

ANTI-AGING HOUSE HOLDING LIMITED

(ARBN: 606 301 106)



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

CORPORATE DIRECTORY

DIRECTORS

Mr. Chen Jiwu
Mr. Chen Dongliang
Ms. Hu Lirong
Mr. Chang Yingming
Mr. Li Jun

REGISTERED OFFICE

Portcullis TrustNet (BVI) Limited
Portcullis TrustNet Chambers
P.O. Box 3444, Road Town, Tortola
British Virgin Islands

SHARE REGISTRAR

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WEBSITE

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STOCK EXCHANGE LISTING

Anti-Aging House Holding Limited shares are listed on the
National Stock Exchange of Australia (NSX) under the code
NSX: A2H

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General Information

These financial statements are presented in Australian dollars and cover Anti-Aging House Holding limited as a consolidated entity consisting of Anti-Aging House Holding Limited and the entities it controlled at the end of, or during, the year.

Anti-Aging House Holding Limited is a listed public company limited by shares, incorporated and domiciled in British Virgin Islands.

A description of the nature of the consolidated entity's operations and its principal activities are included in the director's report. The financial statements were authorised for issue with a directors' resolution on 22 June 2020. The directors have the power to amend and reissue the financial statements.

1. CORPORATE GOVERNANCE STATEMENT

The Board has the responsibility of ensuring that the Company is properly managed so as to protect and enhance shareholders' interests in a manner that is consistent with the Company's responsibility to meet its obligations to governance policies with which it interacts. The Board has adopted what it believes to be appropriate corporate governance policies and practices having regard to its size and nature of activities.

The main corporate governance policies are summarised below:

Director's Access to Independent Advice

It is the Board's policy that any committees established by the Board should:

- a. Be entitled to obtain independent professional or other advice at the cost of the Company, unless the Board determines otherwise; and
- b. Be entitled to obtain such resources and information from the Company including direct access to employees of and advisers to the Company as they might require; and
- c. Operate in accordance with the terms of reference established by the Board.

Audit Board and Risk Management Committee

The Board meets with the external auditors at least once a year. The specific activities include assessing and monitoring:

- a. The adequacy of the Company's internal controls and procedures to ensure compliance with all applicable legal obligations; and
- b. The adequacy of the financial risk management processes.
 - The appointment of the external auditor
 - Any reports prepared by the external auditor
 - Listing rules with the external auditor

Remuneration Committee

The Board in fulfilling its responsibilities to shareholders by:

- a. Reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders; and
- b. The Board ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration.

Management Succession Planning Committee

The Board will monitor this development:

- a. Maintaining a Board that has an appropriate mix of skills and experience to be an effective decision-making body; and
- b. Ensuring that the Board is comprised of Directors who contribute to the successful management of the Company and discharge their duties having regard to the law, and the highest standards of corporate governance.

MESSAGE FROM THE CHAIRMAN

23 June 2020

Dear shareholders,

Thank you very much for your long-term trust and support on our company.

On behalf of the Board of Directors of the Company, I am pleased to present to you our Annual Report for the year ended 31 December 2019.

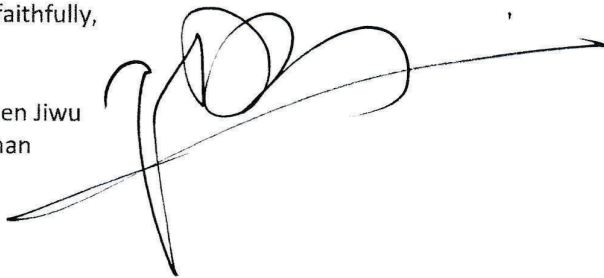
In 2019, the growth of global economy and trade had slowed down significantly. Even though affected by the overall business environment and being under a certain impact, the Company has insisted and continued on the sales & distribution of anti-aging and health products including nutrition and dietary supplement products. In addition to the WeChat business model, we have constantly explored other new sales models and are trying out new retail channel such as community marketing.

The year 2020 has been an extraordinary one. Since January 2020, the COVID-19 outbreak has disrupted the rhythm of our lives. We are in Wuhan, the worst-hit city in China severely affected and we did not return to work until mid-April 2020. Due to the global pandemic, many sales channels have yet to recover. However, the Company believes that the impact of the pandemic in 2020 will be phased out soon and a temporary one. The effects on the incident of epidemic will lead people paying more attention to health and healthier lifestyle, and the demand for nutrition and dietary supplement products will be increased in the future.

Thanks again to all the shareholders and people from all walks of life who care about and support the development of A2H! We are also looking forward to your continuous support and encouragement to work together to make positive contributions to health, beauty and anti-aging of human beings.

Yours faithfully,

Mr. Chen Jiwu
Chairman

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

DIRECTOR'S REPORT

The Directors of Anti-Aging House Holding Limited present their report together with the financial statements, on the consolidated entity consisting of Anti-Aging House Holding Limited ("the Company") and the entities it controlled at the end of, or during, for the year ended 31 December 2019:

Directors

The following names are the directors in office at any time during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Mr. Chen Jiwu
- Mr. Chen Dongliang
- Ms. Hu Lirong
- Mr. Chang Yingming
- Mr. Li Jun

Registered Agent and Registration Office (BVI)

The Company's registration agent from 5 February 2010 has been held by Portcullis TrustNet (BVI) Limited

Company Secretary

The position of company secretary from 15 May 2016 has been held by Ms. Cui Qiqi and Mr. Li Jun

Share Registrar

The Company's share registrar has been by BoardRoom Pty Limited since 04 Jun 2015.

Principle Activities

The principle activity of the Company and its Subsidiary during the financial period was to market and in the product development of anti-aging products.

Our Business and Objectives

Anti-aging products and its developments are the main focus of the Company, which continues to generate revenue to sustain the operations of the Company. The Company will continue to development new products and expand its sales network locally and beyond border to gain more market share and penetration of the industry to have a better financial performance.

Operating Results

The Company had a net operating loss for the period ended 31 December 2019 of AUD1,414,104 compared to 31 December 2018's net operating loss of AUD9,748,051.

The revenue was down by 58% compares to 2018 financial performance. The Company continues with its anti-aging products on the platform of weChat and normal channel of marketing and distribution.

Summary of Performance

A Summary of the previous three year's performance is shown below:

	2017 AUD \$	2018 AUD \$	2019 AUD \$
Gross revenue	4,822,365	5,200,899	2,210,985
Cost of revenue	3,734,161	4,368,196	1,960,897
Net revenue	1,088,204	832,703	250,088
EBITDA	235,336	(9,662,794)	(1,413,691)
Profit/(loss) before tax	235,024	(9,663,354)	(1,414,104)
Total assets	14,137,534	4,068,937	2,903,670
Total liabilities	1,439,119	1,139,334	1,385,521
Shareholders' funds	12,698,415	2,929,603	1,518,149
Earnings per share	0.01	(0.01)	(0.01)

The Shares of the A2H were last traded at AUD \$0.21 for the year ended 31 December 2019.

Matters Subsequent to the end of the Financial Year

The Company has released that the COVID-19 will have significant impact on the marketing events and access to capital via financial market.

Dividends Paid or Recommended

No dividends have been paid since the date of incorporation and the directors do not recommend the payment of a dividend.

Review of Operations

Anti-Aging House Holding Limited was incorporated on 25 February 2010. During the course of the period it issued an Information Memorandum to have its shares admitted for quotation on the National Stock Exchange of Australia Limited (NSX). Anti-Aging House Holding Limited was officially listed on the NSX on the 26th May 2016 under the stock name "A2H".

Financial Position

The net assets of the Company during the financial period other than those disclosed elsewhere in this report.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Company during the financial period other than those disclosed elsewhere in this report.

After Balance Date Events

There have been no events that have affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in the future since the Balance Date.

Future Developments and Business Strategies

The Company will pursue its investment objectives for the long-term benefit of members. This will require the continued review of the investment strategy that is in place and may from time to time require some changes to that strategy.

We do not believe it is possible or appropriate to make a prediction on the future course of markets or the performance of our investments. Accordingly, we do not provide a forecast of the likely results of our activities.

Environmental Issues

The Company's operations are not regulated by any significant environmental regulation under the law of China, Australia or elsewhere.

Information on Directors

I). Mr. Chen Jiwu, Executive Director and Executive Chairman and CEO

Board member from 18 May 2015 to date

Qualification and Experience

Mr. Chen is the Executive Director and Executive Chairman of the Board of Directors and is also the Chief Executive Officer of the Company. He is the founder of the Company, and holds a Bachelor Degree in Economics from the Wuhan Hanjiang University.

Since the inception of Anti-Aging House Technology (Wuhan) Company Limited, Mr. Chen is responsible for making strategic decisions for the group and has experience in finance and marketing. He has excellent public relations skill that has contributed to the growth of the Company business and established good business practices within the group. As the founder of Anti-aging, Mr. Chen has more than 10 years of experience in the health food business industry and is a well-known entrepreneur in Wuhan City.

Mr. Chen is also the Chairman of China Health Promotion Foundation & Health Management Association, and is the Principle of China Polypeptide Group Health Management Institute. Mr. Chen, aged 62, is a resident of China.

Interest in Shares and Options	:	500,000 CDI's
Preference Shares	:	Nil
Special Responsibilities	:	Nil
Directorships held in other listed Entities	:	Nil

II). Mr. Chen Dongliang, Executive Director

Board member from 18 April 2017 to date

Qualification and Experience

Mr. Chen, aged 59, is the resident of China. He graduated from Ludwig-Maximilians-Universität München. He has a PhD in molecular biology and nutritional physiology.

Dr. Chen has published many books, such as Polypeptide Nutrition, The World of The Polypeptide, The Latest Anti-aging medicine, and The Chart of Physiology. He was the founder of the theory of polypeptide nutrition and polypeptide for anti-aging, and was the Leader of Polypeptide respectfully.

Interest in Shares and Options	:	356,647,200 CDI's
Special Responsibilities	:	Nil
Directorships held in other listed Entities	:	Nil

III). Mr. Hu Lirong, Executive Director and Sales Director

Board member from 18 April 2017 to date

Qualification and Experience

Ms. Hu, aged 57, is the resident of China. She Graduated from Hubei University majoring in Accounting and Finance having qualified accounting certification.

Ms. Hu has been appointed by Anti-Aging House Technology (Wuhan) Company Limited as CFO since 2016. Ms. Hu is responsible for the formulation of financial policies and financial strategic planning, reviewing and approving budgets & financial management policies, auditing and financial reporting.

Ms. Hu has more than 35 years of work experiences in the accounting and finance fields and provides extensive accounting and finance knowledge to the Company.

Interest in Shares and Options	:	19,951,200 CDI's
Special Responsibilities	:	Nil
Directorships held in other listed Entities	:	Nil

IV). Mr. Chang Yingming, Independent Non-Executive Director

Board member from 18 May 2015 to date

Qualification and Experience

Mr. Chang is the Non-Executive and Independent Director of the Board of Directors of the Company. Mr. Chang holds a Bachelor Degree majoring in Clinical Medicine from the Fourth Military Medical University.

Mr. Chang is a qualified military doctor in China and has more than 40 years of experience in the hospital operation and management. He had previously worked with

China Second Artillery Army Hospital as the Principle for more than 20 years. Mr. Chang is also the Secretary-General of China Health Promotion Foundation.

Mr. Chang, aged 71, is the resident of China.

Interest in Shares and Options	:	200,000 CDI's
Special Responsibilities	:	Nil
Directorships held in other listed Entities	:	Nil

V). Mr. Li Jun, Independent Non-Executive Director

Board member from 18 April 2017 to date

Qualification and Experience

Mr. Li, aged 46, is the resident of China. He graduated from Wuhan International Business and Economic University majoring in Accounting and Finance, and has a Master Degree in Business Administration.

Mr. Li has been appointed by DB FortuneAU Investment Management Limited as CEO since 2016. Mr. Li has a qualification of Senior Business Operator in China.

Interest in Shares and Options	:	22,894,000 CDI's
Special Responsibilities	:	Nil
Directorships held in other listed Entities	:	Nil

Meetings of Directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 December 2019, and the number of meetings attended by each director were:

	Full Board		Risk and Audit Committee	
	Attended	Held	Attended	Held
Mr. Chen Jiwu	4	4		
Mr. Chen Dongliang	4	4		
Ms. Hu Lirong	4	4	2	2
Mr. Chang Yingming	4	4	2	2
Mr. Li Jun	4	4	2	2

Remuneration Report

This report details the nature and amount of remuneration for each director of Anti-Aging House Holding Limited, and for the executives receiving the highest remuneration.

Remuneration Policy

All issues in relation of both Executive Directors and Non-Executive Directors are dealt with by the Board as a whole.

The Constitution of Anti-Aging House Holding Limited requires approval by the shareholders in general meetings of a maximum amount for consideration in general meeting, and in determining the allocation, the Board takes account of the time demands made on Directors, together with such factors as the general level of fees paid to Directors. The amount of remuneration currently approved by shareholders for Non-Executive Directors is a maximum of AUD70,000 per annum.

Non-Executive Directors hold office until such as they retire, resign or are removed from office under the terms set out in the constitution of the Company. Non-Executive Directors do not receive any performance-based remuneration.

Detail of remuneration for period ended 31 December 2019

Detail of the remuneration for each Director of the Company is as follows:

	Name	Salary & Fees	Superannuation Contributions	Total
		AUD	AUD	AUD
1.	Mr. Chen Jiwu	24,271	-	24,271
2.	Mr. Chen Dongliang	0	-	0
3.	Ms. Hu Lirong	0	-	0
4	Mr. Chang Yingming	0	-	0
5	Mr. Li Jun	0	-	0
	Total	24,271	-	24,271

* Anti-Aging House Technology (Wuhan) Company Limited, a wholly subsidiary company of Anti-Aging House Holding Limited paid AUD24,271 to Mr. Chen Jiwu as Executive Director & CEO.

Loans to Directors and Executives

There are no loans to directors and executives

Shares under Option

There were no unissued ordinary shares of Anti-Aging House Holding Limited under option outstanding on the date of this report.

Share issued on the Exercise of Options

There were no ordinary shares of Anti-Aging House Holding Limited issued on the exercise of options during the year ended 31 December 2019 and up to the date of this report.

Indemnity and Insurance of Auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-Audit Services

There were no non-audit services provided during the financial year by the auditor.

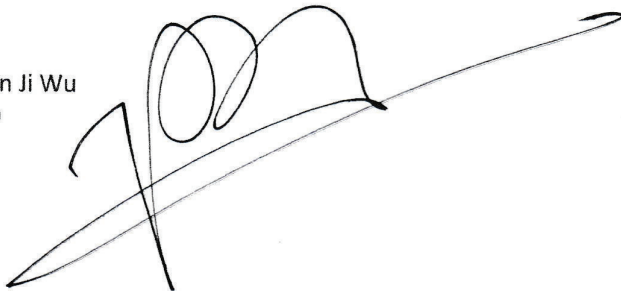
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this director's report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Chen Ji Wu
CEO

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

AUDITOR'S INDEPENDENCE DECLARATION

I declare that, to the best of my knowledge and belief, in relation to the review for the year ended 31 December 2019 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



Kow Hoay Lee
Partner
Danny Loo & Co PLT

Date: 22 June 2020

Anti-Aging House Holding Limited

ARBN 606 301 106

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2019

		2019	2018
	Note	\$	\$
Sales revenue	5	2,210,985	5,200,899
Cost of sales		(1,960,897)	(4,368,196)
Gross profit		<u>250,088</u>	<u>832,703</u>
Other operating income		52	14
Administrative expenses		(306,636)	(10,298,280)
Other operating expenses		(1,357,195)	(197,231)
Finance costs		(413)	(560)
Loss before income tax		<u>(1,414,104)</u>	<u>(9,663,354)</u>
Income tax expense	7	-	(84,697)
Loss from continuing operations		<u>(1,414,104)</u>	<u>(9,748,051)</u>
Loss for the year		<u>(1,414,104)</u>	<u>(9,748,051)</u>
Other comprehensive income/(loss), net of income tax			
Exchange differences on translating foreign subsidiaries		2,650	(20,761)
Total comprehensive income/(loss) for the year		<u>2,650</u>	<u>(20,761)</u>
Loss attributable to:			
Members of the parent entity		<u>(1,411,454)</u>	<u>(9,768,812)</u>
Total comprehensive loss attributable to:			
Members of the parent entity		<u>(1,411,454)</u>	<u>(9,768,812)</u>
Earnings per share			
Basic earnings per share	18	(0.01)	(0.01)
Diluted earnings per share	18	<u>(0.01)</u>	<u>(0.01)</u>

The accompanying notes form part of these financial statements.

Anti-Aging House Holding Limited

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Consolidated Statement of Financial Position

As at 31 December 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	72,399	64,020
Trade and other receivables	9	1,492,996	1,558,966
Inventories	10	423,777	920,271
Other assets	11	851,809	1,445,516
TOTAL CURRENT ASSETS		<u>2,840,981</u>	<u>3,988,773</u>
NON-CURRENT ASSETS			
Property, plant and equipment	12	62,689	80,164
TOTAL ASSETS		<u>2,903,670</u>	<u>4,068,937</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	714,484	353,116
TOTAL CURRENT LIABILITIES		<u>714,484</u>	<u>353,116</u>
NON-CURRENT LIABILITIES			
Amount owing to directors	15	671,037	786,218
TOTAL NON-CURRENT LIABILITIES		<u>671,037</u>	<u>786,218</u>
TOTAL LIABILITIES		<u>1,385,521</u>	<u>1,139,334</u>
NET ASSETS		<u>1,518,149</u>	<u>2,929,603</u>
EQUITY			
Issued capital	16	13,348,719	13,348,719
Reserves	17	(24,353)	(27,003)
Accumulated losses		(11,806,217)	(10,392,113)
TOTAL EQUITY		<u>1,518,149</u>	<u>2,929,603</u>

The accompanying notes form part of these financial statements.

Anti-Aging House Holding Limited

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Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2019

	Ordinary Shares	Accumulated losses	Foreign currency translation reserve	Total
	\$	\$	\$	\$
Balance at 01 January 2018	13,348,719	(644,062)	(6,242)	12,698,415
Loss attributable to members of the parent entity	-	(9,748,051)	-	(9,748,051)
Foreign currency translation	-	-	(20,761)	(20,761)
Total comprehensive loss	-	(9,748,051)	(20,761)	(9,768,812)
Balance at 31 December 2018	13,348,719	(10,392,113)	(27,003)	2,929,603
Loss attributable to members of the parent entity	-	(1,414,104)	-	(1,414,104)
Foreign currency translation	-	-	2,650	2,650
Total comprehensive loss	-	(1,414,104)	2,650	(1,411,454)
Balance at 31 December 2019	13,348,719	(11,806,217)	(24,353)	1,518,149

The accompanying notes form part of these financial statements.

Anti-Aging House Holding Limited

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Consolidated Statement of Cash Flows For the Year Ended 31 December 2019

		2019	2018
	Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		1,620,662	5,607,134
Payments to suppliers and employees		(1,500,043)	(5,843,716)
Net cash generated from/(used in) operating activities	25	120,619	(236,582)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest income		52	14
Purchase of property, plant and equipment		-	(36,613)
Net cash generated from/(used in) investing activities		52	(36,599)
CASH FLOWS FROM FINANCING ACTIVITIES:			
(Repayment to)/Advance from directors		(115,181)	215,901
Net cash (used in)/generated from financing activities		(115,181)	215,901
Effects of exchange rate changes on cash and cash equivalents		2,889	(23,112)
Net increase/(decrease) in cash and cash equivalents held		8,379	(80,392)
Cash and cash equivalents at beginning of year		64,020	144,412
Cash and cash equivalents at end of the year	8	72,399	64,020

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2019

The financial report covers Anti-Aging House Holding Limited and its controlled entities ('the Group'). Anti-Aging House Holding Limited is a Company incorporated and domiciled in British Virgin Islands ("BVI").

Each of the entities within the Group prepares their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 22 June 2020.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board and the *Corporations Act 2001*.

These financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The financial statements have been prepared on a historical costs basis except for financial assets which are measured at fair value.

The following is a summary of the material accounting policies adopted in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Basis of Consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with policies adopted by the Group.

Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation.

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies continued

(b) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit.

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probably that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances relating to the amounts recognised directly in other comprehensive income or equity are also recognised directly in other comprehensive income or equity.

(c) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the Group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year.

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies continued

(c) Leases continued

Leases - Adoption of AASB 16

Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the consolidated statement of financial position (except for short-term leases and leases of low value assets).

The Group has adopted AASB 16 Leases using the modified retrospective (cumulative catch up) method from 1 January 2019 and therefore the comparative information for the year ended 31 December 2018 has not been restated and has been prepared in accordance with AASB 117 Leases and associated Accounting Interpretations. The Group has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

(d) Revenue and other income

Revenue arises from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of signification risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

(e) Finance costs

Finance cost includes all interest-related expenses, other than those arising from financial assets at fair value through profit or loss.

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies continued

(g) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Group, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Furniture, Fixtures and Fittings	33.33%
Office Equipment	33.33%
Electrical Fittings	33%
Motor Vehicles	25%
Other Equipment	20%

At the end of each annual reporting year, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(h) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies continued

(h) Financial instruments continued

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Group's trade and other receivables fall into this category of financial instruments. Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Group renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Group does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies continued

(h) Financial instruments continued

The Group's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting year the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(i) Impairment of non-financial assets

At the end of each reporting year the Group determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent years for all assets which have suffered an impairment loss, except for goodwill.

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies continued

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. Costs of ordinarily interchangeable items are assigned using the first in, first out cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

(k) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(l) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

(m) Foreign currency transactions and balances

Transaction and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting year:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies continued

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the year where the average rate approximates the rate at the date of the transaction; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit or loss and other comprehensive income in the year in which the operation is disposed.

(n) Adoption of new and revised accounting standards

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting year. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Leases - Adoption of AASB 16

The Group has adopted AASB 16 Leases using the modified retrospective (cumulative catch up) method from 1 January 2019 and therefore the comparative information for the year ended 31 December 2018 has not been restated and has been prepared in accordance with AASB 117 Leases and associated Accounting Interpretations. The adoption did not have any financial impact on the Group.

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates. The significant estimates and judgements made have been described below.

Impairment of property, plant and equipment

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Impairment of receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Fair value of financial instruments

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Anti-Aging House Holding Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2019

4 Segment reporting

The Group operate in one segment with all operating activities in China.

5 Revenue and Other Income

Revenue from continuing operations

	2019	2018
	\$	\$
Sales revenue		
- sale of goods and services	2,210,985	5,200,899
Total Revenue from continuing operations	2,210,985	5,200,899

6 Result for the Year

The result for the year was derived after charging / (crediting) the following items:

	2019	2018
	\$	\$
Finance Costs	413	560
Total finance costs	413	560

The result for the year includes the following specific expenses:

Other expenses:		
Employee benefit expenses	181,458	208,051
Depreciation expenses	17,236	11,915
Impairment of receivables	1,250,000	9,851,501

Anti-Aging House Holding Limited

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Notes to the Financial Statements For the Year Ended 31 December 2019

7 Income Tax Benefits

(a) The major components of tax expense comprise:

	2019	2018
	\$	\$
Current tax expense		
Local income tax - current year	-	84,697
Total income tax expense	-	84,697

(b) Reconciliation of income tax to accounting profit:

	2019	2018
	\$	\$
Loss)	(1,414,104)	(9,663,354)
Tax	25%	25%
	(353,526)	(2,415,839)
Add:		
Tax effect of:		
- non-deductible expenses	353,526	2,500,536
Income tax benefit	-	84,697

8 Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash at bank and in hand	72,399	64,020
	72,399	64,020

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents	72,399	64,020
Balance as per statement of cash flows	72,399	64,020

Anti-Aging House Holding Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2019

9 Trade and Other Receivables

	2019	2018
	\$	\$
CURRENT		
Trade receivables	1,492,054	308,018
	<u>1,492,054</u>	<u>308,018</u>
Other receivables	11,102,443	11,102,449
Less: Allowance for impairment	(11,101,501)	(9,851,501)
	<u>942</u>	<u>1,250,948</u>
Total current trade and other receivables	<u><u>1,492,996</u></u>	<u><u>1,558,966</u></u>

Included in the other receivables of the previous financial year was an amount of \$1,250,000, being an amount owing by one of the shareholders which is non-trade related, interest-free, unsecured and with no fixed terms of repayment.

10 Inventories

	2019	2018
	\$	\$
Finished goods	<u>423,777</u>	<u>920,271</u>

11 Other Assets

	2019	2018
	\$	\$
CURRENT		
Deposits and prepayments	<u>851,809</u>	<u>1,445,516</u>

Notes to the Financial Statements

For the Year Ended 31 December 2019

12 Property, plant and equipment

	2019 \$	2018 \$
Furniture, fixtures and fittings		
At cost	1,135	1,143
Accumulated depreciation	(1,135)	(1,143)
Total furniture, fixtures and fittings	-	-
Office equipment		
At cost	8,673	8,732
Accumulated depreciation	(8,673)	(8,732)
Total office equipment	-	-
Electrical fittings		
At cost	227,268	228,824
Accumulated depreciation	(188,621)	(181,952)
Total electrical fittings	38,647	46,872
Motor vehicles		
At cost	47,451	47,775
Accumulated depreciation	(30,132)	(24,150)
Total motor vehicles	17,319	23,625
Other equipment		
At cost	40,272	40,547
Accumulated depreciation	(33,549)	(30,880)
Total other equipment	6,723	9,667
Total property, plant and equipment	62,689	80,164

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Notes to the Financial Statements

For the Year Ended 31 December 2019

(a) **Movements in carrying amounts of property, plant and equipment**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Furniture, Fixtures and Fittings	Office Equipment	Electrical Fittings	Motor Vehicles	Other Equipment	Total
Consolidated	\$	\$	\$	\$	\$	\$
Year ended 31 December 2018						
Balance at the beginning of the year	-	-	17,425	28,464	7,226	53,115
Additions	-	-	32,302	-	4,312	36,614
Depreciation expense	-	-	(3,631)	(6,104)	(2,180)	(11,915)
Foreign exchange movements	-	-	776	1,265	309	2,350
Balance at the end of the year	-	-	46,872	23,625	9,667	80,164
Year ended 31 December 2019						
Balance at the beginning of the year	-	-	46,872	23,625	9,667	80,164
Additions	-	-	-	-	-	-
Depreciation expense	-	-	(8,049)	(6,256)	(2,931)	(17,236)
Foreign exchange movements	-	-	(176)	(50)	(13)	(239)
Balance at the end of the year	-	-	38,647	17,319	6,723	62,689

Notes to the Financial Statements

For the Year Ended 31 December 2019

13 Interests in Subsidiaries

(a) Information about Principal Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares or which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation.

Name of Subsidiary	Principal Place of Business	Ownership Interest Held by the Group	
		2019	2018
		%	%
Anti-Aging House International Limited	Hong Kong	100	100
Anti-Aging House Technology (Wuhan) Co., Ltd	People's Republic of China	100	100

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

14 Trade and Other Payables

	2019	2018
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	-	1
Tax payable	274,992	290,936
Sundry payables and accrued expenses	110,687	10,953
Other payables	328,805	51,226
	<u>714,484</u>	<u>353,116</u>

15 Amount owing to directors

The amount owing to directors represents advance from directors, non-trade related, interest-free, unsecured and with no fixed terms of repayment.

Notes to the Financial Statements

For the Year Ended 31 December 2019

16 Issued Capital

	2019	2018
	\$	\$
932,512,510 (2018: 932,512,510) Ordinary shares	13,348,719	13,348,719
Total	13,348,719	13,348,719

(a) Ordinary shares

	No.	No.
At the beginning of the reporting period	932,512,510	932,512,510
At the end of the reporting period	932,512,510	932,512,510

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

17 Reserves

(a) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income - foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

18 Earnings per Share

	2019	2018
	\$	\$
Earnings used to calculate overall earnings per share	(1,414,104)	(9,768,812)
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted earnings per share	932,512,510	932,512,510

19 Financial Risk Management

The Group is exposed to a variety of financial risks through its use of financial instruments.

The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Group does not speculate in financial assets.

Notes to the Financial Statements

For the Year Ended 31 December 2019

19 Financial Risk Management continued

Risk management is carried out by Management under the delegated power from the Board of Directors. The Finance Manager has primary responsibility for the development of relevant policies and procedures to mitigate the risk exposure of the Group, these policies and procedures are then approved by the risk management committee and tabled at the board meeting following their approval.

Reports are presented at each Board meeting regarding the implementation of these policies and any risk exposure which the Risk Management Committee believes the Board should be aware of.

Specific information regarding the mitigation of each financial risk to which the Group is exposed is provided below.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Group maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

The Group's liabilities have contractual maturities which are summarised below:

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Notes to the Financial Statements

For the Year Ended 31 December 2019

19 Financial Risk Management continued

The Board receives monthly reports summarising the turnover, trade receivables balance and aging profile of each of the key customers individually and the Group's other customers analysed by industry sector as well as a list of customers currently transacting on a prepayment basis or who have balances in excess of their credit limits.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The following table details the Group's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross amount \$	Past due and impaired \$	< 30 \$	31-60 \$	61-90 \$	> 90 \$	Within initial trade terms \$
2019							
Trade and term receivables	1,492,054	172,073	-	1,295,429	24,552	172,073	1,492,054
2018							
Trade and term receivables	308,018	-	-	-	308,018	-	308,018

The Group does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

Market risk

(i) Foreign currency sensitivity

Most of the Group transactions are carried out in Chinese Yuan (RMB). The movement of exchange rates may have favourable or unfavourable impact on returns as the Company holds a majority of non-Australian Dollar denominated investments and cash.

Notes to the Financial Statements

For the Year Ended 31 December 2019

19 Financial Risk Management continued

The following table illustrates the sensitivity of the net result for the year and equity in regards to the Group's financial assets and financial liabilities and the RMB – Australian Dollar exchange rate.

It assumes a +/- 10% change of the Australian Dollar / RMB exchange rate for the year ended 31 December 2019.

The sensitivity analysis is based on the foreign currency financial instruments held at the reporting date.

If the Australian Dollar had strengthened and weakened against the RMB by 10% and -10% respectively then this would have had the following impact:

	2019	
	+10%	-10%
RMB		
Net results	(141,115)	(976,881)
Equity	151,815	292,960

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to foreign currency risk.

Share risk

The market value of ordinary shares of the Company will be affected by a number of factors, including the dividend yield from time to time of the ordinary shares, prevailing interest rates and supply and demand for those ordinary shares, along with wider economic factors and changes in the law, including tax law, political factors, economical factors and environment factors in each market. The market value of the income derived from the Company's ordinary shares can fluctuate and may go down as well as up. The market value of the ordinary shares may not always reflect the Net Asset value (NAV) per ordinary share.

Whilst it is the intention of the Board to pay dividends to shareholders on an annual basis, the ability to do so will largely depend on the amount of income the Company receives on its investments and the timing of such receipts. Any reduction in income received by the Company will lead to a reduction in earnings per share and therefore in the Company's ability to pay dividends. Accordingly, the amount of dividends payable by the Company, if any, may vary.

Notes to the Financial Statements

For the Year Ended 31 December 2019

20 Key Management Personnel Disclosures

Key management personnel remuneration included within employee expenses for the year is shown below:

	2019	2018
	\$	\$
Short-term employee benefits	24,271	22,836
	<u>24,271</u>	<u>22,836</u>

21 Auditors' Remuneration

	2019	2018
	\$	\$
Remuneration of the auditor of the parent entity for:		
- auditing or reviewing the financial statements	8,800	8,500
Total	<u>8,800</u>	<u>8,500</u>

22 Fair Value Measurement

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or 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.

Notes to the Financial Statements

For the Year Ended 31 December 2019

23 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2019.

24 Related Parties

There were no related party transactions and balances during the financial year 31 December 2019 except for the key management personnel remuneration as disclosed in Note 20.

25 Cash Flow Information

(a) Reconciliation of result for the period to cash flows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2019	2018
	\$	\$
Loss for the year	(1,414,104)	(9,663,354)
Cash flows excluded from loss attributable to operating activities		
Non-cash flows in loss:		
- depreciation	17,236	11,915
- impairment loss on receivables	1,250,000	9,851,501
- interest income	(52)	(14)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- decrease/(increase) in inventories	496,494	(242,482)
- (increase)/decrease in trade and other receivables	(590,323)	406,235
- increase/(decrease) in trade and other payables	361,368	(600,383)
Cash flow generated from/(used in) operations	120,619	(236,582)

26 Events Occurring After the Reporting Date

The financial report was authorised for issue on 22 June 2020 by the board of directors.

No matters or circumstances have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Anti-Aging House Holding Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2019

27 Company Details

The registered office of the company is:

Anti-Aging House Holding Limited
Portcullis TrustNet (BVI) Limited
Portcullis TrustNet Chambers
P.O. Box 3444, Road Town, Tortola
British Virgin Islands

The principal places of business is:

C/O. Anti-Aging House Technology (Wuhan) Co.
551 Shamao Street, Yucai Road
Hannan District, Wuhan
Hubei, China 430090

Anti-Aging House Holding Limited

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Directors' Declaration

The directors of the Company declare that:

1. the financial statements and notes for the year ended 31 December 2019 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position and performance of the consolidated group;
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the Chief Executive Officer and Financial Controller as required by Section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors.



.....
CHEN JIWU
Director

Dated this 22 June 2020

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ANTI-AGING HOUSE HOLDING LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the financial statements of **ANTI-AGING HOUSE HOLDING LIMITED** ("The Company") and its controlled entities ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial statements of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the year then ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the audit independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code"). We have fulfilled our other ethical responsibilities in accordance with the Code.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ANTI-AGING HOUSE HOLDING LIMITED (Continued)**

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed during the audit
Other receivable impairment There was a balance amount owing by one of the shareholders which has not been cleared and impaired as at 31 December 2019. Due to the COVID 19 pandemic, the outstanding balance that supposed to be cleared during the year as informed by the management remained uncleared. Management has further provided an impairment for receivables amounting to \$1,250,000 during the year.	Our procedures included, among others: <ul style="list-style-type: none"> - We have tested recoverability of the debts by checking the subsequent settlement in cash to the supporting documentation; - We have considered the assessment of adequacy of impairment performed by the management.

Information Other than the Financial Report and Auditors' Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2019, but does not include the financial report and our auditors' report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ANTI-AGING HOUSE HOLDING LIMITED *(Continued)***

Auditors' Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ANTI-AGING HOUSE HOLDING LIMITED (Continued)**

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them, all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2019.

In our opinion, the Remuneration report of Anti-Aging House Holding Limited for the year ended 31 December 2019 complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Danny Loo & Co PLT
Firm No. AF002056
Chartered Accountants



Kow Hoay Lee
Approval No. 03042/10/2021 J
Chartered Accountant

Petaling Jaya

Date: 22 June 2020

Shareholders Information

Top 20 Ordinary Shareholders as at 31 December 2019

#	Shareholder	Number of Share	% to Total Issued
1	CHEN DONGLIANG	286,747,200	30.75%
2	DANMIN JIANG	152,649,810	16.37%
3	RIGHT OCEAN INVESTMENTS	82,353,600	8.83%
4	WEALTH CHANCE INVESTMENT	79,972,800	8.58%
5	REN YI	50,400,000	5.40%
6	MR FUJUN LI	35,000,000	3.75%
7	GU SHENGBIN	30,000,000	3.22%
8	CHING LEUNGMIU	30,000,000	3.22%
9	JUN LI	23,094,000	2.48%
10	MR RAO BANGFU	19,993,500	2.14%
11	HU LIRONG	19,951,200	2.14%
12	CHEN XI	15,255,850	1.64%
13	ZHANG TIAN	15,015,600	1.61%
14	SHAO SHIHAI	13,515,600	1.45%
15	FENG YU	12,200,000	1.31%
16	LIU HONG	10,100,000	1.08%
17	QIQI CUI	10,000,000	1.07%
18	MRS YUAN ZHENGRONG	9,257,190	0.99%
19	CHENG DONGSHENG	8,000,000	0.86%
20	HOU YANSHEN	5,971,350	0.64%
	Total Securities of Top 20 Holdings	909,477,700	97.53%
	Total of Securities	932,512,510	

Analysis of Holdings as at 31 December 2019			
Holdings Ranges	Holders	Total Units	%
1-1,000	0	0	0.00%
1,001-5,000	1	3,000	0.00%
5,001-10,000	6	50,800	1.00%
10,001-100,000	8	424,500	5.00%
100,001-9,999,999,999	71	932,034,210	99.95%
Totals	86	932,512,510	100.00%