



Anti-aging House Holding Limited

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Current situation and business development plan of A2H

The company has engaged in the sale of anti-aging related products since its establishment. UTU series are the main products of the company and has mainly been sold through Watsons Personal Care Store (Watsons for short), Mannings, Sasa, Amway and other channels. Products are also promoted through Wechat business, e-commerce and other platforms. However, with the development of the IoT and the impact of COVID-19 in the past three years, offline stores such as Watsons, Mannings, and Sasa have suffered bleak business, many offline stores have even been closedown and this has also impacted our company's performance and operations.

1. The company's main business is affected. Due to the impact of the epidemic, China's economy has slowly declined, personal income has decreased, and consumption of non-essential consumer goods such as health food, the company's main business product, has decreased significantly.

2. The company can not carry out normal marketing activities. In order to win the sniper war of epidemic prevention and control, China has always adhered to the policy of "dynamic zero COVID-19 strategy", and various prevention and control measures have been taken throughout the country to strictly control the flow of human. Especially since February this year, only the city where the company is located -- Wuhan, basically every month there is "controlled" measure taken by the authority, many offline business activities (such as visiting customers, attending professional exhibitions) of the company's sales staff have been forced to turn online or canceled, and the market activity has been greatly reduced.

3. The company's traditional C-end channel losses, the new business model has not improved. The existing C-end channel of A2H is to achieve sales revenue through traditional stores, at this stage, stores will be forced to suspend business in case of epidemic; due to the government's advocacy of "non-essential non-gathering", the human flow has decreased significantly, resulting in a serious loss of C-end channels. The company has adjusted its business income from the C-end channel to the B-end business model. The new business model needs some time to expand.

4. Company management is facing challenges. Due to the epidemic, the company's employees need to work at home, which is inefficient and difficult to manage. The company does not have much in sales revenue, but it still has to bear employee salaries, social insurance and to serve loan, and needs to pay rent, management fees, consultant fees and other expenses, which brings a huge burden to the company.

In the face of the difficulties, it is gratifying that the board of directors and core management of the company are relatively stable. The board of directors and the management have actively faced the situation, the company has re-planned in terms of products, sales channels and internal management according to the current actual situation, and formulated feasible plans, adhere to the policy of "Strict the management inside, expand the market outside" policy, and earnestly implement all work in the way of "Target management".

4a. Expand sales team and strengthen business training

Talent is the primary productive force, we will recruit and introduce talented employees, select more salesmen with excellent performance, and improve the company's staffing and building of good sales team.

Company will strengthen the business training of sales staff with enterprise market planning and marketing responsibility system as the core, focusing on product expertise, market research management, contract management, customer negotiation skills, pricing management and customer service, and the enterprise marketing incentive mechanism for understanding and learning. Further improve working skills of all the marketing staff that has ability to handle customer service, market maintenance and brand cultivation.

4b. Combining a variety of promotion methods to adapt to market changes

Artificial Intelligent electronic device such as mobile occupies most of people's time in nowadays society, the company will take advantage of this phenomenon and adjust its sales promotion method. By combining offline promotion with online marketing, through e-commerce platforms, cooperation with third parties and other possible ways to achieve efficient, convenient and high-conversion marketing effects.

(i). Sales promotion through e-commerce platforms

The company will promote products online based on everyone's online shopping habits, thereby increasing product sales and opening up product market and try to invite some live broadcast celebrities and internet celebrities to sell our products via e-commerce live broadcast. Content marketing will be strengthened, and the company's product sales are promoted through content marketing by publishing articles related to the company on multiple network platforms such as the company's website and WeChat official account. Social media will also be used to attract fans and customers.

(ii). Sales promotion through offline store activities

Although people like to shop online, but offline physical stores are unlikely to be completely replaced, and the targeted customers of different channels will be altered. For some elderly consumers, their trust in the online world is not high, so they naturally choose to buy products in physical stores. We mainly focus on anti-aging products, and older people are also one of our target customers, so the company will continue to do a good job in store promotion. The company will carry out offline activities to promote products when the epidemic situation improves and regulations permitted.

(iii). Sales promotion by developing market dealers

The company will implement a new dealer system in 2023, online or offline investment fair will be held to increase the number of channel dealers. The channel coverage rate of the dealers and the channel's intensive cultivation ability, moving pin ability and marketing ability will be improved by strengthening the product knowledge training for dealers.

5. Launch new products and enrich product lines

The company has completed the research and development of new products this year, four series of products will be launched soon, namely THE FU PEPTIDE series, UTU series, Foods for Special Dietary Uses series and Health Care Products series.

The Board believes that the company's performance will have a new growth through the adjustment and business planning.

An expected lodgement date of the Half-Yearly Financial Report is no later than 31 January 2023.