuant to Circular 142, RMB capital derived from the settlement of a foreign-invested enterprise's foreign currency capital must be used within the business scope approved by the applicable government authority and cannot be used for domestic equity investment, unless specifically provided for otherwise. Documents certifying the purposes of the settlement of foreign currency capital into RMB, including a business contract, must also be submitted for the settlement of such foreign currency. In addition, foreign-invested enterprises may not change how they use such capital without the SAFE's approval and may not in any case use such capital to repay RMB loans if they have not used the proceeds of such loans. Violation of Circular 142 can result in severe penalties, including heavy fines as set forth in the Foreign Exchange Administration Rules. Furthermore, the SAFE promulgated a circular on November 9, 2010, or Circular 59, which tightens the regulation over settlement of net proceeds from overseas offerings like this offering and requires that the settlement of net proceeds must be consistent with the description in the prospectus for the offering. Circular 142 and Circular 59 may significantly limit our ability to transfer the net proceeds from this offering to our PRC subsidiary and convert the net proceeds into RMB, which may adversely affect our liquidity and our ability to fund and expand our business in the PRC.

#### ***Regulations on Dividend Distributions***

The principal regulations governing dividend distributions of wholly foreign owned companies include: the Companies Law (2005), the Wholly Foreign Owned Enterprise Law (2000), and the Wholly Foreign Owned Enterprise Law Implementing Rules (2001).

Under these regulations, wholly foreign owned companies in China may pay dividends only out of their accumulated profits, if any, 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 respective accumulated profits each year, if any, to fund certain reserve funds, until the aggregate amount of these funds reaches 50% of the company's registered capital. Wholly foreign owned companies may, at their discretion, allocate a portion of their after-tax profits based on PRC accounting standards to staff benefits and bonus funds. These reserve funds and staff benefits and bonus funds are not distributable as cash dividends.

#### ***Regulations Relating to Internet Information Services and Content of Internet Information***

According to the Administrative Measures on Internet Information Services, or the Internet Measures issued in September 2000 by the State Council to regulate the provision of information services to online users through the internet, our business conducted through our *winha.com* website involves operating internet information services, which requires us to obtain an ICP license. If an internet information service provider fails to obtain an ICP license, the relevant local branch of the Ministry of Information Industry may levy fines, confiscate its income or even block its website. Due to the PRC law restriction that foreign investors cannot hold more than a 50% equity interest in a value-added telecommunications services provider, we hold our ICP license through Zhongshan WINHA. Zhongshan WINHA currently holds an ICP license issued by Guangdong Province Communications Administration, a local branch of the Ministry of Information Industry. Our ICP license will expire in July 2018 and we will renew such license prior to its expiration date.

In May 2010, the State Administration for Industry and Commerce issued the Interim Measures for the Trading of Commodities and Services through the Internet effective in July 2010, which requires internet service providers that operate internet trading platforms to register and verify online shop owners' identities along with their business credentials, establish mechanisms to ensure safe online transactions, protect online shoppers' rights, and prevent the sale of counterfeit goods. We are subject to this rule as a result of our operation of the *www.winha.com*.

#### ***Regulations Relating to Privacy Protection***

As an internet information provider, we are subject to regulations relating to protection of privacy. Under the Internet Measures, internet information providers are prohibited from producing, copying, publishing or distributing information that is humiliating or defamatory to others or that infringes the lawful rights and interests of others. Internet information providers that violate the prohibition may face criminal charges or administrative sanctions by PRC security authorities. In addition, relevant authorities may suspend their services, revoke their licenses or temporarily suspend or close down their websites. We believe that we are currently in compliance with these regulations in all material aspects.

### ***Regulations on Advertising Business***

The State Administration for Industry and Commerce, or SAIC, is the government agency responsible for regulating advertising activities in China. Regulations governing advertising business mainly include: *Advertisement Law of the People's Republic of China* promulgated by the Standing Committee of the National People's Congress on October 27, 1994 and went into effect on February 1, 1995; *Administrative Regulations for Advertising* promulgated by the State Council on October 26, 1987 and went into effect on December 1, 1987; and *Implementation Rules for the Administrative Regulations for Advertising* promulgated by the State Council on January 9, 1988 and amended on December 3, 1998, December 1, 2000 and November 30, 2004 respectively.

### ***Regulations on Commercial Franchising***

Franchise operations are subject to the supervision and administration of MOFCOM, and its regional counterparts. Such activities are mainly regulated by the *Regulations for Administration of Commercial Franchising* promulgated by the State Council on February 6, 2007, effective as of May 1, 2007. Under the above applicable regulations, a franchisor must have certain prerequisites including a mature business model, the capability to provide long-term business guidance and training services to franchisees and ownership of at least two self-operated storefronts that have been in operation for at least one year within China. Franchisors engaged in franchising activities without satisfying the above requirements may be subject to penalties such as forfeit of illegal income and imposition of fines and may be bulletined by the MOFCOM or its local counterparts. Franchisors are generally required to file franchise contracts with the MOFCOM or its local counterparts. Failure to report franchising activities may result in penalties such as fines. Such noncompliance may also be bulletined. In the first quarter of every year, franchisors are required to report to the MOFCOM or its local counterparts any franchise contracts they executed, canceled, renewed or amended in the previous year.

### ***Regulations on Product Liability and Consumers Protection***

Product liability claims may arise if the products sold have any harmful effect on the consumers. The injured party may claim for damages or compensation. The Product Quality Law of the PRC, which was enacted in 1993 and amended in 2000, strengthens the quality control of products and protects consumers' rights and interests. Under this law, manufacturers and distributors who produce or sell defective products may be subject to confiscation of earnings from such sales, revocation of business licenses and imposition of fines, and in severe circumstances, may be subject to criminal liability.

The Law of the PRC on the Protection of the Rights and Interests of Consumers was promulgated on October 31, 1993 and became effective on January 1, 1994 to protect consumers' rights when they purchase or use goods or services. All business operators must comply with this law when they manufacture or sell goods and/or provide services to customers.

The Tort Law of the PRC effective on July 1, 2010 requires that when the product defect endangers people's life or property, the injured party may hold the producer or the seller liable in tort and require that it remove obstacles, eliminate danger, or take other action. The Tort Law also requires that when a product is found to be defective after it is put into circulation, the producer and the seller shall give timely warnings, recall the defective product, or take other remedial measures.

### ***Regulations on Trademarks***

The PRC Trademark Law, adopted in 1982 and revised in 1993 and 2001, provides protection to the holders of registered trademarks. The State Trademark Bureau, under the authority of the State Administration for Industry and Commerce ("SAIC") handles trademark registrations and grants rights of a term of 10 years in connection with registered trademarks. License agreements with respect to registered trademark must be filed with the State Trademark Bureau.

## **Environmental Matters**

Our business currently does not implicate any environmental regulation in China.

## **Intellectual Property**

### ***Trademark***

We are currently applying for trademark protection for our company's logo  and we anticipate that we will be able to obtain the trademark within the next 12 months.

### ***Domain Names***

We have applied to add the domain name [www.winha.com](http://www.winha.com) to the Internet Content Provider License that we currently hold. Upon communication with the appropriate authority, our application has been approved and we should receive the updated Internet Content Provider License covering the foregoing domain name before the end of the third quarter of 2013.

## **Employees**

We currently have 22 full-time employees.

## **DESCRIPTION OF PROPERTY**

Our principal executive office is located at Suite 918, Yihe Center, 5 Xinzhong Avenue, Shiqi District, Zhongshan, China. The property at this location is leased by the Company, at monthly rental expenses of RMB 8,388 (approximately \$1,366), for a term of three years ending March 24, 2016.

## **LEGAL PROCEEDINGS**

We are currently not involved in any lawsuits or legal proceedings that might arise in the ordinary course of business. From time to time, we may become involved in various lawsuits and legal proceedings, which arise, in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result may arise from time to time that may harm our business. We are currently not aware of any potential legal proceedings or claims that will have a material adverse effect on our business, financial condition or operating results.

## **MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS**

### **Market Information**

We intend to apply for quotation of our common stock on the OTC Bulletin Board. There can be no assurance that a market maker will agree to file the necessary documents with FINRA, nor can there be any assurance that such an application for quotation will be approved. In the absence of a trading market or an active trading market, investors may be unable to liquidate their investment or make any profit from the investment. No liquid public market currently exists for our common stock and there can be no assurance that an active trading market will develop, or if an active market does develop, that it will continue.

### **Holders**

As of September 9, 2013, there were 37 holders of record of our common stock.

### **Dividends**

To date, we have not declared or paid any dividends on our common stock. We currently do not anticipate paying any cash dividends in the foreseeable future on our common stock. Although we intend to retain our earnings, if any, to finance the expansion and growth of our business, our board of directors has the discretion to declare and pay dividends in the future.

Payment of dividends in the future will depend upon our earnings, capital requirements, and any other factors that our board of directors deems relevant.

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

*The following management's discussion and analysis of financial condition and results of operations provides information which management believes is relevant to an assessment and understanding of our results of operations and financial condition. The discussion should be read along with our financial statements and notes thereto. This section includes a number of forward-looking statements that reflect our current views with respect to future events and financial performance. Forward-looking statements are often identified by words like believe, expect, estimate, anticipate, intend, project and similar expressions, or words which, by their nature, refer to future events. You should not place undue certainty on these forward-looking statements. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our predictions.*

*Our management's discussion and analysis of financial condition and results of operations includes the following sections:*

- *Overview. Discussion of our business and overall analysis of financial and other highlights affecting the company in order to provide context for the remainder of MD&A.*
- *Critical Accounting Policies and Estimates. Accounting estimates that we believe are most important to understanding the assumptions and judgments incorporated in our reported financial results and forecasts.*
- *Results of Operations. An analysis of our financial results for the period from inception to June 30, 2013 .*
- *Liquidity and Capital Resources. An analysis of changes in our balance sheets and cash flows, and discussion of our financial condition and potential sources of liquidity.*
- *Contractual Obligations and Off-Balance-Sheet Arrangements. Overview of contractual obligations, contingent liabilities, commitments, and off-balance-sheet arrangements outstanding as of June 30, 2013.*

### Overview

WINHA is a retailer of local specialty products from different regions across China, selling through physical franchise stores, its website, mobile application store, and set-top boxes for television sets. Our innovative business model utilizes a multi-channel shopping platform to sell locally-produced food, beverages, and arts and crafts that are well-known across China. Through our shopping platform, we provide customers with access to a large variety of local products that can traditionally only be found in local stores or markets in specific regions.

Our vision is to promote different local cultures and traditions that exist throughout China, while bolstering local economies and raising people's awareness of each region's cultural heritage.

We operate our business in China through Zhongshan WINHA, a variable interest entity of us. On August 1, 2013, we obtained the controlling interest of Zhongshan WINHA via Shenzhen WINHA through a series of contractual arrangements executed on August 1, 2013, which include an exclusive business cooperation agreement, exclusive option agreements, loan agreements, share pledge agreements, powers of attorney and spouse consents. Shenzhen WINHA, through these arrangements, became the primary beneficiary of and consolidated with its variable interest entity, Zhongshan WINHA.

On August 1, 2013, Chung Yan Winnie Lam, our President and sole director as well as the sole shareholder of PILOT International, entered into a Share Transfer Agreement with Zening Lai, the director of PILOT International, pursuant to which Ms. Lam agreed to grant to Ms. Lai an Option to purchase 100% of the outstanding ordinary shares of PILOT International currently held by Ms. Lam in three installments, provided that WINHA achieves certain performance thresholds in each given time period. On August 1, 2013, Ms. Lam entered into a Power of Attorney with Ms. Lai to grant Ms. Lai as her agent, attorney and proxy to exercise any and all shareholder rights with the same powers in respect of all the shares of PILOT International on any and all matters on behalf of Ms. Lam.

Pursuant to the Share Transfer Agreement and Power of Attorney, as well as the contractual control of Zhongshan WINHA by the Company (the "Restructuring"), Ms. Lai, who also had a controlling interest in Zhongshan WINHA with ownership of 70.2% of its shares, was deemed to have retained a financial controlling interest in the combined entity, and the combined entity remained under common control. As a result, the Restructuring was accounted for as a combination of entities under common control.

The Company's fiscal year end is March 31.

### Plan of Operation

Our principal business objective for the next 12 months is to generate revenue and build meaningful momentum towards significant long-term growth through the following activities:

- Further expansion of our franchise store platform. Our goal is to develop franchisees in three additional provinces in the next three months and five additional provinces in the next six months.
- Greater marketing of our website. We plan to more actively promote our website during the third quarter of 2013.
- Ramping up of our mobile application store. The mobile application store is currently functional. We plan to more actively promote our mobile application store during the third quarter of 2013.
- Introduction of our set-top box store. We are working with third-parties to program our store of local specialty products into set-top boxes. We plan to make our set-top box store available for customers during the third quarter of 2013.

## **Critical Accounting Policies and Estimates**

Management's discussion and analysis of its financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with United States generally accepted accounting principles. Our financial statements reflect the selection and application of accounting policies which require management to make significant estimates and judgments. See Note 2 to our consolidated financial statements, "Basis of Presentation and Summary of Significant Accounting Policies." We believe that the following paragraphs reflect the more critical accounting policies that currently affect our financial condition and results of operations:

## Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the amount of revenues and expenses during the reporting periods. We make these estimates using the best information available at the time the estimates are made. However, actual results could differ materially from those results.

## Fair Value Measurements

The Company applies the provisions of ASC Subtopic 820-10, "Fair Value Measurements", for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements. ASC 820 also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

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. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

ASC 820 establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 establishes three levels of inputs that may be used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy 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, and inputs that are observable for the assets or liability, either directly or indirectly, for substantially the full term of the financial instruments.
- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value.

There were no assets or liabilities measured at fair value on a recurring basis subject to the disclosure requirements of ASC 820 as of June 30, 2013.

## Cash and Cash Equivalents

For statement of cash flows purposes, we consider all cash on hand and in banks, certificates of deposit and other highly-liquid investments with maturities of three months or less, when purchased, to be cash and cash equivalents.

## Revenue Recognition

The Company develops local franchisees across the country. The Company, through its franchisees, markets the local specialty goods through the following four channels:

- **Franchise stores** – A franchise store is developed in each region, a city or town which will provide a given franchisee territorial exclusivity for that geographic area and thus help franchise owners obtain the exclusive access to the potential customers in the region. The Company collects annual franchise fee from each franchisee for its services including but not limited to management, marketing and consulting. The Company accounts for franchise fee revenue on a deferred basis, whereby revenue is recognized ratably over the one-year agreement period.
- **Online Store** – Each franchise owner is required to pay us a one-time website construction and maintenance fee. The Company accounts for this website construction and maintenance fee revenue on a deferred basis, whereby revenue is recognized ratably over the service agreement period. The Company has set the gross profit margin for all of the products sold online at 15%, of which 10% belongs to the Company and 5% will be rewarded back to the franchisee that the membership of the purchaser originated from. Commission revenue is recognized on the date of shipment to customers when a formal arrangement exists, the price is fixed or determinable, the delivery is completed, no other significant obligations of the Company exist and collectability is reasonably assured. Additionally, we also generate revenue from fees received from third-party advertisers.

- **Mobile Application Store** – The Company has set its gross profit margin for all our products sold through the mobile application store at 15%, of which 10% belongs to the Company and 5% will be rewarded back to the franchisee that the membership of the purchaser originated from. Commission revenue is recognized on the date of shipment to customers when a formal arrangement exists, the price is fixed or determinable, the delivery is completed, no other significant obligations of the Company exist and collectability is reasonably assured.
- **Set-Top Box Store** – Customers can browse the Company’s products on a television set (TV) screen if they choose to install a pre-programmed set-top box on their TVs. A set-top box turns a TV into a display device, and customers with a set-top box pre-programmed with our product information can view and select products and complete purchases on a TV screen, among other functions of set-top boxes such as accessing internet web pages, streaming videos and movies, and playing games. The Company has set its gross profit margin for all products sold through the TV interface at 15%, of which 10% belongs to the Company and 5% will be rewarded back to the franchisee that the membership of the purchaser originated from. Commission revenue is recognized on the date of shipment to customers when a formal arrangement exists, the price is fixed or determinable, the delivery is completed, no other significant obligations of the Company exist and collectability is reasonably assured.

No revenue was recorded for the period ended June 30, 2013.

Under related PRC laws and regulations, commercial franchising refers to the business activities where an enterprise that possesses the registered trademarks, enterprise logos, patents, proprietary technology or any other business resources, the franchisor, allows such business resources to be used by another business operator, the franchisee, through contract and the franchisee follows the uniform business model to conduct business operation and pays franchising fees according to the contract to conduct commercial franchising activities. A franchisor must have certain prerequisites including a mature business model, the capability to provide long-term business guidance and training services to franchisees and ownership of at least two self-operated storefronts that have been in operation for at least one year within China. Franchisors engaged in franchising activities without satisfying the above requirements may be subject to penalties such as forfeit of illegal income and imposition of fines and may be bulletined by Ministry of Commerce of China, or the MOFCOM or its local counterparts. In addition, franchisors shall carry out record-filing with MOFCOM or its counterparts within 15 days upon executing the first franchise contract. We may be recognized as a commercial franchisor for authorizing other business entities to use our trademark and adopting a uniform business model. We do not own two self-operated storefronts that have been in operation for one year or longer and have not carried out record-filing with MOFCOM or its counterparts until June 30, 2013. However, we are arranging to establish two or more self-operated stores and attempt to carry out record-filing with MOFCOM or its local counterparts

## Results of operations of Our Company

### From April 15, 2013 (inception) to June 30, 2013

We are a development stage Company that has not yet generated any revenues since our inception on April 15, 2013. We do not expect to begin to generate revenue until the period after September 30, 2013. We expect that we will incur approximately \$120,000 of further expense before we begin to generate revenue.

#### General and Administrative Expenses

The following table sets forth main components of the Company’s general and administrative expenses for the period from April 15, 2013 (inception) to June 30, 2013.

	<u>Amount</u>	<u>% of Total G&amp;A</u>
Legal and professional fees	155,922	100.0%
Postage expenses	61	0.0%
Total G&A	<u>\$ 155,983</u>	<u>100.0%</u>

Our general and administrative expenses was primarily related to legal and professional fees in connection with the incorporation of the Company and its subsidiaries, as well as the filing of this registration statement on Form S-1.

#### Net Loss

As a result of the above, our net loss was \$156,061 during the period from inception to June 30, 2013.

## Results of operations of Our Variable Interest Entity Zhongshan WINHA

### From April 28, 2013 (inception) to June 30, 2013

Zhongshan WINHA is a development stage company that has not yet generated any revenues since its inception on April 28, 2013. We do not expect to begin to generate revenue until the period after September 30, 2013.

#### General and Administrative Expenses

The following table sets forth main components of the Zhongshan WINHA's general and administrative expenses for the period from April 28, 2013 (inception) to June 30, 2013.

	<u>Amount</u>	<u>% of Total G&amp;A</u>
Office expenses	\$ 20,127	50.2%
Salary and benefits	16,518	41.2%
Professional fee	2,409	6.0%
Others	1,051	2.6%
<b>Total G&amp;A</b>	<b>\$ 40,105</b>	<b>100.0%</b>

Zhongshan WINHA's general and administrative expenses were primarily related to office expenses and salary and benefits.

#### **Net Loss**

As a result of the above, Zhongshan WINHA's net loss was \$40,105 during the period from inception to June 30, 2013.

#### **Liquidity and Capital Resources**

As of June 30, 2013, the Company had cash and cash equivalent of \$64,778. We have financed our operations through capital contribution by our shareholder of \$202,781. We used cash in operations of \$137,989 during the period from April 15, 2013 (inception) to June 30, 2013. The usage of the cash was primarily due to payment of the legal and professional fees.

As of June 30, 2013, our variable interest entity Zhongshan WINHA had cash and cash equivalents of \$120,381. Zhongshan WINHA has financed its operations through capital contribution from its shareholders of \$162,916. Zhongshan WINHA used cash in operations of \$34,397 and in investing activities of \$8,144 during the period from April 28, 2013 (inception) to June 30, 2013. The usage of the cash was primarily related to construction and development of our website, as well as office expenses and salary and welfare.

In the course of our development activities, we continue to sustain losses and has not generated any revenues. We expect to finance operations primarily through capital contributions from a principal stockholder. We estimate that our cash and cash equivalents are sufficient to fund operations for the next six months. In the event that we require additional funding to finance the growth of the our current and expected future operations as well as to achieve our strategic objectives, our principal stockholder has indicated the intent to provide additional equity financing.

These conditions raise substantial doubt about our ability to continue as a going concern. Our continuation as a going concern is dependent on our ability to meet obligations as they become due and to obtain additional equity or alternative financing required to fund operations until sufficient sources of recurring revenues can be generated. There can be no assurance that we will be successful in our plans described above or in attracting equity or alternative financing on acceptable terms, or if at all. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

### **Contractual Obligations**

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties.

### **Off Balance Sheet Transactions**

We do not currently have any off-balance sheet arrangements.

### **CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

There have been no changes in or disagreements with our accountants on accounting or financial disclosure matters.

### **DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS**

The following table sets forth the name and age of our current officer and director.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Chung Yan Winnie Lam	37	President, Secretary, Treasurer & Director

Set forth below is a brief description of the background and business experience of our executive officer and director for the past five years.

Ms. Lam, is the owner and a director of Blaze Group Limited, a bridal shop in Hong Kong, which wholesales, retails and rents wedding dresses and evening gowns. Additionally, Ms. Lam is one of the owners, and the Marketing Director of, Jonathon Arndt Gallery of Jewels, a jewelry shop in Beverly Hills, California. Ms. Lam holds a Bachelor of Science from the University of Southern California Marshall School of Business.

### **Family Relationship**

There are no family relationships between any of our directors or executive officers.

### **Employment Agreements**

As of the filing of this prospectus, we have not entered into employment agreements with our executive officer and director.

### **Board of Directors**

Our director holds office until the next annual meeting of shareholders and until her successor has been duly elected and qualified. Officers are elected by and serve at the discretion of the board of directors.

### **Involvement in Certain Legal Proceedings**

To the best of our knowledge, our director or executive officer has not, during the past ten years:

- been convicted in a criminal proceeding or been subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
- had any bankruptcy petition filed by or against the business or property of the person, or of any partnership, corporation or business association of which he was a general partner or executive officer, either at the time of the bankruptcy filing or within two years prior to that time;
- been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction or federal or state authority, permanently or temporarily enjoining, barring, suspending or otherwise limiting, his involvement in any type of business, securities, futures, commodities, investment, banking, savings and loan, or insurance activities, or to be associated with persons engaged in any such activity;

- been found by a court of competent jurisdiction in a civil action or by the SEC or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;
- been the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated (not including any settlement of a civil proceeding among private litigants), relating to an alleged violation of any federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
- been the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Except as set forth in our discussion below in “Certain Relationships and Related Transactions,” our director or executive officer has not been involved in any transactions with us or any of our directors, executive officers, affiliates or associates which are required to be disclosed pursuant to the rules and regulations of the SEC.

### Code of Ethics

We currently do not have a code of ethics that applies to our officers, employees and director, including our Chief Executive Officer, however, we are in the process of formulating a code of ethics and intend to adopt one in the near future.

### Corporate Governance and Limitations on Directors’ and Officers’ Liability

Our director and officer is indemnified as provided by general corporation law of the Nevada Revised Statutes, as amended (“NRS”), and our Articles of Incorporation and By-laws.

Under the NRS, director immunity from liability to a company or its stockholders for monetary liabilities applies automatically unless it is specifically limited by a company’s articles of incorporation which is not the case with our articles of incorporation. Excepted from that immunity are:

- (1) a willful failure to deal fairly with the company or its stockholders in connection with a matter in which the director has a material conflict of interest;
- (2) a violation of criminal law (unless the director had reasonable cause to believe that his or her conduct was lawful or no reasonable cause to believe that his or her conduct was unlawful);
- (3) a transaction from which the director derived an improper personal profit; and
- (4) willful misconduct.

### EXECUTIVE COMPENSATION

The following sets forth information with respect to the compensation awarded or paid to Chung Yan Winnie Lam, our sole officer since our inception on April 15, 2013.

#### Summary Compensation Table

Name and Principal Position	Year	Salary			All Other Compensation			Totals
		(\$)	Bonus (\$)	(\$)	(\$)	(\$)	(\$)	
Chung Yan Winnie Lam	2013	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
President, Secretary & Treasurer	2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

### Compensation of Our President, Secretary and Treasurer

Chung Yan Winnie Lam, as our sole director, has authority and discretion to determine her own compensation for serving as the Company's President, Secretary and Treasurer.

### Compensation of Our Director

From inception to August 2013, our sole director Chung Yan Winnie Lam did not receive any compensation solely for service as a director.

It is our current policy that our director is reimbursed for reasonable out-of-pocket expenses incurred in attending each board of directors meeting.

### SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information with respect to the beneficial ownership of our voting securities by (i) each director and named executive officer, (ii) all executive officers and directors as a group; and (iii) each shareholder known to be the beneficial owner of 5% or more of the outstanding common stock of the Company as of September 9, 2013.

Beneficial ownership is determined in accordance with the rules of the SEC. Generally, a person is considered to beneficially own securities: (i) over which such person, directly or indirectly, exercises sole or shared voting or investment power, and (ii) of which such person has the right to acquire beneficial ownership at any time within 60 days (such as through exercise of stock options or warrants). For purposes of computing the percentage of outstanding shares held by each person or group of persons, any shares that such person or persons has the right to acquire within 60 days of September 9, 2013 are deemed to be outstanding, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person. The inclusion herein of any shares listed as beneficially owned does not constitute an admission of beneficial ownership. Unless otherwise indicated below, the address of each person listed in the table below is c/o Suite 918, Yihe Center, 5 Xinzhong Avenue, Shiqi District, Zhongshan, China.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership Common Stock (1)	
	No. of Shares	% of Class
<b>Directors and Officers</b>		
Chung Yan Winnie Lam (2) President, Secretary, Treasurer & Director	48,850,210	97.72%
<b>All officer and director as a group (1 person)</b>	48,850,210	97.72%
<b>5% Security Holders</b>		
PILOT International Investment Company Limited (3)	48,850,210	97.72%

(1) Based on 49,989,500 shares of common stock issued and outstanding as of September 9, 2013.

- (2) On August 1, 2013, Chung Yan Winnie Lam, our President and sole director as well as the sole shareholder of PILOT International, entered into a Share Transfer Agreement with Zening Lai, the director of PILOT International, pursuant to which Ms. Lam agreed to grant to Ms. Lai an Option to purchase 100% of the outstanding ordinary shares of PILOT International currently held by Ms. Lam in three installments, provided that WINHA achieves certain performance thresholds in each given time period. After giving effect to the Option, Ms. Lai may be deemed to be the beneficial owner of the shares of WINHA's common stock held by PILOT International.
- (3) Includes 49,850,000 shares of WINHA's common stock held by PILOT International.

## **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

### **Transactions with Related Persons**

#### *Additional Paid-in Capital*

PILOT International, the Company's principal stockholder, contributed additional paid-in capital in amount of \$152,931 to the Company since inception to June 30, 2013.

#### *Consultant Shares*

On September 9, 2013, PILOT International, the Company's principal stockholder, transferred 499,895 shares of the Company's common stock held by it, to Albeck Financial Services as partial compensation for business consulting services rendered by Albeck Financial Services to the Company.

On September 9, 2013, PILOT International, the Company's principal stockholder, transferred 499,895 shares of the Company's common stock held by it, to Alta Capital Partners as partial compensation for business consulting services rendered by Alta Capital Partners to the Company.

### **Policies and Procedures for Review, Approval or Ratification of Transactions with Related Persons**

We expect to prepare and adopt a written related-person transactions policy that sets forth our policies and procedures regarding the identification, review, consideration and approval or ratification of "related-person transactions." For purposes of our policy only, a "related-person transaction" will be a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which we and any "related person" are participants involving an amount that exceeds \$120,000 or one percent of the average of the Company's total assets at the year-end for 2013. Transactions involving compensation for services provided to us as an employee, director, consultant or similar capacity by a related person will not be covered by this policy. A related person will be any executive officer, director or a holder of more than five percent of our common stock, including any of their immediate family members and any entity owned or controlled by such persons.

We anticipate that, where a transaction has been identified as a related-person transaction, the policy will require management to present information regarding the proposed related-person transaction to our audit committee (or, where approval by our audit committee would be inappropriate, to another independent body of our board of directors) for consideration and approval or ratification. Management's presentation will be expected to include a description of, among other things, the material facts, the direct and indirect interests of the related persons, the benefits of the transaction to us and whether any alternative transactions are available.

To identify related-person transactions in advance, we are expected to rely on information supplied by our executive officers, directors and certain significant shareholders. In considering related-person transactions, our board of directors will take into account the relevant available facts and circumstances including, but not limited to:

- the risks, costs and benefits to us;
- the effect on a director's independence in the event the related person is a director, immediate family member of a director or an entity with which a director is affiliated;
- the terms of the transaction;
- the availability of other sources for comparable services or products; and
- the terms available to or from, as the case may be, unrelated third parties or to or from our employees generally.

We also expect that the policy will require any interested director to excuse himself or herself from deliberations and approval of the transaction in which the interested director is involved.

### **Promoters and Certain Control Persons**

A "promoter" within the definition of 12b-2 includes (i) any person who, acting alone or in conjunction with one or more other persons, directly or indirectly takes initiative in founding and organizing the business or enterprise of an issuer; or (ii) any person who, in connection with the founding and organizing of the business or enterprise of an issuer, directly or indirectly receives in consideration of services or property, or both services and property, 10 percent or more of any class of securities of the issuer or 10 percent or more of the proceeds from the sale of any class of such securities.

We have no knowledge of any person who would be deemed a “promoter” of our company during the past five years within the meaning of Rule 405 under the Securities Act, except as follows:

Ms. Chung Yan Winnie Lam, who was an officer and director at the inception of the Company, may come into the definition of promoter as person taking initiative in founding and organizing the business of the company. At inception, the Company issued 49,850,000 shares of common stock or 100% of the number of the outstanding common stock at the time of the issuance to PILOT International. On August 1, 2013, Chung Yan Winnie Lam, our President and sole director as well as the sole shareholder of PILOT International, entered into a Share Transfer Agreement with Zening Lai, the director of PILOT International, pursuant to which Ms. Lam agreed to grant to Ms. Lai an Option to purchase 100% of the outstanding ordinary shares of PILOT International currently held by Ms. Lam in three installments, provided that WINHA achieves certain performance thresholds in each given time period. After giving effect to the Option, Ms. Lai may be deemed to be the beneficial owner of the shares of WINHA’s common stock held by PILOT International.

### **Director Independence**

Because our common stock is not currently listed on a national securities exchange, we have used the definition of “independence” of The NASDAQ Stock Market to make this determination. NASDAQ Listing Rule 5605(a)(2) provides that an “independent director” is a person other than an officer or employee of the company or any other individual having a relationship which, in the opinion of the company’s board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The NASDAQ listing rules provide that a director cannot be considered independent if:

- the director is, or at any time during the past three years was, an employee of the company;
- the director or a family member of the director accepted any compensation from the company in excess of \$120,000 during any period of 12 consecutive months within the three years preceding the independence determination (subject to certain exclusions, including, among other things, compensation for board or board committee service);
- a family member of the director is, or at any time during the past three years was, an executive officer of the company;
- the director or a family member of the director is a partner in, controlling stockholder of, or an executive officer of an entity to which the company made, or from which the company received, payments in the current or any of the past three fiscal years that exceed 5% of the recipient’s consolidated gross revenue for that year or \$200,000, whichever is greater (subject to certain exclusions);
- the director or a family member of the director is employed as an executive officer of an entity where, at any time during the past three years, any of the executive officers of the company served on the compensation committee of such other entity; or
- the director or a family member of the director is a current partner of the company’s outside auditor, or at any time during the past three years was a partner or employee of the company’s outside auditor, and who worked on the company’s audit.

We do not currently have any independent director in light of the NASDAQ Listing Rule 5605(a)(2) and the standards established by the SEC.

We do not currently have a separately designated audit, nominating or compensation committee.

### **LEGAL MATTERS**

The validity of the common stock offered by this prospectus and certain other legal matters as to Nevada will be passed upon for us by Anslow & Jaclin, LLP, with the address of 195 US Highway 9, Suite 204, Manalapan, NJ 07726. Legal matters as to PRC law will be passed upon for us by Han Kun Law Offices, Suite 4709, Excellence Times Plaza, 4068 Yitian Road, Futian District, Shenzhen 518048, P. R. China.

### **EXPERTS**

Our audited consolidated financial statements appearing in this prospectus and registration statement have been audited by Marcum Bernstein & Pinchuk LLP, an independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein and in the registration statement, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

## WHERE YOU CAN FIND MORE INFORMATION

We filed with the SEC a registration statement under the Securities Act for the common stock in this offering. This prospectus does not contain all of the information in the registration statement and the exhibits and schedule that were filed with the registration statement. For further information with respect to us and our common stock, we refer you to the registration statement and the exhibits that were filed with the registration statement. Statements contained in this prospectus about the contents of any contract or any other document that is filed as an exhibit to the registration statement include material provisions but are not necessarily complete, and we refer you to the full text of the contract or other document filed as an exhibit to the registration statement.

We file annual, quarterly, and current reports and other information with the SEC. Our filings with the SEC are available to the public on the SEC's website at [www.sec.gov](http://www.sec.gov). You may also read and copy, at the SEC's prescribed rates, any document we file with the SEC, including the registration statement (and its exhibits) of which this prospectus is a part, at the SEC's Public Reference Room located at 100 F Street, N.E., Washington, D.C. 20549. You can call the SEC at 1-800-SEC-0330 to obtain information on the operation of the Public Reference Room.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders  
of WINHA International Group Limited

We have audited the accompanying consolidated balance sheet of WINHA International Group Limited (the “Company”), a development stage company, as of June 30, 2013, and the related consolidated statements of operations and comprehensive loss, changes in stockholders’ equity and cash flows for the period from April 15, 2013 (inception) through June 30, 2013. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, 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. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company, as of June 30, 2013, and the results of its operations and its cash flows for the period from April 15, 2013 (inception) through June 30, 2013 in conformity with accounting principles generally accepted in the United States of America .

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As described in Note 2, the Company has a net loss and an accumulated deficit as of June 30, 2013, which raises substantial doubt about its ability to continue as a going concern. Management's plan in regard to this matter is also discussed in Note 2. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

/s/Marcum Bernstein & Pinchuk LLP

Marcum Bernstein & Pinchuk LLP  
New York, New York  
September 9, 2013

**WINHA INTERNATIONAL GROUP LIMITED AND SUBSIDIARIES**  
**(A DEVELOPMENT STAGE ENTERPRISE)**  
**CONSOLIDATED BALANCE SHEET**  
(Stated in US Dollars, except number of shares)

**As of June 30,**  
**2013**

<b>ASSETS</b>	
Current Assets:	
Cash and cash equivalents	\$ 64,778
Total Current Assets	<u>64,778</u>
Total Assets	<u>\$ 64,778</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>	
<b>LIABILITIES</b>	
<b>Current Liabilities:</b>	
Accrued expenses and other payables	\$ 18,084
Total Current Liabilities	<u>18,084</u>
Total Liabilities	<u>18,084</u>
<b>COMMITMENTS AND CONTINGENCIES</b>	
<b>STOCKHOLDERS' EQUITY</b>	
Common stock (\$0.001 par value, 200,000,000 shares authorized, 49,850,000 shares issued and outstanding as of June 30, 2013)	49,850
Additional paid-in capital	152,931
Accumulated deficit	(156,061)
Accumulated other comprehensive loss	(26)
<b>Total Stockholders' Equity</b>	<u>46,694</u>
Total Liabilities and Stockholders' Equity	<u>\$ 64,778</u>

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

**WINHA INTERNATIONAL GROUP LIMITED AND SUBSIDIARIES**  
**(A DEVELOPMENT STAGE ENTERPRISE)**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS**  
**(Stated in US Dollars, except number of shares)**

**April 15, 2013**  
**(inception)**  
**through June 30, 2013**

<b>Operating expenses</b>	
General and administrative expenses	155,983
<hr/>	
<b>Loss from operations</b>	<b>(155,983)</b>
<hr/>	
<b>Other expenses</b>	
Finance costs	(78)
<hr/>	
Loss before provision of income taxes	<b>(156,061)</b>
Provision for income taxes	-
<hr/>	
<b>Net loss</b>	<b>(156,061)</b>
<hr/>	
Foreign currency translation adjustment	(26)
<hr/>	
<b>Comprehensive loss</b>	<b>\$ (156,087)</b>
<hr/>	
<b>Loss per share</b>	
- Basic and diluted	<b>\$ (0.0 0)</b>
<hr/>	
<b>Weighted average shares outstanding</b>	
- Basic and diluted	<b>49,850,000</b>
<hr/>	

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

**WINHA INTERNATIONAL GROUP LIMITED AND SUBSIDIARIES**  
**(A DEVELOPMENT STAGE ENTERPRISE)**  
**CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY**  
**FOR THE PERIOD FROM APRIL 15, 2013 (INCEPTION) TO JUNE 30, 2013**  
**(Stated in US Dollars except Number of Shares)**

	Number of shares	Common stock	Additional paid-in capital	Accumulated deficit	Accumulated other Comprehensive loss	Total Stockholders' Equity
Balance, April 15, 2013 (Inception)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Issuance of common shares	49,850,000	49,850	-	-	-	49,850
Additional capital contribution from principal stockholder	-	-	152,931	-	-	152,931
Net loss for the period	-	-	-	(156,061)	-	(156,061)
Foreign currency translation adjustment	-	-	-	-	(26)	(26)
Balance, June 30, 2013	<u>49,850,000</u>	<u>\$ 49,850</u>	<u>\$ 152,931</u>	<u>\$ (156,061)</u>	<u>\$ (26)</u>	<u>\$ 46,694</u>

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

**WINHA INTERNATIONAL GROUP LIMITED AND SUBSIDIARIES**  
**(A DEVELOPMENT STAGE ENTERPRISE)**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(Stated in US Dollars)**

	<b>April 15, 2013 (inception) through June 30, 2013</b>
<b>Cash flows from operating activities</b>	
Net loss	\$ (156,061)
<b>Changes in operating liabilities</b>	
Accrued expenses and other payable	18,072
<b>Net cash used in operating activities</b>	<u>(137,989)</u>
<b>Cash flows from financing activities</b>	
Proceeds from sale of common stocks	49,850
Proceeds from capital contribution from principal stockholder	152,931
<b>Net cash provided by financing activities</b>	<u>202,781</u>
Effect of exchange rate change on cash and cash equivalents	(14)
<b>Net increase in cash and cash equivalents</b>	<u>64,778</u>
Cash and cash equivalents, beginning balance	-
<b>Cash and cash equivalents, ending balance</b>	<u>\$ 64,778</u>
<b>Supplement disclosure of cash flow information</b>	
Interest expense paid	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>

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

**WINHA INTERNATIONAL GROUP LIMITED AND SUBSIDIARIES**  
**(A DEVELOPMENT STAGE ENTERPRISE)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Stated in US Dollars)**

**1. ORGANIZATION AND DESCRIPTION OF BUSINESS**

WINHA International Group Limited (“WINHA International” or “the Company”) was incorporated in Nevada on April 15, 2013. The subsidiaries of the Company and their principal activities are described as follows:

Name of company	Place and date incorporation	Attributable equity interest held	Principal activities
C&V International Holdings Company Limited (“C&V”)	Cayman May 21, 2013	100%	Investment holding
WINHA International Investment Holdings Company Limited (“WINHA Investment”)	Hong Kong May 10, 2013	100%	Investment holding

WINHA International and its subsidiaries are collectively referred to as the “Company”.

The Company is a retailer of local specialty products from different regions across China, selling through physical franchise stores, its website, mobile application store, and set-top boxes for television sets. Our innovative business model utilizes a multi-channel shopping platform to sell locally-produced food, beverages, and arts and crafts that are well-known across China. Through our comprehensive shopping platform, we provide customers with access to a large variety of local products that can typically only be found in local stores or markets in specific regions.

As of June 30, 2013, the Company had not yet started its operations.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

The consolidated financial statements have been prepared in accordance with the Accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Company is considered to be in the development stage as defined in Accounting Standards Codification (“ASC”) 915 “Development Stage Entities”.

The Company’s fiscal yearend is March. 31.

Going Concern, Management’s Plans and Liquidity

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The Company’s operations resulted in a net loss of \$156,061 and used cash in operations of \$137,989 during the period from April 15, 2013 (inception) to June 30, 2013. As of June 30, 2013, the Company had an accumulated deficit of \$156,061.

In the course of its development activities, the Company continues to sustain losses and has not generated any revenues. The Company expects to finance operations primarily through capital contributions from a principal stockholder. The Company estimates that their cash and cash equivalents are sufficient to fund operations for the next six months. In the event that we require additional funding to finance the growth of the Company’s current and expected future operations as well as to achieve our strategic objectives, our principal stockholder has indicated the intent to provide additional equity financing.

These conditions raise substantial doubt about the Company’s ability to continue as a going concern. The Company’s continuation as a going concern is dependent on our ability to meet obligations as they become due and to obtain additional equity or alternative financing required to fund operations until sufficient sources of recurring revenues can be generated. There can be no assurance that the Company will be successful in its plans described above or in attracting equity or alternative financing on acceptable terms, or if at all. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Principle of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant inter-company accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial

statements and the amount of revenues and expenses during the reporting periods. Actual results could differ materially from those results.

The Company was a development stage entity as of June 30, 2013. No significant estimates and assumptions have been made in the preparation of financial statements.

#### Fair Value Measurements

The Company applies the provisions of ASC Subtopic 820-10, "Fair Value Measurements", for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements. ASC 820 also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

**WINHA INTERNATIONAL GROUP LIMITED AND SUBSIDIARIES**  
**(A DEVELOPMENT STAGE ENTERPRISE)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Stated in US Dollars)**

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. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

ASC 820 establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 establishes three levels of inputs that may be used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy 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, and inputs that are observable for the assets or liability, either directly or indirectly, for substantially the full term of the financial instruments.
- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value.

There were no assets or liabilities measured at fair value on a recurring basis subject to the disclosure requirements of ASC 820 as of June 30, 2013.

Comprehensive Loss

The Company follows the provisions of the Financial Accounting Standards Board (the “FASB”) Accounting Standards Codification (“ASC”) 220 “Reporting Comprehensive Income”, and establishes standards for the reporting and display of comprehensive income, its components and accumulated balances in a full set of general purpose financial statements. For the period from April 15 (inception) through June 30, 2013, the Company’s comprehensive income includes net loss and foreign currency translation adjustments.

Foreign Currency Translation

The functional currency of WINHA International is the United States dollar (“US\$”); the functional currency of C&V and WINHA Investment is the Hong Kong dollar (“HKD”).

The reporting currency of the consolidated financial statements is the US\$.

Transactions in currencies other than a consolidated entity’s functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at the end of the reporting periods. Exchange differences arising on the settlement of monetary items and on retranslation of monetary items at period-end are included in income statement of the period.

For the purpose of presenting these consolidated financial statements, the Company’s assets and liabilities are expressed in US\$ at the exchange rate on the balance sheet date, stockholder’s equity accounts are translated at historical rates, and income and expense items are translated at the weighted average exchange rate during the period. The resulting translation adjustments are reported under accumulated other comprehensive income in the stock holder’s equity section of the balance sheets.

**WINHA INTERNATIONAL GROUP LIMITED AND SUBSIDIARIES**  
**(A DEVELOPMENT STAGE ENTERPRISE)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Stated in US Dollars)**

Cash and Cash Equivalents

The Company considers highly-liquid investments with maturities of three months or less, when purchased, to be cash equivalents. As at June 30, 2013, the Company's cash and cash equivalents comprised of cash in bank of \$64,778. All of the Company's cash deposit is held in a financial institution located in Hong Kong where there is currently regulation mandated on obligatory insurance of bank accounts. The Company believes this financial institution is of high credit quality.

Revenue Recognition

The Company develops local franchisees across the country. The Company, through its franchisees, markets the local specialty goods through the following four channels:

- **Franchise stores** – A franchise store is developed in each region, a city or town which will provide a given franchisee territorial exclusivity for that geographic area and thus help franchise owners obtain the exclusive access to the potential customers in the region. The Company collects annual franchise fee from each franchisee for its services including but not limited to management, marketing and consulting. The Company accounts for franchise fee revenue on a deferred basis, whereby revenue is recognized ratably over the one-year agreement period.
- **Online Store** – Each franchise owner is required to pay us a one-time website construction and maintenance fee. The Company accounts for this website construction and maintenance fee revenue on a deferred basis, whereby revenue is recognized ratably over the service agreement period. The Company has set the gross profit margin for all of the products sold online at 15%, of which 10% belongs to the Company and 5% will be rewarded back to the franchisee that the membership of the purchaser originated from. Commission revenue is recognized on the date of shipment to customers when a formal arrangement exists, the price is fixed or determinable, the delivery is completed, no other significant obligations of the Company exist and collectability is reasonably assured. Additionally, we also generate revenue from fees received from third-party advertisers.
- **Mobile Application Store** – The Company has set its gross profit margin for all our products sold through the mobile application store at 15%, of which 10% belongs to the Company and 5% will be rewarded back to the franchisee that the membership of the purchaser originated from. Commission revenue is recognized on the date of shipment to customers when a formal arrangement exists, the price is fixed or determinable, the delivery is completed, no other significant obligations of the Company exist and collectability is reasonably assured.
- **Set-Top Box Store** – Customers can browse the Company's products on a television set (TV) screen if they choose to install a pre-programmed set-top box on their TVs. A set-top box turns a TV into a display device, and customers with a set-top box pre-programmed with our product information can view and select products and complete purchases on a TV screen, among other functions of set-top boxes such as accessing internet web pages, streaming videos and movies, and playing games. The Company has set its gross profit margin for all products sold through the TV interface at 15%, of which 10% belongs to the Company and 5% will be rewarded back to the franchisee that the membership of the purchaser originated from. Commission revenue is recognized on the date of shipment to customers when a formal arrangement exists, the price is fixed or determinable, the delivery is completed, no other significant obligations of the Company exist and collectability is reasonably assured.

No revenue was recorded for the period from April 15, 2013 (inception) through June 30, 2013.

Under related PRC laws and regulations, commercial franchising refers to the business activities where an enterprise that possesses the registered trademarks, enterprise logos, patents, proprietary technology or any other business resources, the franchisor, allows such business resources to be used by another business operator, the franchisee, through contract and the franchisee follows the uniform business model to conduct business operation and pays franchising fees according to the contract to conduct commercial franchising activities. A franchisor must have certain prerequisites including a mature business model, the capability to provide long-term business guidance and training services to franchisees and ownership of at least two self-operated storefronts that have been in operation for at least one year within China. Franchisors engaged in franchising activities without satisfying the above requirements may be subject to penalties such as forfeit of illegal income and imposition of fines and may be bulletined by Ministry of Commerce of China, or the MOFCOM or its local counterparts. In addition, franchisors shall carry out record-filing with MOFCOM or its counterparts within 15 days upon executing the first franchise contract. We may be recognized as a commercial franchisor for authorizing other business entities to use our trademark and adopting a uniform business model. We do not own two self-operated storefronts that have been in operation for one year or longer and have not carried out record-filing with MOFCOM or its counterparts until June 30, 2013. However, we are arranging to establish two or more self-operated stores and attempt to carry out record-filing with MOFCOM or its local counterparts

Income Taxes

The Company accounts for income taxes using an asset and liability approach which allows for the recognition and measurement of deferred tax assets based upon the likelihood of realization of tax benefits in future years. Under the asset and liability approach, deferred taxes are provided for

the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. A valuation allowance is provided for deferred tax assets if it is more likely than not these items will either expire before the Company is able to realize their benefits, or that future deductibility is uncertain.

**WINHA INTERNATIONAL GROUP LIMITED AND SUBSIDIARIES**  
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Under ASC 740, a tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The evaluation of a tax position is a two-step process. The first step is to determine whether it is more-likely-than-not that a tax position will be sustained upon examination, including the resolution of any related appeals or litigations based on the technical merits of that position. The second step is to measure a tax position that meets the more-likely-than-not threshold to determine the amount of benefit to be recognized in the financial statements. A tax position is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. Tax positions that previously failed to meet the more-likely-than-not recognition threshold should be recognized in the first subsequent period in which the threshold is met. Previously recognized tax positions that no longer meet the more-likely-than-not criteria should be de-recognized in the first subsequent financial reporting period in which the threshold is no longer met. Penalties and interest incurred related to underpayment of income tax are classified as income tax expense in the year incurred. No significant penalties or interest relating to income taxes have been incurred during the period from April 15, 2013 (inception) to June 30, 2013. GAAP also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosures and transition.

Loss per share

Basic loss per share is computed by dividing net earnings by the weighted average number of ordinary shares outstanding during the period from April 15, 2013 (inception) to June 30, 2013. Diluted loss per share is calculated by dividing net earnings by the weighted average number of ordinary and dilutive potential ordinary shares outstanding during the year. Diluted loss per share were the same as basic loss per share due to the lack of dilutive items and the fact that Company is in net loss position.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (“FASB”) or other standard setting bodies that are adopted by the Company as of the specified effective date. Unless otherwise discussed, the Company believes that the impact of recently issued standards that are not yet effective will not have a material impact on its financial position or results of operations upon adoption. In 2013, FASB has issued ASU No. 2013-01 through ASU 2013-11, which is not expected to have a material impact on the consolidated financial statements upon adoption.

**3. STOCKHOLDERS’ EQUITY**

Common Stock

On May 29, 2013, the Company issued 49,850,000 shares of common stock as founder shares to Pilot International Investment Co., Ltd. (“Pilot International”) at par value.

**4. INCOME TAXES**

a) United States of America

**WINHA INTERNATIONAL GROUP LIMITED AND SUBSIDIARIES**  
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As of June 30, 2013, the Company in the United States had \$117,560 in net operating loss carry forwards available to offset future taxable income. Federal net operating losses can generally be carried forward twenty years. The deferred tax assets at June 30, 2013 consist mainly of net operating loss carry forwards. Due to the uncertainty of the realization of the related deferred tax assets of \$17,634, a reserve equal to the amount of deferred income taxes has been established at June 30, 2013. The Company has provided 100% valuation allowance to the deferred tax assets as of June 30, 2013 of \$17,634.

b) Cayman Islands Tax

C&V is a company incorporated in Cayman Islands. Under the current Cayman Island laws, C&V is not subject to tax on income or capital gain. In addition, upon payments of dividends by the Company to its stock holders , no Cayman Islands withholding tax is imposed.

c) Hong Kong Tax

WINHA Investment is incorporated in Hong Kong. WINHA Investment did not earn any income derived in Hong Kong from its date of incorporation to June 30, 2013, and therefore was not subject to Hong Kong Profits Tax.

## 5. SUBSEQUENT EVENT

In accordance with ASC Topic 855-10, the Company has analyzed its operation subsequent to June 30, 2013 to the date these financial statements were issued. The subsequent events are as below:

Shenzhen WINHA Information Technology Company, Ltd. (“Shenzhen WINHA”), a wholly foreign-owned enterprise of the Company, was incorporated in Shenzhen, PRC, on July 26, 2013.

On August 1, 2013, we obtained the controlling interest of Zhongshan WINHA Electronic Commerce Company Limited (“Zhongshan WINHA”) via Shenzhen WINHA through a series of contractual arrangements including:

- exclusive business cooperation agreement, through which Zhongshan WINHA appoints Shenzhen WINHA as its exclusive services provider to provide Zhongshan WINHA with comprehensive services and the service fee shall be determined by the parties through negotiation. In addition, Zhongshan WINHA grants Shenzhen WINHA an irrevocable and exclusive option to purchase from Zhongshan WINHA at Shenzhen WINHA’s sole discretion, any or all of the assets and business of Zhongshan WINHA at the lowest purchase price permitted by PRC law;
- exclusive option agreements executed by Shenzhen WINHA, Zhongshan WINHA and each stockholder of Zhongshan WINHA, according to which Shenzhen WINHA has an irrevocable and exclusive right to purchase the equity interests in Zhongshan WINHA at Shenzhen WINHA’s sole and absolute discretion to the extent permitted by Chinese laws. The purchase price of all of the equity interest of Zhongshan WINHA held by each of its stockholders is equal to the loan borrowed by each stockholder of Zhongshan WINHA from Shenzhen WINHA;
- loan agreements, pursuant to which Shenzhen WINHA extends a loan to each stockholder of Zhongshan WINHA respectively and the loan shall be repaid by the stockholders by transferring all equity interest in Zhongshan WINHA to Shenzhen WINHA, and any proceeds herefrom shall be used to repay the loan to Shenzhen WINHA;
- equity pledge agreements, pursuant to which each stockholder of Zhongshan WINHA pledges all of his/her equity interest in Zhongshan WINHA and all of the equity interest hereafter acquired by him/her in favor of Shenzhen WINHA to secure Zhongshan WINHA and its stockholders’ obligations under these contractual arrangements and, if Zhongshan WINHA or any of its stockholders breach any of their contractual obligations under these arrangements, Shenzhen WINHA will be entitled to exercise the pledge;
- powers of attorney executed by each stockholder of Zhongshan WINHA who appoints Shenzhen WINHA to be its attorney-in-fact, and to vote on its behalf on all the matters concerning Zhongshan WINHA that may require stockholders’ approval; and

**WINHA INTERNATIONAL GROUP LIMITED AND SUBSIDIARIES**  
**(A DEVELOPMENT STAGE ENTERPRISE)**  
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**(Stated in US Dollars)**

- spousal consent letters executed by spouses of certain stockholders of Zhongshan WINHA, acknowledging that a certain percentage of the equity interest in Zhongshan WINHA held by those spouses will be disposed of pursuant to the exclusive option agreement and equity pledge agreement.

Zhongshan WINHA Electronic Commerce Company Limited (“the Company”) was incorporated in Zhongshan city, PRC on April 28, 2013. It is to build and operate a retail network of local specialty products from different regions across China primarily through its website, mobile application store, and retail stores.

On August 1, 2013, Chung Yan Winnie Lam, our President and sole director as well as the sole stockholder of PILOT International, entered into a Share Transfer Agreement with Zening Lai, the director of PILOT International, pursuant to which Ms. Lam agreed to grant to Ms. Lai an option to purchase 100% of the outstanding ordinary shares of PILOT International currently held by Ms. Lam in three installments, provided that WINHA International achieves certain performance thresholds in each given time period. On August 1, 2013, Ms. Lam entered into a Power of Attorney with Ms. Lai to grant Ms. Lai as her agent, attorney and proxy to exercise any and all stockholder rights with the same powers in respect of all the shares of PILOT International on any and all matters on behalf of Ms. Lam.

Pursuant to the Share Transfer Agreement and Power of Attorney, as well as the contractual control of Zhongshan WINHA by the Company (the “Restructuring”), Ms. Lai, who also had controlling interest of Zhongshan WINHA with ownership of 70.2% of its shares, was deemed to have retained financial controlling interests in the combined entity, and the combined entity remained under common control. As a result, the Restructuring was accounted for as a recapitalization of entities under common control.

On August 16, 2013, we completed a private placement transaction with a group of investors. Pursuant to the Subscription Agreement with the investors, we issued to the investors an aggregate of 139,500 shares of common stock for an aggregate purchase price of \$13,950, or \$0.10 per share. On September 9, 2013, Albeck Financial Services, Inc. and Alta Capital Partners, Inc. each received 499,895 shares of the Company’s common stock as compensation for their consulting services provided to the Company.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders  
of Zhongshan WINHA Electronic Commerce Company Limited

We have audited the accompanying balance sheet of Zhongshan WINHA Electronic Commerce Company Limited (the "Company"), a development stage company, as of June 30, 2013, and the related statements of operations and comprehensive loss, changes in stockholders' equity and cash flows for the period from April 28, 2013 (inception) through June 30, 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, 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. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company, as of June 30, 2013, and the results of its operations and its cash flows for the period from April 28, 2013 (inception) through June 30, 2013 in conformity with accounting principles generally accepted in the United States of America .

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As described in Note 2, the Company has a net loss and an accumulated deficit as of June 30, 2013, which raises substantial doubt about its ability to continue as a going concern. Management's plan in regard to this matter is also discussed in Note 2. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

/s/Marcum Bernstein & Pinchuk LLP

Marcum Bernstein & Pinchuk LLP  
New York, New York  
September 9, 2013

**ZHONGSHAN WINHA ELECTRONIC COMMERCE COMPANY LIMITED**  
**(A DEVELOPMENT STAGE ENTERPRISE)**  
**BALANCE SHEET**  
**(Stated in US Dollars)**

As of June 30, 2013

<b>ASSETS</b>	
Current Assets	
Cash and cash equivalents	\$ 120,381
Other receivables	2,757
Prepayments	2,281
Total Current Assets	<u>125,419</u>
Intangible assets	8,147
Total Assets	<u>\$ 133,566</u>
<b>LIABILITIES AND EQUITY</b>	
<b>LIABILITIES</b>	
Current Liabilities	
Accrued expenses and other payables	\$ 10,748
Total Current Liabilities	<u>10,748</u>
Total Liabilities	<u>10,748</u>
<b>COMMITMENTS AND CONTINGENCIES</b>	
<b>STOCKHOLDERS' EQUITY</b>	
Paid-in capital	162,916
Accumulated deficit	(40,105)
Accumulated other comprehensive income	7
Total Stockholders' Equity	<u>122,818</u>
Total Liabilities and Stockholders' Equity	<u>\$ 133,566</u>

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

**ZHONGSHAN WINHA ELECTRONIC COMMERCE COMPANY LIMITED**  
**(A DEVELOPMENT STAGE ENTERPRISE)**  
**STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS**  
**(Stated in US Dollars)**

	<b>For the Period from April 28, 2013 (inception) through June</b>
	<b>30, 2013</b>
<b>Operating expenses</b>	
General and administrative expenses	\$ 40,105
<b>Loss from operations</b>	<b>(40,105)</b>
<b>Loss before provision of income taxes</b>	<b>(40,105)</b>
Provision for income taxes	-
<b>Net loss</b>	<b>(40,105)</b>
<b>Other comprehensive income</b>	
Foreign currency translation adjustment	7
<b>Comprehensive loss</b>	<b>\$ (40,098)</b>

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

**ZHONGSHAN WINHA ELECTRONIC COMMERCE COMPANY LIMITED**  
**(A DEVELOPMENT STAGE ENTERPRISE)**  
**STATEMENT OF EQUITY**  
**FOR THE PERIOD FROM APRIL 28, 2013 (INCEPTION) TO JUNE 30, 2013**  
**(Stated in US Dollars)**

	Paid-in capital	Accumulated deficit	Accumulated other comprehensive income	Total Stockholders' Equity
Balance, April 28, 2013 (inception)	\$ -	\$ -	\$ -	\$ -
Capital contribution from stockholders	162,916	-	-	162,916
Net loss for the period	-	(40,105)	-	(40,105)
Foreign currency translation adjustment	-	-	7	7
Balance, June 30, 2013	<u>\$ 162,916</u>	<u>\$ (40,105)</u>	<u>\$ 7</u>	<u>\$ 122,818</u>

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

**ZHONGSHAN WINHA ELECTRONIC COMMERCE COMPANY LIMITED**  
**(A DEVELOPMENT STAGE ENTERPRISE)**  
**STATEMENT OF CASH FLOWS**  
**(Stated in US Dollars)**

**For the period from  
April 28, 2013  
(inception) through  
June 30, 2013**

<b>Cash flows from operating activities</b>	
Net loss	\$ (40,105)
<i>Changes in operating assets and liabilities</i>	
Other receivables	(2,756)
Prepayments	(2,280)
Accrued expenses and other payables	10,744
<b>Net cash used in operating activities</b>	<b>(34,397)</b>
<b>Cash flows from investing activities</b>	
Intangible assets	(8,144)
<b>Net cash used in investing activities</b>	<b>(8,144)</b>
<b>Cash flows from financing activities</b>	
Capital contribution from stockholders	162,916
<b>Net cash provided by financing activities</b>	<b>162,916</b>
Effect of exchange rate change on cash and cash equivalents	6
Net increase in cash and cash equivalents	120,381
Cash and cash equivalents, beginning balance	-
<b>Cash and cash equivalents, ending balance</b>	<b>\$ 120,381</b>
<b>Supplement disclosure of cash flow information</b>	
Interest expense paid	\$ -
Income taxes paid	\$ -

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

**ZHONGSHAN WINHA ELECTRONIC COMMERCE COMPANY LIMITED**  
**(A DEVELOPMENT STAGE ENTERPRISE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Stated in US Dollars)**

**1. ORGANIZATION AND DESCRIPTION OF BUSINESS**

Zhongshan WINHA Electronic Commerce Company Limited (“the Company” or “Zhongshan WINHA”) was incorporated in Zhongshan city, PRC on April 28, 2013.

The Company is a retailer of local specialty products from different regions across China, selling through physical franchise stores, its website, mobile application store, and set-top boxes for television sets. Our innovative business model utilizes a multi-channel shopping platform to sell locally-produced food, beverages, and arts and crafts that are well-known across China. Through our comprehensive shopping platform, we provide customers with access to a large variety of local products that can typically only be found in local stores or markets in specific regions.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

The financial statements have been prepared in accordance with the Accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Company is considered to be in the development stage as defined in Accounting Standards Codification (“ASC”) 915 “Development Stage Entities”.

The Company’s fiscal yearend is March. 31.

Going Concern, Management’s Plans and Liquidity

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The Company’s operations resulted in a net loss of \$40,105 and used cash in operations of \$34,397 during the period from April 28, 2013 (inception) to June 30, 2013. As of June 30, 2013, the Company had an accumulated deficit of \$40,105.

In the course of its development activities, the Company continues to sustain losses and has not generated any revenues. The Company expects to finance operations primarily through capital contributions from a principal stockholder. The Company estimates that their cash and cash equivalents are sufficient to fund operations for the next six months. In the event that we require additional funding to finance the growth of the Company’s current and expected future operations as well as to achieve our strategic objectives, our principal stockholder has indicated the intent to provide additional equity financing.

These conditions raise substantial doubt about the Company’s ability to continue as a going concern. The Company’s continuation as a going concern is dependent on our ability to meet obligations as they become due and to obtain additional equity or alternative financing required to fund operations until sufficient sources of recurring revenues can be generated. There can be no assurance that the Company will be successful in its plans described above or in attracting equity or alternative financing on acceptable terms, or if at all. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make 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 amount of revenues and expenses during the reporting periods. Actual results could differ materially from those results.

The Company was a development stage entity as of June 30, 2013. No significant estimates and assumptions have been made in the preparation of financial statements.

Fair Value Measurements

The Company applies the provisions of ASC Subtopic 820-10, “Fair Value Measurements”, for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements. ASC 820 also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

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. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

ASC 820 establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 establishes three levels of inputs that may be used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to

measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy 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, and inputs that are observable for the assets or liability, either directly or indirectly, for substantially the full term of the financial instruments.
- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value.

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There were no assets or liabilities measured at fair value on a recurring basis subject to the disclosure requirements of ASC 820 as of June 30, 2013.

Website Development Costs

The Company accounts for website development costs in accordance with ASC 350-50, "Accounting for Website Development Costs" ("ASC 350-50"), wherein website development costs are segregated into three activities:

- 1) Initial stage (planning), whereby the related costs are expensed.
- 2) Development stage (web application, infrastructure, graphics), whereby the related costs are capitalized and amortized once the website is ready for use. Costs for development content of the website may be expensed or capitalized depending on the circumstances of the expenditures.
- 3) Operating stage, whereby the related costs are expensed as incurred. Upgrades are usually expensed, unless they add additional functionality.

The Company capitalized a total of \$8,147 of website development costs as intangible assets for the period from April 28, 2013 (inception) to June 30, 2013, related to its online sale platform which have been incurred pursuant to the development stage of graphics.

Comprehensive Loss

The Company follows the provisions of the Financial Accounting Standards Board (the "FASB") Accounting Standards Codification ("ASC") 220 "Reporting Comprehensive Income", and establishes standards for the reporting and display of comprehensive income, its components and accumulated balances in a full set of general purpose financial statements. For the period from April 28 (inception) through June 30, 2013, the Company's comprehensive income includes net loss and foreign currency translation adjustments.

Foreign Currency Translation

The functional currency of the Company is the Chinese Renminbi ("RMB").

The reporting currency of the Company is the US\$.

Transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at the end of the reporting periods. Exchange differences arising on the settlement of monetary items and on retranslation of monetary items at period-end are included in income statement of the period.

For the purpose of presenting these financial statements, the Company's assets and liabilities are expressed in US\$ at the exchange rate on the balance sheet date, stockholder's equity accounts are translated at historical rates, and income and expense items are translated at the weighted average exchange rate during the period. The resulting translation adjustments are reported under accumulated other comprehensive income in the stockholder's equity section of the balance sheets.

Cash and Cash Equivalents

The Company considers highly-liquid investments with maturities of three months or less, when purchased, to be cash equivalents. As at June 30, 2013, the Company's cash and cash equivalents comprised of cash in bank of \$120,381. All of the Company's cash deposit is held in a financial institution located in PRC where there is currently no regulation mandated on obligatory insurance of bank accounts. The Company believes this financial institution is of high credit quality.

Revenue Recognition

The Company develops local franchisees across the country. The Company, through its franchisees, market the local specialty goods through the following four channels:

- **Franchise stores** – A franchise store is developed in each region, a city or town which will provide a given franchisee territorial exclusivity for that geographic area and thus help franchise owners obtain the exclusive access to the potential customers in the region. The Company collects annual franchise fee from each franchisee for its services including but not limited to management, marketing and consulting. The Company accounts for franchise fee revenue on a deferred basis, whereby revenue is recognized ratably over the one-year agreement period.
- **Online Store** – Each franchise owner is required to pay us a one-time website construction and maintenance fee. The Company accounts for this website construction and maintenance fee revenue on a deferred basis, whereby revenue is recognized ratably over the service agreement period. The Company has set the gross profit margin for all of the products sold online at 15%, of which 10% belongs to the

Company and 5% will be rewarded back to the franchisee that the membership of the purchaser originated from. Commission revenue is recognized on the date of shipment to customers when a formal arrangement exists, the price is fixed or determinable, the delivery is completed, no other significant obligations of the Company exist and collectability is reasonably assured. Additionally, we also generate revenue from fees received from third-party advertisers.

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- **Mobile Application Store** – The Company has set its gross profit margin for all our products sold through the mobile application store at 15%, of which 10% belongs to the Company and 5% will be rewarded back to the franchisee that the membership of the purchaser originated from. Commission revenue is recognized on the date of shipment to customers when a formal arrangement exists, the price is fixed or determinable, the delivery is completed, no other significant obligations of the Company exist and collectability is reasonably assured.
- **Set-Top Box Store** – Customers can browse the Company’s products on a television set (TV) screen if they choose to install a pre-programmed set-top box on their TVs. A set-top box turns a TV into a display device, and customers with a set-top box pre-programmed with our product information can view and select products and complete purchase on a TV screen, among other functions of set-top boxes such as accessing internet web pages, streaming videos and movies, and playing games. The Company has set its gross profit margin for all products sold through the TV interface at 15%, of which 10% belongs to the Company and 5% will be rewarded back to the franchisee that the membership of the purchaser originated from. Commission revenue is recognized on the date of shipment to customers when a formal arrangement exists, the price is fixed or determinable, the delivery is completed, no other significant obligations of the Company exist and collectability is reasonably assured.

No revenue was recorded for the period from April 28, 2013 (inception) through June 30, 2013.

Under related PRC laws and regulations, commercial franchising refers to the business activities where an enterprise that possesses the registered trademarks, enterprise logos, patents, proprietary technology or any other business resources, the franchisor, allows such business resources to be used by another business operator, the franchisee, through contract and the franchisee follows the uniform business model to conduct business operation and pays franchising fees according to the contract to conduct commercial franchising activities. A franchisor must have certain prerequisites including a mature business model, the capability to provide long-term business guidance and training services to franchisees and ownership of at least two self-operated storefronts that have been in operation for at least one year within China. Franchisors engaged in franchising activities without satisfying the above requirements may be subject to penalties such as forfeit of illegal income and imposition of fines and may be bulletined by Ministry of Commerce of China, or the MOFCOM or its local counterparts. In addition, franchisors shall carry out record-filing with MOFCOM or its counterparts within 15 days upon executing the first franchise contract. We may be recognized as a commercial franchisor for authorizing other business entities to use our trademark and adopting a uniform business model. We do not own two self-operated storefronts that have been in operation for one year or longer and have not carried out record-filing with MOFCOM or its counterparts until June 30, 2013. However, we are arranging to establish two or more self-operated stores and attempt to carry out record-filing with MOFCOM or its local counterparts

#### Income Taxes

The Company accounts for income taxes using an asset and liability approach which allows for the recognition and measurement of deferred tax assets based upon the likelihood of realization of tax benefits in future years. Under the asset and liability approach, deferred taxes are provided for the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. A valuation allowance is provided for deferred tax assets if it is more likely than not these items will either expire before the Company is able to realize their benefits, or that future deductibility is uncertain.

Under ASC 740, a tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The evaluation of a tax position is a two-step process. The first step is to determine whether it is more-likely-than-not that a tax position will be sustained upon examination, including the resolution of any related appeals or litigations based on the technical merits of that position. The second step is to measure a tax position that meets the more-likely-than-not threshold to determine the amount of benefit to be recognized in the financial statements. A tax position is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. Tax positions that previously failed to meet the more-likely-than-not recognition threshold should be recognized in the first subsequent period in which the threshold is met. Previously recognized tax positions that no longer meet the more-likely-than-not criteria should be de-recognized in the first subsequent financial reporting period in which the threshold is no longer met. Penalties and interest incurred related to underpayment of income tax are classified as income tax expense in the year incurred. No significant penalties or interest relating to income taxes have been incurred during the period from April 28, 2013 (inception) to June 30, 2013. GAAP also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosures and transition.

#### Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (“FASB”) or other standard setting bodies that are adopted by the Company as of the specified effective date. Unless otherwise discussed, the Company believes that the impact of recently issued standards that are not yet effective will not have a material impact on its financial position or results of operations upon adoption. In 2013, FASB has issued ASU No. 2013-01 through ASU 2013-11, which is not expected to have a material impact on the consolidated financial statements upon adoption.

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**3. INTANGIBLE ASSETS**

Intangible assets consist of ongoing website development. Intangible assets were \$8,147 as of June 30, 2013. No amortization expense was recorded during the period from April 28, 2013 (inception) through June 30, 2013 since the website development was not completed.

**4. INCOME TAXES**

As of June 30, 2013, the Company in PRC had \$40,105 in net operating loss carry forwards available to offset future taxable income. The deferred tax assets at June 30, 2013 consist mainly of net operating loss carry forwards. Due to the uncertainty of the realization of the related deferred tax assets of \$10,026, a reserve equal to the amount of deferred income taxes has been established at June 30, 2013. The Company has provided 100% valuation allowance to the deferred tax assets as of June 30, 2013 of \$10,026.

**5. OPERATING LEASE COMMITMENTS**

The total future minimum lease payments under non-cancellable operating lease with respect to office and server as of June 30, 2013 was payable as follows:

Remaining 2013	\$ 8,200
2014	16,399
2015	16,399
2016	4,100
<b>Total</b>	<b>\$ 45,098</b>

Rental expense of the Company from inception to June 30, 2013 was \$4,094.

**6. SUBSEQUENT EVENT**

In accordance with ASC Topic 855-10, the Company has analyzed its operation subsequent to June 30, 2013 to the date these financial statements were issued. The subsequent events are as below:

On August 1, 2013, Shenzhen WINHA Information Technology Company, Ltd. (“Shenzhen WINHA”), a wholly foreign-owned enterprise of WINHA International Investment Holdings Company Limited (“WINHA International”), obtained the controlling interest of the Company through a series of contractual arrangements including:

- an exclusive business cooperation agreement, through which Zhongshan WINHA appoints Shenzhen WINHA as its exclusive services provider to provide Zhongshan WINHA with comprehensive services and the service fee shall be determined by the parties through negotiation. In addition, Zhongshan WINHA grants Shenzhen WINHA an irrevocable and exclusive option to purchase from Zhongshan WINHA at Shenzhen WINHA’s sole discretion, any or all of the assets and business of Zhongshan WINHA at the lowest purchase price permitted by PRC law;
- exclusive option agreements executed by Shenzhen WINHA, Zhongshan WINHA and each stockholder of Zhongshan WINHA, according to which Shenzhen WINHA has an irrevocable and exclusive right to purchase the equity interests in Zhongshan WINHA at Shenzhen WINHA’s sole and absolute discretion to the extent permitted by Chinese laws. The purchase price of all of the equity interest of Zhongshan WINHA held by each of its stockholders is equal to the loan borrowed by each stockholder of Zhongshan WINHA from Shenzhen WINHA;
- loan agreements, pursuant to which Shenzhen WINHA extends a loan to each stockholder of Zhongshan WINHA respectively and the loan shall be repaid by the stockholders by transferring all equity interest in Zhongshan WINHA to Shenzhen WINHA, and any proceeds herefrom shall be used to repay the loan to Shenzhen WINHA;
- equity pledge agreements, pursuant to which each stockholder of Zhongshan WINHA pledges all of his/her equity interest in Zhongshan WINHA and all of the equity interest hereafter acquired by him/her in favor of Shenzhen WINHA to secure Zhongshan WINHA and its stockholders’ obligations under these contractual arrangements and, if Zhongshan WINHA or any of its stockholders breach any of their contractual obligations under these arrangements, Shenzhen WINHA will be entitled to exercise the pledge;
- powers of attorney executed by each stockholder of Zhongshan WINHA who appoints Shenzhen WINHA to be its attorney-in-fact, and to vote on its behalf on all the matters concerning Zhongshan WINHA that may require stockholders’ approval; and

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- spousal consent letters executed by spouses of certain stockholders of Zhongshan WINHA, acknowledging that a certain percentage of the equity interest in Zhongshan WINHA held by those spouses will be disposed of pursuant to the exclusive option agreement and equity pledge agreement.

On August 1, 2013, Chung Yan Winnie Lam, the President and sole director of WINHA International, as well as the sole stockholder of Pilot International Investment Co., Ltd. (“Pilot International”), which wholly owned WINHA International, entered into a Share Transfer Agreement with Zening Lai, the director of PILOT International, pursuant to which Ms. Lam agreed to grant to Ms. Lai an option to purchase 100% of the outstanding ordinary shares of PILOT International currently held by Ms. Lam in three installments, provided that WINHA International achieves certain performance thresholds in each given time period. On August 1, 2013, Ms. Lam entered into a Power of Attorney with Ms. Lai to grant Ms. Lai as her agent, attorney and proxy to exercise any and all stockholder rights with the same powers in respect of all the shares of PILOT International on any and all matters on behalf of Ms. Lam.

Pursuant to the Share Transfer Agreement and Power of Attorney, as well as the contractual control of Zhongshan WINHA by the WINHA International (the “Restructuring”), Ms Lai, who also had controlling interest of Zhongshan WINHA with ownership of 70.2% of its shares, was deemed to have retained financial controlling interests in the combined entity, and the combined entity remained under common control. As a result, the Restructuring was accounted for as a recapitalization of entities under common control.

## UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA

On August 1, 2013, Shenzhen WINHA Information Technology Company, Ltd. (“Shenzhen WINHA”), the WINHA International Investment Holdings Company Limited’s (“WINHA International” or “the Company”) wholly foreign-owned entity, and Zhongshan WINHA Electronic Commerce Company Limited (“Zhongshan WINHA”) entered into a series of agreements known as variable interest agreement (the “VIE Agreement”), pursuant to which Zhongshan WINHA became Shenzhen WINHA’s contractually controlled affiliate. The use of VIE agreements is a common structure used to acquire PRC corporations, particularly in certain industries in which foreign investment is restricted or forbidden by the PRC government.

On August 1, 2013, Chung Yan Winnie Lam, our President and sole director as well as the sole stockholder of Pilot International Investment Co., Ltd. (“Pilot International”), entered into a Share Transfer Agreement with Zening Lai, the director of PILOT International, pursuant to which Ms. Lam agreed to grant to Ms. Lai an option to purchase 100% of the outstanding ordinary shares of PILOT International currently held by Ms. Lam in three installments, provided that WINHA International achieves certain performance thresholds in each given time period. On August 1, 2013, Ms. Lam entered into a Power of Attorney with Ms. Lai to grant Ms. Lai as her agent, attorney and proxy to exercise any and all stockholder rights with the same powers in respect of all the shares of PILOT International on any and all matters on behalf of Ms. Lam.

Pursuant to the Share Transfer Agreement and Power of Attorney, as well as the contractual control of Zhongshan WINHA by the Company (the “Restructuring”), Ms. Lai, who also had controlling interest of Zhongshan WINHA with ownership of 70.2% of its shares, is deemed to have retained financial controlling interests in the combined entity, and the combined entity remains under common control. As a result, the Restructuring is accounted for as a recapitalization of entities under common control.

The accounting effect of the VIE Agreements between Shenzhen WINHA and Zhongshan WINHA is to cause the balance sheets and financial results of Zhongshan WINHA to be consolidated with those of the Company, with respect to which Zhongshan WINHA is now a variable interest entity. Since the Company and its VIE, Zhongshan WINHA were under common control at the time when the VIE Agreement were executed, the financial statements included in this unaudited pro forma reflect the combination of the balance sheet items and results of operations of Zhongshan WINHA and the Company since the inception of the Company.

The following unaudited pro forma condensed combined financial information has been prepared assuming that the recapitalization of entities under common control had occurred (i) at April 15, 2013 (inception of the Company) and (ii) at June 30, 2013 for the pro forma balance sheet.

The unaudited pro forma condensed combined financial information is provided for illustrative purposes only and do not purport to be indicative of the financial condition that would have resulted if the recapitalization of entities under common control would have existed on April 15, 2013 (inception of the Company).

The historical financial statements of the Company, Shenzhen WINHA and Zhongshan WINHA have each been prepared under accounting principles generally accepted in the United States of America (“U.S. GAAP”) and presented in U.S. dollars. The unaudited pro forma condensed combined financial statements included herein are therefore prepared under U.S. GAAP and presented in U.S. dollars.

**Unaudited Pro Forma Condensed Combined Balance Sheet Data as of June 30, 2013**  
**(Development stage enterprises)**

(Stated in US Dollars, except number of shares)

	<u>the Company</u> <u>(1a)</u>	<u>Shenzhen</u> <u>WINHA</u> <u>(1b)</u>	<u>Zhongshan</u> <u>WINHA</u> <u>(1c)</u>	<u>Pro Forma</u> <u>adjustment</u>	<u>Pro Forma</u> <u>Combined</u>
<b>ASSETS</b>					
Current Assets					
Cash and cash equivalents	\$ 64,778	-	120,381		\$ 185,159
Other receivables	-	-	2,757		2,757
Prepayments	-	-	2,281		2,281
Total Current Assets	64,778	-	125,419		190,197
Intangible assets	-	-	8,147		8,147
Total Assets	<u>\$ 64,778</u>	<u>-</u>	<u>133,566</u>		<u>\$ 198,344</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
Liabilities					
Accrued expenses and other payables	\$ 18,084	-	10,748		\$ 28,832
Total Liabilities	18,084	-	10,748		28,832
Stockholders' Equity					
Common stock	49,850	-	162,916	(162,916) <sup>2</sup>	49,850
Additional paid-in capital	152,931	-	-	162,916 <sup>2</sup>	315,847
Accumulated deficit	(156,061)	-	(40,105)		(196,166)
Accumulated other comprehensive (loss) income	(26)	-	7		(19)
Total Stockholders' Equity	46,694	-	122,818		169,512
Total Liabilities and Stockholders' Equity	<u>\$ 64,778</u>	<u>-</u>	<u>133,566</u>		<u>\$ 198,344</u>

**Unaudited Pro Forma Condensed Combined Statement of Operations Data for the period from April 15, 2013 (inception of the Company) to June 30, 2013  
(Development stage enterprises)**

(Stated in US Dollars, except number of shares)

	<u>the Company</u> 1(a)	<u>Shenzhen</u> <u>WINHA</u> (1b)	<u>Zhongshan</u> <u>WINHA</u> (1c)	<u>Pro Forma</u> <u>Adjustment</u>	<u>Pro Forma</u> <u>Combined</u>
<b>Operating expenses</b>					
General and administrative expenses	155,983	-	40,105		196,088
					-
<b>Loss from operations</b>	(155,983)	-	(40,105)		(196,088)
					-
<b>Other expense</b>					
Finance Costs	(78)	-	-		(78)
					-
<b>Loss before income taxes</b>	(156,061)	-	(40,105)		(196,166)
					-
Provision for income taxes	-	-	-		-
<b>Net loss</b>	(156,061)	-	(40,105)		(196,166)
					-
<b>Other comprehensive (loss) income</b>					
Foreign currency translation adjustment	(26)	-	7		(19)
					-
<b>Comprehensive loss</b>	<u>\$ (156,087)</u>	<u>-</u>	<u>(40,098)</u>		<u>(196,185)</u>
					-
<b>Loss per share</b>					
Basic and diluted	<u>\$ (0.0 0)</u>	<u>-</u>	<u>-</u>		<u>(0.00)</u>
					-
<b>Weighted average shares outstanding</b>					
Basic and diluted	<u>49,850,000</u>	<u>-</u>	<u>-</u>		<u>49,850,000</u>

## **1. BASIS OF PRO FORMA PRESENTATION**

The unaudited pro forma condensed combined balance sheet as of June 30, 2013, and the unaudited pro forma condensed combined statements of operations for the period from April 15, 2013 (inception of the Company) through June 30, 2013, are based on the historical financial statements of the Company and Zhongshan WINHA after giving effect of the VIE Agreements between the Company, Shenzhen WINHA and Zhongshan WINHA and the assumptions, reclassifications and adjustments described in the accompanying notes to the unaudited pro forma condensed combined financial information.

Source of financial statements:

1a) Audited financial statements of the Company as of June 30, 2013 and for the period from April 15, 2013 (inception) through June 30, 2013, as filed in this Form S-1.

1b) Since Shenzhen WINHA was incorporated after June 30, 2013, there was no financial statements available as of June 30, 2013.

1c) Audited financial statements of the Zhongshan WINHA as of June 30, 2013 and for the period from April 28, 2013 (inception) through June 30, 2013, as filed in this Form S-1.

## **2. PRO FORMA ADJUSTMENT**

To eliminate Zhongshan WINHA's historical paid-in capital, assuming the Zhongshan WINHA's original stockholders will secure the Company's shares via slow walk arrangement without issuing additional shares by the Company, for the recapitalization of the entities under common control.

**1,139,290 SHARES OF COMMON STOCK**  
**WINHA INTERNATIONAL GROUP LIMITED**  
**PROSPECTUS**

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS DOCUMENT OR THAT WE HAVE REFERRED YOU TO. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT. THIS PROSPECTUS IS NOT AN OFFER TO SELL COMMON STOCK AND IS NOT SOLICITING AN OFFER TO BUY COMMON STOCK IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

Until \_\_\_\_\_, 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 underwriters and with respect to their unsold allotments or subscriptions.

**The Date of This Prospectus is September 9, 2013**

**PART II INFORMATION NOT REQUIRED IN THE PROSPECTUS**

**Item 13. Other Expenses of Issuance and Distribution**

Securities and Exchange Commission registration fee	\$	16
Transfer Agent Fees	\$	0
Accounting fees and expenses	\$	34,707
Legal fees and expense	\$	92,234
Blue Sky fees and expenses	\$	300
Miscellaneous	\$	0
Total	\$	<u>127,257</u>

All amounts are estimates other than the Commission's registration fee. We are paying all expenses of the offering listed above. No portion of these expenses will be borne by the initial shareholders. The initial shareholders, however, will pay any other expenses incurred in initial selling of their common stock, including any brokerage commissions or costs of sale.

#### **Item 14. Indemnification of Directors and Officers**

Our directors and officers are indemnified as provided by the Nevada corporate law and our Bylaws. We have agreed to indemnify each of our directors and certain officers against certain liabilities, including liabilities under the Securities Act of 1933. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to our directors, officers and controlling persons pursuant to the provisions described above, 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 Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than our payment of expenses incurred or paid by our director, officer or controlling person 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.

We have been advised that in the opinion of the Securities and Exchange Commission indemnification for liabilities arising under the Securities Act 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 is asserted by one of our directors, officers, or controlling persons in connection with the securities being registered, we will, unless in the opinion of our legal counsel the matter has been settled by controlling precedent, submit the question of whether such indemnification is against public policy to a court of appropriate jurisdiction. We will then be governed by the court's decision.

#### **Item 15. Recent Sales of Unregistered Securities**

The following sets forth the issuance of unregistered securities by the registrant for the past three years.

##### ***Private Placement***

On August 16, 2013, for gross subscription proceeds of \$13,950 we issued 139,500 shares of our common stock to certain investors.

Issuances of shares to the investors were not registered under the Securities Act. Such issuance of securities was exempt from registration pursuant to Section 4(2) of the 1933 Securities Act, as amended (the "Securities Act"), Rule 506 of Regulation D ("Regulation D") promulgated under the Securities Act, and Regulation S promulgated by the SEC under the Securities Act ("Regulation S").

For issuances of shares exempt from registration pursuant to Regulation D, the Company made the determination based on the representations of the investors which included, in pertinent part, that each such investor was an "accredited investor" within the meaning of Rule 501 of Regulation D or a purchaser of the nature as described in Rule 506 of Regulation D and upon such further representations from each investor that (i) such investor is acquiring the securities for its own account for investment and not for the account of any other person and not with a view to or for distribution, assignment or resale in connection with any distribution within the meaning of the Securities Act, (ii) such investor agrees not to sell or otherwise transfer the purchased securities or shares underlying such securities unless they are registered under the Securities Act and any applicable state securities laws, or an exemption or exemptions from such registration are available, (iii) such investor has knowledge and experience in financial and business matters such that such investor is capable of evaluating the merits and risks of an investment in us, (iv) such investor had access to all of the Company's documents, records, and books pertaining to the investment and was provided the opportunity to ask questions and receive answers regarding the terms and conditions of the Offering and to obtain any additional information which the Company possessed or was able to acquire without unreasonable effort and expense, and (v) such investor has no need for the liquidity in its investment in us and could afford the complete loss of such investment. In addition, there was no general solicitation or advertising for securities issued in reliance upon Regulation D.

For issuances of shares exempt from registration pursuant to Regulation S, the Company made the determination based upon the factors that such shareholders were not “U.S. Person” as that term is defined in Rule 902(k) of Regulation S under the Securities Act, that such shareholders were acquiring our securities, for investment purposes for their own respective accounts and not as nominees or agents, and not with a view to the resale or distribution thereof, and that the shareholders understood that the shares of our securities may not be sold or otherwise disposed of without registration under the Securities Act or an applicable exemption therefrom.

**Item 16. Exhibits and Financial Statement Schedules**

<b>EXHIBIT NUMBER</b>	<b>DESCRIPTION</b>
3.1	Articles of Incorporation
3.2	By-laws *
5.1	Opinion of Anslow & Jaclin, LLP*
10.1	Form of Subscription Agreement dated August 16, 2013.
10.2	English Translation of Franchise Partnership Agreement
10.3	Exclusive Business Cooperation Agreement dated August 1, 2013
10.4	Form of Exclusive Option Agreement
10.5	Form of Loan Agreement
10.6	Form of Equity Pledge Agreement
10.7	Form of Power of Attorney
10.8	Form of Spousal Consent
23.1	Consent of Marcum Bernstein & Pinchuk LLP
23.2	Consent of Counsel (included in Exhibit 5.1 hereto)*

\* To be filed by amendment.

**Item 17. Undertakings**

(A) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

i. To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

ii. To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the “Calculation of Registration Fee” table in the effective registration statement.

iii. To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment 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.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(5) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities: The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

- i. Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
- ii. Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
- iii. The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
- iv. Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(6) 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 foregoing provisions, or otherwise, the registrant has 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 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 Act and will be governed by the final adjudication of such issue.

## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, WINHA International Group Limited certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-1 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Shenzhen, China, on this 9th day of September, 2013.

**WINHA International Group Limited**

By: /s/ Chung Yan Winnie Lam

Chung Yan Winnie Lam  
President

September 9, 2013

In accordance with the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Name</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Chung Yan Winnie Lam</u> Chung Yam Winnie Lam	President and Sole Director	September 9, 2013

**ARTICLES OF INCORPORATION**  
**OF**  
**WINHA INTERNATIONAL GROUP LIMITED**

The undersigned, being the person hereinafter named as incorporator, for the purpose of establishing a corporation under the provisions and subject to the requirements of Title 7, Chapter 78, of the Nevada Revised Statutes (the “**NRS**”), and the acts amendatory thereof, and hereinafter sometimes referred to as the General Corporation Law of the State of Nevada (the “**GCLN**”), does hereby adopt and make the following Articles of Incorporation:

**ARTICLE I – NAME OF CORPORATION**

The name of the corporation (hereinafter called the “**Corporation**”) is “WINHA International Group Limited.”

**ARTICLE II – REGISTERED AGENT FOR SERVICE OF PROCESS**

The name and address of the initial resident agent of the Corporation is Vcorp Services, LLC, a commercial registered agent within the State of Nevada.

**ARTICLE III – AUTHORIZED STOCK**

The aggregate number of shares that the Corporation shall have the authority to issue is two hundred million (200,000,000) shares of common stock with a par value of \$0.001 per share, and twenty million (20,000,000) shares of blank check preferred stock with a par value of \$0.001 per share. The preferred stock shall have such designations, voting powers, preferences and relative participating optional or other special rights which shall be designated in such series or amounts as the qualifications, limitations and restrictions thereof shall be determined by the board of directors of the Corporation

**ARTICLE IV – NAMES AND ADDRESSES OF THE BOARD OF DIRECTORS**

The names and addresses of the person who is to serve as directors until the first annual meeting of the shareholders, or until her successors shall have been elected and qualified, is as follows:

Zhuo Wei Zhong  
Unit 503 5/F Silvercord Tower 2  
30 Canton Rd  
Tsim Sha Tsui, Kowloon HK

**ARTICLE V - PURPOSE**

The Corporation shall have the purpose of engaging in any lawful business activity.

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**ARTICLE VI – NAME, ADDRESS AND SIGNATURE OF INCORPORATOR**

The name and address, either residence or business, of the incorporator signing these Articles of Incorporation is as follows:

<b><u>Name</u></b>	<b><u>Address</u></b>
Farah Moiso	25 Robert Pitt Drive, Suite 204 Monsey, NY 10952.

IN WITNESS WHEREOF, the undersigned Incorporator hereby executes these Articles of Incorporation of WINHA International Group Limited, a Nevada corporation, on this 15th day of April, 2013.

/s/ Farah Moiso  
Farah Moiso  
Incorporator

**ARTICLE VII – CERTIFICATE OF ACCEPTANCE OF APPOINTMENT OF REGISTERED AGENT**

IN WITNESS WHEREOF, the undersigned Incorporator hereby accepts appointment as Registered Agent for WINHA International Group Limited, a Nevada corporation, on this 15th day of April, 2013.

/s/ Farah Moiso  
Farah Moiso  
Incorporator

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## SUBSCRIPTION AGREEMENT

**THIS SUBSCRIPTION AGREEMENT** (this “**Agreement**”), dated as of \_\_\_\_\_, 2013, is entered into by and between WINHA International Group Limited, a Nevada corporation (the “**Company**”), and the subscribers identified on the signature pages hereto (each a “**Subscriber**” and collectively, the “**Subscribers**”).

### **RECITALS:**

**WHEREAS**, the Company and the Subscribers are executing and delivering this Agreement in reliance upon an exemption from securities registration afforded by the provisions of Regulation S (“**Regulation S**”) and Regulation D (“**Regulation D**”) as promulgated by the United States Securities and Exchange Commission (the “**Commission**”) under the Securities Act of 1933, as amended (the “**1933 Act**”); and

**WHEREAS**, the Company desires to offer and sell in a private offering of shares of the Company’s common stock, par value \$0.001 per share (each, a “**Share**,” and collectively, the “**Shares**”) at a price of \$0.10 per Share (the “**Purchase Price**”) for aggregate gross proceeds of up to \$50,000 (the “**Offering**”), which Offering is being made on a “best efforts” basis. The Shares sold in this Offering will not be registered under the 1933 Act, in reliance upon an exemption from securities registration afforded by the provisions of Regulation S and Regulation D as promulgated by the Commission under the 1933 Act. There is no minimum investment per Subscriber; and

**WHEREAS**, the Company desires to enter into this Agreement to issue and sell the Shares and the Subscriber desires to purchase that number of the Shares set forth on the signature page hereto on the terms and conditions set forth herein.

### **AGREEMENT:**

**NOW, THEREFORE**, in consideration of the mutual covenants and other agreements contained in this Agreement, the Company and the Subscriber hereby agree as follows:

1. Purchase and Sale of the Shares.

(a) Subject to the terms set forth herein, the Subscriber hereby irrevocably subscribes for and agrees to purchase from the Company that number of Shares as set forth on the signature page hereto at the Purchase Price. The aggregate Purchase Price is payable by check or wire transfer of immediately available funds to the Company as described in Section 1(b).

(b) There is no minimum purchase that may be made by any prospective investor. The Company reserves the right to reject any subscription made hereby, in whole or in part, in its sole discretion. The Company’s agreement with each Subscriber is a separate agreement and the sale of the Shares to each Subscriber is a separate sale. Subscriber has hereby delivered and paid concurrently herewith the aggregate Purchase Price for the number of Shares set forth on the signature page hereof in an amount required to purchase and pay for such Shares, which amount has been paid in U.S. Dollars by wire transfer or check, subject to collection, to the order of “WINHA International Group Limited” pending the sale of the Shares, all funds paid hereunder shall be deposited according to the wire instruction as follows:

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**Receiving Bank Name/Address: HSBC / 1 Queen's Road Central Hong Kong**  
**ABA/Routing #: N/A**  
**Company Name: WINHA International Investment Holdings Co. Limited**  
**Beneficiary Account#: 848-438644-001**  
**Swift Code: HSBCHKHCHKH**  
**Reference: WINHA International Group Limited**

2. Closing. The issuance and sale of the Shares shall occur on the closing date (the "Closing Date") which shall be the date that Subscriber funds representing the amount due to the Company from the Purchase Price of the Offering is transmitted by wire transfer or otherwise to or for the benefit of the Company or on such later date as the Company agrees in its sole discretion. The Offering period shall expire on the earlier of (i) the date upon which subscriptions for all of the Shares offered hereby have been accepted; (ii) December 31, 2013; or (iii) the date upon which the Company elects to terminate the Offering. The Subscriber acknowledges and understands that this subscription is being made on a "best efforts" basis. The Subscriber hereby authorizes and directs the Company to return any funds for unaccepted subscriptions to the same account from which the funds were drawn, without interest.

The consummation of the transactions contemplated herein shall take place at the offices of Anslow & Jaclin, LLP, 195 Route 9 South, 2<sup>nd</sup> Floor, Manalapan, New Jersey 07726, on such date and time as the Subscribers and the Company may agree upon; provided, that all of the conditions set forth in Section 6 hereof and applicable to the Closing (as defined below) shall have been fulfilled or waived in accordance herewith. The Subscriber and the Company acknowledge and agree that the Company may consummate the sale of additional Shares to the Subscriber, on the terms set forth in this Agreement and the other Transaction Documents, as defined herein, at more than one closing (each referred to herein as a "Closing").

3. Subscriber Representations, Warranties and Covenants. Each Subscriber agrees, represents and warrants to the Company, severally and solely with respect to itself and its purchase hereunder and not with respect to any of the other Subscribers, that:

(a) Organization and Standing of the Subscriber. If such Subscriber is an entity, such Subscriber is a corporation, partnership or other entity duly incorporated or organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization.

(b) Authorization and Power. Such Subscriber has the requisite power and authority to enter into and perform this Agreement and the other Transaction Documents (as defined in Section 3(e)) and to purchase the Shares being sold to it hereunder. The execution, delivery and performance of this Agreement and the other Transaction Documents by such Subscriber and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate or partnership action, and no further consent or authorization of such Subscriber or its Board of Directors, stockholders, partners, members, as the case may be, is required. This Agreement and the other Transaction Documents have been duly authorized, executed and delivered by such Subscriber and constitutes, or shall constitute when executed and delivered, a valid and binding obligation of such Subscriber enforceable against such Subscriber in accordance with the terms thereof.

(c) No Conflicts. The execution, delivery and performance of this Agreement and the other Transaction Documents and the consummation by such Subscriber of the transactions contemplated hereby and thereby or relating hereto do not and will not (i) result in a violation of such Subscriber's charter documents or bylaws or other organizational documents or (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of any agreement, indenture or instrument or obligation to which such Subscriber is a party or by which its properties or assets are bound, or result in a violation of any law, rule, or regulation, or any order, judgment or decree of any court or governmental agency applicable to such Subscriber or its properties (except for such conflicts, defaults and violations as would not, individually or in the aggregate, have a material adverse effect on such Subscriber). Such Subscriber is not required to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental agency in order for it to execute, deliver or perform any of its obligations under this Agreement and the other Transaction Documents or to purchase the Shares in accordance with the terms hereof, provided that for purposes of the representation made in this sentence, such Subscriber is assuming and relying upon the accuracy of the relevant representations and agreements of the Company herein.

(d) Acquisition for Investment. The Subscriber is acquiring the Shares solely for its own account for the purpose of investment and not with a view to or for resale in connection with a distribution. The Subscriber does not have a present intention to sell the Shares, nor a present arrangement (whether or not legally binding) or intention to effect any distribution of the Shares to or through any person or entity; provided, however, that by making the representations herein and subject to Section 3(h) below, the Subscriber does not agree to hold the Shares for any minimum or other specific term and reserves the right to dispose of the Shares at any time in accordance with Federal and state securities laws applicable to such disposition. The Subscriber acknowledges that it is able to bear the financial risks associated with an investment in the Shares and that it has been given full access to such records of the Company and the subsidiaries and to the officers of the Company and the subsidiaries and received such information as it has deemed necessary or appropriate to conduct its due diligence investigation and has sufficient knowledge and experience in investing in companies similar to the Company in terms of the Company's stage of development so as to be able to evaluate the risks and merits of its investment in the Company. The Subscriber further acknowledges that the Subscriber understands the risks that the purchase of the Shares involves substantial risks.

(e) Information on Company. The Subscriber agrees, acknowledges and understands that the Subscriber and its advisors, if any, have been furnished with all materials relating to the business, finances and operations of the Company, and materials relating to the offer and sale of the Shares that have been requested by the Subscriber or its advisors (collectively with this Agreement and any other ancillary documents, the "**Transaction Documents**"). The Subscriber represents and warrants that the Subscriber and its advisors, if any, have been afforded the opportunity to ask questions of the Company. The Subscriber agrees, acknowledges and understands that neither such inquiries nor any other due diligence investigation conducted by the Subscriber or any of its advisors or representatives modify, amend or affect the Subscriber's right to rely on the Company's representations and warranties contained herein.

Such Subscriber has received in writing from the Company such other information concerning its operations, financial condition and other matters as such Subscriber has requested in writing (the “ **Disclosure Materials** ”), and considered all factors such Subscriber deems material in deciding on the advisability of investing in the Shares. Such Subscriber has relied on the Disclosure Materials in making its investment decision.

(f) Opportunities for Additional Information . The Subscriber acknowledges that the Subscriber has had the opportunity to ask questions of and receive answers from, or obtain additional information from, the executive officers of the Company concerning the financial and other affairs of the Company.

(g) Information on Subscriber .

(i) The Subscriber understands that the investment offered hereunder has not been registered under the 1933 Act and the Subscriber understands that such Subscriber is purchasing the Shares without being furnished any offering literature or prospectus. The Subscriber is acquiring the Shares for the Subscriber’s own account, for investment purposes only, and not with a view towards resale or distribution.

(ii) At the time the Subscriber was offered the Shares, it was not, and at the date hereof, such Subscriber is not a “U.S. Person” which is defined below:

- (A) Any natural person resident in the United States;
- (B) Any partnership or corporation organized or incorporated under the laws of the United States;
- (C) Any estate of which any executor or administrator is a U.S. person;
- (D) Any trust of which any trustee is a U.S. person;
- (E) Any agency or branch of a foreign entity located in the United States;
- (F) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (G) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident of the United States; and

- (H) Any partnership or corporation if (i) organized or incorporated under the laws of any foreign jurisdiction and (ii) formed by a U.S. person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D promulgated under the 1933 Act) who are not natural persons, estates or trusts.

“ **United States** ” or “ **U.S.** ” means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia.

(ii) Each Subscriber that was, or at the date hereof, is, a “U.S. Person”, severally and not jointly, represents and warrants to the Company as follows:

- (A) The undersigned is an “Accredited Investor” as that term is defined in Rule 501 (a) of Regulation D promulgated under the Securities Act, and as specifically indicated in Exhibit I attached to this Agreement; or
- (B) The undersigned is a “Sophisticated Investor” as that term is defined in Rule 506(b)(2)(ii) of Regulation D promulgated under the Securities Act.
- (C) For California and Massachusetts individuals: If the subscriber is a California resident, such subscriber's investment in the Corporation will not exceed 10% of such subscriber's net worth (or joint net worth with his spouse). If the subscriber is a Massachusetts resident, such subscriber's investment in the Corporation will not exceed 25% of such subscriber's joint net worth with such subscriber's spouse (exclusive of principal residence and its furnishings).

(iv) The Subscriber understands that no action has been or will be taken in any jurisdiction by the Company that would permit a public offering of the Shares in any country or jurisdiction where action for that purpose is required.

(v) The Subscriber (i) as of the execution date of this Agreement is not located within the United States, and (ii) is not purchasing the Shares for the account or benefit of any U.S. person except in accordance with one or more available exemptions from the registration requirements of the 1933 Act or in a transaction not subject thereto.

(vi) The Subscriber will not resell the Shares except in accordance with the provisions of Regulation S (Rule 901 through 905 and Preliminary Notes thereto), pursuant to a registration under the 1933 Act, or pursuant to an available exemption from registration; and agrees not to engage in hedging transactions with regard to such securities unless in compliance with the 1933 Act.

(vii) The Subscriber will not engage in hedging transactions with regard to shares of the Company prior to the expiration of the distribution compliance period specified in Category 2 or 3 (paragraph (b)(2) or (b)(3)) in Rule 903 of Regulation S, as applicable, unless in compliance with the 1933 Act; and as applicable, shall include statements to the effect that the securities have not been registered under the 1933 Act and may not be offered or sold in the United States or to U.S. persons (other than distributors) unless the securities are registered under the 1933 Act, or an exemption from the registration requirements of the 1933 Act is available.

(viii) No form of “directed selling efforts” (as defined in Rule 902 of Regulation S under the 1933 Act), general solicitation or general advertising in violation of the 1933 Act has been or will be used nor will any offers by means of any directed selling efforts in the United States be made by the Subscriber or any of their representatives in connection with the offer and sale of the Shares.

(h) Compliance with 1933 Act. Such Subscriber understands and agrees that the Shares have not been registered under the 1933 Act or any applicable state securities laws, by reason of their issuance in a transaction that does not require registration under the 1933 Act (based in part on the accuracy of the representations and warranties of the Subscriber contained herein), and that such Shares must be held indefinitely unless a subsequent disposition is registered under the 1933 Act or any applicable state securities laws or is exempt from such registration. The Subscriber acknowledges that the Subscriber is familiar with Rule 144 of the rules and regulations of the Commission, as amended, promulgated pursuant to the 1933 Act (“**Rule 144**”), and that such person has been advised that Rule 144 permits resales only under certain circumstances. The Subscriber understands that to the extent that Rule 144 is not available, the Subscriber will be unable to sell any Shares without either registration under the 1933 Act or the existence of another exemption from such registration requirement. In any event, and subject to compliance with applicable securities laws, the Subscriber may enter into lawful hedging transactions in the course of hedging the position they assume and the Subscriber may also enter into lawful short positions or other derivative transactions relating to the Shares, and deliver the Shares, to close out their short or other positions or otherwise settle other transactions, or loan or pledge the Shares, to third parties who in turn may dispose of these Shares.

(i) Purchased Shares Legend. The Shares shall bear the following or similar legend:

**“ THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT, OR OTHERWISE. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES. ”**

(j) Communication of Offer. The offer to sell the Shares was directly communicated to such Subscriber by the Company. At no time was such Subscriber presented with or solicited by any leaflet, newspaper or magazine article, radio or television advertisement, or any other form of general advertising or solicited or invited to attend a promotional meeting otherwise than in connection and concurrently with such communicated offer.

(k) No Governmental Review. Such Subscriber understands that no United States federal or state agency or any other governmental agency has passed on or made recommendations or endorsement of the Shares or the suitability of the investment in the Shares nor have such authorities passed upon or endorsed the merits of the offering of the Shares.

(l) Correctness of Representations. Such Subscriber represents that the foregoing representations and warranties are true and correct as of the date hereof and, unless such Subscriber otherwise notifies the Company prior to the Closing Date, shall be true and correct as of the Closing Date. The Subscriber understands that the Shares are being offered and sold in reliance on a transactional exemptions from the registration requirement of Federal and state securities laws and the Company is relying upon the truth and accuracy of the representations, warranties, agreements, acknowledgments and understandings of the Subscriber set forth herein in order to determine the applicability of such exemptions and the suitability of the Subscriber to acquire the Shares.

(m) Short Sales and Confidentiality. Other than the transaction contemplated hereunder, the Subscriber has not directly or indirectly, nor has any person acting on behalf of or pursuant to any understanding with the Subscriber, executed any disposition, including short sales (but not including the location and/or reservation of borrowable shares of the Shares), in the securities of the Company during the period commencing from the time that the Subscriber first received a term sheet from the Company or any other person setting forth the material terms of the transactions contemplated hereunder. The Subscriber covenants that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Company as described in Section 5(c), the Subscriber will maintain the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction). The Subscriber understands and acknowledges that the Commission currently takes the position that coverage of short sales of shares of the Shares “against the box” prior to the effective date of the Registration Statement with the Shares is a violation of Section 5 of the 1933 Act, as set forth in Item 65, Section 5 under Section A, of the Manual of Publicly Available Telephone Interpretations, dated July 1997, compiled by the Office of Chief Counsel, Division of Corporation Finance. Notwithstanding the foregoing, the Subscriber does not make any representation, warranty or covenant hereby that it will not engage in short sales in the securities of the Company after the date that the transactions contemplated by this Agreement are first publicly announced as described in Section 5(c). Notwithstanding the foregoing, in the case of a Subscriber that is a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of such Subscriber's assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of such Subscriber's assets, the covenant set forth above shall only apply with respect to the portion of assets managed by the portfolio manager that made the investment decision to purchase the Shares covered by this Agreement.

(n) Acknowledgement of Risk. The Subscriber agrees, acknowledges and understands that its investment in the Shares involves a significant degree of risk, including, without limitation that: (a) the Company is a development stage business with limited operating history and requires substantial funds in addition to the proceeds from the sale of the Shares; (b) an investment in the Company is highly speculative and only subscribers who can afford the loss of their entire investment should consider investing in the Company and the Shares; (c) the Subscriber may not be able to liquidate its investment; (d) transferability of the Shares is extremely limited; and (e) in the event of a disposition of the Shares, the Subscriber can sustain the loss of its entire investment.

(o) No Brokers. The Subscriber has not engaged, consented to or authorized any broker, finder or intermediary to act on its behalf, directly or indirectly, as a broker, finder or intermediary in connection with the transactions contemplated by this Agreement. The Subscriber hereby agrees to indemnify and hold harmless the Company from and against all fees, commissions or other payments owing to any such person or firm acting on behalf of the Subscriber hereunder.

(p) Reliance on Representations. The Subscriber agrees, acknowledges and understands that the Company and its counsel are entitled to rely on the representations, warranties and covenants made by the Subscriber herein. Subscriber further represents and warrants that this Subscription Agreement does not contain any untrue statement or a material fact or omit any material fact concerning Subscriber.

(q) Survival. The foregoing representations and warranties shall survive for a period of one year after the Closing Date.

4. Company Representations and Warranties. The Company represents and warrants to and agrees with each Subscriber that:

(a) Due Incorporation. The Company is a corporation or other entity duly incorporated or organized, validly existing and in good standing under the laws of Nevada and has the requisite corporate power to own its properties and to carry on its business as presently conducted. The Company is duly qualified as a foreign corporation to do business and is in good standing in each jurisdiction where the nature of the business conducted or property owned by it makes such qualification necessary, other than those jurisdictions in which the failure to so qualify would not have a Material Adverse Effect. For purposes of this Agreement, a “ **Material Adverse Effect** ” means any material adverse effect on the business, operations, properties, or financial condition of the Company and its Subsidiaries individually, or in the aggregate and/or any condition, circumstance, or situation that would prohibit or otherwise materially interfere with the ability of the Company to perform any of its obligations under this Agreement in any material respect. For purposes of this Agreement, “ **Subsidiary** ” means, with respect to any entity at any date, any corporation, limited or general partnership, limited liability company, trust, estate, association, joint venture or other business entity of which more than 30% of (i) the outstanding capital stock having (in the absence of contingencies) ordinary voting power to elect a majority of the board of directors or other managing body of such entity, (ii) in the case of a partnership or limited liability company, the interest in the capital or profits of such partnership or limited liability company or (iii) in the case of a trust, estate, association, joint venture or other entity, the beneficial interest in such trust, estate, association or other entity business is, at the time of determination, owned or controlled directly or indirectly through one or more intermediaries, by such entity.

(b) Outstanding Stock. All issued and outstanding shares of capital stock and equity interests in the Company have been duly authorized and validly issued and are fully paid and non-assessable.

(c) Authority; Enforceability. The Transaction Documents have been duly authorized, executed and delivered by the Company and are valid and binding agreements of the Company enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors’ rights generally and to general principles of equity. The Company has full corporate power and authority necessary to enter into and deliver the Transaction Documents and to perform its obligations thereunder.

(d) Capitalization and Additional Issuances. The authorized capital stock of the Company consists of 200,000,000 shares of common stock, at \$0.001 par value per share (the “Common Stock”) and 20,000,000 shares of preferred stock, at \$0.001 par value per share (the “Preferred Stock”). The Company currently has 49,850,000 shares of common stock issued and outstanding and no preferred stock outstanding. There are no options, warrants, or rights to subscribe to, securities, rights, understandings or obligations convertible into or exchangeable for or giving any right to subscribe for any shares of capital stock or other equity interest of the Company or any of the Subsidiaries. There are no outstanding agreements or preemptive or similar rights affecting the Company’s common stock.

(e) Consents . No consent, approval, authorization or order of any court, governmental agency or body or arbitrator having jurisdiction over the Company, or any of its Affiliates, or the Company's shareholders is required for the execution by the Company of the Transaction Documents and compliance and performance by the Company of its obligations under the Transaction Documents, including, without limitation, the issuance and sale of the Shares. The Transaction Documents and the Company's performance of its obligations thereunder have been unanimously approved by the Company's Board of Directors. No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any governmental authority in the world, including without limitation, the United States, or elsewhere is required by the Company or any Affiliate of the Company in connection with the consummation of the transactions contemplated by this Agreement, except as would not otherwise have a Material Adverse Effect or the consummation of any of the other agreements, covenants or commitments of the Company or any Subsidiary contemplated by the other Transaction Documents. Any such qualifications and filings will, in the case of qualifications, be effective on the Closing and will, in the case of filings, be made within the time prescribed by law.

(f) No Violation or Conflict . Assuming the representations and warranties of the Subscriber in Section 3 are true and correct, neither the issuance nor sale of the Shares nor the performance of the Company's obligations under this Agreement and all other Transaction Documents entered into by the Company relating thereto will violate, conflict with, result in a breach of, or constitute a default (or an event which with the giving of notice or the lapse of time or both would be reasonably likely to constitute a default) under (A) the articles or certificate of incorporation, charter or bylaws of the Company, (B) to the Company's knowledge, any decree, judgment, order, law, treaty, rule, regulation or determination applicable to the Company of any court, governmental agency or body, or arbitrator having jurisdiction over the Company or over the properties or assets of the Company or any of its Affiliates, (C) the terms of any bond, debenture, note or any other evidence of indebtedness, or any agreement, stock option or other similar plan, indenture, lease, mortgage, deed of trust or other instrument to which the Company or any of its Affiliates is a party, by which the Company or any of its Affiliates is bound, or to which any of the properties of the Company or any of its Affiliates is subject, or (D) the terms of any "lock-up" or similar provision of any underwriting or similar agreement to which the Company, or any of its Affiliates is a party except the violation, conflict, breach, or default of which would not have a Material Adverse Effect;

(g) The Purchased Shares . The purchased Shares upon issuance:

(i) are, or will be, free and clear of any security interests, liens, claims or other encumbrances, subject only to restrictions upon transfer under the 1933 Act and any applicable state securities laws;

(ii) have been, or will be, duly and validly authorized and on the date of issuance of the Shares, the Shares will be duly and validly issued, fully paid and nonassessable or if resold in a transaction registered pursuant to the 1933 Act and pursuant to an effective registration statement or exempt from registration will be free trading, unrestricted and unlegended;

(iii) will not have been issued or sold in violation of any preemptive or other similar rights of the holders of any securities of the Company or rights to acquire securities of the Company; and

(iv) will not subject the holders thereof to personal liability by reason of being such holders.

(h) Litigation. There is no pending or, to the best knowledge of the Company, threatened action, suit, proceeding or investigation before any court, governmental agency or body, or arbitrator having jurisdiction over the Company, or any of its Affiliates that would affect the execution by the Company or the complete and timely performance by the Company of its obligations under the Transaction Documents. There is no pending or, to the best knowledge of the Company, basis for or threatened action, suit, proceeding or investigation before any court, governmental agency or body, or arbitrator having jurisdiction over the Company, or any of its Affiliates which litigation if adversely determined would have a Material Adverse Effect.

(i) Information Concerning Company. Since inception and except as modified in the Disclosure Materials, there has been no Material Adverse Effect relating to the Company's business, financial condition or affairs.

(j) Defaults. The Company is not in violation of its articles of incorporation or bylaws. The Company is (i) not in default under or in violation of any other material agreement or instrument to which it is a party or by which it or any of its properties are bound or affected, which default or violation would have a Material Adverse Effect, (ii) not in default with respect to any order of any court, arbitrator or governmental body or subject to or party to any order of any court or governmental authority arising out of any action, suit or proceeding under any statute or other law respecting antitrust, monopoly, restraint of trade, unfair competition or similar matters which default would have a Material Adverse Effect, or (iii) not in violation of any statute, rule or regulation of any governmental authority which violation would have a Material Adverse Effect.

(k) No Integrated Offering. Neither the Company, nor any of its Affiliates, nor any person acting on its or their behalf, has directly or indirectly made any offers or sales of any security of the Company nor solicited any offers to buy any security of the Company under circumstances that would cause the offer of the Shares pursuant to this Agreement to be integrated with prior offerings by the Company for purposes of the 1933 Act or any applicable stockholder approval provisions. No prior offering will impair the exemptions relied upon in this Offering or the Company's ability to timely comply with its obligations hereunder. Neither the Company nor any of its Affiliates will take any action or steps that would cause the offer or issuance of the Shares to be integrated with other offerings which would impair the exemptions relied upon in this Offering or the Company's ability to timely comply with its obligations hereunder. The Company will not conduct any offering other than the transactions contemplated hereby that may be integrated with the offer or issuance of the Shares that would impair the exemptions relied upon in this Offering or the Company's ability to timely comply with its obligations hereunder.

(l) No General Solicitation. Neither the Company, nor any of its Affiliates, nor to its knowledge, any person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D/Regulation S under the 1933 Act) in connection with the offer or sale of the Shares.

(m) No Brokers. Neither the Company nor any Subsidiary has taken any action which would give rise to any claim by any person for brokerage commissions, finder's fees or similar payments relating to this Agreement or the transactions contemplated hereby.

(n) Dilution. The Company's executive officers and directors understand the nature of the Shares being sold hereby and recognize that the issuance of the Shares will have a dilutive effect on the equity holdings of other holders of the Company's equity or rights to receive equity of the Company. The board of directors of the Company has concluded, in its good faith business judgment that the issuance of the Shares is in the best interests of the Company. The Company specifically acknowledges that its obligation to issue the Shares is binding upon the Company and enforceable regardless of the dilution such issuance may have on the ownership interests of other shareholders of the Company or parties entitled to receive equity of the Company.

(o) Foreign Corrupt Practices. Neither the Company, nor to the knowledge of the Company, any agent or other person acting on behalf of the Company, has (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company (or made by any person acting on its behalf of which the Company is aware) which is in violation of law, or (iv) violated in any material respect any provision of the Foreign Corrupt Practices Act of 1977, as amended.

(p) Money Laundering Laws. The operations of each of the Company and its Subsidiaries are and have been conducted at all times in compliance with the money laundering requirements of all applicable governmental authorities and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental authority (collectively, the "**Money Laundering Laws** ") and no action, suit or proceeding by or before any court or governmental authority or any arbitrator involving any of the Company or any of its Subsidiaries with respect to the Money Laundering Laws is pending or, to the best knowledge of the Company, threatened.

(q) Correctness of Representations. The Company represents that the foregoing representations and warranties are true and correct as of the date hereof in all material respects, and, unless the Company otherwise notifies the Subscribers prior to the Closing Date, shall be true and correct in all material respects as of the Closing Date; provided, that, if such representation or warranty is made as of a different date, in which case such representation or warranty shall be true as of such date.

(r) Survival. The foregoing representations and warranties shall survive for a period of one year after the Closing Date.

5. Covenants of the Company. The Company covenants and agrees with the Subscribers as follows:

(a) Use of Proceeds. The proceeds of the Offering will be employed by the Company, at its sole discretion, for expenses of the Offering and general working capital, etc.

(b) Governmental Authorities. The Company shall duly observe and conform in all material respects to all valid requirements of governmental authorities relating to the conduct of its business or to its properties or assets.

(c) Confidentiality/Public Announcement. The Company agrees that except in connection with a registration statement or statements regarding the Subscriber's Shares or in correspondence with the Commission regarding same, it will not disclose publicly or privately the identity of the Subscriber unless expressly agreed to in writing by a Subscriber or only to the extent required by law and then only upon not less than three days prior notice to Subscriber.

(d) Non-Public Information. The Company covenants and agrees that except for the Disclosure Materials and the Transaction Documents, neither it nor any other person acting on its behalf will at any time provide any Subscriber or its agents or counsel with any information that the Company believes constitutes material non-public information, unless prior thereto such Subscriber shall have agreed in writing to accept such information. The Company understands and confirms that each Subscriber shall be relying on the foregoing representations in effecting transactions in securities of the Company.

6. Closing Conditions.

(a) The obligation hereunder of the Subscriber to acquire and pay for the Shares is subject to the satisfaction or waiver, at or before the Closing, of each of the conditions set forth below. These conditions are for the Subscriber's sole benefit and may be waived by the Subscriber at any time in its sole discretion.

(i) The representations and warranties of the Company contained in this Agreement shall have been true and correct on the date of this Agreement and shall be true and correct on the Closing Date as if given on and as of the Closing Date (except for representations given as of a specific date, which representations shall be true and correct as of such date), and on or before the Closing Date the Company shall have performed all covenants and agreements of the Company contained herein or in any of the other Transaction Documents required to be performed by the Company on or before the Closing Date; and

(ii) The Transaction Documents have been duly executed by the Company.

(b) The obligation hereunder of the Company to issue and sell the Shares to the Purchaser is subject to the satisfaction or waiver, at or before the Closing, of each of the conditions set forth below. These conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion.

(i) The representations and warranties of the Subscriber in this Agreement and each of the other Transaction Documents to which the Subscriber is a party shall be true and correct in all material respects as of the date when made and as of the Closing Date as though made at that time, except for representations and warranties that are expressly made as of a particular date, which shall be true and correct in all material respects as of such date;

(ii) The Purchase Price for the Shares has been delivered to the Bank Account maintained by the Company; and

(iii) The Transaction Documents to which the Subscriber is a party have been duly executed by the Subscriber.

7. Miscellaneous.

(a) Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, telegram, or facsimile, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be:

If to the Company, to:

WINHA International Group Limited  
Unit 503, 5/F, Silvercord Tower 2  
30 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong  
Attn: Chung Yan Winnie Lam, Chief Executive Officer  
Facsimile: +852 30204378

With a copy by fax only to (which copy shall not constitute notice):

Anslow & Jaclin LLP  
195 Route 9 South, 2<sup>nd</sup> Floor  
Manalapan, NJ 07726  
Attn: Gregg E. Jaclin, Esq.  
Facsimile: (732) 577-1188

If to the Subscribers:

To each of the addresses and facsimile numbers listed on the signature pages of this Agreement.

(b) Entire Agreement; Amendment. This Agreement and the other Transaction Documents contain the entire understanding and agreement of the parties with respect to the matters covered hereby and, except as specifically set forth herein or in the Transaction Documents, neither the Company nor any of the Subscribers makes any representations, warranty, covenant or undertaking with respect to such matters and they supersede all prior understandings and agreements with respect to said subject matter, all of which are merged herein. No provision of this Agreement nor any of the Transaction Documents may be waived or amended other than by a written instrument signed by the Company and the holders of at least fifty percent (50%) of the total shares of common stock purchased in the Offering and then outstanding (the “**Majority Holders**”), and no provision hereof may be waived other than by a written instrument signed by the party against whom enforcement of any such waiver is sought. No such amendment shall be effective to the extent that it applies to less than all of the holders of the Shares then outstanding. No consideration shall be offered or paid to any person to amend or consent to a waiver or modification of any provision of any of the Transaction Documents unless the same consideration is also offered to all of the parties to the Transaction Documents or holders of Shares, as the case may be.

(c) Counterparts/Execution. This Agreement may be executed in any number of counterparts and by the different signatories hereto on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument. This Agreement may be executed by facsimile transmission, PDF, electronic signature or other similar electronic means with the same force and effect as if such signature page were an original thereof.

(d) Law Governing this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Agreement shall be brought only in the state courts of Nevada or in the federal courts located in the state of Nevada. The parties to this Agreement hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon forum non conveniens. **The parties executing this Agreement and other agreements referred to herein or delivered in connection herewith on behalf of the Company agree to submit to the in personam jurisdiction of such courts and hereby irrevocably waive trial by jury.** The prevailing party shall be entitled to recover from the other party its reasonable attorney’s fees and costs. In the event that any provision of this Agreement or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Agreement or any other Transaction Documents by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

(e) Specific Enforcement, Consent to Jurisdiction . The Company and Subscribers acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to seek an injunction or injunctions to prevent or cure breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof, this being in addition to any other remedy to which any of them may be entitled by law or equity. Subject to Section 7(d) hereof, the Company and the Subscribers hereby irrevocably waive, and agree not to assert in any such suit, action or proceeding, any claim that it is not personally subject to the jurisdiction in Nevada of such court, that the suit, action or proceeding is brought in an inconvenient forum or that the venue of the suit, action or proceeding is improper. Nothing in this Section shall affect or limit any right to serve process in any other manner permitted by law.

(f) Damages . In the event the Subscriber is entitled to receive any liquidated damages pursuant to the Transactions Documents, the Subscriber may elect to receive the greater of actual damages or such liquidated damages.

(g) Calendar Days . All references to “ **days** ” in the Transaction Documents shall mean calendar days unless otherwise stated. The terms “ **business days** ” and “trading days” shall mean days that the New York Stock Exchange is open for trading for three or more hours. Time periods shall be determined as if the relevant action, calculation or time period were occurring in New York City. Any deadline that falls on a non-business day in any of the Transaction Documents shall be automatically extended to the next business day and interest, if any, shall be calculated and payable through such extended period.

(h) Captions: Certain Definitions . The captions of the various sections and paragraphs of this Agreement have been inserted only for the purposes of convenience; such captions are not a part of this Agreement and shall not be deemed in any manner to modify, explain, enlarge or restrict any of the provisions of this Agreement. As used in this Agreement the term “ **person** ” shall mean and include an individual, a partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization and a government or any department or agency thereof.

(i) Severability . In the event that any term or provision of this Agreement shall be finally determined to be superseded, invalid, illegal or otherwise unenforceable pursuant to applicable law by an authority having jurisdiction and venue, that determination shall not impair or otherwise affect the validity, legality or enforceability: (i) by or before that authority of the remaining terms and provisions of this Agreement, which shall be enforced as if the unenforceable term or provision were deleted, or (ii) by or before any other authority of any of the terms and provisions of this Agreement.

*[Signature Pages Follow]*

**SIGNATURE PAGE TO SUBSCRIPTION AGREEMENT**

Please acknowledge your acceptance of the foregoing Subscription Agreement with WINHA International Group Limited by signing and returning a copy to the Company whereupon it shall become a binding agreement.

**NUMBER OF SHARES** \_\_\_\_\_ x **\$0.10** = \_\_\_\_\_ (the "**Purchase Price**")

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature (if purchasing jointly)

\_\_\_\_\_  
Name Typed or Printed

\_\_\_\_\_  
Name Typed or Printed

\_\_\_\_\_  
Entity Name

\_\_\_\_\_  
Entity Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State and Zip Code

\_\_\_\_\_  
City, State and Zip Code

\_\_\_\_\_  
Telephone - Business

\_\_\_\_\_  
Telephone - Business

\_\_\_\_\_  
Telephone – Residence

\_\_\_\_\_  
Telephone – Residence

\_\_\_\_\_  
Facsimile – Business

\_\_\_\_\_  
Facsimile - Business

\_\_\_\_\_  
Facsimile – Residence

\_\_\_\_\_  
Facsimile – Residence

\_\_\_\_\_  
Tax ID # or Social Security #

\_\_\_\_\_  
Tax ID # or Social Security #

Name in which securities should be issued: \_\_\_\_\_

Dated: \_\_\_\_\_, 2013

This Subscription Agreement is agreed to and accepted as of the date first written above.

**WINHA INTERNATIONAL GROUP LIMITED**

By:

\_\_\_\_\_  
Name: Chung Yan Winnie Lam  
Title: Chief Executive Officer

**DEFINITION OF "ACCREDITED INVESTOR"  
WITHIN THE MEANING OF REGULATION D**

An accredited investor means any person who comes within any of the following categories, or whom the Corporation reasonably believes comes within any of the following categories, at the time of the sale of the Shares to that person:

(i) any bank as defined in Section 3(a)(2) of the Securities Act or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity; any broker dealer registered pursuant to Section 15 of the Exchange Act; any insurance Corporation as defined in Section 2(13) of the Securities Act; any investment Corporation registered under the Investment Corporation Act of 1940 or a business development Corporation as defined in Section 2(a)(48) of that act; any Small Business Investment Corporation licensed by the U.S., Small Business Administration under Section 301 (c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such act, which is either a bank, savings and loan association, insurance Corporation, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000, or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

(ii) any private business development Corporation as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;

(iii) any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000;

(iv) any of the directors or executive officers of the Corporation;

(v) any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of investment in the Units, exceeds \$1,000,000;

(vi) any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching that same income level in the current year;

(vii) any trust with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the Units, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of Regulation D; or

(viii) any entity in which all of the equity owners are accredited investor



### WINHA Partnership Agreement for Local Specialty Product Retail Stores

Party A : Zhongshan WINHA Electronic Commerce Company Limited

Address : Suite 918, Yihe Centre, No.5 Xingzhong Ave., Shiqi District, Zhongshan, People's Republic of China 528400

Tel: +86-760-88963655

Fax: +86-760-89888022

Party B : \_\_\_\_\_

Resident Identity Card No. : \_\_\_\_\_ Mobile : \_\_\_\_\_

Tel: \_\_\_\_\_ Fax : \_\_\_\_\_

The retailing of "WINHA local specialty products" is the business managed by Party A. Prior to signing this agreement, Party A and B confirm that they had comprehensive, detailed discussions regarding WINHA's operations, including the marketing and partnership requirements. Party B acknowledges and accepts the potential risks and benefits associated with entering into this agreement with Party A. After significant review and analysis, the parties developed and are entering into the following mutually beneficial agreement, as follows:

#### 1. 1.Content of Partnership

- 1.1 WINHA's local specialty products retail stores, along with its online and mobile app stores, collectively, comprise the WINHA local specialty products shopping platform, which is the business managed by Party A.
- 1.2 Party A authorizes Party B to open a WINHA local specialty products retail store in \_\_\_\_\_(city), (province), and sell the products supplied by Party A for a fixed period of mutually agreed upon time, as set forth in Section 1.3.
- 1.3 This agreement shall remain in full force and effect for \_\_\_\_\_ years, starting (Month/Date/Year) and ending (Month/Date/Year).

#### 2 Conditions and Requirements of Partnership

- 2.1 Party B must be either a legal business entity or a PRC citizen, and provide the following documents to Party A before signing this agreement.
  - Business Entity : Business License: (copy) Tax Registration Certificate (copy)
  - Individual : Resident Identity Card (copy)
- 2.2 Upon signing this agreement, Party B must pay \_\_\_\_\_RMB in annual operating expenses for the term of this agreement.
- 2.3 Within the partnership period, Party B must pay Party A 3,000 RMB per year as an annual website management fee. Party B is exempt from a first year management fee, but such fee is due on (Month/Day) each year in all subsequent years.

WINHA E-commerce Limited, Zhongshan City  
 918 Yihe Centre, No.5 Xingzhong Ave, Shiqi District, Zhongshan City, Guangdong  
 Tel: (0760) 88963655 Fax: (0760) 89888022

Website: www.WINHA.com

2.4 Party B shall remit an operating fee to the bank account designated by Party A within five (5) business days after signing this agreement. In return, Party A shall allow Party B to use the WINHA online shopping platform. Once service to the platform is granted, Party A will not refund the operating fee to Party B for any reason.

3 Within forty-five (45) days after signing this agreement, Party B shall provide Party A all required documents to open a WINHA specialty store, and complete the store opening process (including location selection, decoration, and purchasing inventory to set up the store). Party A reserves the right to terminate Party B's partnership with "WINHA local specialty product retail store" if Party B fails to provide relevant documents or to finish the store opening process in a timely manner. **Duties of Party A**

3.1 This business operation is owned by Party A, and is entirely planned, operated and managed by Party A.

3.2 Party A shall construct, maintain and periodically update the WINHA online shopping platform and its mobile app store, to ensure normal operation during the effective period of this agreement.

3.3 Party A shall provide Party B with a detailed operating, managing, and marketing business proposal for the WINHA online platform as well as its local specialty retail stores.

Party A shall support and assist Party B in selecting store location, decoration, display and marketing. Party A shall assign experienced company staff to provide Party B with necessary training, guidance and supervision.

#### 4 Rights of Party B

4.1 Party B is authorized by Party A to set up its stores and sell products under the name of "WINHA local specialty product retail store."

4.2 Party B is permitted by Party A to access and manage, as relates to the exclusive products it sells, its online store on the WINHA e-commerce shopping platform.

4.3 Party B is authorized to use WINHA's trademark, brand image, management technology and business model within the geographic region provided by this agreement. Party A retains sole and unilateral discretion to determine matters related to brand ownership, management and related intellectual property rights, business secrets, and all other business activities.

4.4 Party B has the right to use WINHA's membership reward system.

4.5 Upon signing this agreement and Party A receiving all required fees from Party B, Party B shall receive 100,000 discretionary membership reward points from WINHA. In addition, for, Party B shall be credited 5% of the spending of each member registered in Party B's retail store as commission.

4.6 Party B has the right to open additional retail stores, on its own or through sub-agents, within its exclusive geographic area. When such additional retail stores are successfully opened, Party B will receive further WINHA gift points, awards and commissions. Party B will be responsible for the management of these additional retail locations and their related online store products.

WINHA E-commerce Limited, Zhongshan City

918 Yihe Centre, No.5 Xingzhong Ave, Shiqi District, Zhongshan City, Guangdong

Tel: (0760) 88963655

Fax: (0760) 89888022

Website: www.WINHA.com

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4.7 WINHA authorizes Party B to manage all such sub-agented retail stores within its exclusive geographic area. Party B will obtain \_\_\_\_\_% of the price difference between the sales price of its sub-agented retail store and the supply price from WINHA.

## 5 Supply and Sales

- 5.1 Party B must sell high quality, 100% locally-produced specialty products from the area stated in this agreement.
- 5.2 Party B is must organize and purchase high quality, 100% locally-produced specialty products from the area stated in this agreement. WINHA is responsible to distribute and sell those products throughout the rest of the country.
- 5.3 Party B is authorized to sell products from two sources in its WINHA local specialty product retail store:
  - 5.3.1 Specialty products from different regions supplied by WINHA
  - 5.3.2 High quality, 100% locally-produced specialty products from the area stated in this agreement, which are purchased by Party B.
- 5.4 When ordering WINHA-supplied specialty products from other regions from Party A, Party B shall submit an order list in writing to Party A. Party A shall ship corresponding products in five (5) business days after receiving the request. If it is delayed, Party A shall inform Party B within eight (8) hours after receiving the list and negotiate an appropriate shipping time.
- 5.5 When ordering Party B-supplied specialty products from a specific region, Party A shall submit an order list in writing to Party B. After receiving the list, Party B shall ship corresponding products in five (5) business days. If it is delayed, Party B shall inform Party A within eight (8) hours after receiving the list and negotiate an appropriate shipping time.
- 5.6 The supplying price from Party B shall be lower than the market average supplying price for a given product. If the supplying factory's price fluctuates, the supplying party shall notify the other party immediately, and negotiate a newly agreed upon supplying price.
- 5.7 Both parties shall pay off invoices in five (5) business days after products are delivered. If either party fails to do so, the shipping party has the right to collect 5% of the product's retail price as an overdue/late charge.
- 5.8 During this agreement's effective period, the supplying party shall recall any defective products immediately once any quality problems are discovered, and replace them with satisfactory products, and bear all corresponding expenses.

## 6 Operation and Management of Retail Stores

- 6.1 Party B promises to obtain all relevant and required legal, commercial and tax qualifications necessary under applicable rules, laws and regulations prior to opening a "WINHA local specialty product retail store." The retail store operating area shall be no less than \_\_\_\_\_ square meters.

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Tel: (0760) 88963655 Fax: (0760) 89888022

Website: www.WINHA.com

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- 6.2 The location of the retail store will comply with recommendations from Party B. Party B shall bear full responsibility for the retail store rental expense and related corresponding fees.
  - 6.3 Party A will provide Party B with a uniform interior and exterior design of the store. Party B shall take into consideration and implement the decor, and bear the corresponding fees.
  - 6.4 Party B shall display products according to the recommendations and guidance of Party A.
  - 6.5 Upon signing this agreement, Party B shall provide required documents to Party A, and complete the store opening process (including location selection, decoration, and purchasing inventory to set up the store). If Party B fails to provide relevant documents or to complete the store opening process, Party A shall have the right to terminate the partnership with Party B of its “WINHA local specialty product retail store.”
  - 6.6 Party B shall sell products in its store at the price designated by Party A. The price should also comply with the corresponding product price listed on the WINHA platform. Party B shall not change the price unless authorized by Party A. If Party B violates this rule, Party A shall have the right to impose severe penalties on Party B.
  - 6.7 When selling WINHA’s products, Party B is obligated to provide customers with detailed product and price information, and to deal with trade disputes, including customer complaints, in a timely manner.
  - 6.8 When after-sale problems occur on the WINHA online shopping platform or with products sold by Party B, even if customers initially contact Party B to resolve a matter, Party B shall promptly notify WINHA customer service, and then expeditiously work to provide customers/clients with satisfactory solutions.
- 7 Party B shall operate and manage the franchise store pursuant to guidance from the “WINHA Local Specialty Products Retail Store Operating Manual.” In the event of extenuating circumstances, and specific adjustment of business practices are needed, Party B shall first obtain written permission from Party A. **7. Operation and Management of Online Stores**
- 7.1 After signing this agreement, Party A shall provide Party B with access to the WINHA online store in seven (7) business days after receiving the project operating fee from Party B.
  - 7.2 Party B shall provide Party A with specialty product samples and related information within thirty (30) days after signing this agreement. Party A will check the product quality and packaging and determine whether the product originates from where indicated. Party A will also take photopictures of products, write product introductions and post product details and pricing on Party B’s portion of WINHA’s online store with Party B’s confirmation. If Party B fails to provide Party A with specialty product samples and related information within fifteen (15) days after the time limit, Party A is entitled to terminate Party B’s online store operating rights, and not refund any related fees.
  - 7.3 Party B has the right to use Party A’s professional gift point platform membership reward system, including its administrative and support services. Party B is given discretion to provide customers with up to 100,000 membership points Party B shall register 1,000 customers in the point platform system to the membership system within six (6) month after Party B’s portion of the online store opens. If Party B fails to achieve this target before the deadline, Party A has the right to cancel the points provided Party B.

WINHA E-commerce Limited, Zhongshan City  
918 Yihe Centre, No.5 Xingzhong Ave, Shiqi District, Zhongshan City, Guangdong  
Fax: (0760) 89888022

Tel: (0760) 88963655

Website: www.WINHA.com

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- 7.1 Party B shall ship products in two (2) business days after receiving online orders (the day of receiving orders shall be considered as the first business day). Party B shall contact buyers promptly if there will be any delay, and inform them of the reason for the delay and a new delivery time.
- 7.2 Party A shall have at least 400 customer service phone lines available to deal with any problems related to product quality, shipping or logistics which might occur before and after each purchase.
- 7.3 If any single product provided by Party A and sold by Party B in its online store receives complaints from customers more than three times in one month, Party A has the right to require Party B to remove the product immediately. Party B must not further sell the product unless Party B immediately rectify the product in issue and receive Party A's approval to reshell the product..
- 7.4 Party B promises to sell the same products that are shown on the online store to customers. If there is any issue regarding product's quality, packaging, sizing,safety, and/or shipping, Party B shall unconditionally provide exchange or refund the purchase amount. Party B shall bear any expenses and loss accordingly upon a post-sale review by Party A.
- 7.5 Based on the sales achieved by Party B, as determined only after customers receive their purchased products supplied by Party B, Party A will remit to Party B the agreed upon amount to the indicated bank account designated by Party B:\_\_\_\_\_.

## 8 Privacy Policy

- 8.1 Both parties have the responsibility to keep all client's information that is obtained by this agreement confidential.
- 8.2 Both parties agree that any Party (information receiver) will keep operating technology or any information of related Party (information provider) confidential. Any Party shall not disclose any content of confidential information to any third parties outside of this agreement at any time, unless it has obtained written consent from the information provider. Information receiver shall not copy the confidential information, unless it has written consent from information provider or it is a reasonable requirement to implement the obligations of the agreement.
- 8.3 The duration of maintaining confidentiality lasts for the period of this agreement plus five (5) years after the agreement expires. If any information becomes generally known to the public, the confidential obligation as pertains to that information is terminated.
- 8.4 If any Party violates any clause herein , the breaching party shall pay the non-breaching Party 50,000 RMB for liquidated damages and any economic losses (including but not limited to attorneys' fees, investigation charges, and travel expenses). Upon such event, the non-breaching Party may also terminate this agreement immediately.

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**9 Liability for Breach of Agreement**

- 9.1 If any Party cannot fulfill its obligations under this agreement, it will be considered in breach of this agreement. The breaching Party shall be liable for breach of this agreement, and compensate the other Party for any corresponding economic losses. If obligations under this agreement cannot be fulfilled due to uncontrollable reasons, neither Party bears such responsibility for failure to fulfill the agreement's terms. Both parties instead shall endeavor to resolve any issue through good faith negotiation.
- 9.2 If any Party breaches the agreement and causes a negative impact or economic loss on the non-breaching Party, the other Party may commence legal action against the breaching Party, requesting injunctive relief and economic compensation, which includes but is not limited to attorneys' fees, investigation charges, and travel expenses.

**10 Change and Termination**

- 10.1 Any Party under this agreement who would like to modify the content of this agreement shall provide the other Party with a fifteen-day notice in writing. Any verbal agreement has no binding effect.
- 10.2 Any Party shall not terminate the agreement without reasonable grounds. Otherwise, the Party will take full responsibility for any loss and will compensate the other Party for related damages. The specific compensation amount shall be negotiated and confirmed by both parties.
- 10.3 Any related matters which are not covered by this agreement shall be negotiated in good faith by both parties and be included in the form of a written addendum. The addendum shall be considered inseparable from this agreement and shall enjoy the same legal force as the underlying agreement.
- 10.4 If obligations under this agreement cannot be fulfilled due to uncontrollable reasons, neither Party bears responsibility for such failure. This agreement is subject to the relevant national, provincial and municipal ordinance, laws and regulations.

**11 Miscellaneous**

- 11.1 This agreement must be executed in two original copies, and each Party shall receive one original copy. The agreement takes effect immediately upon the execution of both parties. The term of this agreement is \_\_\_\_\_ years, commencing from when the agreement takes effect.
  - 11.2 Any conflicts or disputes related to this agreement and raised by either Party shall be resolved through good faith negotiations. If it cannot be resolved by such negotiations, either Party may only commence legal action lawsuit action to the court where Party A resides.
  - 11.3 Other items: \_\_\_\_\_
- 
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WINHA E-commerce Limited, Zhongshan City  
918 Yihe Centre, No.5 Xingzhong Ave, Shiqi District, Zhongshan City, Guangdong  
Tel: (0760) 88963655 Fax: (0760) 89888022 Website: www.WINHA.com

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www.winha.com WINHA E-commerce Limited, Zhongshan City

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Party A : Zhongshan WINHA Electronic Commerce Company Limited

Party B:

Representative:

Representative:

Tel:

Tel:

Fax:

Fax:

Date:

Date:

WINHA E-commerce Limited, Zhongshan City  
918 Yihe Centre, No.5 Xingzhong Ave, Shiqi District, Zhongshan City, Guangdong  
Tel: (0760) 88963655 Fax: (0760) 89888022

Website: www.WINHA.com

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1.2 [REDACTED]  
[REDACTED]  
[REDACTED] 1.3 [REDACTED]

Party B agrees to accept all the services provided by Party A. Party B further agrees that unless with Party A's prior written consent, during the term of this Agreement, Party B shall not directly or indirectly accept the same or any similar services provided by any third party and shall not establish similar corporation relationship with any third party regarding the matters contemplated by this Agreement. Party A may appoint other parties, who may enter into certain agreements described in Section 1.3 with Party B, to provide Party B with the services under this Agreement.

1.3 [REDACTED]

Service Providing Methodology

1.3.1 [REDACTED]  
[REDACTED]

Party A and Party B agree that during the term of this Agreement, where necessary, Party B may enter into further service agreements with Party A or any other party designated by Party A, which shall provide the specific contents, manner, personnel, and fees for the specific services.

1.3.2 [REDACTED]  
[REDACTED]

To fulfill this Agreement, Party A and Party B agree that during the term of this Agreement, where necessary, Party B may enter into equipment or property leases with Party A or any other party designated by Party A which shall permit Party B to use Party A's relevant equipment or property based on the needs of the business of Party B.

[REDACTED] Strictly Confidential

1.3.3 [Redacted]

Party B hereby grants to Party A an irrevocable and exclusive option to purchase from Party B, at Party A's sole discretion, any or all of the assets and business of Party B, to the extent permitted under PRC law, at the lowest purchase price permitted by PRC law. The Parties shall then enter into a separate assets or business transfer agreement, specifying the terms and conditions of the transfer of the assets.

2. [Redacted]

**The Calculation and Payment of the Service Fees**

2.1 [Redacted]

The fees payable by Party B to Party A during the term of this Agreement shall be calculated as follows:

2.1.1 [Redacted]

Party B shall pay service fee to Party A in each month. The service fee for each month shall consist of management fee and fee for services provided, which shall be determined by the Parties through negotiation after considering:

(1) [Redacted]

Complexity and difficulty of the services provided by Party A;

[Redacted] Strictly Confidential











6.3 [REDACTED]  
[REDACTED]

Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

7. [REDACTED]

**Breach of Agreement and Indemnification**

7.1 [REDACTED] / [REDACTED] 7.1 [REDACTED]  
[REDACTED]

If Party B conducts any material breach of any term of this Agreement, Party A shall have right to terminate this Agreement and/or require Party B to indemnify all damages; this Section 7.1 shall not prejudice any other rights of Party A herein.

7.2 [REDACTED]

Unless otherwise required by applicable laws, Party B shall not have any right to terminate this Agreement in any event.

7.3 [REDACTED]  
[REDACTED]

Party B shall indemnify and hold harmless Party A from any losses, injuries, obligations or expenses caused by any lawsuit, claims or other demands against Party A arising from or caused by the services provided by Party A to Party B pursuant this Agreement, except where such losses, injuries, obligations or expenses arise from the gross negligence or willful misconduct of Party A.

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8.3 [Redacted]

In the event of Force Majeure, the Parties shall immediately consult with each other to find an equitable solution and shall use all reasonable endeavours to minimize the consequences of such Force Majeure.

9. [Redacted]

**Notices**

9.1 [Redacted]

All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such Party set forth below. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

9.1.1 [Redacted]

Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of receipt or refusal at the address specified for notices.

9.1.2 [Redacted]

Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

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1.4.2 [REDACTED] / [REDACTED]  
Party B shall obtain written statements from the other shareholders of Party C giving consent to the transfer of the equity interest to Party A and/or the Designee(s) and waiving any right of first refusal related thereto;

1.4.3 [REDACTED] / [REDACTED]  
Party B shall execute an equity interest transfer contract with respect to each transfer with Party A and/or each Designee (whichever is applicable), in accordance with the provisions of this Agreement and the Equity Interest Purchase Option Notice regarding the Optioned Interests;

1.4.4 [REDACTED] / [REDACTED] / [REDACTED] " [REDACTED]" [REDACTED]  
[REDACTED] / [REDACTED] / [REDACTED] " [REDACTED]" [REDACTED]  
[REDACTED] / [REDACTED] " [REDACTED]" [REDACTED]  
[REDACTED] / [REDACTED] " [REDACTED]" [REDACTED]  
[REDACTED]  
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 valid ownership of the Optioned Interests to Party A and/or the Designee(s), unencumbered by any security interests, and cause Party A and/or the Designee(s) to become the registered owner(s) of the Optioned Interests. For the purpose of this Section and this Agreement, "security interests" shall include securities, mortgages, third party's rights or interests, any stock options, acquisition right, right of first refusal, right to offset, ownership retention or other security arrangements, but shall be deemed to exclude any security interest created by this Agreement, Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney. "Party B's Equity Interest Pledge Agreement" as used in this Agreement shall refer to the Interest Pledge Agreement executed by and among Party A, Party B and Party C on the date hereof and any modification, amendment and restatement thereto. "Party B's Power of Attorney" as used in this Agreement shall refer to the Power of Attorney executed by Party B on the date hereof granting Party A with power of attorney and any modification, amendment and restatement thereto.

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2.1.13  Without the prior written consent of Party A, they shall ensure that Party C shall not in any manner distribute dividends to its shareholders, provided that upon Party A's written request, Party C shall immediately distribute all distributable profits to its shareholders;

2.1.14  At the request of Party A, they shall appoint any person designated by Party A as the director or executive director of Party C.

2.1.15  Without Party A's prior written consent, they shall not engage in any business in competition with Party A or its affiliates; and

2.1.16  Unless otherwise required by PRC law, Party C shall not be dissolved or liquidated without prior written consent by Party A.

2.2  Covenants of Party B

Party B hereby covenants as follows:

2.2.1  Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or dispose of in any other manner any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the encumbrance thereon, except for the interest placed in accordance with Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney;

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- 2.2.2 [REDACTED] / [REDACTED]  
 [REDACTED]  
 Without the prior written consent of Party A, Party B shall cause the shareholders' meeting and/or the directors (or the executive director) of Party C not to approve any sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the encumbrance thereon of any security interest, except for the interest placed in accordance with Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney;
- 2.2.3 [REDACTED] / [REDACTED]  
 [REDACTED]  
 Without the prior written consent of Party A, Party B shall cause the shareholders' meeting or the directors (or the executive director) of Party C not to approve the merger or consolidation with any person, or the acquisition of or investment in any person;
- 2.2.4 [REDACTED]  
 Party B shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the equity interests in Party C held by Party B;
- 2.2.5 [REDACTED] ( [REDACTED] ) [REDACTED]  
 Party B shall cause the shareholders' meeting or the directors (or the executive director) of Party C to vote their approval of the transfer of the Optioned Interests as set forth in this Agreement and to take any and all other actions that may be requested by Party A;
- 2.2.6 [REDACTED]  
 [REDACTED]  
 To the extent necessary to maintain Party B's ownership in Party C, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and raise necessary or appropriate defenses against all claims;

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2.2.7  Party B shall appoint any designee of Party A as the director or the executive director of Party C, at the request of Party A;

2.2.8  Party B hereby waives its right of first of refusal to transfer of equity interest by any other shareholder of Party C to Party A (if any), and gives consent to execution by each other shareholder of Party C with Party A and Party C the exclusive option agreement, the equity interest pledge agreement and the power of attorney similar to this Agreement, Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney and undertakes not to take any action in conflict with such documents executed by the other shareholders;

2.2.9  Party B shall promptly donate any profit, interest, dividend or proceeds of liquidation to Party A or any other person designated by Party A to the extent permitted under applicable PRC laws; and

2.2.10  Party B shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by and among Party B, Party C and Party A, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. To the extent that Party B has any remaining rights with respect to the equity interests subject to this Agreement hereunder or under the Party B's Equity Interest Pledge Agreement or under the Party B's Power of Attorney, Party B shall not exercise such rights except in accordance with the written instructions of Party A.

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3.3 [REDACTED] (i) [REDACTED] (ii) [REDACTED] [REDACTED] (iii) [REDACTED] (iv) [REDACTED] (v) [REDACTED]

The execution and delivery of this Agreement or any Transfer Contracts and the obligations under this Agreement or any Transfer Contracts shall not: (i) cause any violation of any applicable laws of China; (ii) be inconsistent with the articles of association, bylaws or other organizational documents of Party C; (iii) 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) cause any violation of any condition for the grant and/or continued effectiveness of any licenses or permits issued to either of them; or (v) cause the suspension or revocation of or imposition of additional conditions to any licenses or permits issued to either of them;

3.4 [REDACTED]  
Party B has a good and merchantable title to the equity interests held by Party B in Party C. Except for Party B's Equity Interest Pledge Agreement and Party B's Power of Attorney, Party B has not placed any security interest on such equity interests;

3.5 [REDACTED]  
Party C has a good and merchantable title to all of its assets, and has not placed any security interest on the aforementioned assets;

3.6 [REDACTED] (i) [REDACTED] (ii) [REDACTED]  
Party C does not have any outstanding debts, except for (i) debt incurred in the ordinary course of business; and (ii) debts disclosed to Party A for which Party A's written consent has been obtained.

[REDACTED] Strictly Confidential

3.7  Party C has complied with all laws and regulations of China applicable to asset acquisitions; and

3.8  There are no pending or threatened litigation, arbitration or administrative proceedings relating to the equity interests in Party C, assets of Party Cor Party C.

4.  **Effective Date and Term**

/   
This Agreement shall become effective upon execution by the Parties, and remain effective until all equity interests held by Party B in Party C have been transferred or assigned to Party A and/or any other person designated by Party A in accordance with this Agreement.

5.  **Governing Law and Resolution of Disputes**

5.1  **Governing law**

The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of PRC.

5.2  **Methods of Resolution of Disputes**

30   
  
  
In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Parties for resolution of the dispute through negotiations, either Party may submit the relevant dispute to the South China International Economic and Trade Arbitration Commission (the Shenzhen Court of International Arbitration) for arbitration, in accordance with its arbitration rules. The arbitration shall be conducted in Shenzhen. The arbitration award shall be final and binding on all Parties.

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7.1.1 Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of receipt or refusal at the address specified for notices;

7.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

7.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A: Shenzhen Wanhe Information Technology Limited
Address: No.5, 24th Floor, North, Hubei Building, No.9003, Binhe Road, Futian District, Shenzhen, China
Attn: Lai Zening
Phone: 0755-83566110
Facsimile: 0755-83571648

Party B:
Address:
Phone:
Facsimile:

Party C: Zhongshan WINHA Electronic Commerce Co., Limited
Address: Room 918, #5 Xingzhong Avenue, Shiqi District, Zhongshan City, Guangdong Province, China
Attn: Zhong Zhuowei
Phone: 0760-88963600
Facsimile: 0760-89888022

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9. Further Warranties

The Parties agree to promptly execute documents that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement and take further actions that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement.

10. Breach of Agreement

10.1 If Party B or Party C conducts any material breach of any term of this Agreement, Party A shall have right to terminate this Agreement and/or require the Party B or Party C to compensate all damages; this Section 10 shall not prejudice any other rights of Party A herein;

10.2 Party B or Party C shall not have any right to terminate this Agreement in any event unless otherwise required by applicable laws.

11. Miscellaneous

11.1 Amendment, change and supplement

Any amendment, change and supplement to this Agreement shall require the execution of a written agreement by all of the Parties.

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3.1.5 [redacted]  
at the request of Lender, to appoint any persons designated by Lender as directors of Borrower Company;

3.2 [redacted] :  
Borrower covenants that during the term of this Agreement, he/she shall:

3.2.1 [redacted]  
endeavor to keep Borrower Company to engage in its principle businesses;

3.2.2 [redacted] “ [redacted] ” [redacted]  
[redacted]  
[redacted]  
abide by the provisions of this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement (the “ **Equity Interest Pledge Agreement** ”) and the Exclusive Option Agreement to which the Borrower is a party, perform his obligations under this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement and the Exclusive Option Agreement, and refrain from any action/omission that may affect the effectiveness and enforceability of this Agreement, the Power of Attorney, the Equity Interest Pledge Agreement and the Exclusive Option Agreement;

3.2.3 [redacted]  
not sell, transfer, mortgage or dispose of in any other manner the legal or beneficial interest in Borrower Equity Interest, or allow the encumbrance thereon of any security interest or the encumbrance, except in accordance with the Equity Interest Pledge Agreement;

3.2.4 [redacted] / [redacted]  
[redacted]  
cause any shareholders’ meeting and/or the board of directors of Borrower Company not to approve the sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in Borrower Equity Interest, or allow the encumbrance thereon of any security interest, except to Lender or Lender’s designated person;

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3.2.5 [REDACTED] / [REDACTED]  
cause any shareholders' meeting and/or the board of directors of the Borrower Company not to approve the merger or consolidation of Borrower Company with any person, or its acquisition of or investment in any person, without the prior written consent of Lender;

3.2.6 [REDACTED]  
immediately notify Lender of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Borrower Equity Interest;

3.2.7 [REDACTED]  
[REDACTED]  
to the extent necessary to maintain his ownership of the Borrower Equity Interest, 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;

3.2.8 [REDACTED] / [REDACTED]  
without the prior written consent of Lender, refrain from any action /omission that may have a material impact on the assets, business and liabilities of Borrower Company;

3.2.9 [REDACTED]  
appoint any designee of Lender as director of Borrower Company, at the request of Lender;

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4.2  Borrower shall not terminate this Agreement in any event unless otherwise required by applicable laws.

4.3   
  
In the event that Borrower fails to perform the repayment obligations set forth in this Agreement, Borrower shall pay overdue interest of 0.01% per day for the outstanding payment, until the day Borrower repays the full principal of the Loan, overdue interests and other payable amounts.

5   
Notices

5.1   
  
All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such Party set forth below. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

5.1.1   
Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of delivery.

5.1.2   
Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

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7.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

8 Miscellaneous

8.1 This Agreement should become effective upon execution by the Parties, and shall expire upon the date of full performance by the Parties of their respective obligations under this Agreement.

8.2 This Agreement shall be written in both Chinese and English language in two copies, each Party having one copy. The Chinese version and English version shall have equal legal validity.

8.3 This Agreement may be amended or supplemented through written agreement by and between Lender and Borrower. Such written amendment agreement and/or supplementary agreement executed by and between Lender and Borrower are an integral part of this Agreement, and shall have the same legal validity as this Agreement.

8.4 In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

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□□□□

**Borrower:**

□□□

By: \_\_\_\_\_

\_\_\_\_\_



1. Pledgor is a citizen of China who as of the date hereof holds 70.20% of equity interests of Party C. Party C is a limited liability company registered in Beijing, China, engaging in online sales of craftwork, general merchandise, and electronic products, cultural event planning, market research, product promotion, commodities circulation information consulting and information systems integration services. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee under this Agreement, and intends to provide any necessary assistance in registering the Pledge;

2. Pledgee is a wholly foreign-owned enterprise registered in China. Pledgee and Party C which is partially owned by Pledgor have executed an Exclusive Business Cooperation Agreement (as defined below) in Zhongshan; Party C, Pledgee and Pledgor have executed an Exclusive Option Agreement (as defined below); Pledgor has executed a Power of Attorney (as defined below) in favor of Pledgee; and Pledgee and Pledgor have executed a Loan Agreement (as defined below);

3. To ensure that Party C and Pledgor fully perform their obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and the Power of Attorney, Pledgor hereby pledges to the Pledgee all of the equity interest that Pledgor holds in Party C as security for Party C's and Pledgor's obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Loan Agreement and the Power of Attorney.

To perform the provisions of the Transaction Documents (as defined below), the Parties have mutually agreed to execute this Agreement upon the following terms.

1. **Definitions**

Unless otherwise provided herein, the terms below shall have the following meanings:

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During the term of the Pledge, Pledgee is entitled to receive dividends distributed on the Equity Interest. Pledgor may receive dividends distributed on the Equity Interest only with prior written consent of Pledgee. Dividends received by Pledgor on Equity Interest after deduction of individual income tax paid by Pledgor shall be, as required by Pledgee, (1) deposited into an account designated and supervised by Pledgee and used to secure the Contract Obligations and pay the Secured Indebtedness prior and in preference to make any other payment; or (2) unconditionally donated to Pledgee or any other person designated by Pledgee to the extent permitted under applicable PRC laws.

2.3 Pledgor may subscribe for capital increase in Party C only with prior written consent of Pledgee. Any equity interest obtained by Pledgor as a result of Pledgor's subscription of the increased registered capital of the Company shall also be deemed as Equity Interest.

2.4 In the event that Party C is required by PRC law to be liquidated or dissolved, any interest distributed to Pledgor upon Party C's dissolution or liquidation shall, upon the request of the Pledgee, be (1) deposited into an account designate and supervised by Pledgee and used to secure the Contract Obligations and pay the Secured Indebtedness prior and in preference to make any other payment; or (2) unconditionally donated to Pledgee or any other person designated by Pledgee to the extent permitted under applicable PRC laws.

3. **Term of Pledge**

3.1

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6.2 Pledgor agrees that the rights acquired by Pledgee in accordance with this Agreement with respect to the Pledge shall not be interrupted or harmed by Pledgor or any heirs or representatives of Pledgor or any other persons through any legal proceedings.

6.3 To protect or perfect the security interest granted by this Agreement for the Contract Obligations and Secured Indebtedness, Pledgor hereby undertakes to execute in good faith and to cause other parties who have an interest in the Pledge to execute all certificates, agreements, deeds and/or covenants required by Pledgee. Pledgor also undertakes to perform and to cause other parties who have an interest in the Pledge to perform actions required by Pledgee, to facilitate the exercise by Pledgee of its rights and authority granted thereto by this Agreement, and to enter into all relevant documents regarding ownership of Equity Interest with Pledgee or designee(s) of Pledgee (natural persons/legal persons). Pledgor undertakes to provide Pledgee within a reasonable time with all notices, orders and decisions regarding the Pledge that are required by Pledgee.

6.4 Pledgor hereby undertakes 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, Pledgor shall indemnify Pledgee for all losses resulting therefrom.

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7. [REDACTED]

**Event of Breach**

7.1 [REDACTED]

The following circumstances shall be deemed Event of Default:

7.1.1 [REDACTED] / [REDACTED]

Pledgor's any breach to any obligations under the Transaction Documents and/or this Agreement.

7.1.2 [REDACTED] / [REDACTED]

Party C's any breach to any obligations under the Transaction Documents and/or this Agreement.

7.2 [REDACTED] 7.1 [REDACTED]

Upon notice or discovery of the occurrence of any circumstances or event that may lead to the aforementioned circumstances described in Section 7.1, Pledgor and Party C shall immediately notify Pledgee in writing accordingly.

7.3 [REDACTED] 7.1 [REDACTED] / [REDACTED] 20 [REDACTED] 8 [REDACTED]

Unless an Event of Default set forth in this Section 7.1 has been successfully resolved to Pledgee's satisfaction within twenty (20) days after the Pledgee and /or Party C delivers a notice to the Pledgor requesting ratification of such Event of Default, Pledgee may issue a Notice of Default to Pledgor in writing at any time thereafter, demanding the Pledgor to immediately exercise the Pledge in accordance with the provisions of Section 8 of this Agreement.

8. [REDACTED]

**Exercise of Pledge**

8.1 [REDACTED]

Pledgee shall issue a written Notice of Default to Pledgor when it exercises the Pledge.

8.2 [REDACTED] 7.3 [REDACTED] 8.1 [REDACTED]

Subject to the provisions of Section 7.3, Pledgee may exercise the right to enforce the Pledge at any time after the issuance of the Notice of Default in accordance with Section 8.1. Once Pledgee elects to enforce the Pledge, Pledgor shall cease to be entitled to any rights or interests associated with the Equity Interest.

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8.6 Pledgee is entitled to designate an attorney or other representatives to exercise the Pledge on its behalf, and Pledgor or Party C shall not raise any objection to such exercise.

8.7 When Pledgee disposes of the Pledge in accordance with this Agreement, Pledgor and Party C shall provide necessary assistance to enable Pledgee to enforce the Pledge in accordance with this Agreement.

9. Breach of Agreement

9.1 If Pledgor or Party C conducts any material breach of any term of this Agreement, Pledgee shall have right to terminate this Agreement and/or require Pledgor or Party C to indemnify all damages; this Section 9 shall not prejudice any other rights of Pledgee herein;

9.2 Pledgor or Party C shall not have any right to terminate this Agreement in any event unless otherwise required by applicable laws.

10. Assignment

10.1 Without Pledgee's prior written consent, Pledgor and Party C shall not have the right to assign or delegate their rights and obligations under this Agreement.

10.2 This Agreement shall be binding on Pledgor and his/her successors and permitted assigns, and shall be valid with respect to Pledgee and each of his/her successors and assigns.

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10.3 [REDACTED]  
[REDACTED]

At any time, Pledgee may assign any and all of its rights and obligations under the Transaction Documents and this Agreement to its designee(s), in which case the assigns shall have the rights and obligations of Pledgee under the Transaction Documents and this Agreement, as if it were the original party to the Transaction Documents and this Agreement.

10.4 [REDACTED] / [REDACTED]  
[REDACTED]

In the event of change of Pledgee due to assignment, Pledgor and/or Party C shall, at the request of Pledgee, execute a new pledge agreement with the new pledgee on the same terms and conditions as this Agreement, and register the same with the relevant AIC.

10.5 [REDACTED]  
[REDACTED]

Pledgor and Party C shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by the Parties hereto or any of them, including the Transaction Documents, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. Any remaining rights of Pledgor with respect to the Equity Interest pledged hereunder shall not be exercised by Pledgor except in accordance with the written instructions of Pledgee.

11. [REDACTED]

**Termination**

11.1 [REDACTED]  
[REDACTED]

Upon the fulfillment of all Contract Obligations and the full payment of all Secured Indebtedness by Pledgor and Party C, Pledgee shall release the Pledge under this Agreement upon Pledgor's request as soon as reasonably practicable and shall assist Pledgor to de-register the Pledge from the shareholders' register of Party C and with relevant PRC local administration for industry and commerce.

[REDACTED] Strictly Confidential













□□□

**Attachments:**

1.    □□□□□□□  
Shareholders' Register of Party C;
2.    □□□□□□□□□  
The Capital Contribution Certificate for Party C;
3.    □□□□□□□□□  
Exclusive Business Cooperation Agreement;
4.    □□□□□□□□  
Exclusive Option Agreement;
5.    □□□□□  
Loan Agreement;
6.    □□□□□□  
Power of Attorney.

□□□□ Strictly Confidential





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Accepted by

□□□□□□□□□□□□□□  
**Shenzhen Wanhe Information Technology Limited**

□□□  
By: \_\_\_\_\_  
□□□ □□□  
Name: Lai Zening  
□□□ □□□□□  
Title: Legal Representative

□□□  
Acknowledged by □

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**Zhongshan WINHA Electronic Commerce Co., Ltd.**

□□□  
By: \_\_\_\_\_  
□□□ □□□  
Name: Zhong Wanfang  
□□□ □□□□□  
Title: Legal Representative

□□□□ Strictly Confidential





INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the inclusion in this Registration Statement of WINHA International Group Limited , a development stage company, on Form S-1 of our report dated September 9, 2013, which includes an explanatory paragraph as to the Company's ability to continue as a going concern, with respect to our audit of the consolidated financial statements of WINHA International Group Limited as of June 30, 2013 and for the period from April 15, 2013 (inception) through June 30, 2013, which report appears in the Prospectus, which is part of this Registration Statement. We also consent to the reference to our Firm under the heading "Experts" in such Prospectus.

/s/ Marcum Bernstein & Pinchuk LLP

Marcum Bernstein & Pinchuk LLP  
New York, New York  
September 9, 2013

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INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the inclusion in this Registration Statement of WINHA International Group Limited , a development stage company, on Form S-1 of our report dated September 9, 2013, which includes an explanatory paragraph as to the Company's ability to continue as a going concern, with respect to our audit of the financial statements of Zhongshan WINHA Electronic Commerce Company Limited as of June 30, 2013 and for the period from April 28, 2013 (inception) through June 30, 2013, which report appears in the Prospectus, which is part of this Registration Statement. We also consent to the reference to our Firm under the heading "Experts" in such Prospectus.

/s/ Marcum Bernstein & Pinchuk LLP

Marcum Bernstein & Pinchuk LLP  
New York, New York  
September 9, 2013

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