

To: All Shareholders of Anti-Aging House Holding Limited

Dear Sir/Madam,

When the auditors doing 2016 annual report, the auditors found that they ignored AUD 11,101,501 (RMB52,539,048, Exchange rate: 0.2113) in 2015 annual report. So the auditors adjusted the financial data of December 31, 2015 in 2016 annual report. But we didn't adjust the data of December 31, 2015 in 2015 annual report. The 2015 annual report will be adjusted as follows.

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Consolidated Audited Financial Statements

For the financial period 12 months ended 31 December 2015

Consolidated Statements of Financial Position

As at 31 December 2015

	Note	Original data		Adjusted data		Reason analysis
		2015 RMB	2014 RMB	2015 RMB	2014 RMB	
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	9	4,330,598	370,729	4,330,598	370,729	The classification of accounting subjects is inconsistent. 12,628,590+7,134,019=19,762,609 64,860,628+7,538,487=19,860,067+52,539,048
Trade and other receivables	10	19,860,067	19,762,609	64,860,628	12,628,590	
Inventories	11	3,888,736	5,308,260	3,888,736	5,308,260	
Other assets				7,538,487	7,134,019	
TOTAL CURRENT ASSETS		28,079,401	25,441,598	80,618,449	25,441,598	

	Note	Original data		Adjusted data		Reason analysis
		2015 RMB	2014 RMB	2015 RMB	2014 RMB	
NON-CURRENT ASSETS						
Property, plant and equipment	12	94,152	85,062	94,152	85,062	
TOTAL ASSETS		94,152	85,062	80,712,601	25,526,660	
LIABILITIES						
CURRENT LIABILITIES						
Trade and other payables		(18,713,764)	(19,275,840)	(18,713,764)	(19,275,840)	
TOTAL CURRENT LIABILITIES		(18,713,764)	(19,275,840)	(18,713,764)	(19,275,840)	
NON-CURRENT LIABILITIES						
Amount owing to directors	15	(3,404,397)	(942,955)	(3,404,397)	(942,955)	
TOTAL NON-CURRENT LIABILITIES		(3,404,397)	(942,955)	(3,404,397)	(942,955)	
TOTAL LIABILITIES		(22,118,161)	(20,218,795)	(22,118,161)	(20,218,795)	
NET ASSETS		6,055,392	5,307,865	58,594,440	5,307,865	
EQUITY						
Issued capital	17	11,407,197	11,407,197	63,946,245	11,407,197	11,407,197+52,539,048=63,946,245
Accumulated losses		(5,351,805)	(6,099,332)	(5,351,805)	(6,099,332)	
TOTAL EQUITY		6,055,392	5,307,865	58,594,440	5,307,865	

Note: This statement should be read in conjunction with the notes to the financial statements.

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Consolidated Audited Financial Statements for the year ended 31 December 2015

Notes to the consolidated financial statements

8 Income tax expenses

The major components of tax expense and the reconciliation of the expected tax expense are based on the domestic effective tax rate of the Group. Assessable earnings are taxed at 25%.

The components of tax expense comprise:

	31/12/2015	31/12/2014
	RMB	RMB
Current tax expense	215,203	-

9 Cash and cash equivalents

Cash and cash equivalents include the following components:

	31/12/2015	31/12/2014
	RMB	RMB
Cash at bank and in hand	4,330,598	370,729

10 Trade and other receivables

Trade and other receivables consist of the following:

	Note	Original data		Adjusted data		Reason analysis
		31/12/2015	31/12/2014	31/12/2015	31/12/2014	
		RMB	RMB	RMB	RMB	
CURRENT						
Trade receivables	A	6,292,595	7,343,396	6,292,595	7,343,396	The classification of accounting subjects is inconsistent. 12,628,590+7,134,019=19,762,609
Prepayment made	B	4,824,505	7,134,019	-	-	
Other receivables	C	8,742,967	5,247,698	58,568,033	5,247,698	
Tax receivable		0	37,496	-	37,496	
Trade and other receivables		19,860,067	19,762,609	64,860,628	12,628,590	64,860,628+7,538,487=19,860,067+52,539,048
Other assets - Prepayment made	B			7,538,487	7,134,019	

a. Trade receivables past due but not impaired:

Current trade receivables are non-interest bearing and generally on 1 year terms. As of 31 December 2015, no trade receivables are past due and impaired. Based on the credit history of these receivables, it is expected that these amounts will be received when due.

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16 Contingent assets and liabilities

The Group has no contingent assets or liabilities.

17 Share capital

Ordinary shares

The share capital of the Company consists only of fully paid ordinary shares; the shares do not have a par value. All shares are equally eligible to receive dividends and the repayment of capital.

Ordinary shares participate in dividends in proportion to the number of shares held.

At the Shareholders' meeting each ordinary share is entitled to one vote when a poll is called, otherwise each Shareholder has one vote on a show of hands.

Shares issued:

	Original data				Adjusted data				Reason analysis
	31/12/2015		31/12/2014		31/12/2015		31/12/2014		
	Shares	RMB	Shares	RMB	Shares	RMB	Shares	RMB	
Beginning of the year	14,686,206	11,407,197	14,686,206	11,407,197	14,686,206	11,407,197	14,686,206	11,407,197	AUD11,101,501(RMB5 2,539,048) Exchange rate:0.2113
Shares issued during the year	-	-	-	-	78,565,045	52,539,048	-	-	
End of the year	14,686,206	11,407,197	14,686,206	11,407,197	93,251,251	63,946,245	14,686,206	11,407,197	

Capital Management

The management’s objectives when managing capital are to ensure that the Group can fund its operations and continue as a going concern and to provide shareholders with adequate returns.

The management monitors capital on the basis of debt to equity ratio. The ratio is calculated as net liabilities divided by equity. Net liabilities is “Total liabilities” as shown on the statement of financial position less cash and cash equivalent and equity is “equity” as shown on the statement of financial position.

There are no externally imposed capital requirements.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year, which is to maintain debt to equity ratio at a manageable level. The debt-equity ratios as at 31 December 2015 and 31 December 2014 are as follows:

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Consolidated Audited Financial Statements for the year ended 31 December 2015
Notes to the consolidated financial statements

	Original data		Adjusted data	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	RMB	RMB	RMB	RMB
Total liabilities	18,713,764	19,275,840	18,713,764	19,275,840
Less: Cash and cash equivalents	(4,330,598)	(370,729)	(4,330,598)	(370,729)
Net liabilities (net of cash)	14,383,166	18,905,111	14,383,166	18,905,111
Total equity	6,055,392	5,307,865	58,594,440	5,307,865
Net liabilities to equity ratio	2.38	3.56	0.25	3.56

18 Related party transactions
Transaction with Key Management Personnel

There are no transactions with key management personnel.

Balance with Key Management Personnel

There are no balances with key management personnel.

19 Financial instrument risk

Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities consist of:

- Cash and cash equivalents;
- Trade and other receivables;
- Trade and other payables

The main types of risks are market risk, credit risk and liquidity risk.

The Group's risk management is coordinated at its headquarters, in close cooperation with the Board of Directors, and focuses on actively securing the Group's short to medium-term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

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Notes to the consolidated financial statements

Risk analysis

The main risks the Group is exposed through its use of financial instruments are credit risks, liquidity risk and customer concentration risks. The Group does not have any significant exposure to currency risk and price risks.

Credit risk

Credit risk is managed on a Group basis and reviewed regularly by the finance committee. It arises from exposures to customers as well as through deposits with financial institutions.

The finance committee monitors credit risks on a regular basis.

The maximum exposure to credit risks, excluding the value of any collateral or other security, at reporting date to recognized financial assets, its carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The Group performs ongoing credit evaluation of its customers' financial conditions and require no collateral from its customers. The allowance for doubtful debts is based upon a review of the expected collectability of all trade and other receivables.

There are no other material amounts of collateral held as security at 31 December.

The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at the reporting date, as summarized below:

Class of financial assets	Original data		Adjusted data	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	RMB	RMB	RMB	RMB
Carrying amounts:				
- Cash and cash equivalents	4,330,598	370,729	4,330,598	370,729
- Trade and other receivables	19,860,067	19,762,609	64,860,628	12,628,590
Total	24,136,665	20,133,338	69,191,226	12,999,319

Fair value measurement

Financial assets and financial liabilities measured at fair value in the Statement of Financial Position are grouped into three levels of a fair value hierarchy. The three (3) levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2: inputs other than quoted prices included within level 1 that are observable for the the asset of liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

The carrying amounts of current receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities approximates the carrying amount as the impact of discounting is not significant.

Yours faithfully,
For and on behalf of A2H



Mr. Chen Jiwu
Director