CHINA FUQIAO HEALTHCARE INDUSTRY (HONG KONG) LIMITED
中國富僑健康產業(香港)有限公司

FINANCIAL STATEMENTS AND REPORTS

FOR THE PERIOD FROM 16TH AUGUST, 2011

(DATE OF INCORORATION) TO 31ST DECEMBER, 2012

WINNIE HAU
Certified Public Accountant (Practising)
侯藴妮執業會計師

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(EXPRESSED IN HONG KONG DOLLARS)

CHINA FUQIAO HEALTHCARE INDUSTRY (HONG KONG) LIMITED
中國富僑健康產業(香港)有限公司

REPORT OF THE DIRECTORS

FOR THE PERIOD FROM 16TH AUGUST, 2011 (DATE OF INCORPORATION) TO 31ST DECEMBER, 2012

The Director has pleasure in submitting her first annual report and the audited financial statements for the period from 16th August, 2011 (Date of Incorporation) to 31st December, 2012.

Principal Activities

The principal activity of the Company is investment holding.

Results and Appropriations

The results of the Company for the period ended 31st December, 2012 and the state of its affairs as at that date are set out in the financial statements on pages 3 to 11.

The Director does not recommend the payment of a dividend for the period ended 31st December, 2012.

Directors

The Director who held office during the period and up to the date of this report was:

HU Zhirong

In accordance with Article 6 of the Company's Articles of Association, all directors shall retire from office and shall be eligible for re-election.

Share Capital

Details of share capital of the Company are set out in Note 9 to the financial statements.

Arrangements to acquire Shares or Debentures

At no time during the period was the Company, or its holding company a party to any arrangements to enable the directors of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Interest in Contracts of Significance

No contract of significance to which the Company, or its holding company was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

Auditors

Winnie Hau Certified Public Accountant (Practising), are the Company's retiring auditors who, being eligible, offer themselves for re-appointment.

For and on behalf of the Board

Chairman

Dated: 3rd August, 2015
Hong Kong

WINNIE HAU Certified Public Accountant (Practising)
侯蘊妮執業會計師

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF
CHINA FUQIAO HEALTHCARE INDUSTRY (HONG KONG) LIMITED
中國富僑健康產業(香港)有限公司
(Incorporated in Hong Kong with limited liability)

Report on the Financial Statements

We have audited the financial statements of China Fuqiao Healthcare Industry (Hong Kong) Limited ("the Company") set out on pages 3 to 11, which comprise the statement of financial position as at 31st December 2012, and the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Hong Kong Financial Reporting Standard for Private Entities issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. 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 the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 state of the Company's affairs as at 31st December 2012, and of its profit and cash flows for the period then ended in accordance with the Hong Kong Financial Reporting Standard for Private Entities and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Winnie Hau Certified Public Accountant (Practising)
Hong Kong
3rd August, 2015

CHINA FUQIAO HEALTHCARE INDUSTRY (HONG KONG) LIMITED
中國富僑健康產業(香港)有限公司

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 16TH AUGUST, 2011 (DATE OF INCORPORATION) TO 31ST DECEMBER, 2012

	Notes	$
Administrative Expenses		(1,237,285.45)
Finance Costs	3	(1.83)
Loss before Tax	4	(1,237,287.28)
Income Tax	5	(-)
Loss for the Period		(1,237,287.28)

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

CHINA FUQIAO HEALTHCARE INDUSTRY (HONG KONG) LIMITED
中國富僑健康產業(香港)有限公司

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER, 2012

	Notes	$
ASSETS		
Current Assets		
Cash and Cash Equivalents	7	6,392.22
Non-current Assets		
Investment in Subsidiary	6	28,782,447.55
		28,788,839.77
LIABILITIES AND EQUITY		
Current Liabilities		
Other Payables		10,300.00
Amount due to Director	8	30,015,826.05
		30,026,126.05
Equity		
Share Capital	9	1.00
Accumulated Loss		(1,237,287.28)
		(1,237,286.28)
		28,788,839.77

The financial statements on pages 3 to 11 were approved and authorised for issue by the Board of Directors on 3rd August, 2015 and are signed on its behalf by:

Director

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

CHINA FUQIAO HEALTHCARE INDUSTRY (HONG KONG) LIMITED
中國富僑健康產業(香港)有限公司

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 16TH AUGUST, 2011 (DATE OF INCORPORATION) TO 31ST DECEMBER, 2012

	Issued Capital $	Accumulated Loss $	Total $
Issue of Share Capital	1.00	-	1.00
Net (Loss) after Tax for the period	-	(1,237,287.28)	(1,237,287.28)
Balance at 31st December, 2012	1.00	(1,237,287.28)	(1,237,286.28)

CHINA FUQIAO HEALTHCARE INDUSTRY (HONG KONG) LIMITED
中國富僑健康產業(香港)有限公司

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 16TH AUGUST, 2011 (DATE OF INCORPORATION) TO 31ST DECEMBER, 2012

	Notes	$
Cash Flows from Operating Activities		
(Loss) before Tax		(1,237,287.28)
Adjustments for:		
Impairment Loss on Investment in Subsidiary		1,217,552.45
Operating (Loss) before Working Capital Changes		(19,734.83)
Increase in Other Payables		10,300.00
Increase in Amount due to Director		30,015,826.05
Net Cash from Operating Activities		30,006,391.22
Cash Flows from Investing Activities		
Payment for the Acquisition of Investment in Subsidiary		(30,000,000.00)
Net Cash (used in) Investing Activities		(30,000,000.00)
Cash Flows from Financing Activities		
Proceeds from Increase in Share Capital		1.00
Net Cash generated from Financing Activities		1.00
Net Increase in Cash and Cash Equivalents		6,392.22
Cash and Cash Equivalents at 1st January		-
Cash and Cash Equivalents at 31st December	7	6,392.22

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

1. General Information

China Fuqiao Healthcare Industry (Hong Kong) Limited (the Company) is a limited company incorporated in Hong Kong. The address of its registered office is Room 19C, Lockhart Centre, 301-307 Lockhart Road, Wan Chai, Hong Kong. The Company's principal activity is investment holding.

2. Basis of Preparation and Significant Accounting Policies

The Company elects to prepare separate financial statements that the exemption from consolidation has been used (Note 11). These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities (HKFRS for Private Entities) issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

(a) Foreign Currency Translation

Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Hong Kong Dollars, which is the Company's functional and presentation currency.

Translations and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(b) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases using in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. However, the measurement of deferred tax liabilities associated with an investment property measured at fair value does not exceed the amount of tax that would be payable on its sale to an unrelated market participant at fair value at the reporting date. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

(c) Impairment of Non-financial Assets

At each reporting date, investment in subsidiary is reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If an estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(d) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdraft is shown within borrowings in current liabilities on the statement of financial position.

(e) Investment in Subsidiary

Investments are recognised when it is probable that future economic benefits associated with the assets will flow to the Company, and the cost of the assets can be measured reliably.

Investments that qualify for recognition as assets are initially measured at cost.

Subsequent to initial recognition as an asset, an investment is carried at cost less accumulated impairment losses for such long-term investments.

Changes in the carrying amount of an investment from one balance sheet date to another is recognised as income or expense in the income statement.

(f) Related Parties

For the purpose of these financial statements, related party includes a person and entity as defined below:

(a) A person or a close member of that person's family is related to the Company if that person:

(i) is a member of the key management personnel of the Company or of a parent of the Company;
(ii) has control over the Company; or
(iii) has joint control or significant influence over the reporting entity or has significant voting power in it.

(b) An entity is related to the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).
(iii) both entities are joint ventures of a third entity.
(iv) either entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.
(vi) the entity is controlled or jointly controlled by a person identified in (a).
(vii) a person identified in (a)(i) has significant voting power in the entity.

3. Finance Costs

	$
Bank Interest Expenses	1.83

4. Loss before Tax

The following items have been recognised as expenses in determining loss before tax:

	$
Auditors' Remuneration	8,000.00
Impairment Loss on Investment in Subsidiary	1,217,552.45

5. Income Tax Expenses

Hong Kong profits tax is provided at the rate of 16.5% on the estimated assessable profit of the period. At the financial period-end, the Company sustained from loss. As there is no assessable profit for the period, the income tax expense is nil.

No deferred taxation is provided as no such liability is recorded.

6. Investment in Subsidiary

	$
Unlisted Shares, at cost	30,000,000.00
Less: Impairment Loss	(1,217,552.45)
	28,782,447.55

At 31st December, 2012, the Company had an interest in the following subsidiary:

Name	Place of Incorporation and Operation	Percentage of Ownership Interest Held by the Company	Principal Activity
Fuqiao (Chongqing) Holdings Company, Limited 富僑(重慶)控股有限公司	China	100%	Trading, Consulting and Healthcare Services

7. Cash and Cash Equivalents

	$
Cash at Bank	6,392.22

8. Amount due to Director

The amount due are unsecured, interest free and have no fixed term of repayment.

9. Share Capital

	$
Issued and fully paid:	
1 ordinary share of HK$1 each	1.00

10. Directors' Remuneration

Remuneration of the directors disclosed pursuant to section 161 of the Companies Ordinance is as follow: -

	$
Fees	-
Other Emoluments	-
	-

11. Immediate Parent and Ultimate Holding Company

At 31st December, 2012, the director considers the immediate parent and ultimate holding company as Hwazon Investment Limited, which was incorporated in British Virgin Islands; as the parent company, it produces consolidated financial statements available for public use and complies with HKFRSs / IFRSs.

12. Approval of Accounts

The financial statements set out on pages 3 to 11 have been approved and authorised for issue by the Board of Directors on 3rd August, 2015.

(For management purposes only)

CHINA FUQIAO HEALTHCARE INDUSTRY (HONG KONG) LIMITED

中國富僑健康產業(香港)有限公司

DETAILED INCOME STATEMENT

FOR THE PERIOD FROM 16TH AUGUST, 2011 (DATE OF INCORPORATION) TO 31ST DECEMBER, 2012

	$
ADMINISTRATIVE EXPENSES	
Accountancy Fees	2,000.00
Audit Fees	8,000.00
Bank Charges	4,698.00
Business Registration Fees	2,900.00
Impairment Loss on Investment in Subsidiary	1,217,552.45
Postage and Courier Charges	300.00
Preliminary Expenses	1,730.00
Sundry Expenses	105.00
	1,237,285.45
FINANCE COSTS	
Bank Interest Expenses	1.83
LOSS BEFORE TAX	1,237,287.28