

CHINA GEWANG BIOTECHNOLOGY, INC.

Form S-1/A

January 12, 2017

As Filed with the U.S. Securities and Exchange Commission on January 12, 2017

Registration No. 333-214597

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

AMENDMENT NO. 1

TO

FORM S-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

CHINA GEWANG BIOTECHNOLOGY, INC.

(Name of Registrant As Specified in its Charter)

Nevada

*(State or Other Jurisdiction of
Incorporation
or Organization)*

2000

*(Primary Standard Industrial
Classification Code Number)*

42-1769584

(I.R.S. Employer Identification No.)

**Floor 29 No. 334, Huanshi East Road, Yuexiu District,
Guangzhou City, Guangdong Province,
The People's Republic of China 510623
86-024-2397-4663**

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Approximate Date of Proposed Sale to the Public: From time to time after the effective date of this Registration Statement

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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 U.S. 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, 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 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. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

(Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered	Amount To Be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, \$0.001 par value per share	(1)	\$ []	(12,000,000) (1)	\$ 1,390.80
Common Stock Underlying Underwriter s Warrants, \$0.001 par value per share	(2)	\$ []	\$720,000 (3)	\$ 83.45
Total Registration Fee				\$ 1,474.24 (4)

(1)

The registration fee for securities to be offered by the Registrant is based on an estimate of the Proposed Maximum Aggregate Offering Price of the securities, and such estimate is solely for the purpose of calculating the registration fee pursuant to Rule 457(o).

(2)

Represents the maximum number of shares of the Registrant s common stock issuable upon exercise of the Underwriters warrants.

(3)

Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(g) under the Securities Act, based on an estimated maximum exercise price of \$[] per share, or 120% of the maximum offering price.

(4)

Previously paid

The Registrant 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 hereafter become effective in accordance with Section 8(a) of the U.S. Securities Act of 1933, or until the registration statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

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 U.S. Securities and Exchange Commission becomes effective. This prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS

SUBJECT TO COMPLETION

January 12, 2017

2,500,000 Shares of

CHINA GEWANG BIOTECHNOLOGY, INC.

Common Stock

This is an underwritten firm commitment public offering of our common stock. We are a reporting company under Section 13 of the U.S. Securities Exchange Act of 1934, as amended. Our shares of common stock are not currently listed or quoted for trading on any national securities exchange, however our common stock is traded under the symbol **CGWB** on the OTCQB. We intend to apply for the listing of our common stock on the NASDAQ Capital Market under the symbol **CGWB**. We believe that we will meet the standards for listing on the NASDAQ Capital Market; however there is no assurance that such application will be approved, and if our application is not approved this offering will not be completed.

We are offering all of the 2,500,000 shares of our common stock offered by this prospectus. The public offering price of our common stock will be \$[] per share.

We are an emerging growth company as that term is used in the Jumpstart Our Business Startup Act of 2012, and, as such, have elected to comply with certain reduced public company reporting requirements for this prospectus and future filings. Please refer to discussions under **Prospectus Summary** and **Risk Factors** 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. Before buying any shares, you should carefully read the discussion of material risks of investing in our common stock in the **Risk Factors section of this prospectus.**

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of anyone's investment in these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	\$[]	\$12,000,000
Underwriting discounts and commissions (1)	\$[]	\$840,000
Proceeds, before expenses	\$[]	\$11,160,000

The Underwriter is offering the common stock as set forth under Underwriting. Delivery of the shares will be made on or about _____, 2017

(1)

Does not include a non-accountable expense allowance equal to 1.5% of the gross proceeds of the Offering payable to ViewTrade Securities Incorporated. See Underwriting for a description of the Compensation payable to the Underwriter.

ViewTrade Securities Incorporated

The Date of this Prospectus is _____, 2017

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Please read this prospectus carefully. It describes our business, our financial condition and results of operations. We have prepared this prospectus so that you will have the information necessary to make an informed investment decision.

Through and including _____, 2017 (25 days after the commencement of this offering), all dealers effecting transaction in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

You should rely only on the information contained in this prospectus and any free writing prospectus we may authorize to be delivered to you. We have not, and the underwriter has not, authorized anyone to provide you with information different from, or in addition to, that contained in this prospectus and any related free writing prospectus. We and the placement agent take no responsibility for, and can provide no assurances as to the reliability of, any information that others may give you. This prospectus is not an offer to sell, nor is it seeking an offer to buy, these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus is only accurate as of the date of this prospectus, regardless of the time of delivery of this prospectus and any sale of our common shares. Our business, financial condition, results of operations and prospects may have changed since that date.

PROSPECTUS SUMMARY

Because this is only a summary, it does not contain all of the information that may be important to you. You should carefully read the more detailed information contained in this prospectus, including our financial statements and related notes. Our business involves significant risks. You should carefully consider the information under the heading Risk Factors beginning on page 9.

As used in this prospectus, unless otherwise indicated, the terms we, our, us, and the Company refer to China Gewang Biotechnology, Inc., a Nevada corporation and its subsidiaries. The term Registrant refers solely to China Gewang Biotechnology, Inc., a Nevada corporation. The term Gewang Selenium refers to the Registrant's wholly owned subsidiary Gewang Selenium Enrichment Information Consulting (Shenzhen) Co., Ltd., a wholly owned foreign entity (WOFE) incorporated under the laws of the People's Republic of China. The term Hong Kong Gewang refers to the Registrant's wholly owned subsidiary Hong Kong Gewang Holdings Group Ltd., incorporated under the laws of Hong Kong. The term "Biotechnology International" refers to the Registrant's wholly owned subsidiary Biotechnology International Holding Ltd., incorporated under the laws of the British Virgin Islands. The term "Tianmei Australia" refers to Tianmei Beverage Group Corporation Ltd., incorporated under the laws of Australia, in which Registrant owns a 30% interest. The term "Tianmei BVI" refers to Tianmei Australia's wholly owned subsidiary Tianmei International Beverage Co., Ltd., incorporated under the laws of the British Virgin Islands. The term "Guangdong Tianmei" refers to Tianmei Australia's wholly owned subsidiary Guangdong Tianmei Selenium-Rich Beverage Chain Co., Ltd., incorporated under the laws of the People's Republic of China. We conduct our operations through the Registrant's chief operating subsidiary, Guangdong Gewang Biotechnology Co., Ltd. (Guangdong Gewang), incorporated under the laws of the People's Republic of China.

China or PRC refers to the People's Republic of China. RMB or Renminbi refers to the legal currency of China or U.S. Dollars refers to the legal currency of the United States.

Company Overview

Guangdong Gewang was founded in June 2010 in Guangzhou City, China. Our home office is located at Floor 29 No. 334, Huanshi East Road, Yuexiu District, Guangzhou City, Guangdong Province, The People's Republic of China 510623, and our phone number is 86-024-2397-4663. Guangdong Gewang is engaged in the sale of selenium supplements within China.

Guangdong Gewang sells its proprietary selenium capsules and selenium powder, along with eighty nine types of selenium fortified food products from other manufacturers and other health related products through our branded stores and through our distribution channels to large supermarket chains and similar large chain stores.

Guangdong Gewang initiated its business by cooperating with the Academy of Agricultural Sciences of Shandong Province (the Academy) in the research and development of formulas for three selenium supplements: a selenium capsule, a capsule combining selenium with glossy ganoderma (a therapeutic mushroom), and a selenium powder. The Academy has given Guangdong Gewang an exclusive license to contract for the manufacture and marketing of these three products. As a result of our relationship with the Academy, Guangdong Gewang has not needed to conduct its own research and development in the past two years.

In March 2016, Gewang entered into cooperation agreements with several selenium enriched food product manufacturers for the sale of selenium enriched food through chain stores which further expanded the Company's market share.

The Opportunity in China

We believe that the importance of selenium to human health and the fact of selenium deficiency in large parts of China create a vast market potential for development. Selenium has been studied extensively in China. These efforts have resulted in confirming that selenium is an important element for human health and that there are areas within China that are significantly deficient of selenium in the soil and water. In the past decade, Chinese government began getting more involved and government policy has helped to enhance the potential of the selenium market.

Our Products

Through our partnership with the Academy of Agricultural Sciences of Shandong Province (the Academy), which is a highly regarded research center in China, we have licensed the exclusive right to contract for the manufacture and marketing of products with three formulas developed and owned by the Academy. This also includes the Academy's zero toxicity extraction technique, which boosts absorption in the body.

We currently offer the following products for sale under the brand Jindanli :

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Selenium Capsules.

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Selenium - Glossy Ganoderma Capsules.

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Organic Selenium Powder.

The only significant raw material needed by our contracted manufacturers for our selenium capsules and selenium powder is selenium. Selenium is readily available, as it has numerous industrial uses. For our selenium - glossy ganoderma capsules, we also need glossy ganoderma. Historically, the reisha mushroom, which is the source of glossy ganoderma, was rare in the wild. Currently, however, farmers have been successful in domesticating the reisha

mushroom, and according to the International Journal of Pharmacy and Pharmaceutical sciences, as of 2015 the reisha mushroom and its derivative, glossy ganoderma is being cultivated on a large commercial scale in China and in many other countries. As a result, sourcing our raw materials is not a matter of concern, nor are we subject to significant effects from changes in the prices of our raw materials.

Our Manufacturing

Currently, we outsource our manufacturing to three production companies:

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Yantai Yisheng Pharmaceutical Co., Ltd., which produces our selenium capsules;

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Taian Zhishengtang Ganoderma Lucidum Co., Ltd., which produces our selenium - glossy ganoderma capsules; and

.

Beijing Technology Development Company of CAAS, which produces our organic selenium powder.

Guangdong Gewang maintains relatively little inventory, other than the shelf supplies at our physical stores. Generally, upon receipt of an order from our customer, we place a corresponding order with the appropriate manufacturer. Guangdong Gewang then strictly supervises the manufacturing process with technical guidance from the Academy, inspects and accepts the finished product. When the products are ready for shipment, our logistics team engages a delivery service to pick up the product from the manufacturer's site and deliver it to the customer, at the manufacturer's cost.

Our Marketing

Selenium deficiency is harmful to all humans. It is of particular concern, however, to the elderly and to lactating women. As we deliver information to the populations of areas with selenium-poor soil, those two groups are our target market. Nevertheless, our staff is committed to raising awareness of selenium issues throughout China, particularly in the eastern regions with large populations and selenium-poor soil. Our marketing staff makes personal appearances throughout our prime markets, both to raise awareness of the problem of selenium deficiency and to educate consumers about the proper use of selenium supplements and the risks of excess selenium ingestion. Additionally, we plan to develop a media advertising program in the future.

Our distribution agreements with the chain stores do not prevent them from selling competitor's selenium products. Rather we assure ourselves of their loyalty by providing focused advertising of our brand in the chain stores' markets, thereby making sale of the Jindanli products an attractive, low-effort proposition for our chain stores.

Our Competition

There are a limited number of manufacturers of selenium supplements in China, as the industry is in its early development period. In the markets where we do face competition, we emphasize the high quality of the Jindanli products.

The limited size of the selenium supplements industry has had one unfortunate effect on the potential market. As there is no widely-known brand of selenium supplements, many potential customers first experience of selenium supplements comes from one of many small enterprises that offer products of poor quality with unsupportable health claims. Development of our market will require promotion and publicity to build confidence in established brands.

We believe that the quality of our products, along with our association with top quality manufacturers and chain stores, will enable us to compete effectively and gain market share as the selenium supplement industry grows.

Our Growth Strategy

Now that we reach markets in seven provinces in China through wholesale and retail operations, our immediate plan is to execute our marketing campaigns in regions where the need for selenium supplements is most pronounced, through dedicated stores. The stores will feature the Jindanli products, allowing us, by our pronounced presence, to bring

attention to the issue of selenium deficiency, attract new customers, and provide customers with the information about the proper use of selenium supplements. The stores will also function as promoters of the Jindanli brand, and we believe this will enable us to build our brand as a high quality choice and become a dominant player in the market.

We opened our first store in Chancheng, Guangdong Province, in September 2014, and opened two more stores, in Xiamen, Fujian Province and Changsha, Hunan Province, during the fiscal year 2015. In June 2016, we opened our flagship store in Guangzhou, Guangdong Province. Also in June 2016, our Chancheng store moved to Foshan, our Xianmen store moved to Longyan and our Changsha store moved to Zhuzhou. Our goal is to open up to 26 new stores in the fiscal year 2017.

Our Strengths

We believe the following strengths contribute to our competitive advantages and differentiate us from our competitors:

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Our partnership with the Academy gives us access to the highest level of research and technical assistance to develop our products;

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Our three proprietary selenium products offer a range of options to our customers;

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The manufacturers of our products have the advanced nanometer processing and production capabilities to produce products to our standards and to widely distribute these products to our target markets;

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Our distributorship network has widened the availability of our Jindanli brand in target markets;

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Our dedicated retail stores and marketing efforts position us to take advantage of the lack of dominant brands in the selenium industry in China.

Our Challenges

Our ability to achieve our objectives and execute our strategies is subject to risks and uncertainties. We believe the following are the risks and uncertainties that materially affect us:

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The continued viability of our strategic partnerships;

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The acceptance of our products in our target markets; and

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Our ability to retain and hire qualified personnel.

Corporate Structure Chart

As of the date of this prospectus, our organizational structure is as follows:

Employees

Guangdong Gewang has 83 employees: 3 in human resources, 3 in administration, 5 in accounting, 7 in the purchase department, 4 in logistics, 4 in technology quality control, 5 in brand management, 6 in the customer center, 6 in the Chairman's office and 40 in external collaboration, which includes our store sales, training and regional management employees. All are full time employees.

The Offering

Common stock we are offering 2,500,000 shares. (1)
Common stock outstanding after the offering 77,500,000 shares. (2)

Offering price
Use of proceeds

[\$] per share.

We intend to use the net proceeds from this offering to open new stores, enhance our current stores, expand our chain store customer base and for research and development of our products. See the Use of Proceeds section.

Risk factors

Investing in these securities involves a high degree of risk. As an investor you should be able to bear a complete loss of your investment. You should carefully consider the information set forth in the Risk Factors section.

NASDAQ Capital Market proposed ticker symbol

Our common stock is currently quoted on the OTCQB under the symbol CGWB . We intend to apply for the listing of our common stock on the NASDAQ Capital Market under the symbol CGWB . We believe that we will meet the standards for listing on the NASDAQ Capital Market; however there is no assurance that such application will be approved, and if our application is not approved this offering will not be completed.

Underwriter

ViewTrade Securities Incorporated

Underwriter's Warrant

Upon the closing of this offering, we will sell to ViewTrade Securities Incorporated (for a nominal fee of \$0.001 per share) common stock purchase warrants covering a number of shares of our common stock equal to 5% of the total number of shares of common stock being sold in this offering. The Warrants will expire 3 years after date of issuance. The Warrants will be exercisable at a price equal to 120% of the public offering price. We are registering the shares of common stock underlying such Warrants hereunder in this offering. The Warrants will provide for cashless exercise and if the cashless provision of the Warrants is unavailable to the Holders for any reason, the Company shall be required to offer all of the Holders of the Warrants and/or underlying securities the opportunity to register the underlying securities. See Description of Our Securities and Underwriting for more information.

(1)

Excludes up to 125,000 shares of common stock underlying warrants to be received by the Underwriter in this offering.

(2)

Based on 75,000,000 shares of common stock issued and outstanding as of the date of this prospectus and 2,500,000 shares of common stock to be issued in the public offering, which excludes the Underwriter's Warrants to purchase 125,000 shares of our common stock.

Emerging Growth Company

We are an emerging growth company or EGC as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. We will remain an EGC until the earlier of: the last day of the fiscal year in which we have total annual gross revenues of \$1.0 billion or more; the last day of the fiscal year following the fifth anniversary of the date of the completion of this offering; the date on which we have issued more than \$1.0 billion in nonconvertible debt during the

previous three years; or the date on which we are deemed to be a large accelerated filer under the rules of the SEC.

An emerging growth company may take advantage of reduced reporting requirements that are otherwise applicable to public companies. These provisions include, but are not limited to:

•
being permitted to present only two years of audited financial statements and only two years of related Management's Discussion and Analysis of Financial Condition and Results of Operations in this prospectus;

•
not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended;

•
reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements, including in this prospectus; and

•
exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We have elected to take advantage of certain of the reduced disclosure obligations in this prospectus and may elect to take advantage of other reduced reporting requirements in our future filings with SEC.

The Jobs Act also provides that we can take advantage of the extended transition period for complying with new or revised accounting standards. Thus, an EGC can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to avail ourselves of this extended transition period and, as a result, we may not adopt new or revised accounting standards until those standards would otherwise apply to private companies.

RISK FACTORS

Any investment in our common stock involves a high degree of risk. Investors should carefully consider the risks described below and all of the information contained in this prospectus before deciding whether to purchase our common stock. Our business, financial condition or results of operations could be materially adversely affected by these risks if any of them actually occur. Our shares of common stock are not currently listed or quoted for trading on any national securities exchange, however it is currently quoted under the symbol **CGWB** on the OTCQB. If and when our common stock is traded, the trading price could decline due to any of these risks, and an investor may lose all or part of his or her investment. Some of these factors have affected our financial condition and operating results in the past or are currently affecting our company. This prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks we face as described below and elsewhere in this prospectus.

RISKS RELATED TO OUR BUSINESS

Our management has limited experience in managing and operating a public company. Any failure to comply with federal securities laws, rules or regulations could subject us to fines or regulatory actions, which may materially adversely affect our business, results of operations, financial condition and the market price of our stock.

Our management personnel have no prior experience managing and operating a public company. They will rely in many instances on the professional experience and advice of third parties, including our attorneys and accountants. None of the members of our management staff were educated and trained in U.S. business systems, and we may have difficulty hiring new employees in the PRC with such training. As a result, we may experience difficulty in establishing management, legal and financial controls, collecting financial data and preparing financial statements, books of account and corporate records and instituting business practices that meet U.S. standards. This may result in significant deficiencies or material weaknesses in our internal controls, which could impact the reliability of our financial statements and prevent us from complying with the SEC rules and regulations. Failure to comply with any laws, rules, or regulations applicable to our business may result in fines or regulatory actions, which may materially adversely affect our business, results of operation, or financial condition and could result in delays in development of an active and liquid trading market for our common stock. To the extent that the market place perceives that we do not have a strong financial staff and financial controls, the market for, and price of, our stock may be impaired.

During the past two fiscal years, management has identified material weaknesses in our internal controls, including:

The relatively small number of employees who are responsible for accounting functions prevents us from segregating duties within our internal control system;

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Our internal financial staff lack expertise in identifying and addressing complex accounting issues under U.S. Generally Accepted Accounting Principles;

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Our executive officers are not familiar with the accounting and reporting requirements of a U.S. public company; and

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We have not developed sufficient documentation concerning our existing financial processes, risk assessment and internal controls.

We plan to address these deficiencies by nominating independent directors including a financial expert highly experienced in internal control systems and creating an Audit Committee to address these material weaknesses. Pursuant to an Audit Committee Charter, which we plan to adopt, the members of the Audit Committee will recommend to management concrete actions to address each material weakness and review the impact of such actions to remedy the deficiencies in our internal controls.

We depend on our partnership with the Academy for the development and conduct of our business. Any interference with that partnership could jeopardize our ability to conduct our business.

The formulas for our proprietary selenium products have been developed by the Academy of Agricultural Sciences of Shandong Province, which licenses us the right to market and sell these products. The Academy also identifies the manufacturers of our products and provides technical expertise to those manufacturers. If we are unable to maintain the current arrangement with the Academy, we could lose the right to sell our products and our relationships with our contracted manufacturers as well as our general reputation could suffer. If the Academy provides the formula or otherwise cooperates with any of our competitors, we could lose the competitive advantage inherent in our current arrangements with the Academy. Also, if the Academy decides to discontinue its work further developing selenium formulas, our potential for further growth could suffer.

We rely on a single manufacturer to manufacture each of our three products. Events that interfere with any manufacturer's ability to fill our orders could damage our business.

We currently depend on three contracted manufacturers, one to manufacture each of the three products that we sell. If any significant problems occur at the production facility of one of our third-party manufacturers, our ability to deliver that manufacturer's products could be adversely affected. If any of our contract manufacturers are unable to maintain adequate manufacturing and shipping capacity, timely delivery of products of acceptable quality could become problematic. Our inability to meet our customers' demand for our products could have a material adverse impact on our business, financial condition and results of operations. Additionally, if the prices charged by any of our contractors increase for reasons such as increases in labor costs, our cost of manufacturing would increase, adversely affecting our operations. We require our contract manufacturers to meet our standards in terms of product quality and other matters. A failure by any of our contract manufacturers to meet these standards, to adhere to labor or other laws or to diverge from our mandated practices, and the potential negative publicity relating to any of these events, could harm our business and reputation.

Heightened scrutiny on reverse merger companies with operations in China has resulted in an unfavorable regulatory climate and increased scrutiny, which creates additional risk in the market for our stock.

Recently, U.S. public companies that have substantially all of their operations in China, particularly companies like us which have completed reverse merger transactions, have been the subject of negative publicity by investors, financial commentators and regulatory agencies, and the national exchanges, such as NASDAQ Capital Market. As a result, companies like us have to comply with heightened requirements for listing on the NASDAQ exchange, and these heightened requirements could imperil our ability to uplist to the NASDAQ as planned. Prior to our approval to list on the NASDAQ, we must (i) file a full year of audited financial statements, (ii) timely file all periodic reports for the past full year and (iii) maintain a trading price of at least \$4 per share. Even if we are able to complete a listing on the NASDAQ, the increased scrutiny and negative publicity towards reverse merger companies could create risks and possibly decrease the price of our stock and potentially result in our delisting from the NASDAQ. It is not clear what effect this sector-wide scrutiny, criticism and negative publicity will have on our Company, our business and our stock price. There could be further criticism or greater regulatory action against reverse merger companies in the future, and this uncertainty in and of itself could also lead to risks to our investors.

The lack of expertise in U.S. GAAP among the staff of our finance department could result in errors in our filings.

The books and records of Guangdong Gewang, our operating entity, are maintained in accordance with bookkeeping practices that are customary in China. The financial statements of Guangdong Gewang and Gewang Selenium are prepared in accordance with accounting principles generally accepted in China. The staff of our finance department, which prepares those financial statements, has experience with Chinese GAAP, but very limited experience with U.S. GAAP. Therefore, in order to file with the SEC consolidated financial statements prepared in accordance with U.S. GAAP, we have engaged an independent consultant who makes the adjustments to the financial statements of

Guangdong Gewang and Gewang Selenium necessary to achieve compliance with U.S. GAAP, then will perform the consolidation required to produce the consolidated financial statements of China Gewang. Because that consultant, who is not present in our executive offices, is the only participant in the preparation of our financial statements possessing a familiarity with U.S. GAAP, there is a risk that the persons responsible for the initial classifications of the elements of our financial results will err in making those classifications, which will cause our reported financial statements to be erroneous. Any such errors, besides being misleading to investors, could result in subsequent restatements, which could have an adverse effect on the perception of the Company among investors.

The disclosures in our reports and other filings with the SEC and our other public pronouncements are not subject to the scrutiny of any regulatory bodies in the PRC where substantially all of our operations are located.

We are regulated by the SEC and our reports and other filings with the SEC are subject to SEC review in accordance with the rules and regulations promulgated by the SEC under the U.S. Securities Act and the Exchange Act. Unlike public reporting companies whose operations are located primarily in the United States, however, substantially all of our operations are located in China. Since substantially all of our operations and business take place in China, it may be more difficult for the Staff of the SEC to overcome the geographic and cultural obstacles that are present when reviewing our disclosures. Furthermore, our disclosures in our SEC reports and other filings are not subject to the review of China Securities Regulatory Commission, a PRC regulator that is tasked with oversight of the capital markets in China. Accordingly, you should review our SEC reports, filings and our other public pronouncements with the understanding that no local regulator has done any due diligence on our company.

We may not be able to meet the internal control reporting requirements imposed by the SEC resulting in a possible decline in the price of our common stock and our inability to obtain future financing.

As directed by Section 404 of the Sarbanes-Oxley Act, the SEC adopted rules requiring each public company to include a report of management on the company's internal controls over financial reporting in its annual reports. Although the Dodd-Frank Wall Street Reform and Consumer Protection Act exempts emerging growth companies from the requirement that our independent registered public accounting firm attest to our financial controls, this exemption does not affect the requirement that we include a report of management on our internal control over financial reporting and does not affect the requirement to include the independent registered public accounting firm's attestation if we ever cease to be an emerging growth company. For the fiscal year ending November 30, 2016, we were not subject to the requirement that we include an attestation report, as we are an emerging growth company.

While we expect to expend significant resources in developing the necessary documentation and testing procedures required by Section 404 of the Sarbanes-Oxley Act, there is a risk that we may not be able to comply timely with all of the requirements imposed by this rule. Regardless of whether we are required to receive a positive attestation from our independent registered public accounting firm with respect to our internal controls, if we are unable to do so, investors and others may lose confidence in the reliability of our financial statements and our stock price and ability to obtain equity or debt financing as needed could suffer.

In addition, in the event that our independent registered public accounting firm is unable to rely on our internal controls in connection with its audit of our financial statements, and in the further event that it is unable to devise alternative procedures in order to satisfy itself as to the material accuracy of our financial statements and related disclosures, it is possible that we would be unable to file our Annual Report on Form 10-K with the SEC, which could also adversely affect the market for and the market price of our common stock and our ability to secure additional financing as needed.

The residents of China have only recently begun to use supplements to offset selenium deficiency in their diets. We cannot, therefore, predict the potential market for our products. If the market fails to develop adequately, our financial results will be insufficient to produce a profitable return for our investors.

Selenium deficiency has been a problem in eastern China for centuries, and the relationship of selenium deficiencies to Keshan Disease has long been known. Until recently, efforts to alleviate selenium deficiency have been limited to changes in diet, the introduction of selenium-rich foods, where available. The use of selenium supplements, such as those sold by Guangdong Gewang is relatively recent. For that reason, we cannot know the extent to which we will be able to develop a sizeable market for our supplements. As food production and transportation rapidly increases in China, selenium-rich foods will become available to more of the residents of eastern China, where the problem of selenium deficiency is most acute. If Chinese people prefer to alter their diets to include imported selenium-rich foods, the demand for our selenium supplements will be reduced. In addition, concerns among the population about the possibility of harm from ingestion of excessive selenium could reduce demand for our products. If we are not able to persuade a sizeable market that use of selenium supplements is a safe, cost-effective method of avoiding selenium deficiency, our company will not grow.

The loss of the services of our key employees, particularly the services rendered by Li Wang, our Chief Executive Officer, could harm our business.

Our success depends to a significant degree on the services rendered to us by our key employees. If we fail to attract, train and retain sufficient numbers of these qualified people, our prospects, business, financial condition and results of operations will be materially and adversely affected. In particular, we are heavily dependent on the continued services of Li Wang, our chief executive officer. We currently do not have key employee insurance for our officers and directors. The loss of any these key employees, including members of our senior management team, and our inability to attract highly skilled personnel with sufficient experience in our industry could harm our business.

We require highly qualified personnel and, if we are unable to hire or retain qualified personnel, we may not be able to grow effectively.

Our future success also depends upon our ability to attract and retain highly qualified personnel. Expansion of our business and the proposed growth of our business will require additional managers and employees with industry experience, and our success will be highly dependent on our ability to attract and retain skilled management personnel and other employees. We may not be able to attract or retain highly qualified personnel. Competition for skilled marketing and administrative personnel is significant. This competition may make it more difficult and expensive to attract, hire and retain qualified managers and employees.

Product liability claims could materially impact operating results and profitability.

Excessive ingestion of selenium can have serious harmful effects on an individual. We intend to use our best efforts to educate our customers regarding the proper amount of selenium to add to their diets. If, however, an individual intentionally or inadvertently ingests too much selenium and is injured, we may be subject to a lawsuit for damages. Such lawsuits could drain our financial resources, particularly as we do not presently carry any product liability insurance or business interruption insurance. Lawsuits by customers may also distract the time and attention of our management. In addition, a product liability claim, regardless of merit or eventual outcome, could result in damage to our reputation, decreased demand for our products, product recalls and loss of revenue.

Government regulation or other influences may cause us to disclose the formulas for our products, which could assist our competitors in producing copies of our products.

We have a significant competitive advantage in the Jindanli brand, which represents a group of products available only from Guangdong Gewang. The exclusive quality of our products, which is comprised of the formula for each, is known only to Guangdong Gewang, our manufacturers, and our colleagues at the Academy of Agricultural Sciences of Shandong Province. However, because excess ingestion of selenium is known to be harmful, it may occur that one or more government bodies will mandate that the selenium content of our products must be disclosed. In addition, disclosure of the selenium content of our products may occur as a result of malfeasance by employees, accidental disclosure, or litigation. If the formula for our products becomes known in our industry, we will lose the competitive advantage that comes with being the exclusive source for the Jindanli products.

Our inability to protect our trademarks and license rights may prevent us from successfully marketing our products and competing effectively.

Failure to protect our intellectual property could harm our brands and our reputation, and adversely affect our ability to compete effectively. Further, enforcing or defending our intellectual property rights, including our trademarks, trade secrets, and our exclusive rights to our product formulas could result in the expenditure of significant financial and managerial resources. We produce, market and sell our products under the brand Jindanli. We regard our intellectual property, particularly our trademarks and license rights, to be of considerable value and importance to our business and our success. There can be no assurance that the steps taken by us to protect these proprietary rights will be adequate or that third parties will not infringe or misappropriate our trademarks or the formulas for our products.

RISKS RELATED TO DOING BUSINESS IN CHINA

Uncertainties with respect to the PRC legal system could limit the legal protections available to you and us.

We conduct substantially all of our business through our operating subsidiary and affiliate in the PRC. Our operating subsidiary and affiliate are generally subject to laws and regulations applicable to foreign investments in China and, in particular, laws applicable to foreign-invested enterprises. The PRC legal system is based on written statutes, and prior court decisions may be cited for reference but have limited precedential value. Since 1979, a series of new PRC laws and regulations have significantly enhanced the protections afforded to various forms of foreign investments in China. However, since the PRC legal system continues to rapidly evolve, the interpretations of many laws, regulations and

rules are not always uniform and enforcement of these laws, regulations and rules involve uncertainties, which may limit legal protections available to you and us. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention.

The Registrant is a Nevada holding company and most of our assets are located outside of the United States. All of our current business operations are conducted in the PRC through Guangdong Gewang. In addition, all of our directors and officers are nationals and residents of the PRC, and the assets of these persons are located outside the United States. As a result, it may be difficult for you to effect service of process within the United States upon these persons. It may also be difficult for you to enforce in U.S. courts judgments on the civil liability provisions of the U.S. federal securities laws against us and our officers and directors, most of whom are not residents in the United States and the substantial majority of whose assets are located outside of the United States. In addition, there is uncertainty as to whether the courts of the PRC would recognize or enforce judgments of U.S. courts. China does not have any treaties or other arrangements that provide for the reciprocal recognition and enforcement of foreign judgments with the United States. In addition, according to the PRC Civil Procedures Law, courts in the PRC will not enforce a foreign judgment against us or our directors and officers if they decide that the judgment violates basic principles of PRC law or national sovereignty, security or the public interest. So it is uncertain whether a PRC court would enforce a judgment rendered by a court in the United States

Restrictions on currency exchange may limit our ability to receive and use our sales revenue effectively.

All our sales revenue and expenses are denominated in RMB. Under PRC law, the RMB is currently convertible under the current account, which includes dividends and trade and service-related foreign exchange transactions, but not under the capital account, which includes foreign direct investment and loans. Currently, our PRC operating subsidiary and affiliate may purchase foreign currencies for settlement of current account transactions, including payments of dividends to us, without the approval of the State Administration of Foreign Exchange, or SAFE, by complying with certain procedural requirements. However, the relevant PRC government authorities may limit or eliminate our ability to purchase foreign currencies in the future. Since a significant amount of our future revenue will be denominated in RMB, any existing and future restrictions on currency exchange may limit our ability to utilize revenue generated in RMB to fund any future business activities outside China or to utilize foreign currencies should the need to do so arise.

Foreign exchange transactions by our PRC operating subsidiary under the capital account continue to be subject to significant foreign exchange controls and require the approval of or need to register with PRC government authorities, including SAFE. In particular, if our PRC operating subsidiary borrows foreign currency through loans from us or other foreign lenders, these loans must be registered with SAFE, and if we finance the subsidiary by means of additional capital contributions, these capital contributions must be approved by certain government authorities, including the Ministry of Commerce, or MOFCOM, or their respective local counterparts. These limitations could affect their ability to obtain foreign exchange through debt or equity financing.

Fluctuations in exchange rates could adversely affect our business and the value of our securities.

The value of our common stock will be indirectly affected by the foreign exchange rate between U.S. dollars and RMB and between those currencies and other currencies in which our sales may be denominated. Appreciation or depreciation in the value of the RMB relative to the U.S. dollar would affect our financial results reported in U.S. dollar terms without there being any underlying change in our business or results of operations. Fluctuations in the exchange rate will also affect the relative value of any dividend we issue that will be exchanged into U.S. dollars as well as earnings from, and the value of, any U.S. dollar-denominated investments we make in the future.

In August 2015, the PRC government devaluated the RMB by approximately 3.5%, and in January 2016 further devalued its currency by approximately 0.5%. Additional devaluation could occur in the future and affect our results.

Since July 2005, the RMB is no longer pegged to the U.S. dollar. Although the People's Bank of China regularly intervenes in the foreign exchange market to prevent significant short-term fluctuations in the exchange rate, the RMB may appreciate or depreciate significantly in value against the U.S. dollar in the medium to long term. Moreover, it is possible that in the future PRC authorities may lift restrictions on fluctuations in the RMB exchange rate and lessen intervention in the foreign exchange market.

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

Restrictions under PRC law on our PRC subsidiary's ability to make dividend and other distributions could materially and adversely affect our ability to grow, make investments or complete acquisitions that could benefit our business, pay dividends to you, and otherwise fund and conduct our businesses.

Substantially all of our revenues are earned by our PRC subsidiary. However, PRC regulations restrict the ability of our PRC subsidiary to make dividend and other payments to its offshore parent company. PRC legal restrictions permit payments of dividend by our PRC subsidiary only out of its accumulated after-tax profits, if any, determined in accordance with PRC accounting standards and regulations. Our PRC subsidiary is also required under PRC laws and regulations to allocate at least 10% of our annual after-tax profits determined in accordance with PRC GAAP to a statutory general reserve fund until the amounts in said fund reaches 50% of our registered capital. Allocations to the statutory reserve funds can only be used for specific purposes and are not transferable to us in the form of loans, advances or cash dividends. Any limitations on the ability of our PRC subsidiary to transfer funds to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends and otherwise fund and conduct our business.

Under the Enterprise Income Tax (the EIT) 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.

Under the New Income Tax Law, enterprises established outside the PRC whose de facto management bodies are located in the PRC are considered resident enterprises and their global income will generally be subject to the uniform 25% enterprise income tax rate. On December 6, 2007, the PRC State Council promulgated the Implementation Regulations on the New Income Tax Law, which define de facto management bodies as bodies that have material and overall management control over the business, personnel, accounts and properties of an enterprise. In addition, a circular issued by the State Administration of Taxation on April 22, 2009 provides that a foreign enterprise controlled by a PRC company or a PRC company group will be classified as a resident enterprise with its de facto management bodies located within the PRC if the following requirements are satisfied:

- i.
the senior management and core management departments in charge of its daily operations function mainly in the PRC;
- ii.
its financial and human resources decisions are subject to determination or approval by persons or bodies in the PRC;
- iii.

its major assets, accounting books, company seals, and minutes and files of its board and shareholders meetings are located or kept in the PRC; and

iv.

more than half of the enterprise's directors or senior management with voting rights reside in the PRC.

Because the EIT Law, its implementing rules and the recent circular are relatively new, no official interpretation or application of this new resident enterprise classification is available. 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 potentially unfavorable PRC tax consequences could follow. First, we may be subject to the enterprise income tax at a rate of 25% on any worldwide taxable income as well as PRC enterprise income tax reporting obligations. In our case, this would mean that non-China source income would be subject to PRC enterprise income tax at a rate of 25%. Second, although under the EIT Law and its implementing rules dividends paid to us from our PRC subsidiary would qualify as tax-exempt income, we cannot guarantee that such dividends will not be subject to a 5% withholding tax, as the PRC foreign exchange control authorities, which enforce the withholding tax, have not yet issued guidance with respect to the processing of outbound remittances to entities that are treated as resident enterprises for PRC enterprise income tax purposes. 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.

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.

If the China Securities Regulatory Commission (CSRC) or another PRC regulatory agency determines that CSRC approval was required in connection with the reverse acquisition of Biotechnology International, the reverse acquisition may be unwound, or we may become subject to penalties.

On August 8, 2006, six PRC regulatory agencies, including the CSRC, promulgated the Provisions Regarding Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (the M&A Rule), which became effective on September 8, 2006. The M&A Rule, among other things, requires that an offshore company controlled by PRC companies or individuals that have acquired a PRC domestic company for the purpose of listing the PRC domestic company's equity interest on an overseas stock exchange must obtain the approval of the CSRC prior to the listing and trading of such offshore company's securities on an overseas stock exchange. In addition, when an offshore company acquires a PRC domestic company, the offshore company is generally required to pay the acquisition consideration within three months after the issuance of the foreign-invested company license unless certain ratification from the relevant PRC regulatory agency is obtained. On September 21, 2006, the CSRC, pursuant to the M&A Rule, published on its official web site procedures specifying documents and materials required to be submitted to it by offshore companies seeking CSRC approval of their overseas listings.

We believe the M&A Rule mandating CSRC approval for acquisition of a PRC domestic company by an offshore company controlled by PRC companies or individuals should not apply to our reverse acquisition of Biotechnology International because none of Biotechnology International, Hong Kong Gewang or Gewang Selenium was a Special Purpose Vehicle or an offshore company controlled by PRC companies or individuals at the moment of acquisition. Because we believe the M&A Rule does not apply, we have not sought approval from the CSRC or any other agency, including MOFCOM for the reverse acquisition of Biotechnology International. However, if the PRC regulatory authorities take the view that the reverse acquisition of Biotechnology International constituted a round-trip investment without MOFCOM approval, they could invalidate our acquisition and ownership of Biotechnology International. We cannot make any assurance in such a case that we would be able to obtain the approval required from MOFCOM.

Failure to comply with PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject our PRC resident shareholders to personal liability, limit our ability to acquire PRC companies or to inject capital into our PRC subsidiary or affiliate, limit our PRC subsidiary's and affiliate's ability to distribute profits to us or otherwise materially adversely affect us.

On July 4, 2014, SAFE issued the Notice on Issues Relating to the Administration of Foreign Exchange for Overseas Investment and Financing and Reverse Investment by Domestic Residents via Special Purpose Vehicles, or Circular 37, which replaced the Notice on Issues Relating to the Administration of Foreign Exchange for the Financing and Reverse Investment by Domestic Residents via Offshore Special Purpose Vehicles issued by SAFE in October 2005, or Circular 75. Pursuant to Circular 37, any PRC residents, including both PRC institutions and individual residents,

are required to register with the local SAFE branch before making any contribution to a company set up or controlled by the PRC residents outside of the PRC for the purpose of overseas investment or financing with their legally owned domestic or offshore assets or interests, referred to in this circular as a "special purpose vehicle." Under Circular 37, the term "PRC institutions" refers to entities with legal person status or other economic organizations established within the territory of the PRC. The term "PRC individual residents" includes all PRC citizens (also including PRC citizens abroad) and foreigners who habitually reside in the PRC for economic benefits. A registered special purpose vehicle is required to amend its SAFE registration in the event of any change of basic information including PRC individual resident shareholder, name, term of operation, or PRC individual resident's increase or decrease of capital, transfer or exchange of shares, merger, division or other material changes. In addition, if a non-listed special purpose vehicle grants any equity incentives to directors, supervisors or employees of domestic companies under its direct or indirect control, the relevant PRC individual residents could register with the local SAFE branch before exercising such options. The SAFE simultaneously issued a series of guidances to its local branches with respect to the implementation of Circular 37. Circular 37 modified certain

defined terms under Circular 75 to clarify the SAFE registration scope. For example, Circular 37 broadened the definition of special purpose vehicle to offshore entities that were (i) established for the purpose of overseas investments by PRC residents (in addition to for the purpose of financing as defined under Circular 75) and (ii) established by PRC residents with their legally owned offshore assets or interests (in addition to domestic assets or interests as defined under Circular 75); and it also broadened the definition of reverse investment to include establishing new foreign invested entities or projects as a way of domestic direct investment by PRC residents, directly or indirectly, through a special purpose vehicle, which was excluded by Circular 75. Furthermore, Circular 37 modified certain SAFE registration procedures and requirements for special purpose vehicles and clarified the SAFE registration procedures for equity incentive awards granted by non-listed special purpose vehicles to directors, supervisors or employees of their controlled domestic companies.

We have advised our shareholders who are PRC residents, as defined in Circular 37, to register with the relevant branch of SAFE, as currently required, in connection with their equity interests in us and our acquisitions of equity interests in our PRC subsidiary and affiliate. However, as SAFE registration is a personal obligation of each shareholder, we cannot provide any assurances that their existing registrations have fully complied with, and they have made all necessary amendments to their registration to fully comply with, all applicable registrations or approvals required by Circular 37. Moreover, because of uncertainty over how Circular 37 will be interpreted and implemented, and how or whether SAFE will apply it to us, we cannot predict how it will affect our business operations or future strategies. For example, our present and prospective PRC subsidiaries and affiliates' abilities to conduct foreign exchange activities, such as the remittance of dividends and foreign currency-denominated borrowings, may be subject to compliance with Circular 37 by our PRC resident beneficial holders. In addition, such PRC residents may not always be able to complete the necessary registration procedures required by Circular 37. We also have little control over either our present or prospective direct or indirect shareholders or the outcome of such registration procedures. A failure by our PRC resident beneficial holders or future PRC resident shareholders to comply with Circular 37, if SAFE requires it, could subject these PRC resident beneficial holders to fines or legal sanctions, restrict our overseas or cross-border investment activities, limit our subsidiaries and affiliates' abilities to make distributions or pay dividends or affect our ownership structure, which could adversely affect our business and prospects.

Additionally in October of 2016, the Interim Measures for the Administration of the Establishment and Record Alteration of Foreign Investment Enterprises (Interim Measures) took effect and now mandates that WOFEs, among other types of PRC domiciled companies must register with MOFCOM and request MOFCOM's approval for any change in ownership by foreign investors. Neither the Registrant nor our operating subsidiary Guangdong Gewang are affected by the Interim Measures, but our subsidiary Gewang Selenium is subject to the Interim Measures as a WFOE. As such, any change in ownership of Gewang Selenium would require the approval of MOFCOM, and such approval cannot be guaranteed. Any failure to seek approval of any change in ownership of Gewang Selenium could create liability affecting the Registrant, and the potential barrier in changing the ownership structure of the Registrant and its subsidiaries owned by Gewang Selenium could limit opportunities for restructuring. Gewang Selenium has already registered its current ownership with MOFCOM prior to the effective date of the Interim Measures, so under the Registrant's current corporate structure, the Interim Measures will not affect our business. Gewang Selenium does not have any material operations, and we plan to retain the current ownership structure under Gewang Selenium's existing registration with MOFCOM in order to avoid any risk.

We may be exposed to liabilities under the Foreign Corrupt Practices Act and Chinese anti-corruption law, and any determination that we violated these laws could have a material adverse effect on our business.

We are subject to the U.S. Foreign Corrupt Practices Act, (FCPA) and other laws that prohibit improper payments or offers of payments to foreign governments and their officials and political parties by U.S. persons and issuers for the purpose of obtaining or retaining business. We are also subject to Chinese anti-corruption laws, which strictly prohibit the payment of bribes to government officials.

We principally have operations, agreements with third parties and make sales in China, which may experience corruption. Our activities in China create the risk of unauthorized payments or offers of payments by one of the employees or consultants of our company, because these parties are not always subject to our control. We believe that to date we have complied in all material respects with the provisions of the FCPA and Chinese anti-corruption law. However, our existing safeguards and any future improvements may prove to be less than effective, and the employees, consultants or distributors of our Company may engage in conduct for which we might be held responsible. Violations of the FCPA or Chinese anti-corruption law may result in severe criminal or civil sanctions, and we may be subject to other liabilities, which could negatively affect our business, operating results and financial condition. In addition, the government may seek to hold our Company liable for successor liability FCPA violations committed by companies in which we invest or that we acquire.

Lack of bank deposit insurance in the PRC puts our cash balances at risk of loss, the loss of which could have a material adverse effect on our business.

We maintain bank accounts in China the balances of which are not insured and are not protected by U.S. FDIC insurance or other insurance. As of January 9, 2017 we held the equivalent of approximately \$14,921,301 in US Dollars in bank accounts in China. If a Chinese bank holding our funds were to experience insolvency or closure, it may not permit us to withdraw our funds, which would result in a loss of such funds, which could have a material adverse effect on our business.

RISKS RELATED TO THE MARKET FOR OUR STOCK

There is only a very limited market for our Common Stock.

While our common stock is listing for quotation on the OTCQB, there is currently little trading in our common stock. We cannot provide any assurances as to if or when an active market will develop for our common stock.

The Company is an emerging growth company and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.

We are an emerging growth company or EGC as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. We will remain an EGC until the earlier of: the last day of the fiscal year in which we have total annual gross revenues of \$1.0 billion or more; the last day of the fiscal year following the fifth anniversary of the date of the completion of this offering; the date on which we have issued more than \$1.0 billion in nonconvertible debt during the previous three years; or the date on which we are deemed to be a large accelerated filer under the rules of the SEC.

An emerging growth company may take advantage of reduced reporting requirements that are otherwise applicable to public companies. These provisions include, but are not limited to :

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being permitted to present only two years of audited financial statements and only two years of related Management's Discussion and Analysis of Financial Condition and Results of Operations in this prospectus;

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not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended ;

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reduced disclosure obligations regarding executive compensation in our periodic reports , proxy statements and registration statements, including in this prospectus; and

exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We have elected to take advantage of certain of the reduced disclosure obligations in this prospectus and may elect to take advantage of other reduced reporting requirements in our future filings with SEC.

The Jobs Act also provides that we can take advantage of the extended transition period for complying with new or revised accounting standards. Thus, an EGC can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to avail ourselves of this extended transition period and, as a result, we may not adopt new or revised accounting standards until those standards would otherwise apply to private companies.

We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile when trading occurs.

We are subject to the periodic reporting requirements of the Exchange Act, which will require us to incur audit fees and legal fees in connection with the preparation of such reports. These additional costs will negatively affect our ability to earn a profit.

We are required to file periodic reports with the SEC pursuant to the Exchange Act and the rules and regulations thereunder. In order to comply with such requirements, our independent registered auditors will have to review our financial statements on a quarterly basis and audit our financial statements on an annual basis. Moreover, our legal counsel will have to review and assist in the preparation of such reports. Factors such as the number and type of transactions that we engage in and the complexity of our reports cannot accurately be determined at this time and may have a major negative effect on the cost and amount of time to be spent by our auditors and attorneys. However, the incurrence of such costs will be an expense to our operations and thus have a negative effect on our ability to meet our overhead requirements and earn a profit.

However, for as long as we remain an emerging growth company we intend to take advantage of certain exemptions from various reporting requirements until we are no longer an emerging growth company.

After, and if ever, we are no longer an emerging growth company, we expect to incur significant additional expenses and devote substantial management effort toward ensuring compliance with those requirements applicable to companies that are not emerging growth companies, including Section 404 of the Sarbanes-Oxley Act.

For so long as we are an emerging growth company, we may rely on certain exemptions provided in the JOBS Act, including reduced disclosure regarding executive compensation, not seeking an advisory vote with respect to executive compensation and not requiring our independent registered public accounting firm to attest to the effectiveness of our internal control over financial reporting, which could make our common stock less attractive to investors due to the nature of the reduced disclosure.

We are an emerging growth company, as defined in the JOBS Act, and may remain an emerging growth company for up to five years. For so long as we remain an emerging growth company, we are permitted and plan to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or SOX Section 404, not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements, reduced disclosure obligations regarding executive compensation and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. In this prospectus, we have provided only two years of audited financial statements and have not included all of the executive compensation related information that would be required if we

were not an emerging growth company. We cannot predict whether investors will find our common stock less attractive if we rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile. In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to avail ourselves of this extended transition period and, as a result, we may not adopt new or revised accounting standards until those standards would otherwise apply to private companies.

If securities or industry analysts do not publish research or reports or publish unfavorable research about our business, the price and trading volume of our common stock could decline.

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. We do not currently have and may never obtain research coverage by securities and industry analysts. If no securities or industry analysts commence coverage of us, the trading price for our common stock and other securities would be negatively affected. In the event we obtain securities or industry analyst coverage, if one or more of the analysts who covers us downgrades our securities, the price of our securities would likely decline. If one or more of these analysts ceases to cover us or fails to publish regular reports on us, interest in the purchase of our securities could decrease, which could cause the price of our common stock and other securities and their trading volume to decline.

If our common stock becomes a penny stock, you may have greater difficulty selling your shares.

Penny stocks are generally equity securities with a price of less than \$5.00, other than securities registered on certain national securities exchanges or quoted on the NASDAQ system, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or quotation system. After a Public Listing, our common stock may become a penny stock within the meaning of the rules, the rules apply to us and to our securities if we are not listed on a national securities exchange. These rules may further affect the ability of owners of shares to sell our securities in any market that might develop for them. As long as the trading price of our common stock is less than \$5.00 per share, even if our common stock is quoted on either the OTCQX or OTCQB market place operated by the OTC Markets, our common stock will be subject to Rule 15c-9 under the Exchange Act (the Penny Stock Rules). The Penny Stock Rules require a broker-dealer, prior to a transaction in a penny stock, to deliver a standardized risk disclosure document prepared by the SEC, that:

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contains a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading;

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contains a description of the broker's or dealer's duties to the customer and of the rights and remedies available to the customer with respect to a violation to such duties or other requirements of securities laws;

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contains a brief, clear, narrative description of a dealer market, including bid and ask prices for penny stocks and the significance of the spread between the bid and ask price;

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contains a toll-free telephone number for inquiries on disciplinary actions;

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defines significant terms in the disclosure document or in the conduct of trading in penny stocks; and

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contains such other information and is in such form, including language, type, size and format, as the SEC shall require by rule or regulation.

The broker-dealer also must provide, prior to effecting any transaction in a penny stock, the customer with: (a) bid and offer quotations for the penny stock; (b) the compensation of the broker-dealer and its salesperson in the transaction; (c) the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and (d) a monthly account statements showing the market value of each penny stock held in the customer's account. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from those rules; the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written acknowledgment of the receipt of a risk disclosure statement, a written agreement to transactions involving penny stocks, and a signed and dated copy of a written suitability statement. These disclosure requirements may have the effect of reducing the trading activity in the secondary market for our stock it becomes designated as a Penny Stock.

Because we do not intend to pay any cash dividends on our common stock, our stockholders will not be able to receive a return on their shares unless they sell them.

We intend to retain any future earnings to finance the development and expansion of our business. We do not anticipate paying any cash dividends on our common stock in the foreseeable future. Unless we pay dividends, our stockholders will not be able to receive a return on their shares unless they sell them. There is no assurance that stockholders will be able to sell shares when desired.

RISKS RELATED TO THIS OFFERING

There is a risk of dilution of your percentage ownership of common stock in the Company.

As shares are sold during the course of this offering and thereafter, continuing dilution in the ownership of the Company will occur. In addition to the shares which we may sell pursuant to this offering, the Company has the right to raise additional capital or incur borrowings from third parties to finance its business. Subject to certain exceptions, our Board of Directors has the authority, without the consent of any of the stockholders, to cause the Company to issue more shares of common stock and/or preferred stock at such price and on such terms and conditions as are determined by the Board in its sole discretion.

We have broad discretion in the use of the net proceeds from this offering and may not use them effectively.

Our management will have broad discretion in the application of the net proceeds from this offering, including for any of the purposes described in the section of this prospectus entitled "Use of Proceeds". The failure by our management to apply these funds effectively could harm our business. Pending their use, we may invest the net proceeds from this offering in short-term, investment-grade, interest-bearing securities. These investments may not yield a favorable return to our stockholders.

NASDAQ may delist our securities from trading on its exchange, which could limit investors ability to make transactions in our securities and subject us to additional trading restrictions.

This offering is contingent on a listing to the NASDAQ Capital Market. At some later date NASDAQ could delist our securities from trading on its exchange , and we may not be able to list our securities on another national securities exchange. If this were to occur, we could face significant material adverse consequences, including:

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a limited availability of market quotations for our securities;

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reduced liquidity for our securities;

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a limited amount of news and analyst coverage; and

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a decreased ability to issue additional securities or obtain additional financing in the future.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

The information contained in this prospectus, including in the documents incorporated by reference into this prospectus, includes some statements that are not purely historical and that are forward-looking statements. Such forward-looking statements include, but are not limited to, statements regarding our company's and our management's expectations, hopes, beliefs, intentions or strategies regarding the future, including our financial condition and results of operations. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words anticipates, believes, continue, could, estimates, expects, intends, may, might, plans, possible, potential, should, will, would and similar expressions, or the negatives of such terms, may identify forward-looking statements but the absence of these words does not mean that a statement is not forward-looking.

The forward-looking statements contained in this prospectus are based on current expectations and beliefs concerning future developments and the potential effects on the parties and the transaction. There can be no assurance that future developments actually affecting us will be those anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond the parties' control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements, including the following:

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The continued viability of our strategic partnerships;

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The acceptance of the Company's corporate structure and of the compliance regime in the PRC;

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The acceptance of our products in our target markets;

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Our ability to retain and hire qualified personnel;

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Our exposure to product liability and defect claims;

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The protection of our intellectual property rights;

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The changes in the laws or enforcement of laws of the PRC that affect our operations;

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Any fluctuations in foreign currency exchange rates;

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The stability of the regulatory regimes to which the Company is subject;

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The continued development of a public trading market for our securities and the eventual listing on a national exchange;

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The cost of complying with current and future governmental regulations and the impact of any changes in the regulations on our operations;

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Our ability to take advantage of exceptions to disclosure requirements;

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Our ability to raise additional capital to fund our operations;

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The marketability of our shares;

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The ability of our management to comply with the requirements for a public company listed in the United States; and

The other factors referenced in this Prospectus, including, without limitation, under the sections entitled Risk Factors, Management's Discussion and Analysis of Financial Condition and Results of Operations, and Business.

The risks included above are not exhaustive. Other sections of this prospectus may include additional factors that could adversely impact our business and operating results. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and we cannot predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. We cannot assure you that the events and circumstances reflected in the forward-looking statements will be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither we nor any other person assume responsibility for the accuracy and completeness of the forward-looking statements. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this prospectus to conform these statements to actual results or to changes in our expectations.

You should read this prospectus, and the documents that we reference in this prospectus and have filed as exhibits to this prospectus with the U.S. Securities and Exchange Commission, completely and with the understanding that our actual future results, levels of activity, performance and achievements may materially differ from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

USE OF PROCEEDS

Based on a per share offering price of \$[], we estimate that the net proceeds from the sale of 2,500,000 shares of our common stock in the offering will be approximately \$10,260,000 million after deducting the estimated underwriting discounts and commissions of 8% and estimated offering expenses of approximately \$780,000.

We intend to use the net proceeds from this offering according to the following table:

Item	\$12,000,000	
	(USD)	%
Underwriting discounts and commissions and	960,000	8.00%
Offering expenses	780,000	6.50%
Net Proceeds	10,260,000	
Opening Selenium Product Experience Stores ⁽¹⁾	2,309,000	22.50%
Increase sales in chain stores- entry fees	5,626,000	54.83%
R&D of selenium products ⁽²⁾	2,223,000	21.67%
Upgrades to the Selenium Product Experience Store	102,000	1.00%
Total	10,260,000	100%

(1) The Company has projected that this amount of funds will be sufficient to open 26 new Selenium Product Experience Stores in provincial capitals in China, bringing our total to 30 stores.

(2) Funds for R&D of selenium products will be paid directly to the Academy to support continued research in selenium products.

Other than as indicated in this Use of Proceeds section, we cannot specify with certainty the exact amounts that will be used for each purpose. The amounts and timing of our actual expenditures will depend on numerous factors, including the status of our development efforts, sales and marketing activities, the amount of cash generated or used by our operations and competition. We may find it necessary or advisable to use portions of the proceeds for other purposes, and we will have broad discretion in the application of the net proceeds. We have no current intentions to acquire any other businesses. Pending these uses, the proceeds may be invested in short-term, investment grade, interest-bearing securities.

DIVIDEND POLICY

We have never and do not expect to declare or pay any cash dividends on our common stock in the foreseeable future, and we currently intend to retain future earnings, if any, to finance the operation and expansion of our business. The decision whether to pay cash dividends on our common stock will be made by our board of directors, in its discretion, and will depend on the available earnings, the capital requirements of the Company, its general financial condition, legal restrictions and other factors deemed pertinent by the Board of Directors.

Under applicable PRC laws and regulations, foreign-invested enterprises in China may pay dividends only out of their accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, a foreign-invested enterprise in China is required to set aside at least 10.0% of its after-tax profit based on PRC accounting standards each year to its general reserves until the accumulative amount of such reserves reaches 50% of its registered capital. These reserves are not distributable as cash dividends. The board of directors of a foreign-invested enterprise has the discretion to allocate a portion of its after-tax profits to staff welfare and bonus funds, which may not be distributed to equity owners except in the event of liquidation.

Furthermore, the ability of our Chinese operating subsidiaries to pay dividends may be restricted due to the foreign exchange control policies and availability of cash balance of the Chinese operating subsidiaries. Because substantially all of our operations are conducted in the PRC and a substantial majority of our revenues are generated in the PRC, a

majority of our revenue being earned and currency received are denominated in RMB. RMB is subject to the exchange control regulation in the PRC, and, as a result, we may be unable to distribute any dividends outside of the PRC due to PRC exchange control regulations that restrict our ability to convert RMB into US Dollars.

Our inability to receive dividends or other payments from our Chinese operating subsidiary could adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business. Our funds may not be readily available to us to satisfy obligations which have been incurred outside the PRC, which could adversely affect our business and prospects or our ability to meet our cash obligations. Accordingly, if we do not receive dividends from our Chinese operating subsidiary, our liquidity, financial condition and ability to make dividend distributions to our stockholders will be materially and adversely affected.

CAPITALIZATION

The following table sets forth our capitalization as of August 31, 2016 (unaudited) on:

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an actual basis, and

an *as adjusted* to give effect to reflect our receipt of estimated net proceeds of \$10,260,000 from the sale of 2,500,000 shares of common stock in this offering at an assumed public offering price of \$[], and after deducting estimated underwriting discounts of 8% and estimated offering expenses of approximately \$780,000.

You should read this table in conjunction with Use of Proceeds, Summary Financial Information, Management Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes included elsewhere in this prospectus.

LIABILITIES AND STOCKHOLDERS' EQUITY	August 31, 2016 (Unaudited)	As Adjusted
Current Liabilities	\$	
Accounts Payable	4,258,281	\$
Taxes payable	1,154,629	
Accrued expenses and other payables	149,984	
Loans from stockholder	256,044	
Total current liabilities	5,904,261	
Stockholders' equity:		
Common stock - \$0.001 par value, 100,000,000 and 75,000,000 shares authorized, 75,000,000 and 45,000,000 shares issued and outstanding as of August 31, 2016 and November 30, 2015, respectively	75,000	
Additional paid-in capital	16,980,102	
Retained earnings	8,906,176	
Statutory reserve fund	762,555	
Other comprehensive (loss)	(906,382)	
Stockholders' equity before noncontrolling interests	25,817,451	
Noncontrolling interests	184,728	
Total stockholders' equity	26,002,179	
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$	\$

31,906,440

The number of our shares of common stock shown above to be outstanding after this offering is based on (i) 75,000,000 shares of common stock issued and outstanding as of August 31, 2016 and (ii) 2,500,000 shares of common stock issued in this public offering. The number excludes the 125,000 shares of common stock that may be issued upon the exercise of the Underwriter's Warrants (exercisable at \$[] per share).

MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market for Common Equity

After the merger of China Gewang Biotechnology, Inc. into Rich Star Development Corporation on January 8, 2015 and effecting the name change of the Company to China Gewang Biotechnology, Inc., our common stock has been quoted on the OTCQB under the symbol CGWB. There has been an extremely limited public market for our common stock. We intend to apply for the listing of our common stock on the Nasdaq Capital Market. We believe that we will meet the standards for listing on the NASDAQ Capital Market; however there is no assurance that such application will be approved, and if our application is not approved this offering will not be completed. As of January 9, 2017, we had 2,265 stockholders of record.

When the trading price of our common stock is below \$5.00 per share, it may be considered to be a penny stock that may be subject to rules promulgated by the SEC (Rule 15c-1 through 15c-9) under the Exchange Act. These rules impose significant requirements on brokers under these circumstances, including: (a) delivering to customers the SEC's standardized risk disclosure document; (b) providing customers with current bid and ask prices; (c) disclosing to customers the brokers-dealer's and sales representatives compensation; and (d) providing to customers monthly account statements. See Risk Factors Risks Related To Our Ownership Of Our Common Stock And This Offering Our Common Stock May Be Considered Penny Stock, And Thereby Be Subject To Additional Sale And Trading Regulations That May Make It More Difficult To Sell.

The following table sets forth on a per share basis for the periods shown, the high and low closing bid prices of the Company's common stock. The quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

Closing Bid Prices	High (\$)	Low (\$)
<u>Calendar Year Ended December 31, 2016</u>		
4th Quarter	5.39	5.34
3rd Quarter	6.00	4.48
2nd Quarter	6.00	3.88
1st Quarter	3.89	3.59
<u>Calendar Year Ended December 31, 2015</u>		
4th Quarter	3.59	2.84
3rd Quarter	2.86	2.80
2nd Quarter ⁽¹⁾	2.83	2.20

(1) Prior to the 2nd Quarter of 2015, there were no transactions evidencing bid prices of our common stock.

The high and low bid quotations for our common stock as of January 6, 2017 were \$5.40 and \$5.34 , respectively. The market quotations represent prices between dealers, do not include retail markup, markdown, or commissions and may not represent actual transactions.

Holders of Common Equity

As of January 9, 2017 , we have issued 75,000,000 shares of our common stock to 2,065 holders of record. See also [Beneficial Ownership of Certain Beneficial Owners and Management](#) which sets forth each person known by us to be the beneficial owner of five (5%) percent or more of the Company's common stock, all directors individually and all directors and officers as a group as of January __, 2017 ..

Securities Authorized for Issuance under Equity Compensation Plans

We have never had any compensation plans (including individual compensation arrangements) under which the Company's equity securities have been authorized for issuance.

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

Forward-Looking Statements

The following discussion of our financial condition and results of operations should be read in conjunction with our financial statements and the related notes, and the other financial information included in this prospectus.

This prospectus contains forward-looking statements. The words "anticipate," "believe," "expect," "plan," "intend," "estimate," "project," "could," "may," and similar expressions are intended to identify forward-looking statements. The statements include, among others, information regarding future operations, future capital expenditures, and future net cash flow. Such statements reflect our management's current views with respect to future events and financial performance and involve risks and uncertainties, including, without limitation, the current economic downturn adversely affecting demand for our products; our reliance on our major customers for a large portion of our net sales; our ability to develop and market new products; our ability to raise additional capital to fund our operations; our ability to accurately forecast amounts of supplies needed to meet customer demand; market acceptance of our products; exposure to product liability and defect claims; fluctuations in the availability of raw materials and components needed for our products; protection of our intellectual property rights; changes in the laws of the PRC that affect our operations; inflation and fluctuations in foreign currency rates and various other matters, many of which are beyond our control. Should one or more of these risks or uncertainties occur, or should underlying assumptions prove to be incorrect, actual results may vary materially and adversely from those anticipated, believed, estimated or otherwise indicated. Consequently, all of the forward-looking statements made in this prospectus are qualified by these cautionary statements and there can be no assurance of the actual results or developments.

Company Overview and Plan of Developments

The Registrant's primary operating company, Guangdong Gewang was founded in June 2010 in Guangzhou City, with registered capital of RMB 10 million (US\$1,561,000). Guangdong Gewang is engaged in the sale of selenium supplements within the PRC. It is a member in good standing of the Chinese Selenium Supplements Association.

Guangdong Gewang sells its three proprietary selenium products manufactured by our contract manufacturers, along with selenium fortified food products from other manufacturers and other health related products through our branded stores and through our distribution channels to large supermarket chains and similar large chain stores.

Guangdong Gewang initiated its business by cooperating with the Academy in the research and development of formulas for three selenium supplements: a selenium capsule, a capsule combining selenium with glossy ganoderma (a therapeutic mushroom), and a selenium powder. The Academy has given Guangdong Gewang an exclusive license to contract for the manufacture and marketing of the three products. As a result of our relationship with the Academy, Guangdong Gewang has not needed to conduct its own research and development during the past two years. The Academy has also selected the manufacturers possessing the advanced nanometer processing technology and production processes needed to produce selenium products under contract with Guangdong Gewang. With cooperation from the Academy, Guangdong Gewang outsources the manufacturing of the products, then sells them under the brand Jindanli which is a registered trademark in China ..

The Academy, as part of its exclusive relationship with Guangdong Gewang, plays a large role in the production of its products. Using its zero toxicity extraction technique, the Academy separates the selenium to be used in the manufacturing process for use by the manufacturer of each of Guangdong Gewang's products. The Academy's engineering personnel supervise the technical aspects of the manufacture of the products, working with Guangdong Gewang's quality control personnel.

Initially, Guangdong Gewang marketed products exclusively on a wholesale basis to chain stores that retail health care products. Early in 2014, as the Company developed the necessary infrastructure, Guangdong Gewang commenced direct marketing to consumers from its executive home office. Subsequently we have opened three more physical stores dedicated to the sale of Jindanli products. Our flagship store also currently carries eighty-nine other selenium products produced by other companies, which account for 80% of our retail sales.

As stated in the Use of Proceeds section of this prospectus, the Company plans to use US\$2.3 million of the proceeds of this offering to expand its retail operations by opening 26 new stores in provincial capital cities throughout China in the 2017 fiscal year, bringing the total number of retail stores to 30. These retail centers will broaden Guangdong Gewang's geographical reach and assist in bringing more awareness to selenium deficiency in China, which will in turn assist the efforts of our sales team to continue boosting wholesale sales of our Jindanli branded products and of selenium enriched food products to our distribution network of chain stores.

In March 2016, Guangdong Gewang entered into cooperation agreements with 6 selenium enriched food product manufacturers for Guangdong Gewang to distribute their selenium enriched food products to chain stores and to sell these products in Guangdong Gewang's retail stores. Guangdong Gewang pays promotion fees to chain stores to ensure optimal product placement and widespread distribution of these products. Guangdong Gewang has worked with the Academy to ensure that each of these selenium enriched food product manufacturers meets its standards. Guangdong Gewang has also begun to sell these selenium enriched food products in its flagship retail store alongside its Jindanli branded selenium products. The wholesale and retail sales of selenium enriched food products has broadened Guangdong Gewang's reach in China and helped to further expand the Company's market share in selenium products beyond selenium supplements. Currently Guangdong Gewang distributes 89 distinct products which include processed foods such as selenium enriched porridge, ready to eat foods such as selenium enriched peanuts, and ingredients such as selenium-enriched flower. Guangdong Gewang is actively engaged in marketing healthy selenium rich foods, including Selenium-Rich Maize Residue, Selenium-Rich Brown Rice, Selenium Enriched Black Beans, Selenium Enriched Buckwheat Kernel and Selenium Enriched Ormosia. These foods compliment the Company's Jindanli branded products by raising awareness of the need for selenium in the diets of our target consumer market.

Principles of Consolidation

Registrant is a holding company whose assets consist of (a) an indirect 98% ownership interest in Guangdong Gewang and (b) an indirect 30% ownership interest in Guangdong Tianmei. Guangdong Gewang is primarily engaged in the sale of selenium supplements within the PRC, and is a member of the Chinese Selenium Supplements Association. Guangdong Tianmei is engaged in the business of distributing selenium-rich bottled water, as well as functioning as a placement agent for products from other manufacturers.

Before August 8, 2016, the Company effectively and substantially controlled Guangdong Gewang through a series of captive agreements made on April 6, 2015 between Guangdong Gewang, its equity owners and Gewang Selenium. On July 13, 2016, Gewang Selenium exercised its option to purchase all of the registered equity of Guangdong Gewang. The purchase price paid for the equity was RMB10,000 (approximatelyUS\$1,519). The equity was purchased from Shili Zhang, Yun Zeng and Wei Xu. Shili Zhang was the Company's CEO until April 8, 2016 and is the father of Mengdi Zhang, who owned 12.7% of the Company's outstanding common stock at the time of the sale on July 13, 2016. The other two sellers are not affiliated with the Company.

Upon application to the provincial government for registration of the transfer of equity, the Company was informed that Gewang Selenium would not be permitted to own 100% of Guangdong Gewang. Therefore the parties modified the exercise of the option to provide that Gewang Selenium would purchase only 98% of the registered equity of Guangdong Gewang. The purchase price paid for the equity was RMB 9,800 (approximatelyUS\$1,500). The remaining 2% of the registered equity was then sold by Yun Zeng to Haiping Wu for a price of RMB 200,000 (approximatelyUS\$30,400), which equaled 2% of the registered equity of Guangdong Gewang. Haiping Wu is a Director of Guangdong Gewang. The acquisition, as modified, was then approved by the provincial government on August 8, 2016.

Prior to the acquisition, Gewang Selenium controlled Guangdong Gewang through a series of contractual agreements, which made Guangdong Gewang a variable interest entity, the effect of which was to cause the balance sheet and operating results of Guangdong Gewang to be consolidated with those of Gewang Selenium in the Company's financial statements. As a result of the acquisition by Gewang Selenium of the registered ownership of Guangdong Gewang, the balance sheet and operating results of Guangdong Gewang will hereafter continue to be consolidated with those of Gewang Selenium as its majority-owned subsidiary. The previous non-controlling interest was reclassified to additional paid-in-capital.

In May 2016, our wholly owned subsidiary, Biotechnology International purchased 30% of the outstanding shares of Tianmei Australia. The purchase price was US\$1,000,000 payable to Guangdong Tianmei. On May 16, 2016 Tianmei Australia acquired all of the outstanding shares of Tianmei BVI. Tianmei BVI, through its wholly owned subsidiary, a Hong Kong holding company, owns all of the equity of a wholly foreign-owned subsidiary organized in PRC, which wholly owns Guangdong Tianmei.

JOBS Act

We are an emerging growth company as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. We will remain an EGC until the earlier of: the last day of the fiscal year in which we have total annual gross revenues of \$1.0 billion or more; the last day of the fiscal year following the fifth anniversary of the date of the completion of this offering; the date on which we have issued more than \$1.0 billion in nonconvertible debt during the previous three years; or the date on which we are deemed to be a large accelerated filer under the rules of the SEC.

An emerging growth company may take advantage of reduced reporting requirements that are otherwise applicable to public companies. These provisions include, but are not limited to:

being permitted to present only two years of audited financial statements and only two years of related Management's Discussion and Analysis of Financial Condition and Results of Operations in this prospectus;

not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended;

reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements, including in this prospectus; and

exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We have elected to take advantage of certain of the reduced disclosure obligations in this prospectus and may elect to take advantage of other reduced reporting requirements in our future filings with SEC.

The Jobs Act also provides that we can take advantage of the extended transition period for complying with new or revised accounting standards. Thus, an EGC can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to avail ourselves of this extended transition period and, as a result, we may not adopt new or revised accounting standards until those standards would otherwise apply to private companies.

Internal Control Over Financial Reporting

Assessing our staffing and training procedures to improve our internal control over financial reporting is an ongoing process. We are not currently required to comply with Section 404(b) of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, and are therefore our independent registered public accounting firm has not been engaged to express, nor have they expressed, an opinion on the effectiveness of our internal control over financial reporting.

Operating Segments

We have performed an internal analysis to identify the our reportable operating segments. Various factors were assessed and we concluded that all streams of revenue use the same resources (management, HR, fixed assets, advertising, etc.). The chief operating decision maker is only provided with a breakdown of wholesale and retail revenues. Due to the operations and management being the same for both revenue streams, we believe that segmental reporting is not required.

Results of Operations for the Years ended November 30, 2015 and 2014

The following table sets forth key components of our results of operations during the years ended November 30, 2015 and 2014, and the percentage changes between 2015 and 2014.

	November 30, 2015 (US \$)	November 30, 2014 (US \$)	Change %
	\$	\$	
Revenue	4,184,255	2,368,016	77%
Cost of Sales	(1,186,461)	(725,449)	64%
Gross profit	2,997,794	1,642,567	83%
Selling and marketing expenses	836,040	473,670	77%

General and administrative expenses	528,627	150,154	252%
Total operating expenses	1,364,667	623,824	119%
Income from operations	1,633,127	1,018,743	60%
Other income	13,508	2,900	366%
Income before provision for			
income taxes	1,646,635	1,021,643	61%
Provision for income taxes	457,922	264,553	73%
Net income before noncontrolling interests	1,188,713	757,090	57%
Noncontrolling interests	(61,790)	(38,952)	59%
	\$	\$	
Net income attributable to common stockholders	1,126,923	718,138	57%

Sales

Our sales increased to \$4,184,255 for the year ended November 30, 2015 from \$2,368,016 for the year ended November 30, 2014, an increase of \$1,816,239 or 77%. In addition to the beneficial effects of our marketing efforts, the primary causes of the increase were:

Increased demand for our products allowed us to implement a 30% increase in our wholesale prices. Our average unit price in and before March 2014 was \$81 (RMB 500) and increased to \$105 (RMB 650) from April 2014.

During the first half of fiscal 2014, our sales were made exclusively from the head office, mostly to wholesale customers but with modest retail sales. During the latter part of fiscal 2014, we increased retail sales from our head office and opened our first physical store in Chancheng. In June 2015, we opened a second store in Xiamen. In October 2015, we opened a third store in Changsha. Retail sales were 30% and 18% of total sales for the years ended November 30, 2015 and 2014. The retail average unit selling price during fiscal 2015 was \$222 (RMB 1,380).

The following table shows the source of our revenue in the comparable periods:

	Year ended Nov. 30, 2015		Year Ended Nov. 30, 2014	
	Sales	% of total	Sales	% of total
Office wholesale	\$ 2,945,440	70%	\$1,930,057	82%
Office retail	505,406	12%	380,368	16%
Changcheng store retail	621,025	15%	57,591	2%
Xiamen store retail	93,618	2%	--	0%
Changsha store retail	18,766	<1%	--	0%
	\$ 4,184,255	100%	\$ 2,368,016	100%

Gross Profit

Our cost of sales has increased during the past two years due to increased unit prices paid to our manufacturers. Although our cost for Organic Selenium Powder increased by 44% in April 2014, the increase in cost for our two best selling products was less than the 30% overall increase in our sales price: our unit purchase price for the Xikang Capsule increased by 22% to \$35; the unit purchase price of our Xizhi Capsule increased by 25% to \$32. Therefore, our gross profit margin increased by 2% to 71.6% for the year ended November 30, 2015.

Selling Expenses

Our selling expenses increased by 77% to \$836,040 for the year ended November 30, 2015 from \$473,670 for the year ended November 30, 2014. Our selling expenses will not increase in strict proportion to an increase in sales, because a large component of our selling expenses is a fixed license fee that we pay to the Academy for use of the selenium formulae developed by the Academy. On the other hand, our selling expenses include rent, transportation expenses, advertising expenses and salaries incurred for the sales function, all of which will tend to increase as our sales increase. In addition, one specific reason for the increase in our selling expenses was the opening of our retail stores in Foshan, Xiamen and Changsha since September 2014.

General and administrative expenses

Our general and administrative (G&A) expenses increased by 252% to \$528,627 for the year ended November 30, 2015 from \$150,154 for the year ended November 30, 2014. The largest components of our G&A expenses are the salaries of administrative personnel and government-mandated benefits provided to all of our staff. The change in G&A expenses from year to year occurred primarily as a result of the expansion of our business in the past year, as reflected in the growth of our sales.

Pre-tax Income

Because our operating expenses increased at a faster rate than our gross profit during the year ended November 30, 2015, our operating income increased by only 60%, to \$1,633,127 in the year ended November 30, 2015 from \$1,018,743 in the year ended November 30, 2014, respectively, less than the 83% increase in our gross profit.

As we have very little debt, our only other income consisted entirely of interest income earned on our bank balances: \$13,508 and \$2,900 during the years ended November 30, 2015 and 2014, respectively. Our pre-tax income, therefore, was \$1,646,635 and \$ 1,021,643 for the years ended November 30, 2015 and 2014 respectively.

Net Income

Due to the 61% increase in our pre-tax income for year ended November 30, 2015, our provision for income taxes increased to \$457,922 for the year ended November 30, 2015 from \$264,553 for the year ended November 30, 2014. Our effective tax rate was the same as the statutory rate of 25% for the years ended November 30, 2015 and 2014. After deducting the provision for income taxes and noncontrolling interests, China Gewang reported net income before noncontrolling interests of \$1,188,713 and \$757,090 for the years ended November 30, 2015 and 2014, respectively. Because the VIE Agreements assigned to Gewang Selenium only 95% of the net income of Guangdong Gewang, we recorded a deduction for noncontrolling interests, after which our net income attributable to common stockholders was \$1,126,923 (\$0.02 per share) for the year ended November 30, 2015 and \$718,138 (\$0.02 per share) for the year ended November 30, 2014.

Results of Operations for the Three Months Ended August 31, 2016 Compared with the Three Months Ended August 31, 2015

The following table sets forth key components of our results of operations during the three months ended August 31, 2016 and 2015, and the percentage changes between 2016 and 2015.

	August 31, 2016 (US \$)	August 31, 2015 (US \$)	Change %
Gross revenue	\$ 18,588,296	\$ 1,066,381	1,643%
Revenue reduction - promotion fees	(1,522,152)		

Cost of Goods Sold	(11,150,902)	(350,488)	3,082%
Gross profit	5,915,242	715,893	726%
Selling and marketing expenses	793,468	212,242	274%
General and administrative expenses	235,273	120,383	95%
Total operating expenses	1,028,741	332,625	209%
Income from operations	4,886,501	383,268	1,175%
Other income	411	4,316	(90%)
Income before provision for			
income taxes and equity investment	4,886,912	387,584	1,161%
Provision for income taxes	1,230,889	100,544	1,124%
Equity in income of investee	1,735,366	-	100%
Net income before noncontrolling interests	5,391,389	287,040	1,778%
Noncontrolling interests	(166,925)	(13,574)	1,130%
Net income attributable to common			
stockholders	\$ 5,224,464	\$ 273,466	1,810%

Sales

Our sales increased to \$18,588,296 for the three months ended August 31, 2016 from \$1,066,381 for the three months ended August 31, 2015, an increase of \$17,521,915 or 1,643%. We did not increase the prices of any of our products. However, we have begun to wholesale products manufactured by other companies through our distribution network and have also increased the volume of sales of our Jindanli branded products. The following factors had the greatest impact on our increase in sales:

Total wholesale sales, including of our Jindanli branded products and products manufactured by other companies to our distribution network of 14 major wholesale customers by our headquarters marketing personnel increased by \$16,369,594 or 1870% primarily due to an increase in the number of sales personnel during the three months ended August 31, 2016.

Of the total increase in wholesale sales during the three months ended August 31, 2016, \$14,422,529 is attributable to the wholesale of products manufactured by other companies, which consists of 89 separate products. In the three months ended August 31, 2015, we did not wholesale any products other than our Jindanli branded products.

Of the total increase in wholesale sales during the three months ended August 31, 2016, \$14,422,529 is attributable to new wholesale customers. Since March 2016, we have signed agreements with 6 chain stores to distribute selenium products to hundreds of retail stores, and this expansion of our customer base has greatly increased our volume of sales.

Of the total increase in wholesale sales during the three months ended August 31, 2016, \$1,947,065 is attributable to an increase in the volume of wholesale sales of our existing 3 Jindanli branded selenium supplements, from \$875,340 for the three months ended August 31, 2015, an increase of 243%. These increases are related to an expansion of our sales staff, which has increased the volume of sales of our existing products.

Retail sales increased by \$1,121,291 or 587% for the three months ended August 31, 2016. Due to increased rent and small pedestrian flow, we closed our Changcheng, Xiamen and Changsha stores on May 31, 2016 and opened stores in Foshan, Longyan and Zhuzhou and a flagship store in Guangzhou on June 1, 2016. The new stores are located in areas with large pedestrian flow, resulting in a sharp increase in retail sales. In addition, the new stores stock an inventory of 89 separate selenium products, whereas the previous stores stocked only the three Jindanli branded selenium supplements.

During the three months ended August 31, 2016, we commenced franchising the use of our trademark, name identification and other business resources. The franchisee is required to pay us a franchise fee and management fees. During the three months ended August 31, 2016, two franchisees signed with us, and we recorded total revenue of \$31,030 from their franchise fees and management fees.

The following table shows the source of our revenue in the comparable periods:

	Quarter ended August 31, 2016		Quarter ended August 31, 2015	
	Sales	% of total	Sales	% of total
Headquarters wholesale-Selenium supplements	\$2,822,405	15.2%	\$875,340	82.0%
Headquarters wholesale-Selenium products	14,422,529	77.6%	--	--
Headquarters retail store	368,770	2.0%	78,899	7.4%
Changcheng retail store	--	--	92,124	8.7%
Xiamen retail store	--	--	20,018	1.9%
Foshan retail store	191,088	1.0%	--	--
Longyan retail store	162,476	0.9%	--	--
Zhuzhou retail store	141,835	0.7%	--	--
Flagship retail store	448,163	2.4%	--	--
Franchise fee and management fee	31,030	0.2%	--	--
	\$18,588,296	100%	\$1,066,381	100%

Gross Profit

For the past two years we have sold three selenium supplements, and only recently began to resell a wide variety of selenium-related products that we purchase at wholesale. After increasing over the past two fiscal years, the unit prices that we pay to our manufacturers for the selenium supplements stabilized in the second quarter of fiscal 2016. As a result, our gross margin for selenium supplements was not significantly changed: 71.3% in the three months ended August 31, 2016 compared to 67.1% in the three months ended August 31, 2015. However, the selenium-related products that we resell yielded a gross margin of only 22.0% for the three months ended August 31, 2016. As a result, our overall gross margin declined to 31.8% for the three months ended August 31, 2016 from 67.1% for the three months ended August 31, 2015.

Selling Expenses

Our selling expenses increased by 274 %, or \$581,226 to \$793,468 for the three months ended August 31, 2016 from \$212,242 for the three months ended August 31, 2015. To obtain a strong distribution channel in a short time, we spent \$1,522,152 in promotion fees, which were classified as a reduction of revenue for the three months ended August 31, 2016. In addition, our selling expenses also include rent, transportation expenses, advertising expenses and salaries incurred for the sales function, all of which will tend to increase as our sales increase.

General and Administrative Expenses

Our general and administrative (G&A) expenses increased by 95% to \$235,273 for the three months ended August 31, 2016 from \$120,383 for the three months ended August 31, 2015. The largest components of our G&A expenses are the salaries of administrative personnel and government-mandated benefits provided to all of our staff. The change in G&A expenses from year to year occurred primarily as a result of the expansion of our business in the past year, as reflected in the growth of our sales.

Income from Operations

Because the sharp increase in our sales generated a material increase in our gross profit, our operating income increased by 1,175% to \$4,886,501 for the three months ended August 31, 2016 from \$383,268 for the three months ended August 31, 2015.

As we have very little debt, our other income for the three months ended August 31, 2016 and 2015 consisted of interest income earned on our bank balances of \$5,246 and \$4,316, respectively. Finally, we recorded as a non-operating expense the fee of \$4,835 paid in the recent quarter to terminate the lease for our Chancheng store. Our pre-tax income, therefore, was \$4,886,912 and \$387,584 for the three months ended August 31, 2016 and 2015, respectively.

Net Income

Due to the increase in our pre-tax income, our provision for income taxes increased by 1,124% to \$1,230,889 for the three months ended August 31, 2016 from \$100,544 for the three months ended August 31, 2015. In this period, our effective tax rate was the same as the statutory rate of 25%. We also recorded investment income of \$1,735,366, representing our 30% interest in the net income reported by Guangdong Tianmei for the three months ended August 31, 2016. After deducting the provision for income taxes and adding equity in income of investee, China Gewang reported net income before noncontrolling interests of \$5,391,389 and \$287,040 for the three months ended August 31, 2016 and 2015, respectively.

Before August 8, 2016, the VIE Agreements assigned to Gewang Selenium 95% of the net income of Guangdong Gewang. On August 8, 2016, China Gewang purchased 98% of the registered equity of Guangdong Gewang. Our non-controlling interest, therefore, was reduced from 5% to 2%. We recorded a deduction for noncontrolling interests of \$166,925 and \$13,574 for the three months ended August 31, 2016 and 2015, respectively, after which our net income attributable to common stockholders was \$5,224,464 (\$0.07 per share) and \$273,466 (\$0.01 per share) for the three months ended August 31, 2016 and 2015, respectively.

Foreign Currency Translation Adjustment

Our reporting currency is the U.S. dollar. Our local currency, the Renminbi (RMB), is our functional currency. Results of operations and cash flow are translated at average exchange rates during the period being reported upon, and assets and liabilities are translated at the unified exchange rate as quoted by the People's Bank of China on the balance sheet date. Translation adjustments resulting from this process are included in accumulated other comprehensive income in the statements of stockholders' equity. Transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in the results of operations as incurred. For the three months ended August 31, 2016 and 2015, foreign currency translation adjustments of \$(338,017) and \$(314,805), respectively, have been reported as other comprehensive loss in the consolidated statement of changes in stockholders' equity. The material negative adjustment during three months ended August 31, 2016 was primarily due to devaluation of the PRC currency of approximately 3.5% in August 2015 and a further devaluation of 0.5% in January 2016. Further devaluations could occur.

RMB is not freely convertible into the currency of other nations. All such exchange transactions must take place through authorized institutions. There is, therefore, no guarantee the RMB amounts could have been, or could be, converted into US dollars at the rates used in translation. Substantially all of our assets are located in the PRC which makes it difficult for any funds to be utilized outside the PRC.

Results of Operations for the Nine Months Ended August 31, 2016 Compared with the Nine Months Ended August 31, 2015

The following table sets forth key components of our results of operations during the nine months ended August 31, 2016 and 2015, and the percentage changes between 2016 and 2015.

	August 31, 2016 (US \$)	August 31, 2015 (US \$)	Change %
	\$	\$	
Gross revenue	25,243,577	3,072,993	721%
Revenue reduction - promotion fees	(1,858,907)		
Cost of Sales	(14,518,511)	(897,546)	1,518%
Gross profit	8,866,159	2,175,447	308%
Selling and marketing expenses	1,376,686	540,887	155%
General and administrative expenses	495,212	308,637	60%
Total operating expenses	1,871,898	849,524	120%
Income from operations	6,994,261	1,325,923	428%
Other income	12,987	8,187	59%
Income before provision for			
income taxes	7,007,248	1,334,110	425%
Provision for income taxes	1,770,858	338,154	424%
Equity in income of investee	2,143,641	--	100%
Net income before noncontrolling interests	7,380,031	995,956	641%
Noncontrolling interests	(247,920)	(45,651)	443%
	\$	\$	
Net income attributable to common stockholders	7,132,111	950,305	651%

Sales

Our sales increased to \$25,243,577 for the nine months ended August 31, 2016 from \$3,072,993 for the nine months ended August 31, 2015, an increase of \$22,170,584 or 721%. We did not increase the prices of any of our products. However, we have begun to wholesale products manufactured by other companies through our distribution network and have also increased the volume of sales of our Jindanli branded products. Since March 2016, we have signed agreements with six chain stores to distribute selenium products to hundreds of retail stores, and we have made sales of selenium products totaling \$17,631,996 to these six chain stores for the nine months ended August 31, 2016. The following factors had the greatest impact on our increase in sales:

Total wholesale sales, including of our Jindanli branded products and products manufactured by other companies to our distribution network of 14 wholesale customers by our headquarters marketing personnel increased by \$20,852,408 or 959%, primarily due to an increase in the number of sales personnel during the nine months ended August 31, 2016.

Of the total increase in wholesale sales during the nine months ended August 31, 2016, \$18,080,159 is attributable to the wholesale of products manufactured by other companies, which consists of 89 separate products. In the nine months ended August 31, 2015, we did not wholesale any products other than our Jindanli branded products. Of the total increase in wholesale sales during the nine months ended August 31, 2016, \$18,080,159 is attributable to new wholesale customers. Since March 2016, we have signed agreements with 6 chain stores to distribute selenium products to hundreds of retail stores, and this expansion of our customer base has greatly increased our volume of sales..

Of the total increase in wholesale sales during the nine months ended August 31, 2016, \$2,772,249 is attributable to an increase in the volume of wholesale sales of our existing 3 Jindanli branded selenium supplements, from \$2,173,717 for the nine months ended August 31, 2015, an increase of 128%. These increases are related to an expansion of our sales staff, which has increased the volume of sales of our existing products.

Retail sales increased by \$1,287,076, or 143% for the nine months ended August 31, 2016 and 2015. Due to increased rent and small pedestrian flow, we closed our Changcheng, Xiamen and Changsha stores on May 31, 2016 and opened stores in Foshan, Longyan and Zhuzhou and a flagship store in Guangzhou on June 1, 2016. The new stores are located in areas with large pedestrian flow, resulting in a sharp increase in retail sales. In addition, the new stores stock an inventory of nearly 100 selenium products, whereas the previous stores stocked only three selenium supplements.

During the nine months ended August 31, 2016, we commenced franchising the use of our trademark, name identification and other business resources. The franchisee is required to pay us a franchise fee and management fees. During the nine months ended August 31, 2016, two franchisees signed with us, and we recorded total revenue of \$31,030 from their franchise fees and management fees.

The following table shows the source of our revenue in the comparable periods:

	Nine Months ended August 31, 2016		Nine Months ended August 31, 2015	
	Sales	% of total	Sales	% of total
Headquarters wholesale-selenium supplements	\$4,945,966	19.60%	\$2,173,717	70.70%
Headquarters wholesale- selenium products	18,080,159	71.60%	--	--
Headquarters retail store	614,957	2.40%	389,911	12.70%

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Changcheng retail store	267,524	1.10%	489,347	15.90%
Xiamen retail store	197,833	0.80%	20,018	0.70%
Changsha retail store	162,476	0.60%	--	--
Foshan retail store	191,088	0.80%	--	--
Longyan retail store	162,476	0.60%	--	--
Zhuzhou retail store	141,835	0.60%	--	--
Flagship retail store	448,163	1.80%	--	--
Franchise fee and management fee	31,100	0.10%	--	--
	\$25,243,577	100%	\$3,072,933	100%

Gross Profit

For the past two years we have sold three selenium supplements, and only recently began to resell a wide variety of selenium-related products that we purchase at wholesale. After increasing over the past two fiscal years, the unit prices that we pay to our manufacturers for the selenium supplements stabilized in the second quarter of fiscal 2016. As a result, our gross margin for selenium supplements was not significantly changed: 71.5% in the nine months ended August 31, 2016 compared to 70.8% in the nine months ended August 31, 2015. However, the selenium-related products that we resell yielded a gross margin of only 22.1% for the nine months ended August 31, 2016. As a result, our overall gross margin declined to 35.1% for the nine months ended August 31, 2016 from 70.8% for the nine months ended August 31, 2015.

Selling expenses

Our selling expenses increased by 155%, or \$835,799 to \$1,376,686 for the nine months ended August 31, 2016 and 2015 from \$540,887, for the nine months ended August 31, 2015. To obtain a strong distribution channel in a short time, we spent \$1,858,907 in promotion fees, which were classified as a reduction of revenue for the nine months ended August 31, 2016. In addition, our selling expenses also include rent, transportation expenses, advertising expenses and salaries incurred for the sales function, all of which will tend to increase as our sales increase.

General and administrative expenses

Our general and administrative (G&A) expenses increased by 60% to \$495,212 for the nine months ended August 31, 2016 from \$308,637 for the nine months ended August 31, 2015. The largest components of our G&A expenses are the salaries of administrative personnel and government-mandated benefits provided to all of our staff. The change in G&A expenses from year to year occurred primarily as a result of the expansion of our business in the past year, as reflected in the growth of our sales.

Income from operations

Because the sharp increase in our sales generated a material increase in our gross profit, our operating income increased by 428% to \$6,994,261 for the nine months ended August 31, 2016, from \$1,325,923 for the nine months ended August 31, 2015.

As we have very little debt, our other income for the nine months ended August 31, 2016 and 2015 consisted of interest income earned on our bank balances of \$16,341 and \$8,187. We also recorded a trade-mark license fee of \$1,481 charged to our investee, Guangdong Tianmei, for the nine months ended August 31, 2016. Our pre-tax income, therefore, was \$7,007,248 and \$1,334,110 for the nine months ended August 31, 2016 and 2015, respectively.

Net income

Due to the increase in our pre-tax income, our provision for income taxes increased by 424% to \$1,770,858 for the nine months ended August 31, 2016 from \$338,154 for the nine months ended August 31, 2015. In this period, our effective tax rate was the same as the statutory rate of 25%. We also recorded investment income of \$2,143,641, representing our 30% interest in the net income reported by Guangdong Tianmei for the nine months ended August 31, 2016. After deducting the provision for income taxes and adding equity in income of investee, China Gewang reported net income before noncontrolling interests of \$7,380,031 and \$995,956 for the nine months ended August 31, 2016 and 2015, respectively.

Before August 8, 2016, the VIE Agreements assigned to Gewang Selenium 95% of the net income of Guangdong Gewang. On August 8, 2016, China Gewang purchased 98% of the registered equity of Guangdong Gewang. Our non-controlling interest, therefore, was reduced from 5% to 2%. We recorded a deduction for noncontrolling interests of \$247,920, and \$45,651, respectively, for nine months ended August 31, 2016 and 2015, after which our net income attributable to common stockholders was \$7,132,111(\$0.11 per share) and \$950,305 (\$0.02 per share) for the nine months ended August 31, 2016 and 2015, respectively.

Foreign Currency Translation Adjustment

Our reporting currency is the U.S. dollar. Our local currency, the Renminbi (RMB), is our functional currency. Results of operations and cash flow are translated at average exchange rates during the period being reported upon, and assets and liabilities are translated at the unified exchange rate as quoted by the People's Bank of China on the balance sheet date. Translation adjustments resulting from this process are included in accumulated other comprehensive income in the statements of stockholders' equity. Transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in the results of operations as incurred. For the nine months ended August 31, 2016 and 2015, foreign currency translation adjustments of \$(646,801) and \$(317,904), respectively, have been reported as other comprehensive loss in the consolidated statement of changes in stockholders' equity. The material negative adjustment during nine months ended August 31, 2016 was primarily due to devaluation of the PRC currency of approximately 3.5% in August 2015 and a further devaluation of 0.5% in January 2016. Further devaluations could occur.

RMB is not freely convertible into the currency of other nations. All such exchange transactions must take place through authorized institutions. There is, therefore, no guarantee the RMB amounts could have been, or could be, converted into US dollars at the rates used in translation. Substantially all of our assets are located in the PRC which makes it difficult for any funds to be utilized outside the PRC.

Liquidity and Capital Resources

To date, we have financed our operations primarily through cash flows from operations and sale of our common stock. As a result, at August 31, 2016, our only debt consisted of \$256,044 in loans from a stockholder, which consisted of US Dollars loaned to pay our expenses in the U.S.

During the nine months ended August 31, 2016, the increase in our working capital was approximately equal to the sum of our net income for the period (\$7,380,331) and the proceeds of two private placements of common stock (together, \$9,848,200). Our working capital as of August 31, 2016 was \$22,274,427, which represented an increase

of \$13,384,723 during the nine months then ended. The approximation of our net income (plus capital paid-in during the period) to the increase in our working capital occurs because our operations, which involve no manufacturing and limited real estate, require very modest capital investments and, as a result, almost all of our assets and all of our liabilities are current. Until we further implement our plan to open a series of dedicated retail stores, which will add depreciable capital assets to our balance sheet, net income should continue to increase our working capital.

For the nine months ended August 31, 2016, our principal investing activity was the purchase of a 30% interest in Guangdong Tianmei for \$1,002,944. In addition, we purchased equipment for \$94,953. Our investing cash flows for the nine months ended August 31, 2015 consisted of the purchase of fixed assets for \$34,991. Again, as we develop our physical presence by investing in retail stores, cash used in investing activities will increase, and may require expansion of our cash flows from financing activities.

For the nine months ended August 31, 2016 and 2015, our financing activities provided \$9,848,200 and \$5,056,415, respectively, which represented the proceeds of two private placements of our common stock during fiscal year 2016 and one during fiscal year 2015. The \$5,000,000 proceeds of that private offering were supplemented by a stockholder loan of \$56,415 during the nine months ended August 31, 2015.

During the nine months ended August 31, 2016, although we recorded net income of \$7,380,031, our operations used \$6,992,656 in net cash. This difference occurred in part because our net income included \$2,143,641 attributable to our investment in Guangdong Tianmei. The primary reason for the disparity between net income and use of cash, however, was the marked increase in our sales volume during the third quarter of fiscal 2016, which caused our accounts receivable balance at August 31, 2016 to exceed the balance at November 30, 2015 by \$12,203,424. In addition, in anticipation of further growth, we increased the balance of our prepaid expenses by \$5,598,870, to assure delivery of inventories as needed. These uses of cash were partially offset by a \$4,258,281 increase in our accounts payable and a \$1,090,476 increase in our tax payable, both of which reflect the growth in our operations. In contrast, during the nine months ended August 31, 2015, when the level of our operations was modest, the cash used in our operations was only \$387,375 less than our net income, as the increase in our accounts receivable was modest.

As of November 30, 2015, our only debt consisted of \$166,106 in loans from a stockholder, which consisted of US Dollars loaned to pay our expenses in the U.S.

For the year ended November 30, 2015, the increase in working capital was approximately equal to the sum of our net income for the same period and the proceeds of a private placement of common stock for \$5,000,000. Our working capital as of November 30, 2015 was \$8,889,704, which represented an increase of \$5,839,436 during the fiscal year then ended. The approximation of our net income to the increase in our working capital occurs because our operations, which involve no manufacturing and limited real estate, require very modest capital investments and, as a result, almost all of our assets and all of our liabilities are current. Until we further implement our plan to open a series of dedicated retail stores, which will add depreciable capital assets to our balance sheet, net income should continue to increase our working capital.

For the year ended November 30, 2015, our investing activities consisted of the purchase of equipment for \$52,485. In the same period, our financing activities provided \$5,000,000, which represented the proceeds of a private placement of \$5,000,000. Our financing cash flows were nil during the year ended November 30, 2014. Our investing cash flows for the year ended November 30, 2014 consisted of the purchase of fixed assets for \$6,676. Again, as we develop our physical presence by investing in retail stores, cash used in investing activities will increase, and may require expansion of our cash flows from financing activities.

Because of our ample cash position and the profitability of our operations, we do not anticipate incurring significant additional debt. Therefore, our liquidity should be adequate to sustain the full implementation of our business plan for at least the next twelve months and the foreseeable future.

As operating income increased by 428% to \$6,994,261 for the nine months ended August 31, 2016, from \$1,325,923 for the nine months ended August 31, 2015, we have seen a commensurate favorable trend in our capital position. During that same fiscal period, our sales expenses also increased 155% or \$1,376,686, and we paid \$1,858,907 in promotion fees. We believe that our increased spending on selling expenses and promotion fees has led to the favorable material change in our capital position. As such we expect to continue to invest capital in these areas using operating income and the proceeds of this offering to continue this favorable trend.

As of August 31, 2016 and January 9, 2017 we held the equivalent of approximately US\$9,775,975 and 14,921,301, respectively in our bank accounts and had no outstanding debt. We believe we can raise the necessary capital to continue expanding our sales income solely from this offering, and we do not expect to utilize any debt financing.

Our greatest capital commitment in the long term is our quarterly payments to the Academy for licensing and for research and development. Currently, we have committed to paying the Academy RMB 600,000 (US\$86,724) per year for the next four years for licensing fees and RMB 4,000,000 (US\$578,160) quarterly for research and development for the next ten years. We expect to fund these fees through a mixture of operating revenue and from the proceeds of this offering (see also Use of Proceeds).

In the short term, over the next year we expect to renew all of our current leases, which will require a capital commitment of RMB 2,820,000 (US\$407,603), which we expect to pay through operating revenue. We also hope to open up to 26 new retail stores, which will require a capital commitment of US\$2,309,000 to be paid out of the proceeds of this offering (see also Use of Proceeds).

Our 721% increase in revenue for the nine months ended August 30, 2016 from the nine months ended August 30, 2015, much of which is due to the efforts an expanded sales team, has allowed us to allocate more funds to advertising in the fourth quarter of 2016, which we believe will result in a further increase in sales in the future. As such, we have not allocated any of the proceeds of this offering towards advertising costs. As of the date of this prospectus, we are currently paying RMB 6,000,000 (US\$867,240) per month in advertising, which is significantly higher than we have paid in the past. We are committed to paying our current rate of advertising costs until March 31, 2017.

In the nine months ended August 30, 2016, we expended \$1,858,907 on promotion fees to wholesale customers, and during that same period our wholesale sales increased by \$20,852,408 or 959%. These fees are generally paid up front on an annual basis, and we are currently only committed to making monthly promotion fee payments of RMB 820,000 (US\$118,638) until March 30, 2017. Because of the increase in sales, which we believe has resulted in large part from our sales team seeking out new wholesale customers and paying these promotion fees, we plan to spend more on promotion fees in the upcoming fiscal year. We have projected that we could spend up to RMB 58,104,000 (US\$8,398,353) in promotion fees in the 2017 fiscal year, which we expect to fund through a mixture of revenue and from the proceeds of this offering (see also Use of Proceeds).

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition or results of operations.

Recent accounting pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB ") issued Accounting Standards Update ("ASU") ASU 2016-02 Leases. The new standard establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. We are currently evaluating the impact of our pending adoption of the new standard on our financial statements.

In July 2015, the FASB issued ASU No. 2015-11 (Subtopic 330) - Simplifying the Measurement of Inventory, which provides guidance to companies who account for inventory using either the first-in, first-out (FIFO) or average cost methods. The guidance states that companies should measure inventory at the lower of cost or net realizable value. Net realizable value is defined as the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. ASU 2015-11 is effective for fiscal years beginning after December 15, 2016. Early adoption is permitted. This accounting standard update is not expected to have a material impact on the Company's consolidated financial statements.

In March 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) ASU 2015-03 Interest Imputation of Interest (Subtopic 835-30). This ASU addressed the simplification and presentation of debt issuance costs by presenting them in the balance sheet as a direct deduction from the carrying amount of the related debt liability, consistent with debt discounts or premiums. This accounting standard update is not expected to have a material impact on the Company s consolidated financial statements.

In January 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) ASU 2015-01 Income Statement Extraordinary and Unusual Items (Subtopic 225-20). This ASU addressed the simplification of income statement presentation by eliminating the concept of extraordinary items. The amendments in this update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. A reporting entity may apply the amendments prospectively. A reporting entity also may apply the amendments retrospectively to all prior periods presented in the financial statements. Early adoption is permitted provided that the guidance is applied from the beginning of the fiscal year of adoption. This accounting standard update is not expected to have a material impact on the Company s consolidated financial statements.

In August 2014, the FASB issued authoritative guidance that requires an entity s management to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity s ability to continue as a going concern and requires additional disclosures if certain criteria are met. This guidance is effective for fiscal periods ending after December 15, 2016, with early adoption permitted. This accounting standard update is not expected to have a material impact on the Company s consolidated financial statements.

Except for the foregoing ASU, there were no recent accounting pronouncements that have or will have a material effect on the Company s financial position or results of operations.

DESCRIPTION OF BUSINESS

Guangdong Gewang was founded in June 2010 in Guangzhou City, with registered capital of RMB 10 million (US\$1,561,000). Guangdong Gewang is engaged in the sale of selenium supplements within the PRC. It is a standing member of the Chinese Selenium Supplements Association.

Guangdong Gewang initiated its business by cooperating with the Academy of Agricultural Sciences of Shandong Province (the Academy) in the development of formulas for three selenium supplements: a selenium capsule, a capsule combining selenium with glossy ganoderma (a therapeutic mushroom), and a selenium powder. The Academy has given Guangdong Gewang an exclusive license to manufacture and market the three products. As a result of our

relationship with the Academy, Guangdong Gewang has required no investment in research and development within the past two years.

The Academy also assisted Guangdong Gewang in identifying manufacturing companies possessing the advanced nanometer processing technology and production processes needed to produce the products. Guangdong Gewang now outsources the manufacturing of the products, then sells them under the trademarked brand Jindanli . We currently have three separate trademarks in China on aspects of the Jindanli brand, which expire in 2022, 2023 and 2025 respectively, at which time Guangdong Gewang can apply for renewal. The Jindanli brand is important to our efforts to distinguish our products from other manufacturers.

Initially, for the convenience of management, Guangdong Gewang marketed exclusively on a wholesale basis to chain stores that retail health care products. Early in 2014, as the Company developed the necessary infrastructure, Guangdong Gewang commenced direct marketing to consumers from its executive home office. Subsequently we have opened three more physical stores dedicated to the sale of Jindanli products.

Guangdong Gewang entered into a Licensing Agreement and a Supplementary Licensing Agreement (together, the Licensing Agreements) with the Academy which have been in effect since December 30, 2015. The Licensing Agreements have a term of five years and allow Guangdong Gewang the exclusive right to use the Academy-developed selenium formulas in its trademarked Jindanli branded products. The selenium formulas belong to the Academy but Guangdong Gewang has a license to use the formulas as it sees fit, including by contracting with third-party ma