

ANTI-AGING HOUSE HOLDING LIMITED

(Incorporated in British Virgin Island)

FINANCIAL STATEMENTS

31 DECEMBER 2013

Principal place of business:
No. 551, Yu Cai Lu &
Sha Mao Zheng Jie,
Hannan Qu, Wuhan Shi,
Hubei Sheng, China

BVI company Number : 1570095

ANTI-AGING HOUSE HOLDING LIMITED
(Incorporated in British Virgin Island)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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ANTI-AGING HOUSE HOLDING LIMITED
(Incorporated in British Virgin Island)

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

The Directors hereby submit their report together with the audited financial statements of the Company for the financial year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The principal activities of the Company are principally engaged as wholesaler and distributor in cosmetics, health, pharmaceuticals and all related goods and products. There have been no significant changes in the nature of the activities during the financial year.

RESULTS

	RMB
Profit for the year	1,363,117

DIVIDENDS

No dividends have been paid or declared since the end of the previous financial year. The Directors do not recommend that a dividend to be paid in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions except as disclosed in the financial statements.

SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

DIRECTORS

The Directors who held office since the date of the last report are:

Chen Xi	(Resigned on 10.6.2014)
Chen Jiwu	(Appointed on 10.6.2014)

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

DIRECTORS' INTERESTS

None of the other Directors in office at the end of the financial year have interest in shares of the Company or its related corporations during the financial year ended 31 December 2013.

OTHER STATUTORY INFORMATION

Before the statement of comprehensive income and the statement of financial position of the Company were made out, the Directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing-off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that all known bad debts had been written-off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business have been written down to their estimated realisable values.

As of the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent in the financial statements of the Company; or
- (b) which would render the values attributed to current assets in the financial statements of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Company misleading.

As of the date of this report, there does not exist:

- (a) any charge on the assets of the Company which has arisen since the end of the financial year and secures the liability of any other person; or
- (b) any contingent liability of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company for the succeeding year.

HOLDING COMPANY

The Company is a holding company of Anti-aging House International Limited, a company incorporated in China, which is also regarded by the Directors as the ultimate holding company.

BVI company Number : 1570095

AUDITORS

The auditors, Wuhan Zhiyin, have indicated their willingness to be re-appointed.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors,



Chen Jiwu
Director

CHINA
[2015-05-15]

Chang Yingming
Director



ANTI-AGING HOUSE HOLDING LIMITED
(Incorporated in British Virgin Island)

STATEMENT BY DIRECTORS

The Directors of ANTI-AGING HOUSE HOLDING LIMITED state that, in their opinion, the financial statements set out on pages 9 to 29 are drawn up in accordance with the approved accounting standards applicable to entities other than private entities in China so as to give a true and fair view of the state of affairs of the Company as at 31 December 2013 and of the results of its business and the cash flows of the Company for the financial year ended on that date.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors,

Chen Jiwu
Director

Chang Yingming
Director

CHINA
[2015-05-15]



DIRECTORS' DECLARATION

We Cheng Jiwu and Chang Yingming, the Director primarily responsible for the financial management of ANTI-AGING HOUSE HOLDING LIMITED do solemnly and sincerely declare that the financial statements set out on pages 9 to 29 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true.



Chen Jiwu
Director



Chang Yingming
Director

CHINA
[2015-05-15]

BVI company Number : 1570095

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ANTI-AGING HOUSE HOLDING LIMITED
(Incorporated in British Virgin Island)

Report on the Financial Statements

We have audited the financial statements of ANTI-AGING HOUSE HOLDING LIMITED, which comprise the statement of financial position as at 31 December 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 29.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with International Financial Reporting Standards and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In Note 2, the directors also state, in accordance with International Accounting Standard IAS 1 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Accounting Standard. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2013 and of its financial performance and cash flows for the financial year then ended in accordance with International Financial Reporting Standards.

Other Matters

This report is made solely to the members of the Company, as a body. We do not assume responsibility to any other person for the content of this report.

王俊峰



Wang Junfeng
2015/05/14
Chartered Accountant&Taxaion

Qinghai Tiancheng
Chartered Accountants



ANTI-AGING HOUSE HOLDING LIMITED
(Incorporated in British Virgin Island)

BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	2013 RMB	2012 RMB
ASSETS			
NON-CURRENT ASSET			
Property, plant and equipment	4	129,431	484,494
CURRENT ASSETS			
Inventories	5	4,243,597	5,844,960
Trade receivables		7,908,767	4,717,024
Other receivables, deposits and prepayments	6	3,812,375	3,183,994
Cash and bank balances	7	283,599	1,500,283
		16,248,338	15,246,261
TOTAL ASSETS		16,377,769	15,730,755
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	8	10,001,678	10,001,678
Accumulated losses		(7,780,750)	(9,143,867)
SHAREHOLDERS' EQUITY		2,220,928	857,811
CURRENT LIABILITIES			
Trade payables		11,223,182	8,404,027
Other payables and accruals	9	2,503,062	6,332,679
Deposits received		430,597	136,238
		14,156,841	14,872,944
TOTAL LIABILITIES		14,156,841	14,872,944
TOTAL EQUITY AND LIABILITIES		16,377,769	15,730,755

The accompanying notes form an integral part of the financial statements.

ANTI-AGING HOUSE HOLDING LIMITED
(Incorporated in British Virgin Island)

INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	2013 RMB	2012 RMB
Revenue	10	11,644,172	21,156,855
Cost of sales		(9,961,219)	(16,289,557)
Gross profit		1,682,953	4,867,298
Other operating income		5,077,889	8,481
Administration expenses		(5,397,725)	(5,225,116)
Profit/(Loss) before tax	11	1,363,117	(349,337)
Income tax expense	12	-	(89,394)
Profit/(Loss) for the financial year		1,363,117	(438,731)

The accompanying notes form an integral part of the financial statements.

ANTI-AGING HOUSE HOLDING LIMITED
(Incorporated in British Virgin Island)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Share capital RMB	Accumulated losses RMB	Total RMB
As at 1 January 2012	10,001,678	(8,705,136)	1,296,542
Loss for the financial year	-	(438,731)	(438,731)
As at 31 December 2012	10,001,678	(9,143,867)	857,811
Profit for the financial year	-	1,363,117	1,363,117
As at 31 December 2013	10,001,678	(7,780,750)	2,220,928

The accompanying notes form an integral part of the financial statements.

ANTI-AGING HOUSE HOLDING LIMITED
(Incorporated in British Virgin Island)

CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	2013 RMB	2012 RMB
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	1,363,117	(349,337)
Adjustments for:		
Depreciation of property, plant and equipment	311,552	356,235
Loss on foreign exchange	-	123
Interest income	(3,272)	(8,481)
Operating profit/(loss) before working capital changes	1,671,397	(1,460)
Decrease in inventories	1,601,363	2,910,558
Increase in trade receivables	(3,191,743)	(3,557,694)
Increase in other receivables, deposits and prepayments	(628,381)	(509,377)
Increase/(decrease) in trade payables	2,819,155	(2,740,392)
(Decrease)/increase in other payables and accruals	(3,796,050)	4,658,534
Increase/(decrease) in deposit received	294,359	(849,136)
Cash used in operations	(1,229,900)	(88,967)
Tax paid	-	(89,394)
Net cash used in operating activities	(1,229,900)	(178,361)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	3,272	8,481
Purchase of property, plant and equipment	(3,531)	(13,749)
Proceeds from disposal of property, plant and equipment	13,475	-
Net cash from/(used in) investing activities	13,216	(5,268)
Net decrease in cash and cash equivalents	(1,216,684)	(183,629)
Cash and cash equivalents at beginning of the financial year	1,500,283	1,683,912
Cash and cash equivalents at end of the financial year	283,599	1,500,283
Cash and cash equivalents comprise:		
Cash and bank balances	283,599	1,500,283

The accompanying notes form an integral part of the financial statements.

ANTI-AGING HOUSE HOLDING LIMITED
(Incorporated in British Virgin Island)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

1 GENERAL INFORMATION

The Company is a private limited company incorporated and domiciled in BVI.

The principal activities of the Company are principally engaged as wholesaler and distributor in cosmetics, health, pharmaceuticals and all related goods and products. There have been no significant changes in the nature of the activities during the financial year.

The Company is a holding company of Anti-aging House International Limited, a company incorporated in China, which is also regarded by the Directors as the ultimate holding company.

The financial statements of the Company are presented in the functional currency, which is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is Chinese Yuan Renminbi as the sales and purchases are mainly denominated in Chinese Yuan Renminbi and receipts from operations are usually retained in Chinese Yuan Renminbi and funds from financing activities are generated in Chinese Yuan Renminbi.

2 ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS

During the financial year, the Company has adopted the International Accounting Standards and interpretations issued by the International Accounting Standards Board.

(i) Compliance with IFRS

The financial statements of the ANTI-AGING HOUSE HOLDING LIMITED also comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB').

(ii) New standards adopted by the Company

ANTI-AGING HOUSE HOLDING LIMITED was required to change some of its accounting policies as the result of new or revised accounting standards which became effective for the annual reporting period commencing on 1 January 2012.

The affected policies and standards are:

- IFRS 1 First-time adoption of International Financial Reporting Standards
- IFRS 4 Insurance Contracts
- IFRS 7 Financial instruments: Disclosures
- IFRS 9 Financial instruments
- IAS 1 Presentation of financial statements
- IAS 2 Inventories

- IAS 7 Statement of cash flows
- IAS 8 Accounting policies, changes in accounting estimates and errors
- IAS 10 Events after the reporting period
- IAS 16 Property, plant and equipment
- IAS 17 Leases
- IAS 18 Revenue
- IAS 19 Employee benefits
- IAS 21 The effects of changes in foreign exchange rates
- IAS 24 Related Party Disclosures
- IAS 26 Accounting and reporting by retirement benefit plans
- IAS 32 Financial instruments: Presentation
- IAS 33 Earnings per Share
- IAS 36 Impairment of assets
- IAS 37 Provisions, contingent liabilities and contingent assets
- IAS 38 Intangible assets

In the opinion of the Directors, these IFRSs do not have significant impact on the financial statements in future periods.

3 SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with International Accounting Standards.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain assets. The principal accounting policies adopted are set out below:

3.1 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is provided on a straight-line method so as to write off the cost or valuation of the assets over their estimated useful lives, as follows:

	Rate
Air conditioner	20%
Computer and software	33%
Furniture and fittings	20%
Motor vehicle	25%
Office equipment	20%

Depreciation of an asset begins when it is ready for its intended use.

The residual values and the useful lives of assets, if significant, are reviewed at each reporting date.

The gain or loss arising from the derecognition of an asset, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, are recognised in profit or loss.

3.2 IMPAIRMENT OF ASSETS

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amounts of the assets are estimated. Irrespective of whether there is any indication of impairment, the Company tests an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment annually.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or a cash-generating unit) is less than its carrying amount, an impairment loss is recognised to reduce the carrying amount to its recoverable amount. An impairment loss for a cash-generating unit is firstly allocated to reduce the carrying amount of goodwill allocated to the cash-generating unit, and then, to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

An impairment loss is recognised immediately in income statement, unless it reverses a previous revaluation, in which case it is treated as a revaluation decrease.

An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimate used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation if no impairment loss had been recognised, and is recognised immediately in income statement, unless it reverses a previous revaluation, in which case it is treated as a revaluation increase.

3.3 FOREIGN CURRENCY

i) Foreign Currency Transactions

Transactions in foreign currencies are initially translated at the exchange rate at the dates of the transactions.

At the reporting date, foreign currency monetary assets and liabilities are translated into Chinese Yuan Renminbi at the exchange rate ruling at that date. Exchange differences arising on the settlement or translation of monetary items are recognised in profit or loss.

Non-monetary assets and liabilities measured at historical cost in a foreign currency are translated using exchange rates at the date of the transactions. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined.

ii) Presentation Currency

The financial statements of the Company are presented in Chinese Yuan Renminbi as the shareholders of the Company are primarily residing in China. Income and expenses are translated using exchange rate approximates to those ruling at the date of the transactions. Equity items other than current financial year's results are translated using the historical rate. All resulting exchange differences are recognised in other comprehensive income and accumulated in equity under the heading of translation reserves.

3.4 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour costs and overheads, where applicable, that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

3.5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash and bank balances, short-term deposits and other short-term, highly liquid investments that are readily convertible to a known amount of cash with an insignificant risk of changes in value.

3.6 FINANCE LEASE

Leases of property, plant and equipment, which are classified as finance lease, where substantially all the risks and benefits incidental to the ownership of the assets, but not the legal ownership, are transferred to the Company.

Assets under finance lease are depreciated on a straight-line basis over the shorter of the lease terms or their useful lives. Lease interest is recognised as an expense in profit or loss over the lease period so as to give a constant periodic rate of interest on the outstanding liability at the end of each accounting period.

All other leases are classified as operating lease and the lease rentals are recognised as an expense in profit or loss on a straight-line basis over the lease periods.

3.7 PROVISIONS

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are recognised based on a reliable estimate of the amount of the obligation.

3.8 EQUITY INSTRUMENTS

Equity instruments are any contracts that evidence a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

3.9 REVENUE

Revenue from sales of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and taxes applicable to the revenue.

3.10 EMPLOYMENT BENEFITS

i) Short-Term Employment Benefits

Short-term employment benefits, such as wages, salaries and social security contributions, are recognised as an expense in the financial year in which the associated services are rendered by employees of the Company.

Short-term accumulating compensated absences, such as paid annual leave, are recognised when the employees render services that increase their entitlement to future compensated absences. Non-accumulating compensated absences, such as sick and medical leaves, are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the reporting date.

Profit-sharing and bonus plans are recognised when the Company has a present legal or constructive obligation to make payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when, and only when the Company has no realistic alternative but to make the payments.

ii) Defined Contribution Plan

Contributions to the statutory pension scheme are recognised as an expense in profit or loss in the financial year to which they relate.

iii) Defined Benefit Plan

The Company operates a funded Retirement Benefit Plan (the Plan) for its eligible employees. Contributions to the Plan are made quarterly and are charged to profit or loss so as to spread the cost of the Plan over the employees' working lives in the Company.

The Company's obligations under the Plan are determined based on triennial actuarial valuations where the amounts of benefits that the employees have earned in return for their services in the current and prior years are estimated. The present values of the

Plan's obligations and the related current service and any past service cost are determined using the Projected Unit Credit Method.

Actuarial gains and losses are recognised as income or expense if the net cumulative unrecognised actuarial gains and losses at the end of the previous reporting date exceed 10% of the greater of the present value of the obligation and the fair value of Plan assets at the reporting date.

Past service cost is recognised as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, the Plan, the past service cost is recognised immediately.

The Plan recognised in the statement of financial position is the net total of the present value of the Plan adjusted for unrecognised actuarial gains or losses, unrecognised past service cost, minus the fair value of Plan assets. Any asset resulting from the computation is stated at the lower of the amount determined or the total of any cumulative unrecognised actuarial losses and past service cost, and the present value of available refunds and reductions in future contribution to the Plan.

Gains or losses on the curtailment or settlement of the Plan are recognised when the curtailment or settlement occurs.

iv) Termination Benefits

Termination benefits are recognised when the Company is demonstrably committed to terminate the employment of the employees before the normal retirement date or provide termination benefits as a result of an offer made for voluntary redundancy.

Termination benefits in relation to the offer made for voluntary redundancy is measured based on the number of employees expected to accept the offer.

3.11 INCOME TAX

Income tax comprises of current tax and deferred tax. Current tax and deferred tax are charged or credited to other comprehensive income or equity if the tax relates to items that are credited or charged directly to other comprehensive income or equity.

Current tax liabilities are measured based on the amounts expected to be paid, using the tax rates that have been enacted or substantially enacted by the reporting date.

Deferred tax is provided in full, using the liability method, on temporary differences which are the differences between the carrying amount in the financial statements and the corresponding tax base of an asset or liability at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Deferred tax liabilities and assets are not recognised if the temporary differences arise from goodwill and for initial recognition of assets or liabilities that affect neither accounting profit nor taxable profit. Deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amounts of its assets and liabilities and are measured using the tax rates that have been enacted or substantially enacted by the reporting date.

The carrying amount of the deferred tax assets are reviewed at each reporting date, and the carrying amount is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilised. The reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

4 PROPERTY, PLANT AND EQUIPMENT

	As at 1 January 2013 RMB	Additions RMB	Disposals RMB	As at 31 December 2013 RMB
Cost				
Air conditioner	38,949	-	-	38,949
Computer and software	925,721	3,531	-	929,252
Furniture and fittings	127,965	-	-	127,965
Motor vehicle	111,811	-	(111,811)	-
Office equipment	17,094	-	-	17,094
	1,221,540	3,531	(111,811)	1,113,260

	As at 1 January 2013 RMB	Charges for the year RMB	Disposals RMB	As at 31 December 2013 RMB
Accumulated Depreciation				
Air conditioner	15,440	7,400	-	22,840
Computer and software	611,921	251,996	-	863,917
Furniture and fittings	48,372	24,313	-	72,685
Motor vehicle	56,536	24,342	(80,878)	-
Office equipment	4,777	3,501	-	8,278
	737,046	311,552	(80,878)	967,720

	2013 RMB	2012 RMB
Carrying Amounts		
Air conditioner	16,109	23,509
Computer and software	65,335	313,800
Furniture and fittings	55,280	79,593
Motor vehicle	-	55,275
Office equipment	8,816	12,317
	129,431	484,494

5 INVENTORIES

	2013 RMB	2012 RMB
At cost:		
Raw materials	1,123,680	1,170,946
Work-in-progress	245,762	803,598
Packaging materials	2,688,501	1,545,884
Finished goods	185,654	2,324,532
	4,243,597	5,844,960

6 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2013 RMB	2012 RMB
Other receivables	2,540,877	1,081,785
Deposits	82,896	82,896
Prepayments	1,188,602	2,019,313
	3,812,375	3,183,994

All other receivables, deposits and prepayments are denominated in Chinese Yuan Renminbi.

7 CASH AND BANK BALANCES

The cash and bank balances are denominated in the following currencies:

	2013 RMB	2012 RMB
Cash in hand	33,895	64,796
Cash at bank	249,704	1,435,487
	283,599	1,500,283

8 SHARE CAPITAL

	2013 RMB	2012 RMB
Authorised: Ordinary shares	10,001,1678	10,001,1678
Issued and fully paid: Ordinary shares	10,001,1678	10,001,1678

9 OTHER PAYABLES, ACCRUALS AND DEPOSIT RECEIVED

	2013 RMB	2012 RMB
Other payables	2,344,391	6,025,569
Accruals	158,671	307,110
	2,503,062	6,332,679

All other payables and accruals are denominated in Chinese Yuan Renminbi.

10 REVENUE

	2013 RMB	2012 RMB
Sales of goods	11,644,172	21,156,855

Revenue represents invoiced value of goods sold less discounts and returns.

11 PROFIT/(LOSS) BEFORE TAX

11.1 DISCLOSURE ITEMS

	2013 RMB	2012 RMB
This is stated after charging:		
Depreciation of property, plant and equipment	311,552	356,235
Loss on disposal of property, plant and equipment	17,458	-
Loss on foreign exchange (realised)	-	123
Obsolete inventories written off	162,920	-
Rental	497,002	557,416
And crediting:		
Interest income	(3,272)	(8,481)

11.2 EMPLOYEES BENEFITS EXPENSES

	2013 RMB	2012 RMB
Salaries, bonuses and allowances	2,841,381	3,015,954
Contribution to defined contribution plan	56,556	46,150
Other employees benefits	1,815,794	1,619,673
	4,713,731	4,681,777

12 INCOME TAX EXPENSE

	2013 RMB	2012 RMB
Current tax expense		
Current year		
- China		
- Payable outside China		
	-	-
Under / (over) provision in prior years		
	-	-
Deferred tax expense		
Temporary differences		
Changes in tax rate		
	-	-
Total income tax expense	-	-

The income tax expense is reconciled to the accounting profit at the applicable tax rate as follows:

	2013 RMB	2012 RMB
Profit before tax		
Tax at China statutory tax rate		
Tax effects of:		
Non-taxable income		
Non-deductible expenses		
Tax incentives		
Differential tax rate for:		
- small & medium companies in China		
- real property gain tax		
Changes in tax rate		
Under / (over) provision in prior years		
	-	-
Total income tax expense	-	-

The following temporary differences have not been recognised:

	2013 RMB	2012 RMB
Deductible temporary differences		
Unused tax losses		
	-	-

Deferred tax assets are not recognised for the above temporary differences as it is not probable that future taxable profit will be available against which the deductible temporary differences and

unused tax losses can be utilised by the Company as the future profit streams are unpredictable. However, the unused tax losses may be carried forward indefinitely.

13 RELATED PARTY TRANSACTIONS

	2013 RMB	2012 RMB
Purchase made to related company	9,600,479	6,829,942

The Directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

14 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management is integral to the development of the Company's business. The Company has in place the financial risk management policies to manage its exposure to a variety of risks to an acceptable level. The Company's principal financial risk management policies are as follows:

14.1 CREDIT RISK

Cash and bank balances are placed with reputable financial institutions based on rating agencies' ratings. The Company placed funds in respect of other financial assets by reference to the investment evaluation procedures to ensure that the credit risk is kept at minimum level.

Therefore, credit risk arises mainly from the inability of its customers to make payments when due. Trade receivables presented in the statement of financial position are net of allowances for impairment losses, estimated by management based on prior experience and the current economic environment.

The carrying amounts of the financial assets recorded on the statement of financial position at the reporting date represent the Company's maximum exposure to credit risk in relation to financial assets. No financial assets carry a significant exposure to credit risk other than those disclosed in the notes.

The Company does not hold any collateral and thus, the credit exposure is continuously monitored by the Directors.

14.2 LIQUIDITY RISK

The Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Company monitors its cash flows and ensures that sufficient funding is in place to meet the obligations as and when they fall due.

The following table analyses the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Not later than 1 month or on demand RMB	1 month - 3 months RMB	3 months - 1 year RMB	1 - 5 years RMB	Total RMB
2013					
Trade and other payables	3,504,359	816,366	742,823	8,504,025	13,567,573
2012					
Trade and other payables	455,235	305,794	7,411,775	6,256,792	14,429,596

15 FINANCIAL INSTRUMENTS

15.1 CLASSIFICATION OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are measured on an on-going basis either at fair value or at amortised cost. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	At 'fair value through profit or loss' RMB	'Held-to- maturity' investments RMB	Loans and receiva bles RMB	'Available -for-sale' assets RMB	Financial liabilities at amortised cost RMB	Total RMB
2013						
Financial Assets						
Trade and other receivables	-					
Cash and bank balances	10,449,644	-	-	-	-	10,449,644
Total financial assets	283,599	-	-	-	-	283,599
	10,733,243	-	-	-	-	10,733,243
Financial Liabilities						
Trade and other payables	13,567,573	-	-	-	-	13,567,573
Total financial liabilities	13,567,573	-	-	-	-	13,567,573
2012						
Financial Assets						
Trade and other receivables						
Cash and bank balances	5,798,809	-	-	-	-	5,798,809
Total financial assets	1,500,283	-	-	-	-	1,500,283
	7,299,092	-	-	-	-	7,299,092
Financial Liabilities						
Trade and other payables	14,429,596	-	-	-	-	14,429,596
Total financial liabilities	14,429,596	-	-	-	-	14,429,596

15.2 FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT AMORTISED COST AND COST

The carrying amounts of the financial assets and financial liabilities are recognised at their fair values, except for the following financial assets and financial liabilities which are initially recognised at cost and amortised cost after initial recognition. However, the Directors are of the opinion that the carrying amounts do not materially different from their fair values:

	2013		2012	
	Carrying Amounts RMB	Fair Values RMB	Carrying Amounts RMB	Fair Values RMB
Loans and receivables				
Trade and other receivables	10,449,644	10,449,644	5,798,809	5,798,809
Cash and bank balances	283,599	283,599	1,500,283	1,500,283
	10,733,243	10,733,243	7,299,092	7,299,092
Financial liabilities				
Financial liabilities at amortised cost				
Trade and other payables	13,567,573	13,567,573	14,429,596	14,429,596

Valuation techniques and significant assumptions used in determining fair value of financial assets and financial liabilities recognised at amortised cost or cost after initial recognition, other than non-current borrowings, are as follows:

Financial assets and liabilities with published price in active markets

The fair values of financial assets and financial liabilities traded on active markets are determined with reference to their quoted market price.

Financial assets and liabilities without published price in active markets

The fair values of financial assets and financial liabilities not traded on active market are determined by using generally accepted valuation techniques.

Trade and other receivables, cash and bank balances, and trade and other payables

The carrying amounts approximate the fair values due to their short-term nature.

Non-current borrowings

Non-current borrowings are determined by discounting the relevant cash flows using the current interest rates for similar instruments at the reporting date and their carrying amounts are expected to approximate fair values.

16 CAPITAL MANAGEMENT

The primary objective of the management of the Company's capital structure is to optimise the balance between debts and equity to achieve a low cost of capital and maximise the return to stakeholders.

The capital structure of the Company consists of debts (comprising finance lease, bank overdrafts and other borrowings) and equity (comprising issued ordinary shares, retained earnings and other reserves). The Company monitor their capital using a gearing ratio, based on total debts divided by total equity. The target gearing ratio is to maintain it at below 23.4%. The Directors review the capital structure at least quarterly, and consider the cost of capital and the risks associated with each class of capital.

The Company are not subject to externally imposed capital requirements.

During the financial year, no significant changes were made in the objectives, policies or processes for managing capital.

The gearing ratio at the reporting date was as follows:

	2013 RMB	2012 RMB
Debts		
Other borrowings	2,344,391	6,025,569
Total Debts	2,344,391	6,025,569
Capital		
Ordinary share capital	10,001,678	10,001,678
Total Equity	10,001,678	10,001,678
Gearing ratio - Total debts over total equity	23.4%	60.2%

17 AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS

The financial statements of the Company were authorised for issue by the Board of Directors on [2015-05-15].

ANTI-AGING HOUSE HOLDING LIMITED
(Incorporated in British Virgin Island)

DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	2013 RMB	2012 RMB
REVENUE	11,644,172	21,156,855
LESS: COST OF SALES		
Opening inventories	5,844,960	8,755,518
Purchases	5,125,124	10,291,385
Accommodation and travelling	134,585	341,958
Carriage outwards	598,619	686,075
Commission	939,703	-
Entertainment	54,268	25,966
Event expenses	-	38,227
Petrol and toll	36,718	45,552
Salaries, allowances and bonus	1,560,389	1,881,697
Telephone charges	73,370	68,124
	14,367,736	22,134,502
Less: Closing inventories	(4,243,597)	(5,844,945)
Obsolete inventories	(162,920)	-
	9,961,219	16,289,557
GROSS PROFIT	1,682,953	4,867,298
ADD: OTHER OPERATING INCOME		
Interest income	3,272	8,481
Other income	5,074,617	-
	5,077,889	8,481
	6,760,842	4,875,779
LESS: OPERATING EXPENSES	(5,397,725)	(5,225,116)
PROFIT/(LOSS) BEFORE TAX	1,363,117	(349,337)

ANTI-AGING HOUSE HOLDING LIMITED
(Incorporated in British Virgin Island)

OPERATING EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	2013 RMB	2012 RMB
ADMINISTRATION EXPENSES		
Accommodation and travelling	77,552	155,825
Advertisement	1,719,755	1,583,844
Bank charges	4,268	3,011
Depreciation of property, plant and equipment	311,552	356,235
Educational surtax	34,793	84,423
Entertainment	6,322	7,101
General expenses	565,972	128,629
Labor union expenditure	56,556	46,150
Levee fee	9,574	33,769
License fee	-	12,800
Loss on disposal of property, plant and equipment	17,458	-
Loss on foreign exchange (realised)	-	123
Maintenance fees	11,601	10,190
Obsolete inventories written off	162,920	-
Operation tax	4,221	240,000
Penalty	15,000	-
Petrol and toll	-	32,377
Postage and courier	3,486	12,739
Professional fees	35,000	35,000
Registration fee	37,800	-
Rental	497,002	557,416
Salaries, allowances and bonus	1,280,992	1,134,257
Social insurance charges	1,815,794	1,691,673
Staff welfare	99,271	152,002
Telephone charges	12,000	-
Upkeep of motor vehicles	31,442	-
Upkeep of office	25,109	98,483
Upkeep of office equipment	-	9,678
Urban maintenance and construction tax	48,711	118,192
Water and electricity	10,617	3,846
	6,894,768	6,507,763
	6,894,768	6,507,763