

We, for and on behalf of the Board of Directors of Anti-Aging House Holding Limited hereby confirm that this Information Memorandum has been seen and approved by the Board of Directors of Anti-Aging House Holding Limited and authorize the submission of this Information Memorandum to the National Stock Exchange of Australia.

.....  
Name: Chen Jiwu  
Designation: Director  
Date: 15 APR 2016

.....  
Name: Du Ming  
Designation: Director  
Date: 15 APR 2016



**ANTI-AGING HOUSE HOLDING LIMITED**

**INFORMATION MEMORANDUM**

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## **SECTION 2: IMPORTANT INFORMATION AND NOTICES**

THIS INFORMATION MEMORANDUM HAS BEEN PREPARED BY ANTI-AGING HOUSE HOLDING LIMITED (抗衰老工坊控股有限公司) (BVI: 1570095 AND ARBN: 606 301 106) (ALSO REFERRED TO HEREIN AS THE 'COMPANY' OR "A2H") IN CONNECTION WITH ITS INTENTION TO APPLY FOR A COMPLIANCE LISTING ON THE NSX. NO COPY OF THIS INFORMATION MEMORANDUM HAS BEEN LODGED WITH THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION (ASIC) AS THIS IS NOT A PROSPECTUS OR OTHER DISCLOSURE DOCUMENT REQUIRED TO BE LODGED WITH ASIC UNDER THE CORPORATIONS ACT. NEITHER ASIC OR THE NSX TAKE RESPONSIBILITY FOR THE CONTENTS OF THIS INFORMATION MEMORANDUM.

THIS INFORMATION MEMORANDUM DOES NOT CONSTITUTE, OR FORM PART OF, ANY OFFER OR INVITATION TO SELL OR ISSUE, OR ANY SOLICITATION OF ANY OFFER TO PURCHASE OR SUBSCRIBE FOR, ANY CDIS IN THE COMPANY, IN ANY JURISDICTION, NOR SHALL IT, OR ANY PART OF IT, OR THE FACT OF ITS PUBLICATION FORM THE BASIS OF, OR BE RELIED ON IN CONNECTION WITH OR ACT AS ANY INDUCEMENT TO ENTER INTO ANY CONTRACT THEREFOR. THIS INFORMATION MEMORANDUM MAY BE WITHDRAWN AT ANY TIME BEFORE THE PROPOSED LISTING AND IS SPECIFICALLY SUBJECT TO THE TERMS DESCRIBED IN THIS INFORMATION MEMORANDUM.

THE CDIS OF THE COMPANY HAVE NOT BEEN REGISTERED WITH OR APPROVED OR DISAPPROVED BY THE NSX, NOR HAS THE NSX OR ANY REGULATORY AUTHORITY OF ANY STATE PASSED UPON OR ENDORSED THE MERITS OF THIS LISTING OR THE ACCURACY OR ADEQUACY OF THIS INFORMATION MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY HAS NOT BEEN AUTHORIZED BY THE COMPANY OR ITS MANAGEMENT.

### **APPLICATION FOR LISTING**

**APPLICATION HAS BEEN/WILL BE MADE FOR LISTING OF THE COMPANY'S CDIS ON THE NSX. THE FACT THAT THE NSX MAY LIST THE CDIS OF THE COMPANY IS NOT TO BE TAKEN IN ANY WAY AS AN INDICATION OF THE MERITS OF THE COMPANY OR THE LISTED CDIS. THE NSX TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS INFORMATION MEMORANDUM, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON ANY PART OF THE CONTENTS OF THIS INFORMATION MEMORANDUM.**

IT IS EXPECTED THAT TRADING OF THE CDIS ON THE STOCK MARKET CONDUCTED BY THE NSX, IF GRANTED WILL COMMENCE AS SOON AS PRACTICAL AFTER APPROVAL FOR ADMISSION TO THE OFFICIAL LIST OF THE NSX IS GRANTED AND ALL CONDITIONS (IF ANY) APPLICABLE THERETO HAVE BEEN SATISFIED FOR OFFICIAL QUOTATION.

### **NOMINATED ADVISOR**

THE LISTING NOMINATED ADVISOR ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN (FINANCIAL, LEGAL OR OTHERWISE). IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR

OWN EXAMINATIONS OF THE COMPANY AND THE TERMS OF THIS INFORMATION MEMORANDUM, INCLUDING THE MERITS AND RISKS INVOLVED. MOREOVER, THE CONTENTS OF THIS INFORMATION MEMORANDUM ARE NOT TO BE CONSTRUED AS LEGAL, BUSINESS OR TAX ADVICE. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN ATTORNEY, BUSINESS OR TAX ADVISOR FOR LEGAL, BUSINESS OR TAX ADVICE.

## **DISCLOSURE OF INFORMATION**

THIS INFORMATION MEMORANDUM DOES NOT CONTAIN THE INFORMATION THAT WOULD BE CONTAINED IN A PROSPECTUS OR OTHER DISCLOSURE DOCUMENT PREPARED UNDER THE CORPORATIONS ACT. WHILE THIS INFORMATION MEMORANDUM SHOULD BE READ IN ITS ENTIRETY, IT DOES NOT CONTAIN ALL THE INFORMATION THAT A PROSPECTIVE INVESTOR MAY REQUIRE IN INVESTIGATING THE CDIS AND THE COMPANY. PROSPECTIVE INVESTORS SHOULD CARRY OUT THEIR OWN INDEPENDENT INVESTIGATIONS, ANALYSIS AND OBTAIN INDEPENDENT FINANCIAL, TAXATION AND OTHER PROFESSIONAL ADVICE AS NEEDED IN RESPECT OF THE CDIS AND THE COMPANY AND THE INFORMATION REFERRED TO IN THIS INFORMATION MEMORANDUM AND OTHER MATTERS THAT MAY BE RELEVANT TO ITS INVESTMENT DECISION.

EACH PROSPECTIVE INVESTOR CONSIDERING AN INVESTMENT IN THE CDIS MUST MAKE, AND WILL BE TAKEN TO HAVE MADE, ITS OWN INDEPENDENT INVESTIGATION AND ANALYSIS OF THE INFORMATION IN THIS INFORMATION MEMORANDUM AND SHOULD CONSULT THEIR OWN ADVISORS BEFORE INVESTING IN THE COMPANY.

PROSPECTIVE INVESTORS MAY CONTACT THE COMPANY TO OBTAIN A COPY OF THE COMPANY'S CONSTITUTION.

## **UNAUTHORISED REPRESENTATIONS**

NO PERSON HAS AUTHORITY TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION IN CONNECTION WITH THE SHARES, CDIS OR THE COMPANY THAT IS NOT CONTAINED IN THE INFORMATION MEMORANDUM. ANY INFORMATION NOT INCORPORATED BY EXPRESS REFERENCE OR SET OUT IN THIS INFORMATION MEMORANDUM MAY NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY.

## **RESTRICTIONS**

THE DISTRIBUTION OF THIS INFORMATION MEMORANDUM IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. PERSONS, INTO WHOSE POSSESSION THIS INFORMATION MEMORANDUM COMES, ARE REQUIRED, BY THE COMPANY TO INFORM THEMSELVES ABOUT AND TO OBSERVE SUCH RESTRICTIONS. THIS INFORMATION MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR INVITATION TO BUY OR SELL CDIS OR OTHER MARKETABLE SECURITIES OF THE COMPANY, WHETHER IN AUSTRALIA OR IN ANY OTHER JURISDICTION.

## FORWARD LOOKING STATEMENTS

THIS INFORMATION MEMORANDUM CONTAINS FORWARD-LOOKING STATEMENTS WHICH ARE IDENTIFIED BY WORDS SUCH AS "BELIEVES", "ESTIMATES", "EXPECTS", "INTENDS", "MAY", "WILL", "WOULD", "COULD", OR "SHOULD" AND OTHER SIMILAR WORDS THAT INVOLVE RISKS AND UNCERTAINTIES. THESE STATEMENTS ARE BASED ON AN ASSESSMENT OF PRESENT ECONOMIC AND OPERATING CONDITIONS, AND ON A NUMBER OF ASSUMPTIONS REGARDING FUTURE EVENTS AND ACTIONS THAT, AS AT THE DATE OF THIS INFORMATION MEMORANDUM, ARE EXPECTED TO TAKE PLACE.

SUCH FORWARD-LOOKING STATEMENTS ARE NOT GUARANTEES OF FUTURE PERFORMANCE AND INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, ASSUMPTIONS AND OTHER IMPORTANT FACTORS, MANY OF WHICH ARE BEYOND THE CONTROL OF THE COMPANY, THE DIRECTORS AND MANAGEMENT OF THE COMPANY. THE ACTUAL RESULTS AND FUTURE ACHIEVEMENTS MAY BE MATERIALLY DIFFERENT FROM THAT EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON SUCH FORWARD-LOOKING STATEMENTS.

KEY RISK FACTORS ARE DETAILED IN SECTION 6 OF THE INFORMATION MEMORANDUM. THESE AND OTHER FACTORS COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED IN ANY FORWARD-LOOKING STATEMENTS. THE COMPANY CANNOT AND DOES NOT GIVE ASSURANCES THAT THE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED IN THE FORWARD-LOOKING STATEMENTS CONTAINED IN THIS INFORMATION MEMORANDUM WILL ACTUALLY OCCUR AND INVESTORS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS.

ALL SUBSEQUENT WRITTEN AND ORAL FORWARD-LOOKING STATEMENTS ATTRIBUTABLE TO THE COMPANY OR TO PERSONS ACTING ON ITS BEHALF ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THE CAUTIONARY STATEMENTS REFERRED TO ABOVE AND CONTAINED ELSEWHERE IN THE INFORMATION MEMORANDUM.

## CDIS

THE COMPANY IS INCORPORATED IN THE BRITISH VIRGIN ISLANDS WHICH DOES NOT RECOGNISE THE CHESS SYSTEM OF HOLDING SECURITIES OR ELECTRONIC TRANSFER OF LEGAL TITLE TO SHARES. TO ENABLE COMPANIES SUCH AS THE COMPANY TO HAVE THEIR SECURITIES CLEARED AND SETTLED ELECTRONICALLY THROUGH CHESS, DEPOSITORY INTERESTS CALLED CHESS DEPOSITORY INTERESTS (CDIS) ARE ISSUED. CDI HOLDERS RECEIVE ALL OF THE ECONOMIC BENEFITS OF ACTUAL OWNERSHIP OF THE UNDERLYING SHARES. CDIS ARE TRADED IN A MANNER SIMILAR TO SHARES OF AUSTRALIAN COMPANIES LISTED ON THE NSX.

CDIS WILL BE HELD IN UNCERTIFICATED FORM AND SETTLED/TRANSFERRED THROUGH CHESS. NO SHARE CERTIFICATES WILL BE ISSUED TO CDI HOLDERS. **SHAREHOLDERS CANNOT TRADE THEIR SHARES ON NSX WITHOUT FIRST CONVERTING THEIR SHARES INTO CDIS.**

EACH CDI REPRESENTS ONE UNDERLYING SHARE. THE MAIN DIFFERENCE BETWEEN HOLDING CDIS AND SHARES IS THAT CDI HOLDERS HOLD THE BENEFICIAL OWNERSHIP IN THE SHARES INSTEAD OF THE LEGAL TITLE. **CDN**, A SUBSIDIARY OF ASX, WILL HOLD THE LEGAL TITLE TO THE UNDERLYING SHARES. THE SHARES UNDERLYING THE CDIS WILL BE REGISTERED IN THE NAME OF CDN AND WILL BE HELD ON BEHALF OF AND FOR THE BENEFIT OF THE CDI HOLDER. CDIS WILL BE CHESS APPROVED FROM THE DATE OF OFFICIAL QUOTATION IN ACCORDANCE WITH THE LISTING RULES AND THE ASX SETTLEMENT OPERATING RULES. THE SHARES UNDERLYING THE CDIS WILL RANK EQUALLY WITH THE SHARES CURRENTLY ON ISSUE IN THE COMPANY. A SUMMARY OF THE KEY RIGHTS ATTACHING TO THE CDIS AND SHARES IS SET OUT UNDER THE HEADING “RIGHTS OF CDI HOLDERS” IN SECTION 14.

CDI HOLDERS CAN CHOOSE TO HAVE THEIR CDIS CONVERTED TO A DIRECT HOLDING OF SHARES, HOWEVER IF THEY DO SO THEY WILL NO LONGER BE ABLE TO TRADE ON NSX. SIMILARLY, SUBJECT TO ANY RESTRICTIONS UNDER APPLICABLE LAW, HOLDERS OF SHARES MAY CHOOSE TO CONVERT THEIR SHARES TO CDIS TO ENABLE THEM ON TRADE ON NSX.

#### **CHESS – CLEARING HOUSE ELECTRONIC SUB-REGISTER SYSTEM**

THE COMPANY WILL APPLY FOR ADMISSION TO PARTICIPATE IN CHESS IN ACCORDANCE WITH THE LISTING RULES AND SETTLEMENT RULES. CHESS IS OPERATED BY THE ASX SETTLEMENT PTY LTD, A WHOLLY OWNED SUBSIDIARY OF AUSTRALIAN SECURITIES EXCHANGE LTD, IN ACCORDANCE WITH THE LISTING RULES AND SETTLEMENT RULES. ON ADMISSION TO CHESS, THE COMPANY WILL OPERATE AN ELECTRONIC ISSUER SPONSORED SUB-REGISTER AND ELECTRONIC CHESS SUB-REGISTER. THE TWO SUB-REGISTERS TOGETHER WILL MAKE UP THE COMPANY’S PRINCIPAL REGISTER OF SECURITIES.

UNDER CHESS, THE COMPANY WILL NOT ISSUE CDI CERTIFICATES TO ITS SHAREHOLDERS. INSTEAD, CDI HOLDERS WILL RECEIVE A HOLDING STATEMENT, WHICH SETS OUT THE NUMBER OF CDIS HELD BY THEM. IF THE CDI HOLDER IS BROKER SPONSORED, ASX SETTLEMENT PTY LTD WILL SEND A CHESS STATEMENT.

A HOLDING STATEMENT (WHETHER ISSUED BY THE COMPANY OR CHESS) WILL ALSO PROVIDE DETAILS OF A CDI HOLDER’S HOLDER IDENTIFICATION NUMBER (HIN) (IN THE CASE OF A HOLDING ON THE CHESS SUB-REGISTER) OR SECURITYHOLDER REFERENCE NUMBER (IN THE CASE OF HOLDING ON THE ISSUER-SPONSORED SUB-REGISTER).

FOLLOWING DISTRIBUTION OF THESE INITIAL HOLDING STATEMENTS TO ALL CDI HOLDERS, A HOLDING STATEMENT WILL ONLY ROUTINELY BE PROVIDED TO A CDI HOLDER AT THE END OF ANY SUBSEQUENT MONTH DURING WHICH THE BALANCE OF THE CDI HOLDER’S HOLDING OF CDI’S CHANGES.

#### **RISK FACTORS**

FUTURE PROSPECTIVE INVESTORS SHOULD BE AWARE THAT SUBSCRIBING FOR CDIS IN THE COMPANY INVOLVES A NUMBER OF RISKS. THE KEY RISK FACTORS OF WHICH INVESTORS SHOULD BE AWARE ARE SET OUT IN SECTION 6 OF THIS INFORMATION MEMORANDUM.

THESE RISKS TOGETHER WITH OTHER GENERAL RISKS APPLICABLE TO ALL INVESTMENTS IN LISTED SECURITIES NOT SPECIFICALLY REFERRED TO, MAY AFFECT THE VALUE OF THE CDIS IN THE FUTURE. ACCORDINGLY, AN INVESTMENT IN THE COMPANY SHOULD BE CONSIDERED SPECULATIVE. INVESTORS SHOULD CONSULT THEIR PROFESSIONAL ADVISERS BEFORE DECIDING WHETHER TO APPLY FOR SECURITIES PURSUANT TO THIS INFORMATION MEMORANDUM.

## **DEFINITIONS**

THROUGHOUT THIS INFORMATION MEMORANDUM ABBREVIATIONS AND DEFINED TERMS ARE USED. ABBREVIATIONS AND LEGAL TERMS ARE CONTAINED IN THE GLOSSARY IN SECTION 15 OF THIS INFORMATION MEMORANDUM (DEFINED TERMS ARE GENERALLY IDENTIFIED BY THE UPPERCASE FIRST LETTER).

## **SUITABILITY OF INVESTMENT AND RISK FACTORS**

BEFORE DECIDING TO INVEST IN THE COMPANY BY PURCHASE OF CDIS ON MARKET, FOLLOWING ADMISSION OF THE COMPANY TO THE OFFICIAL LIST OF THE NSX, PROSPECTIVE INVESTORS SHOULD READ THIS ENTIRE INFORMATION MEMORANDUM. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL FACTORS IN THE LIGHT OF THEIR PERSONAL CIRCUMSTANCES (INCLUDING FINANCIAL AND TAXATION ISSUES) AND SEEK PROFESSIONAL ADVICE FROM THEIR ACCOUNTANT, STOCKBROKER, LAWYER AND OTHER PROFESSIONAL ADVISER BEFORE DECIDING TO INVEST. THE COMPANY IS UNABLE TO ADVISE ANY PROSPECTIVE INVESTOR ON THE SUITABILITY OR OTHERWISE OF AN INVESTMENT IN THE COMPANY. FOR SUCH ADVICE, EACH PROSPECTIVE INVESTOR MUST CONTACT THEIR OWN INDEPENDENT PROFESSIONAL ADVISER(S).

IF YOU REQUIRE ANY FURTHER INFORMATION PLEASE CONSULT YOUR STOCKBROKER AND OTHER PROFESSIONAL ADVISER.

### **SECTION 3: CHAIRMAN'S LETTER**

On behalf of the Board of Directors of the Company, I am pleased to present to you this Information Memorandum which contains information regarding our Company's corporate and business activities.

The Company has a business in health and beauty products which includes anti-aging products, and has conducted its main operations through the Group's wholly-owned subsidiary, Wuhan Anti-Aging House Technology (Wuhan) Company Limited ("AAHT" or 梦工坊技术(武汉)有限公司). AAHT was founded in 2010 in China and its main business activities involve; sales & distribution of nutrition and dietary supplement products.

AAHT has grown rapidly in the past few years, and has provided health beauty products covering 23 provinces and autonomous regions throughout China via more than 2000 sales channels such as Watsons, Amway, and others. As a "China Grade A food supplier", AAHT has won the "National Food Safety Demonstration Unit" title for the past 3 consecutive years, which is very unique in its industry. The title is awarded each year to China's top 100 enterprises engaged in food production which are selected from more than hundreds of thousands of enterprises.

The Board and Management of the Company have demonstrable technical, operational and corporate experience in the consumption industry in China.

The Company generally anticipates making high profits in the medium to long term. Due to the speculative nature of these products, investors should read and carefully consider the key specific risks associated with the Company are set out in Section 6 and seek professional advice if necessary to make an informed decision.

On behalf of the Board of Directors, we look forward to welcoming you as a shareholder and to experience with us this exciting growth opportunity.

Yours faithfully,

**Mr. Chen Jiwu**  
Chairman



## **SECTION 4: INVESTMENT HIGHLIGHTS**

### **Growing Trend to have Healthier Lifestyles**

Anti-aging is an increasingly important part of consumer products and services and its industry is emerging as a future growth industry in most nations globally. Industry and economic development planners have included the anti-aging industry into national healthcare planning to promote healthy living lifestyle and to looking and feeling good.

Technological advancement and convergence has gained speed in the anti-aging industry development. Omnidirectional bio-technology and medical technology innovations like stem cells, longevity genes and brain science are also contributing to the anti-aging industry, flooding the market with stem-cell activating cosmetic products, gene activated cosmetics and peptide-based skin care products.

As social and economic development moves in a fast pace, standard of living improves, elderly healthcare product consumption is stirring from subsistence to moderate prosperity-type transition, it is the quantity and quality of healthcare products have put forward higher requirements in Chinese healthcare products industry.

### **Nationwide Distribution Outlets and Experienced Management**

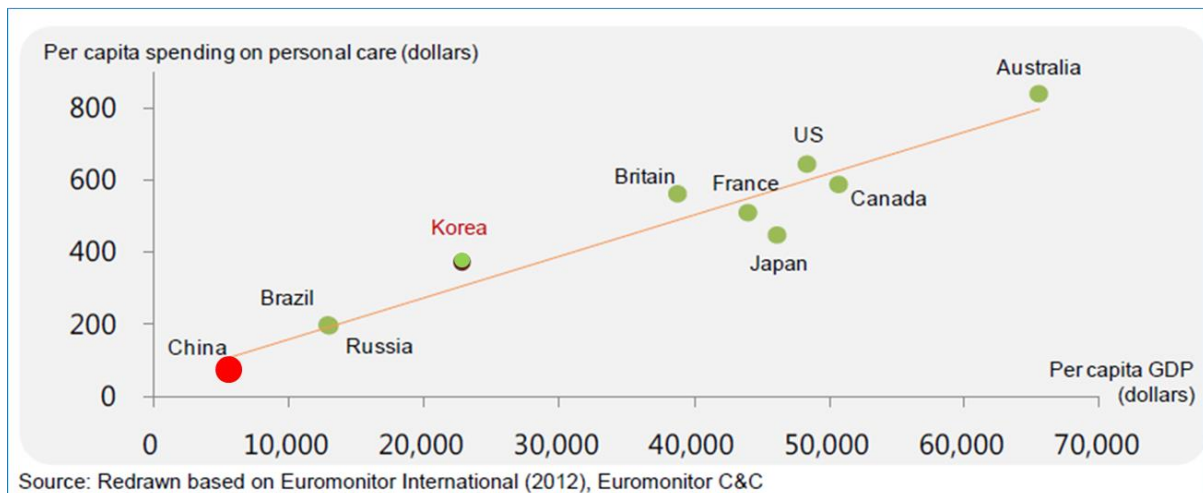
Cosmetics and medical beauty services are leading the anti-aging industry. The market size of China's healthcare industry has an estimated of the compound annual growth rate (CAGR) of more than 10%. Based on this basis of estimation which was reported by the China Healthcare Association, China will be the world second largest healthcare market after United States of America.

The Company has engaged no less than 2,000 distribution and sales outlets to let consumers conveniently access to the products and services, and has various business models / different marketing strategies to fit the mode of investment of potential investors. The Company has an experienced management team and has continuously to work with research & development institutes and associations for new products.

### **Market Prospective**

The anti-aging industry's growth has tracked improvements in income levels of most countries. Regardless of regional, cultural and ethnic characteristics, per capita spending on personal care has increased proportionally with per capita GDP of certain countries as illustrated in the graph below.

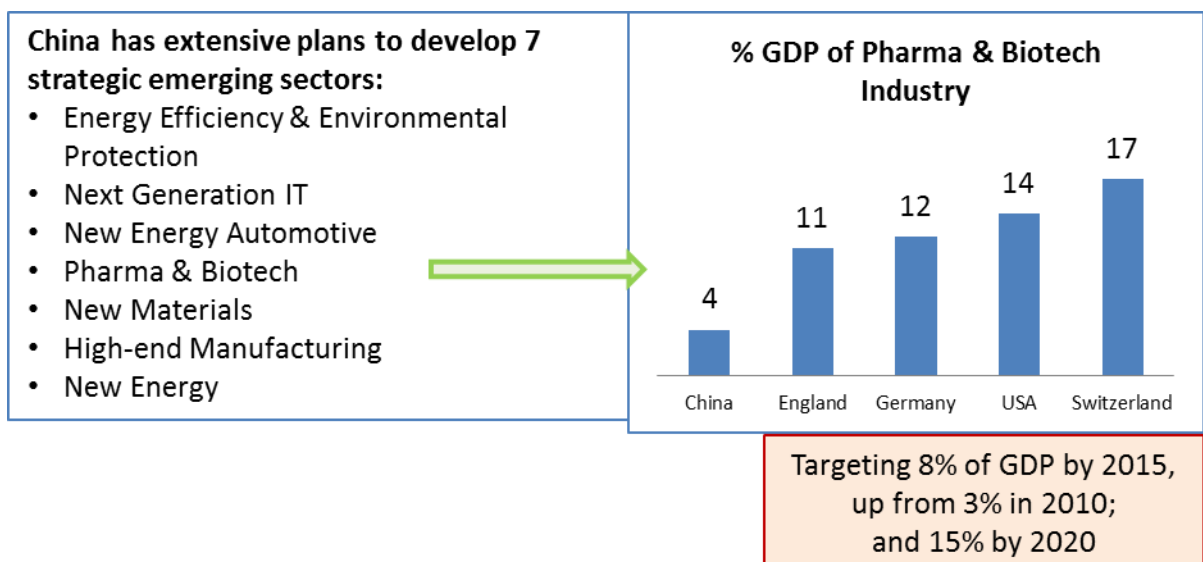
Due to the social and economic transformation of China in the past decade, the people demand higher living standards and needs for a better lifestyle. With the awareness of healthier living being promoted by China's Healthcare Policy, undoubtedly there is much room and market opportunity for the growth of the personal healthcare industry in China. Comparatively to the nations like Australia, USA and Canada per capital spending on personal care, in 2012, the people in China spent 3 to 4 times less on personal care items.



### National Policy on Healthcare

From the perspective of national policy, the future of the anti-aging industry looks promising and bright, and some governments have been trying to nurture the industry as an important sector for the national economic planning. Most developed countries have expanded health policies from disease treatment to health management and aging prevention, while governments in emerging countries like Russia, China, Brazil and Korea have strengthened support for the healthcare and cosmetics industry through rationalization of regulations.

China has introduced guidelines for national healthcare development, according to the China Healthcare Association; China has extensive plans to develop 7 strategic emerging sectors as shown on the table below, and has intention to stimulate the growth and spending on healthcare to reach 15% of GDP by 2020 from 8% of GDP in year 2015.



## **SECTION 5: INVESTMENT OVERVIEW**

The information set out in this Section is not intended to be comprehensive and should be read in conjunction with the full text of this Information Memorandum.

### **Introduction to the Company**

The Company is a limited liability company incorporated in the British Virgin Islands on 5 February 2010. On 1 July 2015 the Company was registered as a foreign company in Australia with ARBN: 606 301 106.

The Company owns 100% of Anti-Aging House International Limited (“AAHI” or 抗衰老工坊国际有限公司), a company incorporated and organized under the laws of in Hong Kong.

Anti-Aging House Technology (Wuhan) Company Limited (“AAHT”), a Wholly Owned Foreign Entity (“WOFE”), is a company incorporated and organized under the laws of China and is a 100% owned subsidiary of AAHI.

### **The Shares of the Company**

The Company has 93,251,251 fully paid ordinary Shares on issue as at the date of this Information Memorandum.

There is no public market for the Shares nor CDIS of the Company in the British Virgin Islands, Australia, United States of America, United Kingdom or any other jurisdiction as at the date of this Information Memorandum.

See “Company Overview” in Section 9 for more information on the Company.

Investment in the Shares or CDIS involves risks. See “Risk Factors” in Section 6 for more information on the risk related to investing in the Company.

The Company does not have any outstanding convertible debt securities.

### **Listing**

As the Company is a foreign incorporated company, it is the Company’s intention to apply for the CDIS to be listed on the National Stock Exchange of Australia. No securities of the Company or any company within the Group are listed on any other stock exchange.

### **Listing Nominated Advisor**

Southasia Advisory Sdn Bhd, a Malaysian company, has been appointed to act as the Company’s NSX Listing Nominated Advisor as required under the NSX Listing Rules. Southasia Advisory Sdn Bhd’s main role is to advice the Company and its directors as to the nature of their responsibilities and obligations under the Listing Rules and to assist the Company in its Compliance Listing on the NSX.

## **Purpose of Listing and application for Compliance listing in NSX**

The Company intends to submit an application to list its CDIS on the NSX by way of a compliance listing. No new capital was raised or is going to be raised or available to the Company as a result of that listing. The proposed listing of the CDIS on the NSX may have favourable consequences for the Company's shareholders who may wish to trade their CDIS through a stock exchange.

The Directors believe that the listing of the Company's CDIS will assist to raise the profile of the Group thereby enabling a wider range of investors to hold the Company's CDIS. In addition, in the opinion of the Directors, the proposed listing should:

- Enable the Group to raise further capital in connection with its intention to expand business operations, notwithstanding that the Company has sufficient funds to continue its operations as they are now being conducted for a period of not less than 24 months from the date of this Information Memorandum;
- Raise the profile of the Group amongst its prospective customers and suppliers thereby permitting the Group to address future opportunities that may arise.

The Directors intend to grow the Company's operations and expand and develop its market share. This will require significant capital which the Company is unable to generate based on its current operations. Accordingly, it is intended that the Company will seek to raise additional capital through issuance of new CDIS in the future and prepare the relevant and necessary documents as required by law or the Listing Rules.

## **Lock Up**

52.06% of the Shares are currently held by a relatively small number of 5 Shareholders that include certain of the Company's Directors. In order to provide potential investors with a certain degree of comfort regarding the longer term expectations of the Company's Shareholders, those shareholders (the "**Escrowed Shareholders**") have agreed to the following Lock Up provisions pursuant to a Lock Up Agreement (the "**Lock Up Agreement**").

To the extent not inconsistent with applicable law, each Escrowed Shareholder will agree not to effect any public or private sale or distribution of their CDIs of the Company, or any securities, options or rights convertible into or exchangeable or exercisable for such CDIs for a period of 12 months from the date that the Company's securities (including the CDIs) are admitted to trading on the NSX and 24 months from the NSX quotation date in the case of the Company's Directors who are Escrowed Shareholders.

The Lock Up will not apply to the extent that an offer is received, from a person or persons not affiliated with any of the Escrowed Shareholders, for the entire issued share capital of the Company and the Board recommends acceptance of that offer and such offer becomes binding and unconditional on all the Company's Shareholders (including the Escrowed Shareholders).

## **Litigation**

As of the date of this Information Memorandum, the Directors are not aware of any claims or threats of legal action existing in respect to the Company or any member of the Group which would have a material adverse effect on the financial performance of the Company or the Group.

## **Rights attached to Shares**

The Shares which are represented by the CDIS will rank equally in all respects with the Company's Shares. The rights attaching to the Shares are detailed in the Constitution of the Company. A summary of the rights and restrictions attaching to the Shares is set out below.

## **Share Rights**

The Company currently has 93,251,251 fully paid ordinary Shares on issue. There are no other classes of shares on issue nor are there any partly paid shares on issue. The rights attaching to ownership of the Shares arise from a combination of the Constitution, the Act and general law.

A brief summary of certain provisions of the Constitution and the significant rights attaching to Shares is set out below. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that the Company is admitted to the official list of NSX. The Constitution may be inspected during normal business hours at the registered address of the Company.

Subject to the Act and any rights and restrictions attached to a class of shares, the Company may issue or grant options in respect of further shares on such terms and conditions as the Directors resolve.

### *Alteration of Rights*

The rights and restrictions attaching to any class of shares (unless provided by the terms of issue of the shares of that class), can only be varied with the consent in writing of Shareholders with at least three-quarters of the votes in that class, or with the sanction of a special resolution passed at a separate meeting of the holders of shares of that class.

### *Forfeiture and lien*

The Company is empowered to forfeit Shares in relation to any part of allotment monies, calls, instalments, interest and expenses which remains unpaid following any notice sent to a Shareholder. Such forfeiture must occur in accordance with the Constitution and the Act. The Company has a first ranking lien or charge for unpaid calls, instalments and related interest and any amount it is legally required to pay in relation to a Shareholder's Shares. The lien or charge extends to all dividends, bonuses and other monies payable in respect of the Shares. If the Company registers a transfer of any Shares subject to this lien or charge,

the title of the transferee to the Shares is not affected by any irregularity or invalidity in connection with the forfeiture, sale or disposal of the Shares.

### *Meetings*

Each Shareholder and Director of the Company is entitled to receive notice of and attend any general meeting of the Company. A meeting of members is duly constituted if, at the commencement of the meeting, there are present in person or by proxy not less than 50% of the votes of the shares or class or series of shares entitled to vote on resolutions of members to be considered at the meeting.

### **Share Options**

No options exist for the Shares or any other capital of any member of the Group at the date of this Information Memorandum.

### **Registration of CDIS/ Trading of CDIS**

The CDIS have been issued in non-certificated form only. CDIS not subject to escrow may be traded on market, following the Company's admission to the NSX.

### **Listing**

This Information Memorandum is prepared in connection with the application for Compliance listing of Anti-Aging House Holding Limited. It is the Company's intention that the CDIS are listed by way of Compliance Listing of the NSX.

No new CDIS are being offered pursuant to this Information Memorandum.

### **Transferability of the CDIS**

The CDIS are subject to the provisions set out in the Company's Constitution applicable to shares of the Company and to any restrictions as set forth therein. As at the time of listing, the CDIS are freely transferable.

### **Costs & Expenses**

Transaction costs and all other directly attributable costs (including listing fees, legal fees and other professional fees) in connection with the Listing are to be paid by the Company from funds from its current operations.

### **Enquiries**

Enquiries should be addressed to the Company at its registered office.

## **SECTION 6: RISKS OF INVESTMENT**

Before deciding whether or not to invest in the Company, prospective investors should consider carefully all of the information set forth in this Information Memorandum and the specific risk factors set out in this Section below and reach their own conclusions, based on their own judgment and upon advice from such financial, legal and/or tax advisers as they have deemed necessary, prior to making any investment decisions.

If any of the risks described below materialize, individually or together with other circumstances, they may have a material adverse effect on the Group's business, financial condition, operating results and/or cash flow, which, in turn, may cause a decline in the value and trading price of the CDIS.

The risks and uncertainties described below are not the only ones faced by the Group. Additional risks and uncertainties which the Company currently deems immaterial or not presently known may also have a material adverse effect on the Group's business, financial condition, operating results and/or cash flow.

The orders in which the risks are presented below are not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance. All of the risk factors are contingencies which may or may not occur and the Company is not in a position to express a view on the likelihood of any such contingency occurring. These risks should also be considered in connection with the cautionary statement regarding forward-looking information set forth immediately preceding this Section.

### **Risk Factors**

The following summary of Risks relating to the Group is not intended to be a summary of all risks to which the Group is or may be subject. Persons interested in the Company should familiarize themselves with the full text of this Information Memorandum including, without limitation, all of the Risk Factors set out in this Information Memorandum.

#### **Risks relating to the Group**

##### *Inherent business risks in the anti-aging industry may affect the Group's business*

The Group is subject to risks inherent to the anti-aging industry including but not limited to explicit downturns in the global, regional and national economies, the entry of new players into the market, changes in law and tax regulations affecting marketing cost, branding competition and/or other production costs and changes in business and credit conditions.

The Group's ability to mitigate these risks depends on various factors, including the Group's ability to stay well-informed of the latest technologies or technique related to anti-aging and other developments in the industry. There can be no assurance that we will be able to successfully mitigate the various risks of the anti-aging industry, or that we will be successful in implementing our strategies. If we are unable to do so, the Group's business, financial position, results of operations and prospects would be materially and adversely affected.

### *Food Safety Risks*

A series of “Food Safety Laws” in China which has taken effect from 1 June 2009 has further strengthened the social responsibility of food producers and increased penalties for illegal food manufacturers. Chinese consumers are increasingly aware of and emphasises on food safety regardless on whether the food is imported or locally produced. Food safety law is one of the most significant issues and risks that the Group is inevitably subject to.

### *Licenses, Permits and Approvals Risks*

The Group requires licenses, permits, and approvals from authorities for its operations, and any future new product development will also be subject to the Group obtaining such new licenses, permits or other authorizations. Failure to obtain or maintain, or changes to conditions attached to, any such license, permit or other authorization may prevent the Group from undertaking operations or adversely affect the conduct of its operations.

### *Loss of Major Supplier*

Since 2010, AAHT has purchased its products from Wuhan Tallyho Biological Product Company Limited (“TALLYHO”) as a product manufacturer. Any unanticipated termination or loss of this supply is likely to interrupt AAHT’s operations. While, there can be no assurance of the continuity of this agreement/arrangement, the Group is of the view that it will not face any major difficulties in securing alternative suppliers for its products.

### *Lands on which the Group operates*

The Group does not currently own the land and properties on which its warehouse and office are located. The Group’s right to use the land and properties are subject to tenancy agreements which the respective Group entities have entered into with the respective land owners of these lands. There can be no assurance that the land owners will continue to allow the Group to use the lands and/or that they will renew the tenancies upon expiry thereof. Notwithstanding the foregoing, the Group is constantly trying to identify suitable lands for acquisition or joint ventures or long term tenancies for its intended expansion purposes and also to mitigate the reliance on the lands on which the Group currently operates.

### *Technological Advancement in the Anti-Aging Industry*

The Group operates in a competitive market in which it must continue to advance the techniques and promotion by frequently updating these to achieve a better product with cost effectiveness. The Group’s future growth and success would depend on the Group’s ability to source for and/or acquire new techniques to mitigate the growing product competition in the market.



### *Retention of Personnel*

The Group's continued success will depend significantly on the ability, expertise and continued efforts of the Company's existing Directors, Senior Management and other key personnel. The departure of any of these individuals may, to a certain extent, affect the Group's future business operations and financial performance. The Group may be unable to attract and retain its existing Directors, Senior Management and other key management personnel. In addition, the Company may not be able to attract or retain sufficiently skilled employees with suitable technical expertise in the healthcare industry.

### *Management of Growth*

In order to execute the Company's business plan, the Company must significantly grow its operations. This growth will place a significant strain on the Company's personnel, management systems and resources. If the Company does not manage growth effectively, its business, results of operations and financial condition would be materially adversely affected. The Company expects that the number of its employees, including management-level employees, will continue to increase for the foreseeable future. The Company must continue to improve its operational and financial systems and managerial controls and procedures, and it will need to continue to expand, train and manage its workforce to. The Company's management may be unable to hire, train, retain, motivate and manage necessary personnel or to identify, manage and exploit existing and potential strategic relationships and market opportunities.

### *Impact of Law in Governmental Regulation*

The Company operates its business in China, and its performance depends in part on political stability and the regulatory environment in China. If the political and/or regulatory climate alters or stability deteriorates, this could have a material impact on the Company's plans and projected results. The institution and enforcement of regulations relating to taxation, land use and zoning restrictions, food licenses, permits, planning regulations, environmental protection and safety and other matters could have the effect of increasing the expenses, and lowering the income or rate of return, as well as adversely affecting the value, of any investment affected thereby. The National People's Congress established the CFDA to oversee food safety regulations. Any changes to food production or associated policies and legislation or a shift in political attitude may adversely affect the Company's operation and performance.

### *Future Capital Needs and Additional Financing*

The Company has limited financial resources and may need to raise additional funds in the future in order to fund the full implementation of its intended business expansion. Any required additional financing may not be available on terms favourable to the Company, if at all. If adequate funds are not available on acceptable terms, the Company may be unable to successfully complete and implement its expansion and diversification plans.

If additional funds are raised by the Company issuing equity securities, Shareholders will likely experience dilution of their ownership interest to an extent that may be substantial. If additional funds are raised by the Company issuing debt, the Company may be subject to limitations on its operations, including limitations on the payment of dividends to Shareholders including, without limitation, holders of Shares or CDIS. Failure to generate sufficient funds in the future whether from operations or by raising debt or equity capital may have a material adverse effect on the Company's business prospects, operating results and financial condition.

#### *Fluctuations in Operating Results may negatively impact the Company*

The Company's operating results may fluctuate significantly due to a variety of factors that could affect the Company's revenues or expenses in any particular financial period. It is possible that results of operations may be below the expectations of the Company's management and investors. Factors that may affect the Company's operating results include climate changes, other natural disasters and/or diseases and/or labour shortages.

#### *No Guarantee as to Future Performance*

There can be no assurance that the Company will be able to achieve the returns referred to in this Information Memorandum.

#### *Competitor Activity*

Recently there are many anti-aging, nutrition and dietary supplement companies enter the market, and the competition in the industry has intensified. Increased competition may also happen from international competitors that have entered the China anti-aging, nutrition and dietary supplement market. There is no assurance that the Company is able to continue to maintain its existing contracts and/or volume of business in the future. The Company would need to maintain a high standard of quality control and competitive pricing to be sustainable in the market.

#### *Counterparty Risks*

The Group is subject to certain business risks with respect to its contractual counterparties, and failure of such counterparties to meet their obligations could cause the Group to suffer losses or otherwise adversely affect its business.

#### **Risks associated with being incorporated under the Laws of the British Virgin Islands**

The Company is a company incorporated under the laws of the British Virgin Islands. Laws and regulations of the British Virgin Islands may be amended from time to time. The rights of Shareholders is be governed by the laws of the British Virgin Islands and the Company's Constitution. The rights of Shareholders under the laws of the British Virgin Islands may differ from the rights of Shareholders of companies incorporated in Australia. The Corporations Act may provide shareholders of Australian incorporated corporations' rights and protection of which there may be no corresponding or similar provisions under the BVI

Business Companies Act, 2004. As such, if you invest in our CDIs, you may not be accorded with the same level of shareholder's rights and protection that a shareholder of an Australian incorporated company may be accorded under the Corporations Act

## **Other Risks**

### *Volatility of the value of the Shares/CDIS*

Prior to this Compliance Listing, there has been no public market for the Company's Shares/CDIS. There can be no assurance that an active market for the CDIS will develop or, if developed, that such market will be sustained.

Investors should also be aware that the value of the CDIS may be volatile and may go down as well as up and investors may therefore not recover any or all of their original investment, especially having regard to the Company's plan to seek a future listing, as the market in CDIS may have limited liquidity.

In addition, the price at which investors may dispose of their CDIS may be influenced by a number of factors, some of which may pertain to the Company, and others of which are extraneous. Investors may realize less than the original amount invested.

### *Ordinary Shareholder Tax Risk*

Investors should take their own tax advice as to the consequences of owning Shares/CDIS as well as receiving returns from it. In particular investors should be aware that ownership of Shares/CDIS can be treated in different ways in different jurisdictions.

### *Raising Further Funds*

The Company intends to raise additional funds in the future to take advantage of growth and expansion opportunities. Any equity offerings to new investors could result in dilution for existing investors.

### *Exchange rate fluctuations may adversely affect the value of our Company's dividends*

Dividends if any in respect of our Shares will be declared in USD and converted by our Company into AUD for those investors whose Shares are held through CDI. Please refer to the section entitled "Dividend Policy" for more details. Fluctuations in the exchange rate between the AUD and USD will affect, among other things, the AUD value of our Company's dividends, if any, declared in USD and paid in AUD.

### *We may not be able to pay dividends in the future*

Our ability to declare dividends to our Shareholders in the future will be contingent on our future financial performance and distributable reserves of our Company. This is in turn dependent on our ability to implement our future plans, and on regulatory, competitive,

technical and other factors, general economic conditions, demand for and selling prices of our services and other factors exclusive to the industry. Any of these factors could have a material adverse effect on our business, financial condition and results of operations, and hence there is no assurance that we will be able to pay dividends to our Shareholders.

Further, in the event that we are required to enter into any loan arrangements with any financial institutions, covenants in the loan agreements may also limit when and how much dividends we can declare and pay out.

## **SECTION 7: DIRECTORS, CORPORATE INFORMATION AND PROFESSIONAL ADVISORS**

<b>Directors:</b>	<ul style="list-style-type: none"><li>- Mr. Chen Jiwu</li><li>- Mr. Zhang Kejian</li><li>- Mr. Du Ming</li><li>- Mr. Chang Yingming</li><li>- Mr. Sae Chen Jacky</li></ul>
<b>Registrar:</b>	<b>BoardRoom Pty Limited</b> Level 12, 225 George Street, Sydney NSW 2000, Australia
<b>Registered Agent and Registration Office (BVI):</b>	<b>Portcullis TrustNet (BVI) Limited</b> Portcullis TrustNet Chambers P.O. Box 3444, Road Town, Tortola British Virgin Islands Tel: +284 494 5296 Fax: +284 494 5283
<b>Operational Office of the Company:</b>	551 Shamao Street, Yucai Road Hannan District, Wuhan Hubei, China 430090 Tel: +86 27 5075 5299 Fax: +86 27 5075 5300
<b>China Legal Advisor:</b>	<b>Allbright Law Offices</b> 14/F Citigroup Tower 33 Hua Yuan Shi Qiao Road Pudong New Area Shanghai, China 200120 Tel: +86 21 6105 9000 Fax: +86 21 6105 9100
<b>Auditor:</b>	<b>Wee Hoe Khee</b> <b>Goh, Tan, Choong &amp; Co. (AF 0498)</b> 167A Jalan Glassiar, Taman Tasek 80200 Johor Bahru Johor Malaysia Tel: +607 236 2390 Fax: +607 236 5307
<b>Listing Nominated Advisor:</b>	<b>Southasia Advisory Sdn Bhd</b> A4-3-2, Solaris Dutamas No.1, Solaris Dutamas 1 50480 Kuala Lumpur, Malaysia Tel/Fax: +603 6211 4651

## SECTION 8: INDUSTRY OVERVIEW

### 8.1 The Definition of Aging and Anti-Aging

#### 8.1.1 Aging

**Aging** (American English) or **Ageing** (British English) is the process of becoming older. It represents the accumulation of changes in a person over time. In humans, aging refers to a multidimensional process of physical, psychological, and social change. In biological systems, aging is a stochastic process that occurs systemically after reproductive maturity in animals that reach a fixed size in adulthood. It is caused by the escalating loss of molecular fidelity that ultimately exceeds repair capacity and increases vulnerability to pathology or age-associated diseases.

Aging is an important part of all human societies reflecting the biological changes that occur, but also reflecting cultural and societal conventions. Aging is among the largest known risk factors for most human diseases. Population ageing is the increase in the number and proportion of older people in society. Population ageing has three possible causes: migration, longer life expectancy (decreased death rate) and decreased birth rate. Ageing has a significant impact on society. People of different ages tend to differ in many aspects, such as legal and social responsibilities, outlook on life, and self-perception.

**Demographic Measurements of Aging:** Aging has been defined as the collection of changes that render human beings progressively more likely to die. Indeed, one hallmark of aging in humans and in many other species is an age-related increase in mortality rates shortly after maturity. Different cultures express age in different ways. The age of an adult human is commonly measured in whole years since the day of birth. Most legal systems define a specific age for when an individual is allowed or obliged to do particular activities. The impact of aging can be categorized as follow:

**Economy:** As life expectancy rises and birth rates decline in developed countries, the median age itself rises accordingly in nearly every country in the world. A rising median age can have significant social and economic implications, as the workforce gets progressively older and the number of old workers and retirees grows relative to the number of young workers. Older people generally incur more health-related costs and can also cost more in worker's compensation and pension liabilities.

**Sociology:** In the field of sociology and mental health, aging is seen in five different views: aging as maturity, aging as decline, aging as a life-cycle event, aging as generation, and aging as survival. Positive correlates with aging often include economics, employment, marriage, children, education, and sense of control, as well as many others.

**Health Care Demand:** Many societies in Western Europe and Japan have ageing populations. While the effects on society are complex, there is a concern about the impact on health care demand. However, the annual growth in national health spending is not mainly due to increasing demand from ageing populations, but rather has been driven by rising incomes, costly new medical technology, a shortage of health care workers and informational asymmetries between providers and patients. A number of health problems become more prevalent as people get older.

**Perception of Aging:** Positive self-perception of health has been correlated with higher well-being and reduced mortality in the elderly. As people age, subjective health remains relatively stable, even though objective health worsens. In fact, perceived health improves with age when objective health is controlled in the equation. This phenomenon is known as the "paradox of ageing."

**Successful Aging:** The concept of successful aging can be traced back to the 1950s and was popularized in the 1980s. Previous research into ageing exaggerated the extent to which health disabilities, such as diabetes or osteoporosis, could be attributed exclusively to age, and research in gerontology exaggerated the homogeneity of samples of elderly people. Traditional definitions of successful aging have emphasized absence of physical and cognitive disabilities. In their 1987 article, Rowe and Kahn characterized successful aging as involving three components: a) freedom from disease and disability, b) high cognitive and physical functioning, and c) social and productive engagement.

### 8.1.2 Anti-Aging

One of the World Health Organization's "ten global health targets for the 21st century" is "to achieve an increase in life expectancy and in the quality of life for all." It is predicted that, by the year 2029, advancements in stem cell research, therapeutic cloning, and nanotechnology will be harnessed into applications that improve and extend the human life span. In this manner, Anti-Aging Medicine is anticipated to have a profound and permanent impact on the future of preventative healthcare.

Life extension science, also known as anti-aging medicine, indefinite life extension, experimental gerontology, and biomedical gerontology, is the study of slowing down or reversing the processes of aging to extend both the maximum and average lifespan. Some researchers in this area, and "life extensionists", "immortalists" or "longevists", believe that future breakthroughs in tissue rejuvenation, stem cells, regenerative medicine, molecular repair, pharmaceuticals, and organ replacement (such as with artificial organs or xenotransplantation) will eventually enable humans to have indefinite lifespans (agerasia) through complete rejuvenation to a healthy youthful condition.

The sale of putative anti-aging products such as nutrition, physical fitness, skin care, hormone replacements, vitamins, supplements and herbs is a lucrative global industry, with the US market generating about \$50 billion of revenue each year. Some medical experts state that the use of such products has not been proven to affect the aging process and many claims regarding the efficacy of these marketed products have been roundly criticized by medical experts, including the American Medical Association.

During the process of aging, an organism accumulates damage to its macromolecules, cells, tissues, and organs. Specifically, aging is characterized as to be caused by "genomic instability, telomere attrition, epigenetic alterations, loss of proteostasis, deregulated nutrient sensing, mitochondrial dysfunction, cellular senescence, stem cell exhaustion, and altered intercellular communication." Oxidation damage to cellular contents caused by free radicals is believed to contribute to aging as well.

Average lifespan in a population is lowered by infant and child mortality, which are frequently linked to infectious diseases or nutrition problems. Later in life, vulnerability to accidents and age-related chronic disease such as cancer or cardiovascular disease play an increasing role in mortality. Extension of expected lifespan can often be achieved by access to improved medical care, vaccinations, good diet, exercise and avoidance of hazards such as smoking and alcohol drinking.

Maximum lifespan is determined by the rate of aging for a species inherent in its genes and by environmental factors. Widely recognized methods of extending maximum lifespan in model organisms such as nematodes, fruit flies, and mice include caloric restriction, gene manipulation, and administration of pharmaceuticals. Another technique uses evolutionary pressures such as breeding from only older members or altering levels of extrinsic mortality.

Since ageing is a cause or major risk factor of the age related diseases and many other causes of mortality, there are growing efforts in ageing research to slow ageing and extend healthy lifespan. The current anti-aging strategies and issues are as follow:

**Diets and supplements:** Much life extension research focuses on nutrition—diets or supplements—as a means to extend lifespan. A dietary pattern with some support from scientific research is caloric restriction. Preliminary studies of caloric restriction on humans using surrogate measurements have provided evidence that caloric restriction may have powerful protective effect against secondary aging in humans. Caloric restriction in humans may reduce the risk of developing Type 2 diabetes and atherosclerosis.

**Hormone treatments:** The anti-aging industry offers several hormone therapies. Some of these have been criticized for possible dangers to the patient and a lack of proven effect. For example, the American Medical Association has been critical of some anti-aging hormone therapies.

**Ethics and politics of anti-aging nutritional supplementation and medicine:** In the United States, product claims on food and drug labels are strictly regulated includes opinion and speculation on life extension practices. Manufacturers and suppliers also provide informational publications, but because they market the substances, they are subject to monitoring and enforcement by the Federal Trade Commission (FTC), which polices claims by marketers. What constitutes the difference between truthful and false claims is hotly debated and is a central controversy in this arena.

**Consumer motivations for using anti-aging products:** Research by Sobh and Martin (2011) suggests that people buy anti-aging products to obtain a hoped-for self (e.g., keeping a youthful skin) or to avoid a feared-self (e.g., looking old). The research shows that when consumers pursue a hoped-for self, it is expectations of success that most strongly drive their motivation to use the product.

**Anti-aging drugs:** There are a number of drugs intended to slow the aging process currently being studied in animal models. One type of research is related to the observed effect a calorie restriction (CR) diet, which has been shown to extend lifespan in some animals. Based on that research, there have been attempts to develop drugs that will have the same



effect on the aging process as a caloric restriction diet, which are known as Caloric restriction mimetic drugs. Drugs that have been studied for possible longevity effects on laboratory animals because of a possible CR-mimic effect include rapamycin, metformin, and resveratrol.

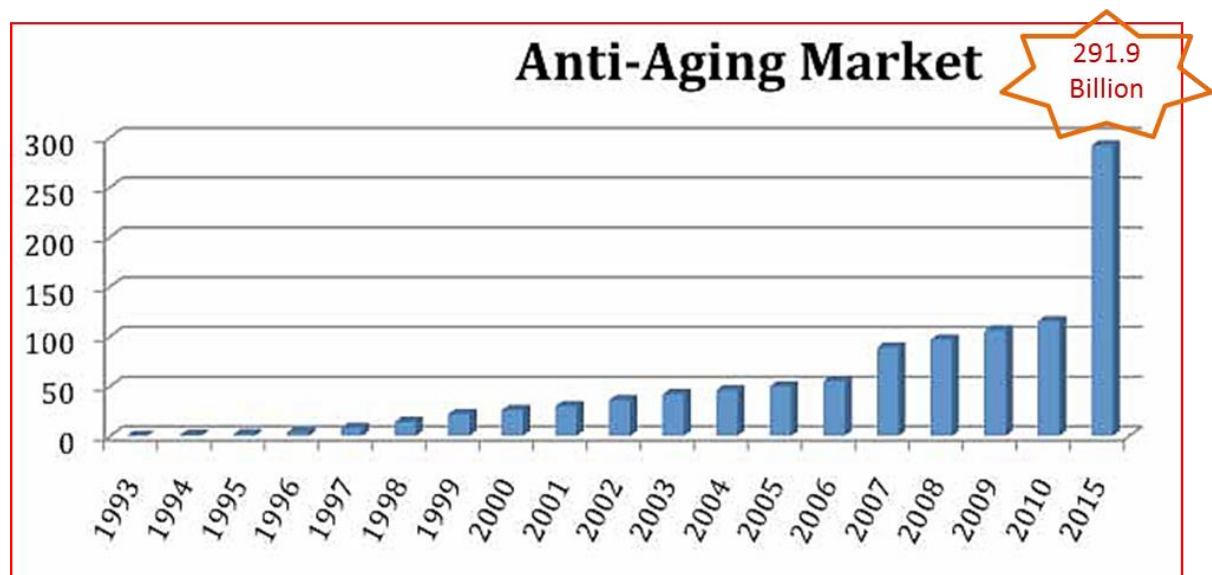
## 8.2 Introduction to Global Anti-Aging Industry

While the global population is aging at an unprecedented rate, Anti-Aging and Aesthetic Medicine has been developed as a healthcare concept offering solutions to extend the healthy lifespan of individuals. The science of Anti-Aging and Aesthetic Medicine is multidisciplinary with advances in the fields of biochemistry, biology, and physiology.

### *Industry Statistics:*

- Americans 50 years of age and older control 77% of the country's financial assets
- Over the next 10 years, population growth will be driven by a decrease in mortality not an increase in birth rate.
- Ninety million adult Americans use alternative medicine.
- Botox was the number one cosmetic procedure performed with 2.8 million procedures, up 157% from 2002.

Anti-aging vitamins and supplements for health maintenance is a growing market fuelled by the aging population seeking to keep the dreaded signs of aging at bay. Scientific breakthroughs, technological improvements, aggressive marketing claims, coupled with rise in the number of younger consumers opting for skin treatments to preserve their youth will spark growth in worldwide anti-aging products to reach USD291.9 billion by 2015.



The primal desire of humans to remain young forever so long has groomed and nurtured a goliath of an anti-aging industry worldwide. The market for anti-aging health and appearance products posts sanguine growth patterns for the upcoming years, backed largely by the affluent aging baby boomers with high levels of disposable incomes.

Anti-aging products market is traditionally resilient to economic cycles, given consumers' unchanging desire to look young and healthy, and the importance accorded to health, and well-being. The propensity to spend on skincare is not hugely impacted by a slowdown, rather consumer preferences during these periods tend to shift towards lower priced mass-market products. Product effectiveness will become an important factor as consumers begin to seek visual, sensory, and functional benefits from products. Benefiting from significant investments both in terms of product innovation and marketing, worldwide market for anti-aging products has emerged into a lucrative industry churning out top dollars for market participants.

Growth in the anti-aging product categories varies by product, with least perceptible dent to be witnessed in the health maintenance segment. World market for Anti-Aging Products for Health Maintenance is dominated by the US and Europe, as stated by the recent report published by Global Industry Analysts, Inc. In the relatively less essential appearance enhancement products market, premium products are expected to take the brunt of lower consumer disposable incomes, and reduction in household wealth. Anti-aging products that include natural and organic ingredients such as botanical herbs, and vitamin E are rising in popularity.

Market for Anti-Aging Products for Appearance Enhancement in United States is expected to be more than US\$5.0 billion by 2015. Increasing consumer concerns regarding harmful skin cancer and wrinkles caused by recurrent exposure to sun is expected to lead to introduction of multipurpose products with dual benefits of moisturizing and sun protection. Like any other industry, anti-aging products also contend with skepticism and conflicting clinical research results surrounding the actual health and appearance benefits of many widely publicized compounds, and ingredients.

The oncoming regulatory reformation brings with it a mixed bag of benefits and challenges. While the industry may be necessitated to provide authentic products, and services thereby benefiting the consumer, smaller companies are likely to take the exit route due to lack of scientific expertise, and financial funding leading to a shakeout in the industry. Today, manufacturers to avoid the regulatory ire develop, and market cosmeceuticals by incorporating only pharmaceutical ingredients approved by the FDA i.e. retinol or minoxidil, antioxidants and natural extracts which have withstood the test of time, and which do not require the FDA's approval.

Key players dominating the global anti-aging products market include Allergan Inc., Alberto Culver Company, Avon Products Inc., Beiersdorf, Bio Pharma US Corp, Bayer Schering Pharma AG, Chanel SA, Christian Dior, Clarins, Elizabeth Arden Inc., Ella Bache, Estee Lauder Inc., F. Hoffmann-La Roche Ltd, GlaxoSmithKline Plc, General Nutrition Centers Inc., Henkel KgaA, Jan Marini Skin Research Inc., Johnson & Johnson, Janssen Pharmaceutica Products LP, Neutrogena Corporation, L'Oréal SA, Merck & Company Incorporated, NeoStrata Company Inc., Novartis International AG, Orlane SA, Procter & Gamble, Pfizer Incorporated, Revlon Inc., Robanda International, Shiseido Co. Ltd, SkinMedica Inc., Unilever PLC, Valeant Pharmaceuticals International, Woodridge Labs Inc., Wyeth and Zosano Pharma <sup>™</sup> Inc., among others.

### 8.3 An Overview of China Great Healthcare Industry

(Source: China Healthcare Association, 2014)

#### 8.3.1 Introduction to the China Great Healthcare Industry

**Broad Concept:** The benchmark of great healthcare industry relates to those industries that directly and indirectly influence the human health

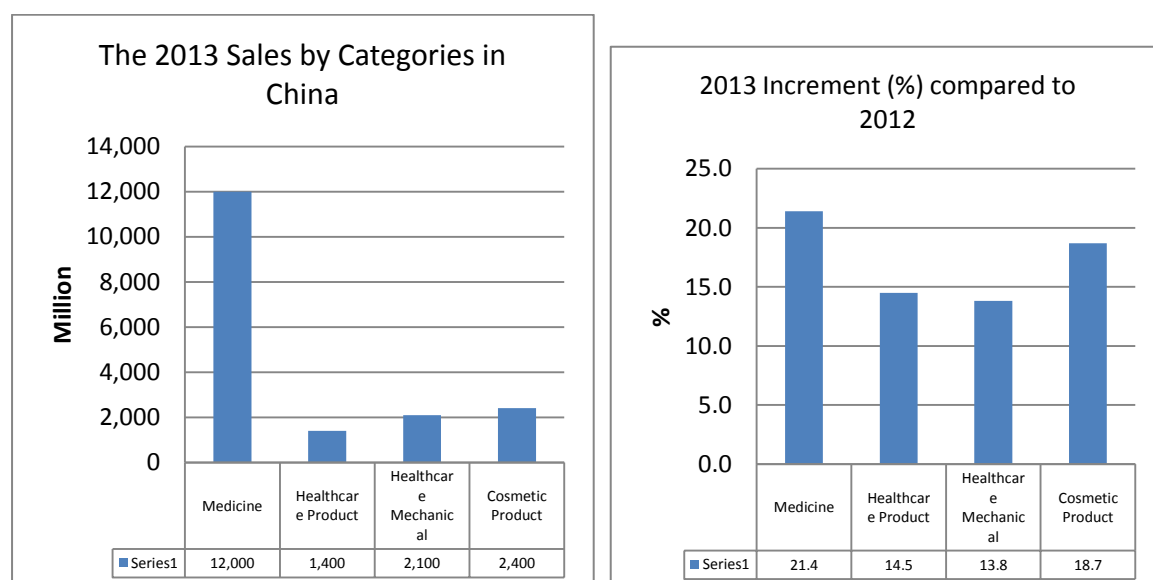
**General Concept:** The main industries that relate to human health: Healthcare, rehabilitation, medicine, healthcare products, cosmetic products, healthcare mechanical products, etc.

*The concept that is currently being confirmed by the authority involves healthcare products, cosmetic products, and home use healthcare mechanical products.*

The standard of the great healthcare industry derives from the definition set by Paul Prier of America: The healthcare industry is meant to provide products and services to healthy persons, who does not have sickness, and to allow them to live healthier, to look better, and to prolong the anti-aging phenomena or to prevent sickness.

The healthcare industry is a competitive advantage industry and will be continuous to realize strong growth, and to be considered as the “Golden Industry”, the “Future Industry”, and the “Sunrise Industry” in China.

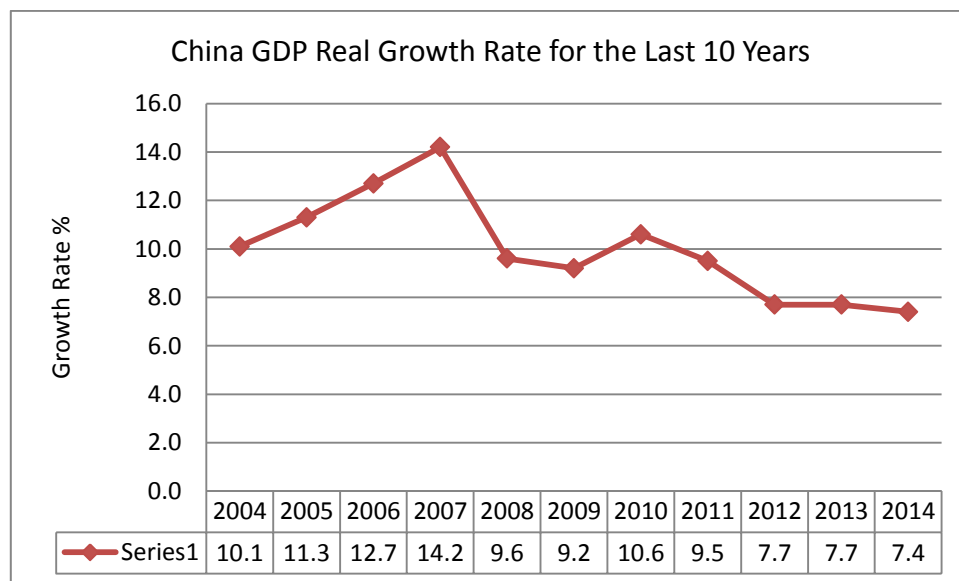
The figures below illustrate the development scenario of the China Great Healthcare Industry:



**There are 4 main factors that motivate the development of the China Great Healthcare Industry:**

- a) China's economy has experienced continuous growth after the implementation of the Country's Reform and Open Policy
- b) Its citizens have increased their awareness of the needs of healthcare
- c) China's ageing society has accelerated
- d) China's urbanization has accelerated

China's per capital income reached USD5,500 in 2013 which is equivalent to the per capital income of a maiden developing country, hence it has provided wider and better opportunity for the development of the health industry. At present, the China healthcare industry is 5.5% of GDP compared to 15.5% of USA, and 8-10% of European countries.



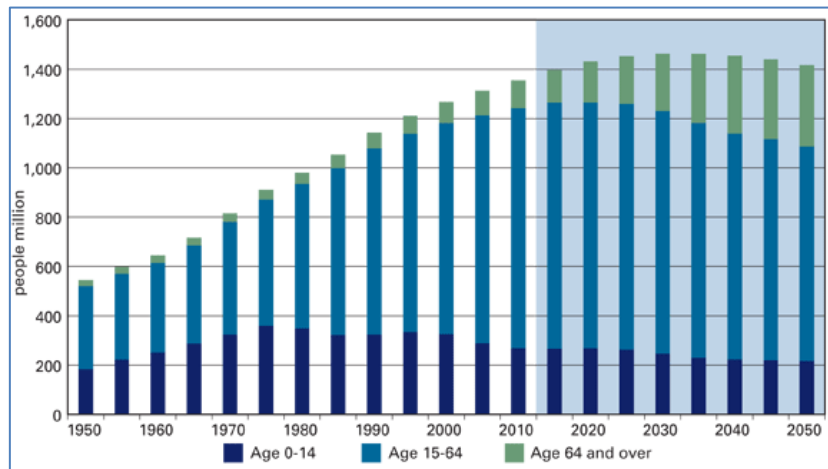
The market size of China's healthcare industry is estimated at RMB1,000 billion with the compound annual growth rate (CAGR) of more than 10% for the last 10 years, with this basis of estimation, China will be the world second largest healthcare market after United States of America. The main contributing factors being:

- Large population base with huge potential on the needs of healthcare services
- The yearly increment of the middle class income group has become the main consuming group that is able to pay for such services
- Increasing awareness of using health to gain wealth
- The ageing population will need all areas of healthcare services
- They have changed from single medical care to all rounded health care services

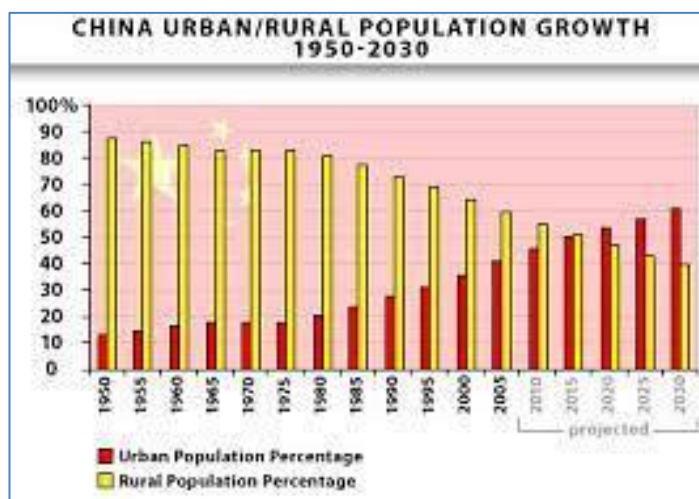
The China ageing population of aged 64 years old or more has increased in tremendously as shown at the table and graph below:

Year	Amount (million)	Year	Amount (million)	Year	Amount (million)	Year	Amount (million)
1950	200	1980	400	2010	1,300	2040	3,800
1960	300	1990	800	2020	1,900	2050	4,300

1970	350	2000	1,000	2030	2,700		
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China urbanization has developed at a fast pace from 44.90% in 2009 to 51.30% in 2013, and will exceed rural population in 2015.



### 8.3.2 The Future Development of Great Healthcare Industry in China and its Trend

- **The trend of continuous expandable market needs**

With the continuous social and economic development, the improvement of the living quality of citizens, the increase in awareness of healthcare, and the increasing demand on the healthcare industry, the authority forecasts that in the structure of citizens' consumable spending, healthcare spending will very quickly exceed all other consumable spending.

- **The increment trend of pharmaceutical and healthcare mechanical products after the adoption of the Healthcare Reform Bill by the Premier office**

The development of the healthcare industry will improve after the implementation of the Central Government and Premier office's report <The comments relating to deepen in health and pharmaceutical structural reform>.

The main purpose of healthcare reform is to provide medical care and healthcare to all citizens. This will increase the pace of reform and re-construction of hospitals in the district levels nationwide, and to improve the service capability and medical equipment in all hospitals.

- **Market maturity of the healthcare industry**

Market maturity of the healthcare industry will be driven by clear standardization of capability of products with full transparency, and the accuracy of market analysis. For example, using health food to reduce sickness and to reduce the probability of getting sick; the method of consuming health food to keep and to maintain a healthy body; eating healthier in our life is not optional to maintain a good health. Some health food has been used to substitute medicine to reduce the risk of attracting sickness.

- **New momentum in the future of the healthcare industry**

A group of capable and foresighted pharmaceutical manufacturers and corporations involved in healthcare industry will enhanced the research & development, and marketing activities, and will be a new motivation to the China healthcare industry. For example, Guang Pharmaceutical Corporation is set to have RMB50 billion investments in the great healthcare industry in 2015; Tianxilic Group was set to achieve RMB12.6 billion sales in 2010; Huamun Pharmaceutical Group has invented and diversified many healthcare products; and Tongrentang has transformed its business toward a greater healthcare industry.

**The basic requirements for pharmaceutical corporations moving toward the development of great healthcare industry:**

- a) Its values
- b) Advantages
- c) Branding of products
- d) Having products and product lines that are acceptable to the public
- e) Having networks, and ability to develop and to manage
- f) The special features of the national and international development of medication corporations in the great healthcare industry

**China Pharma & Biotechnology Industry:** One of the five emerging industries in the #12 National 5-year Budgetary is that the China Biotechnology Industry will be promoted and developed aggressively. The government of China has included biomedical technology innovations into National Strategic Planning.

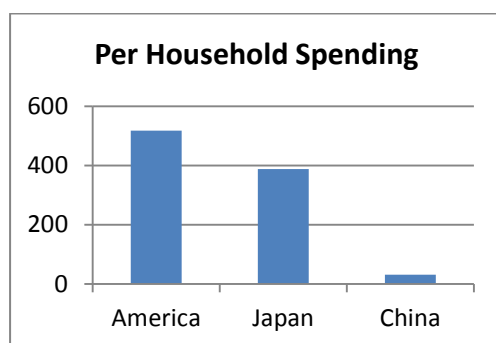
- June 21, 2009: The State Council promulgated the <Several policies to promote the development of the Bio-tech industry>; and made it clear that accelerating the development of the bio-tech industry is a major initiative of the new century to grasp the strategic opportunity of new technological revolution and build a innovation-oriented country in an all rounded way.
- October 18, 2010: The State Council issued the <Decision on accelerating the cultivation and the development of strategic emerging industries>; and made it clear that the bio-

tech industry is an international strategic emerging industry, and said that will make a complete set of policies from the fiscal and financial aspects to accelerate the cultivation and development of this strategic emerging industry.

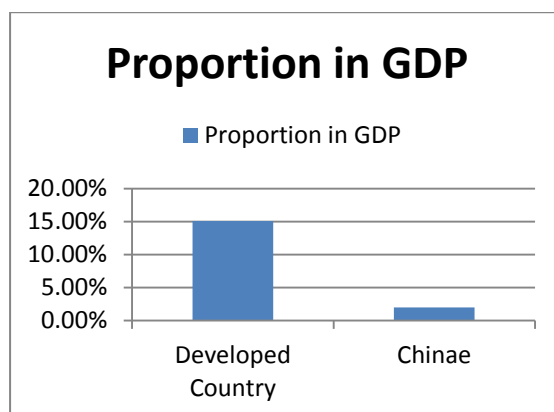
### 8.3.3 The Development of the China Healthcare Industry

#### The Sales Comparison of Healthcare Products - China VS International

According to statistics, the average spending for a household on healthcare products in USA and Europe is more than 2% of the total expenditure, but in China, it's only 0.07% or RMB31.



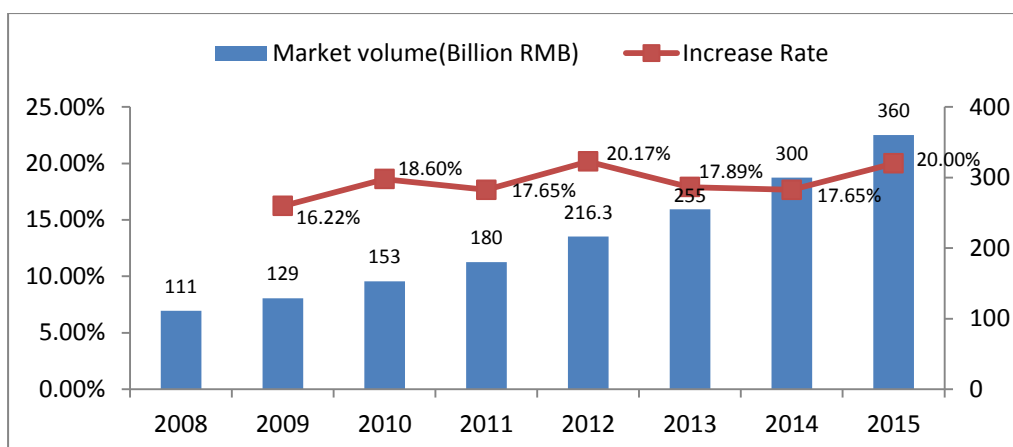
There are more than 1,700 companies manufacturing healthcare products in China, the total industry value is about RMB100 billion. Chinese healthcare product output accounts for about 2% of GDP, much lower than some countries, which accounts for more than 15% of GDP in developed countries. Its output grows in the range of 15% to 30%.



#### China Healthcare Market and Development

The healthcare industry has developed into a level that product quality is more important than the quantity being produced as customers are more willing to pay. With proper advertisements and educated marketing, healthcare can be a leading industry in China with the increase in production, injection of investment funds, and good government policies.

As both GDP and personal income keep increasing, China's healthcare industry's output value will be reaching RMB360 billion in 2015.



### Top 10 healthcare product categories in retail stores

The market share of the top 10 healthcare product categories are as shown in the table below.

Functions	2012 Market Share	2013 Market Share
Vitamins, trace elements, proteins	35.20%	39.30%
Immunomodulatory	14.00%	12.40%
Lowering blood sugar, blood fat, blood pressure	9.20%	8.30%
Gastrointestinal adjustment	8.50%	7.50%
Anti-age, Antioxidant	7.60%	7.30%
Weight lose	7.20%	7.20%
Beauty	6.30%	5.70%
Other	4.40%	5.30%
Sexual healthcare	2.20%	1.80%
Invigorate	2.00%	1.70%

### Focus on nutrition and healthcare industry development during the Twelfth Five-Year Plan

In the document of “Food industry development during twelfth five-year plan” published by The National Development and Reform Commission and The Ministry of Industry and Information Technology, nutrition and healthcare industry have been labelled as country prioritized-develop industry.

Industry sources predict that healthcare products will have the market value of RMB 500 billion during the twelfth five-year plan. But the following factors will impede achieving the targeted market value such as historical debt, food safety management, product research, and OTC medicine.



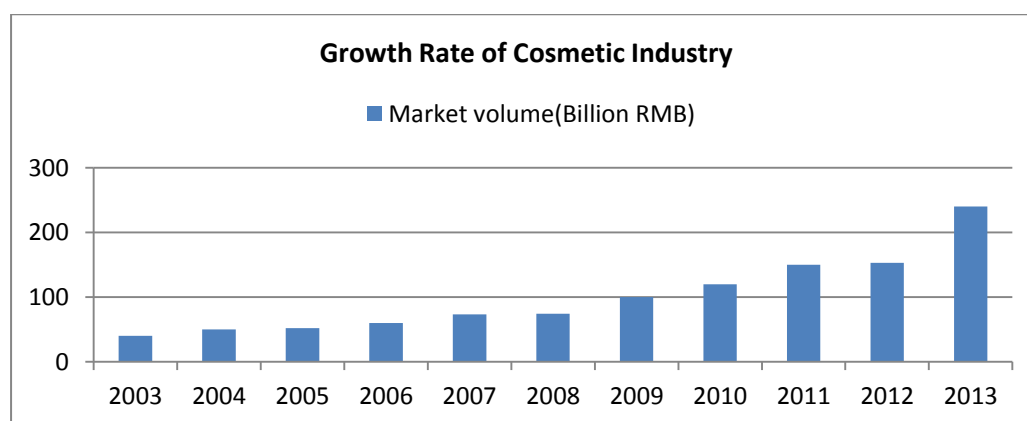
## Prospects and Future Development of Healthcare Industry

There will be more companies to participate and to join the healthcare industry, and will demand better and quality companies to engage in the growth of the industry. Medium to larger corporations will hold more than 60% of market share. National legislation and branded companies will be the major driving force of the industry.

Continuous investment on research & development, new and quality products inventions, promotion and smart marketing will be the factors to sustain the growth of the industry. There will be an estimated 20 multi-million corporations created to spearhead the development of the healthcare industry.

### 8.3.4 Cosmetic Industry Development

The total revenue of cosmetic products was RMB40 billion in 2003, and recorded RMB240 billion in 2013. It increased by RMB200 billion in 10 years, with 20% year-to-year growth rate.



### The Changes in Cosmetic Products Composition in the recent 10 years

The growth rate of normal cosmetic products with nutrition function is up 7.8%, moisturizing function product is up 9.2%, functional skin care products in freckle-removing category is up 7.6%, and wrinkle-removing products is up 8.4%.

### Cosmetic Product Purchase Channel changes in the recent 10 years

- Purchasing behaviour in shopping-malls and super markets declined
- Sale promotions in beauty parlours had a downward trend
- Online shopping and exclusive-shop purchases had an upward trend

	2003		2009		2013	
	Normal Cosmetic	Functional Cosmetic	Normal Cosmetic	Functional Cosmetic	Normal Cosmetic	Functional Cosmetic
Shopping-mall & Super	46.2	18.3	36.2	16.2	30.2	13.1

market						
Beauty parlour	18.3	31.1	23.2	33.4	18.1	29.3
Exclusive-shop	9.2	21.4	11.4	23.5	15.8	25.2
Retail chain pharmacy	11.4	12.3	12.8	13.4	14.5	14.9
Online shopping	5.5	6.7	8.3	10.4	10.6	12.3
Other	6.6	4.9	5.3	3.4	3.8	4.1

### **Future of Cosmetic Products in China for the next 5 to 10 years**

Domestic experts predict that China's cosmetic industry will be able to generate revenue of RMB600 billion in 2017 and RMB1.0 - 1.5 trillion in 2022. The cosmetic industry will realize tremendous changes in terms of corporative investment and market structures.

### **How to grasp such "Cosmeceutical" opportunity**

There is no dominant cosmetic brand in China so far. With so many new local companies entering the cosmetic industry, the industry looks noisier than ever, but some companies or players are just an opportunist, without any strategic plan. Therefore market and product positioning for any company is an important factor for a company to withstand competition and to capture a bigger market share.

### **8.3.5 Projected Revenue for Year 2020 of the Great Healthcare Industry**

- China Pharmaceutical Products: 4.0 to 5.0 trillion
- China Cosmetic Products: 1.2 to 5.0 trillion
- China Healthcare Products: 1.0 to 1.5 trillion

The great healthcare industry will be able to generate an estimated value of RMB6.0 to 8.0 trillion, accounting for 10% of GDP.

## SECTION 9: COMPANY OVERVIEW

### 9.1 Group Structure

Anti-Aging House Technology (Wuhan) Company Limited (“AAHT” or 梦工坊技术（武汉）有限公司) is a company incorporated and organized under the laws of China as a Wholly Owned Foreign Entity (“WOFE”) of Anti-Aging House International Limited (“AAHI” or 抗衰老工坊国际有限公司), a company incorporated and organized under the laws of Hong Kong.

The financial information of the Company for the year ended 31 December 2015 and 31 December 2014 are based on its consolidated audited accounts in Section 12 of this Information Memorandum.



## 9.2 About the Company

Anti-Aging House Technology (Wuhan) Company Limited (“AAHT”) is a Wholly Owned Foreign Entity (“WFOE”), and is a company incorporated and organized under the laws of China on 8 June 2010. AAHT is 100% owned by Anti-Aging House International Company Limited (“AAHI”), a company incorporated and registered under the law of Hong Kong.

In accordance to the validated Business License (Registration Number: 420113400000021) issued by Wuhan City Administration for Industry & Commerce on 10 June 2014, and the issuance of Approval Letter on Corporative Investment of Taiwan, Hong Kong, and Macau PRC issued by Wuhan City Council (Foreign Investment: [2010] #520) on 31 December 2010, the summarized information of AAHT are as follow:

- a) Company Name: Anti-Aging House Technology (Wuhan) Company Limited (梦工坊技术（武汉）有限公司)
- b) Domicile: 551 Shamao Street Yucai Road, Hannan District, Wuhan City, Hubei Province, China 430090
- c) Type of Company: Limited Company (wholly owned Taiwan, Hong Kong, Macau enterprise)
- d) Established Date: June 8, 2010
- e) Operating period: From June 8, 2010 to May 13, 2040
- f) Total investment: RMB14 million
- g) Registered Capital: RMB10 million, fully paid-up capital
- h) Shareholders: Anti-Aging House International Company Limited, Hong Kong
- i) Business Scope: Network technology development & consulting service; E-commerce service; Information consultant services; Research & Development and Technical Advisory Service for computer hardware, Software and network equipment; Research & Development and Technical Advisory Service for biological products, protein products and cosmetics; Wholesale, retail and advisory services for health care products, foods and cosmetics; Import and export related businesses (If there is special provisions of the State shall prevail)
- j) Legal representative: Mr. Du Ming

Since the inception of AAHT, the company has aggressively developed its business in China, and has achieved its initial target. The management will continue gradually to develop its business to a larger scale and to enlarge its market share by introducing more products and

services to the market. AAHT will work closely with certified Research and Development institutes to promote new products for the benefit of consumers.

With the vision and mission to develop AAHT into a full service and full scale anti-aging entity, AAHT has an experienced management team which will be able to withstand all challenges in the anti-aging industry and to fulfill a bigger role in contributing to the overall sustainability of the nation's healthcare development.

**A<sup>2</sup>H** is the abbreviation of Anti-aging House.



### 9.2.1 Company's Operation

There are a total of 17 fulltime employees in AAHT, and 20 part-time sales personnel. The product development and quality control division consists of 7 employees.





### 9.3 Related Industry Experience

The founding members of AAHT have been engaged in anti-aging businesses for more than 15 years. AAHT has been in operation since 2010 and is considered by the management to have sufficient industry experience to continue operating at its current level. The management of AAHT has plans to expand its business by introducing more effective and efficient anti-aging related products.

### 9.4 Board of Directors and their Interests

Director Name	Position	Nationality Citizenship	Shareholding as at the date of this Information Memorandum	
			Direct (%)	Indirect (%)
Mr. Chen Jiwu	Executive Director / Executive Chairman	China	0.054	
Mr. Zhang Kejian	Executive Director / Vice President	China	1.449	-
Mr. Du Ming	Executive Director / Sales Director	China	0.021	-
Mr. Chang Yingming	Independent Non- Executive Director	China	0.021	-
Mr. Sae Chen Jacky	Independent Non- Executive Director	Cambodia	-	-

Further details on the background of the Directors are found in Section 11 of this Information Memorandum.

### 9.5 Directors' Interest

A Director may hold any office or place of profit (other than as auditor) in any company within the Group and may contract with the Company either as vendor, purchaser or otherwise. As of the date of this Information Memorandum and as set out below, no contract or arrangement exists where a Director is materially interested.

A director of the Company who is interested in a transaction entered into or to be entered into by the Company may (i) vote on a matter relating to the transaction, (ii) attend a meeting of directors at which a matter relating to the transaction arises and be included amongst the directors present at the meeting for the purposes of a quorum and (iii) sign a document on behalf of the Company, or do any other thing in his capacity as director, that relates to the transaction and, subject to compliance with the Act shall not, by reason of his office be accountable to the Company for any benefit which he derives from such transaction and no such transaction shall be liable to be avoided on the grounds of any such interest or benefit.

Under the Constitution of the Company with the prior or subsequent approval by a resolution of members, the directors may, by a resolution of directors, fix the emoluments of directors with respect to services to be rendered in any capacity to the Company.

## **9.6 Registered Agent**

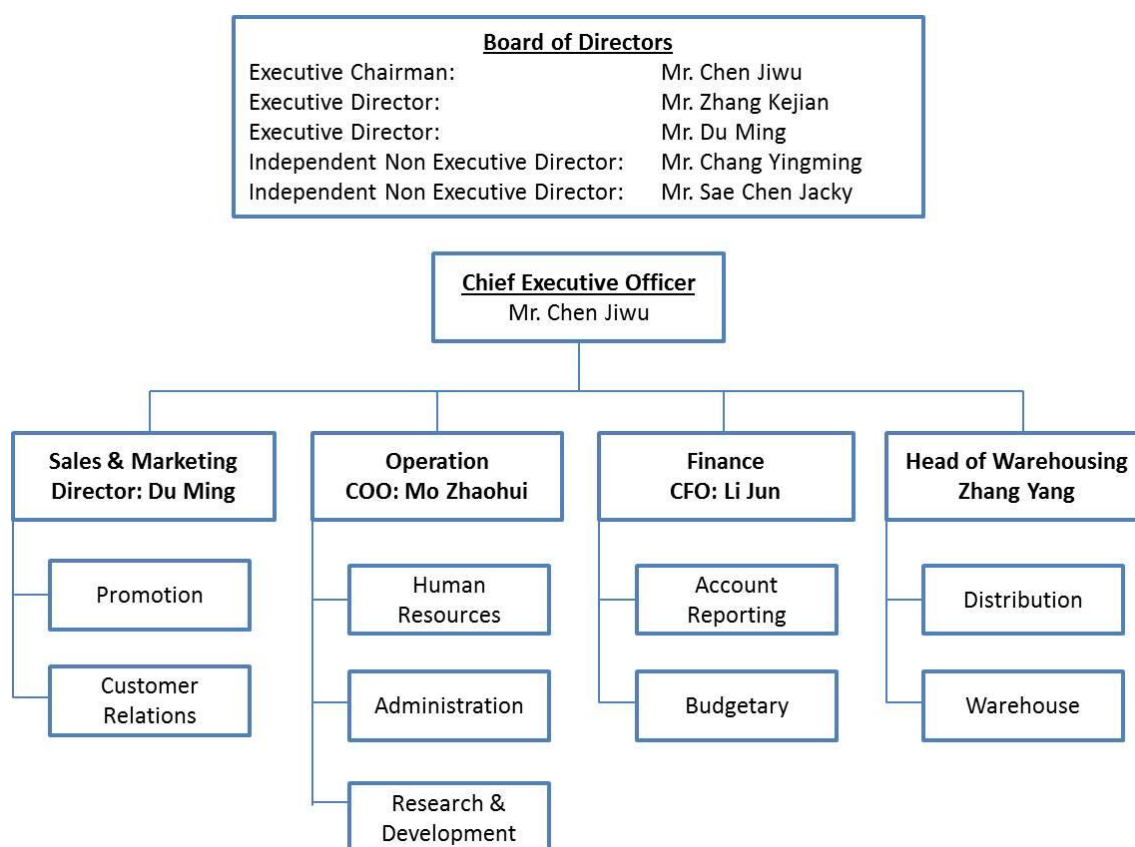
Portcullis TrustNet (BVI) Limited has been appointed as the registered agent of the Company, to perform duties as registered agent in accordance to the Company's Constitution.

## **9.7 Substantial Shareholders**

The following shareholders hold more than 5% of the voting capital in the Company:

- Chen Dongliang who holds 35,664,270 Shares (representing 38.25% of the shares in the capital of the Company);
- AG Arts Investment Limited who holds 9,251,251 shares (representing of 9.92% of the shares in the capital of the Company);
- Right Ocean Investment Limited who holds 8,235,360 Shares (representing 8.83% of the shares in the capital of the Company);
- Ocean Chance Investment Limited who holds 7,997,280 Shares (representing 8.58% of the shares in the capital of the Company); and
- Ren Yi who holds 5,040,000 shares (representing 5.41% of the shares in the capital of the Company).

## 9.8 Company Organization and Executive Management Team



Executive Management Team	
Executive Chairman	Mr. Chen Jiwu
Vice President	Mr. Zhang Kejian
Chief Operation Officer	Mr. Mo Zhaohui
Chief Financial Officer	Mr. Li Jun
Sales Director	Mr. Du Ming
Head of Warehousing	Ms. Zhang Yang

Further details on the background of the Directors and Executive Management Team are found in Section 11 of this Information Memorandum.



## **SECTION 10: BUSINESS**

### **10.1 Executive Summary**

The development of high-quality healthcare products is needed and still remains a challenge due to rapid growth in the biological extraction technology. With the improvement of general living standards, healthcare products have become one of the major consumer products for not only the elderly, but for the general population who are particularly concerned about their health to prevent sickness, and to looking younger.

China has undergone the most unprecedented social and economic transformation the world has ever seen. It has realized rapid economic growth, accompanied by a huge & rapid shift to urban living, and is rocketing incomes higher and creating middle class with significant spending power as a huge momentum to push the nation's economy with 8% to 10% growth rate for the past 20 years. China's urban middle-class population alone is larger than the total population of entire South East Asia. The creation of a middle class is seen as being closely linked to the concept of a 'society of modest prosperity' (小康社会 / xiao kang she hui), which was first used in the 1980s by Premier Deng Xiaoping as the key concept underlying the country's socio-economic development.

The Company has realized the up and coming spending power of the middle class population and that most of them are living in third and fourth tier cities in China. The male/female consumers of third and fourth-tier cities are no longer synonym of old-fashioned and corny, with the rapid development of social media, they can easily access to the world trend to form their own opinion on the needs and behaviours toward lifestyle. Their passion for trends and pursuit for better living can even surpass the first-tier cities and second-tier cities.

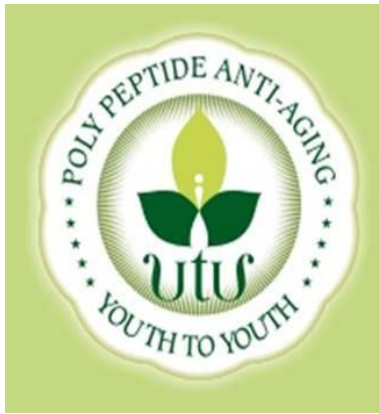
The Company's UTU beautiful concept of "oral beauty", "keep in tune" and products has targeted majority of the urban women in third and fourth-tier cities by developing nationwide branded stores and distribution outlets to achieve larger revenue and to set a stronger financial footing.

### **10.2 Our Products and Services**

The Company introduced the Japanese cosmetic brand UTU and its healthy skincare concept of oral cosmetic products into China in 2010, which revolutionized the traditional cosmetic industries' limitations and made females deeply understand the importance of health skincare and oral cosmetic products. The UTU products are very popular among female consumers and have attained tremendous growth since first launched at Watson outlets and other department stores across China.

There are 2 major series of commercial products; UTU and Boteli P700. The Company expects to generate good sales revenue from the products, and to aims to become a renowned chain store operator for this business.

A). UTU preaches the philosophy of "Keep in Tune," to develop the health and beauty chain store business.



#### UTU Brand - Youth to Youth

- Represent beauty balance of most youthful and vitality
- A limitation break through of traditional skincare

Using Innovative technology of polypeptide, leading to a new skincare philosophy of "keep in tune ", and navigating skincare into the Anti-aging era

**utu**<sup>TM</sup>  
もっと若々しく

肽美 肽健康

UTU brand was found in Japan and held by Fuliji Company Limited of Japan, which is a prestige brand of high-end professional skincare products and oral beauty products. UTU was acquired by China Polypeptide Group in 2009. In 2010, A<sup>2</sup>H together with UTU launched UTU brand of products in China market, and designed to create the most professional "keep in tune well" brand in China.

UTU has always adhered to developing anti-aging products which are scientific, safe and efficient. From "three layers of examination" to strict control filtering of raw materials, it has one of the world's largest peptide product lines with 100,000 levels of sterile GMP pharmaceutical plant.

Products have gone through rigorous testing of MHLW, CNAS and CMA national laboratories. All skincare nutrition food is free of preservatives and artificial colors, no hormones added, so consumers can enjoy with peace of mind.

Unique patented technology [CTP collagen tripeptide] molecular weighted just 280D, is identical to the smallest unit of skin collagen and may be directly absorbed by the small intestine without stomach digestion and which synthesizes into the skin collagen, which greatly improves the efficiency of skincare.

It is the first discovery that the protein patented is able to decipher cell longevity and significantly slow down the human aging process.



#### Core Product

**50ml / 5000mg UTU Collagen Fruit Juice Beverage**

It contains the global smallest molecular weight and the highest content of CTP collagen tripeptide, which realizes human anti-aging dream by using oral beauty products.

The image displays a wide range of Uru products. On the left is a large green box for 'Wago' (五谷) powder, featuring a circular logo and text in Japanese and English. Below it are two orange packets of 'UTU Collagen 14000'. In the center is a pink bottle of 'UTU CTP Collagen 5000'. To the right of the bottle are several skincare items: a pink tube of 'UTU BB Cream', a pink tube of 'UTU BB Cream', a pink tube of 'UTU BB Cream', a pink tube of 'UTU BB Cream', a pink tube of 'UTU BB Cream', a pink tube of 'UTU BB Cream', a pink tube of 'UTU BB Cream', a pink tube of 'UTU BB Cream', a pink tube of 'UTU BB Cream', a pink tube of 'UTU BB Cream'. On the far right is a brown box of 'UTU Coffee' powder and two pink packets of 'UTU Collagen 14000'.

**Sample sack of external use skincare products, fruit drinks, bar meal, meal replacement powder, foods, beverage, and home care products**



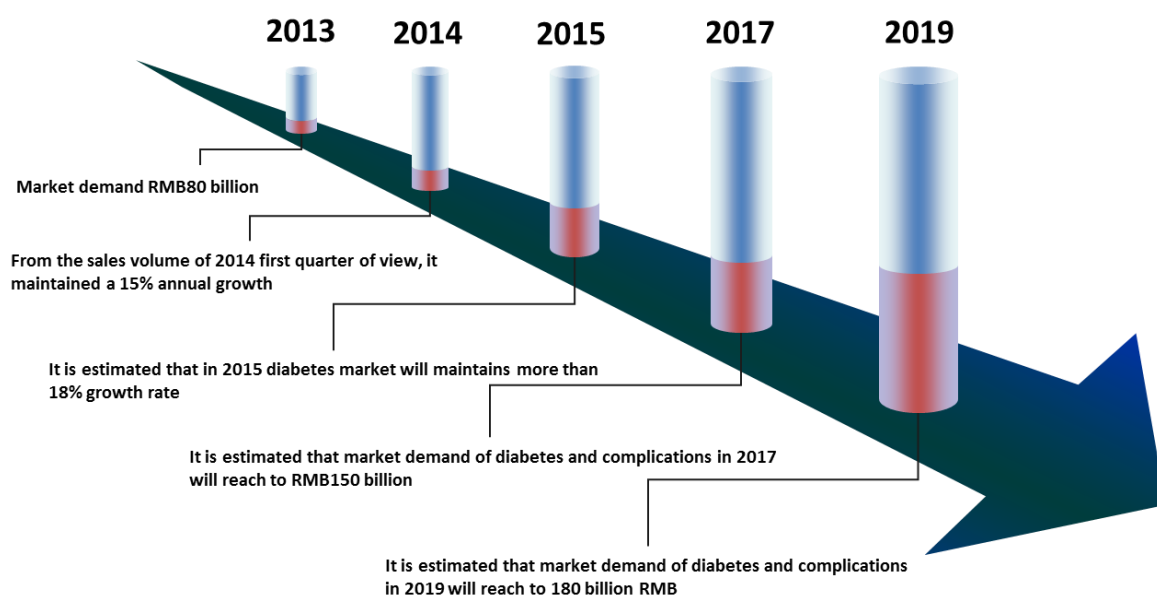
Watson's Health and Beauty Award  
The Most Beloved Oral Skincare  
Brand Award

B). Boteli P700 has been applied for anti-diabetes to improve and to alleviate patients with diabetic complications.

## 博特力P700

According to the statistics from the International Diabetes Federation, the number of people with diabetes in the world was about 366 million in 2011 and this number is expected to reach 550 million by 2030. This translates to an increase at the rate of one new patient every ten seconds. China had more than 90 million patients with type 2 diabetes in 2011 representing approximately 9.3% of the total population; it is expected that this figure will increase to 129.7 million by 2030 which in turn translates to 12.1 % of total population.

### Diabetes and its Complication in China



Source: China Industry Research Network



### Boteli P700 Tea

Ingredients: Platycodon extract, Schisandra extract (Cyclic Dipeptide), shepherd's Purse extract, Licorice extract, Seed of Tibetan Jujube extract (seed of wild Jujube antioxidant peptide), Astragalus a extract, Green Tea extract, Cortex Lycii Radicis extract, Chinese Yam extract, Cortex Acanthopanax extract, Wild Yam extract, and Rhizoma Polygonat extract



## Boteli P700 Capsule

Ingredients: Platycodon extract, Schisandra extract (cyclic dipeptide), shepherd's Purse extract, Licorice extract, Seed of Tibetan Jujube extract (seed of wild Jujube antioxidant peptide), Astragalus extract, Green Tea extract, Cortex Lycii Radicis extract, Chinese Yam extract, Cortex Acanthopanax extract, Wild Yam extract, Rhizoma Polygonat extract, America Chicory extract, and Soft Elegant Flower extract

## 10.3 Our Marketing Strategy and Distribution Outlets

### 10.3.1 Distribution Outlets

The Company has been actively carrying out sales & marketing activities, and has participated in many exhibitions to promote its products and services. Products has been distributed and sold at the following outlets:

- **Watsons**

Watsons Personal Care Stores, known simply as Watsons, is the largest health care and beauty care chain store in Asia. It operates over thousands of stores in Hong Kong, Macau, Mainland China, Taiwan, Singapore, Thailand, Malaysia, the Philippines, Indonesia, Japan, South Korea, Turkey, Ukraine and Estonia.



UTU collagen juice beverage launched in the China market in 2010, and was distributed in Watsons' nationwide 820 outlets. It had quickly seized this market share, and sales exceeded 1 million bottles.

- **Amway**

Amway (short for American Way) is an American company using a multi-level marketing model to sell a variety of products, primarily in the health, beauty, and home care market. In December 2006 Amway was one of the first companies to receive a license to resume direct sales, and Amway China had a reported 180,000 sales representatives, 140 stores, and USD2 billion in annual sales.

- **PERFECT**

PERFECT (China) Company Limited was incorporated in 1994 with business anchoring in research pioneering, advanced research and development, production, sales and marketing and services in a grand scale, modern enterprise group. Today, Perfect (China) Company Limited's wide range of consumer products has created a niche market for health food, personal care, household and beauty & skin care products.

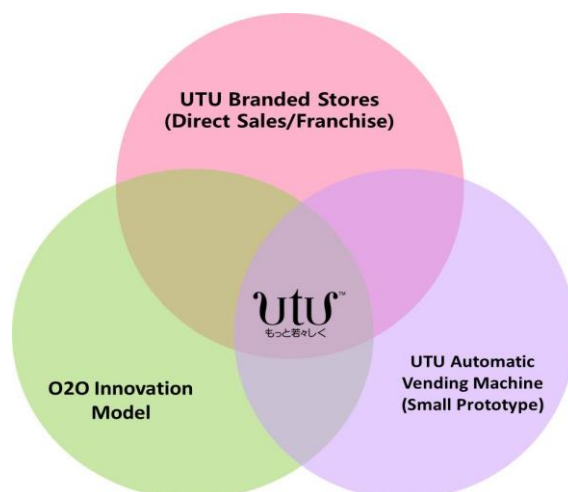
- **Mannings**  
Mannings (for Mainland China 万宁, Hong Kong and Macau 萬寧) is a chain of personal health and beauty retailer offering comprehensive range of pharmacies, healthcare, personal care, skin care and baby care products. It is wholly owned by Dairy Farm International Holdings.
- **Sa Sa**  
Sa Sa International Holdings Limited ("Sa Sa" or "the Group") is a leading cosmetics retailing group in Asia. It has over 280 retail stores and counters in Asia selling over 600 brands of skincare, fragrance, make-up and hair care, body care products, health and beauty supplements including own-brands and exclusive products. The Group employs over 5,000 staff in five markets across the region, covering Hong Kong & Macau, Mainland China, Singapore, Malaysia and Taiwan Region.
- **INFINITUS**  
Infinitus (China) Company Limited ("Infinitus"), established in 1992, is a member of LKK Health Products Group. It is a large-scale Hong Kong-funded company that focuses on developing, manufacturing and distributing Chinese herbal health products with "Infinitus" as its core brand. The company has developed 89 high-quality Chinese herbal health products in five series that are marketed under six brands, and has established 36 branches, 28 service centers together with nearly 5,000 exclusive stores across China.
- **TIENS**  
Tiens Group Company Limited is a multinational conglomerate, mainly operating in biotechnology, logistics, finance, property, international trade, retail, e-business, education and tourism. It has opened nearly 100 branches with thousands of franchised shops. Tiens China region is keeping several categories to provide consumer with diversified products including health food, healthcare appliances, skincare applications, and household products, etc.



### 10.3.2 Marketing Strategy

Besides the distribution of the products of the Company via prominent chain outlets, the Company has adopted business / marketing models for potential investors and partners who are interested to participate into the Company's business as shown in the figure below:

UTU



#### a) UTU Branded Store or Beauty Station

UTU Beauty station is categorized into three classes (A, B, C) according to district location and annual marketing / sales turnover.

##### Class A (Chain Store)

UTU Branded Store will be located in urban commercial centers, and there will be 3 to 4 stores in the whole city. The store is directly managed by the Company, and selling the full range of UTU products, agency products, etc. It also provides value-added services (manicure, hair up-do, facial massage), and becomes a product delivery point to O2O model business in the region.

Single-store area is about 25-30 square meters (storage area is about 4 to 6 square meters). Function of Single-store: product selling & display, membership services, O2O sample platform, goods transit stations, and management showcase of vending machine. It will be the pilot store for potential investors and joint venture operations.

##### Class B (Joint Operation Store)

Medium size store will be located in main roads and off main roads of urban areas, and there will be 6 to 8 stores around the whole city. The store is jointly managed by the UTU and the franchisee, and selling the products and providing the services as stated in Class A stores. Single-store area is about 15-20 square meters.

##### Class C (Franchise Store)

Small size store will be located in urban community / housing areas, and there will be 12 stores around the whole city. The store is jointly managed by the franchisee, and single-store area is about 10-12 square meters, and selling the products and providing the services as stated in Class A and B stores.

### b) O2O Innovation Model

O2O is a new shopping model of "Online sales + Offline physical store experience", customers can experience at the offline physical store before they make online purchases. The customer also can select services using online sales system, and using the online settlement system to conclude a deal.

UTU physical stores use online customer resources to allow it to become a transit station for dealers and consumers. Consumers order online then pick up goods from the offline physical stores, and get the value-added services at the physical stores by redeeming the bonus points.



### c) UTU Automatic Vending Machine

Vending machines is a new retail mode which started to develop greatly in 1970s from Japan, Europe and America. The Company has worked with Beijing UBOX Technology and Business Company Limited, a company developing and producing intelligent vending machines with advanced technology which is China's leading brand of vending machines, to achieve good sales revenue for the Group and to provide customers convenience access to the full range of products.



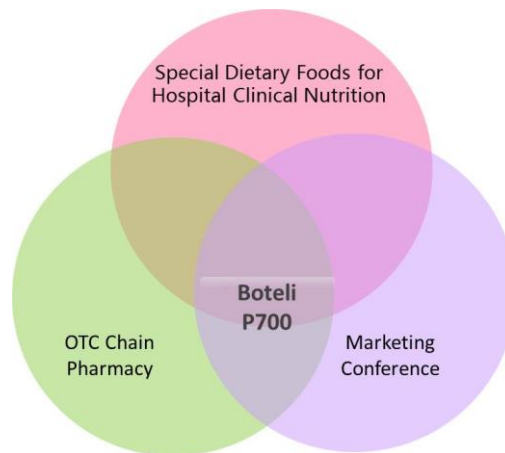


#### d) Advertisement

The Company has spent budgeted marketing fund on various modes of advertisements which has contributed to the sales revenue.



#### **BOTELI 700**



The Company has frequently participated in academic forums to promote products in cooperating with Industry Associations and Organizations:



Antiaging Medical Rest Center of  
China Health Promotion Foundation



The Antiaging Medical Laboratory of  
the Health Management Branch of  
China Medical Association



The Polypeptide Anti-Aging China Base  
of The World Anti-Aging Medical  
Association

#### **10.4 Products' Supplier and Strategic Manufacturer**

AAHT had on 1 July 2010 entered a 20-year long term products supplying and manufacturing strategic contract with Wuhan Tallyho Biological Product Company Limited ("TALLYHO") to ensure constant supply, timely delivery, product quality and new product development of the Company.

TALLYHO specializes in the innovation of polypeptide technology, focusing on the development of peptide markets, nourishing the demand of clients and consumers, and has 19 years of manufacturing and products research & development experience. TALLYHO is also the professional supplier of polypeptide raw material and having OEM/ODM services.

#### **10.5 Competitive Strength and Growth Strategy**

- **Experience and Management**

The founding shareholders have more than 15 years of experience in dealing with anti-aging products, and the Company has experienced personnel in board of directors, and senior management to ensure the ultimate performance of the Company. The Company continuously works with reputable research institutes in new products development, exchanging technology ideas, ensuring products' efficiency and effectiveness.

The management has set a 3 and 5 year plan for the Company to grow by penetrating its operation into more 3rd and 4th tier cities where the Company can achieve operating cost effectiveness and capture market share by having larger middle income group customers.

- **Extensive Business Networks**

Besides having not less than 2,000 prominent and active distribution outlets throughout China, the Company has built strong networks with; World Anti-Aging Association as the global strategic partner, China Health Promotion Foundation Anti-Aging Fund, and Chinese Medical Association ("CMA"), the most authoritative medical organization to establish the Chinese Aging Standard.

- **Ever Growing and Supported Industry**

With the growing ageing population in the world, the anti-aging industry has been an extremely important strategic industry in healthcare sector of all nations. It is an industry that is always a part of an important agenda in a nation's economic sustainable planning and its strategic planning.

As part of the fine section of traditional cosmetic markets, oral beauty products are in a rapid development period in the next 5 to 8 years.

Nearly seven out of ten Europe females take oral collagen to improve their looks, while in Japan and Taiwan also has nearly 60% of women taking collagen perennial.

## 10.6 Government and Industry Support

The Premier Office has issued a report and instruction on the Healthcare Reform Bill on 18 October 2010, <Decisions on accelerating the cultivation and development of strategic emerging industries [healthcare and pharmaceutical industry]>. The main purpose of healthcare reform is to provide medical care and healthcare to all citizens. These will increase the pace of reform and re constructing of hospital in the district level nationwide, and to improve the services capability and medical equipment in all hospitals. All the healthcare and pharmaceutical industry will focus on the development to provide necessary support and will be benefit from the reform agenda.

## 10.7 Licenses



Business Registration



Tax Registration



Food Product Distribution Approval



Credibility Certificate Ranged AAA+

## 10.8 Related Parties

The Group has no related party transactions as of the date of this Information Memorandum.

## 10.9 Material Agreement

- (a) 5 Shareholders (including Directors) of the Company (“Escrowed Shareholders”) representing approximately 52.06% of the entire issued and paid-up Shares of the Company, have executed agreements with the Company whereby the Escrowed Shareholders agreed not to dispose of, or agree of offer to dispose of the restricted securities; or do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the restricted securities for a period of 12 months from the date the Shares are admitted to trading on the NSX and 24 months from this date in the case of Directors of the Company and their related parties who are Escrowed Shareholders.
- (b) Mr. Chen Jiwu had on 1 February 2015 entered into an employment agreement with the Company as Executive Director and Executive Chairman. The agreement is on normal commercial terms.
- (c) Mr. Zhang Kejian had on 1 March 2015 entered into an employment agreement with the Company as Executive Director and Vice President. The agreement is on normal commercial terms.
- (d) Mr. Du Ming had on 1 February 2015 entered into an employment agreement with the Company as Executive Director and Sales Director. The agreement is on normal commercial terms.
- (e) AAHT and Wuhan TallyHo Biological Product Private Limited entered a supply and manufacturing strategic contract on 1 July 2010 to supply and manufacture products for AAHT for a period of 20 years.
- (f) On 1 June 2015, AAHT successfully signed a business agreement with Wuhan Twinkliffe Health Industry Company Limited for AAHT to supply 3 types of products amounting to RMB50.70 million which will be delivered within 6 months. On 12 November 2015, the term of this agreement was further extended to 30 June 2016.
- (g) On 26 May 2015, AAHT successfully entered into a business contract with Shandong DeLan Biotech Company Limited for AAHT to supply 30 tons of supplement powder in the 12 months period. Contract amount is RMB29.40 million.

## **SECTION 11: DIRECTORS AND SENIOR MANAGEMENT**

### **BOARD OF DIRECTORS**

Mr. Chen Jiwu	: Executive Director and Executive Chairman and CEO
Mr. Zhang Kejian	: Executive Director and Vice President
Mr. Du Ming	: Executive Director and Sales Director
Mr. Mr. Chang Yingming	: Independent Non-Executive Director
Mr. Sae Chen Jacky	: Independent Non-Executive Director



**Mr. Chen Jiwu**

**Executive Director and Executive Chairman and CEO**

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 AAHT, 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 59, is a resident of China



**Mr. Zhang Kejian**

**Executive Director and Vice President**

Mr. Zhang is the Executive Director of the Board of Directors and is also the Vice President of the Company. He obtained a Master Degree in Business Administration from California University of Management and is qualified and fully earned the title of International Certified Manager of Business Administration (Grade A) which is issued by the International Accreditation Association of Professional Certification.

Prior to joining AAHT, he previously worked with Shenyang Zhougpu Biological Products Company Limited as vice president in charge of products development and marketing.

Mr. Zhang has more than 20 years of biological products industry experience.

Mr. Zhang, aged 52, is a resident of China.



**Mr. Du Ming**

**Executive Director and Sales Director**

Mr. Du is the Executive Director of the Board of Directors and is the Sales Director of the Company. He holds a diploma certificate majoring in Marketing from Wuhan Vocational and Technical College.

Mr. Du has more than 7 years of experience and extensive knowledge in sales & marketing, sales team building and marketing promotional works in the healthcare industry. He is in charge of the marketing and sales department, and has assisted in the marketing strategic planning of the Company.

Mr. Du, aged 31, is a resident of China.





**Mr. Chang Yingming**  
**Independent Non-Executive Director**

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 68, is the resident of China.



**Mr. SAE Chen Jacky**  
**Independent Non-Executive Director**

Mr. Chen is the Non-Executive and Independent Director of the Board of Directors of the Company. Mr. Chen is the Chairman of Middle-Small Company Economic and Trade commission of Thailand government. He is the Advisor of Cambodia government, and the Chairman of Funcinpec Party Central Economic Working Committee for the development of Cambodia.

Mr. Chen, aged 59, is the resident of Kingdom of Cambodia.

## SENIOR MANAGEMENT

Mr. Li Jun	: Chief Financial Officer and Secretary of Board
Mr. Mo Zhaohui	: Chief Operations Officer
Ms. Zhang Yang	: Warehouse Manager



**Mr. Li Jun**

**Chief Financial Officer and Board Secretary**

Mr. Li Jun is the Chief Financial Officer and Board Secretary of the Company. Li Jun has a qualification of Senior Business Operator in China and graduated from Wuhan International Business and Economic University majoring in Accounting and Finance. He has a Master Degree in Business Administration.

Mr. Li has been appointed by AAHT as CFO since 2012. Mr. Li is responsible for the formulation of financial policies and financial strategic planning, reviewing and approving budgets & financial management policies, auditing and financial reporting.

Mr. Li has more than 15 years of work experiences in the accounting and finance fields and provides extensive accounting and finance knowledge to the Company.

Mr. Li has bilingual skills, and can communicate in English and Mandarin.

Mr. Li, aged 44, is a resident of China.





**Mr. Mo Zhaohui**  
**Chief Operations Officer**

Mr. Mo is the Chief Operation Officer of the Company. He holds a Bachelor Degree from Huazhong University of Science and Technology.

Mr. Mo had been appointed as Chief Designer Jianmin Pharmaceutical Company Limited in Wuhan City and Henan Kaipu Chemical Company Limited in Henan Province. Mr. Mo has more than 15 year experiences in Research & Development in in Chemical industry. He is responsible for managing the Production, Research & Development Departments.

Mr. Mo, aged 45, is the resident of China.



**Ms. Zhang Yang**  
**Head of Warehousing**

Ms. Zhang is the Head of Warehousing of the Company. Ms. Zhang holds a Master Degree with a major in Business Administration from Tianjin University of Science and Technology.

Prior to joining the Company, she worked with Tiens Biotech Group in China as the Director of Healthcare Products.

Ms. Zhang is mainly responsible for the daily management of warehousing works, monitoring distribution schedules, shift & human resources planning, and warehouse maintenance. Ms. Zhang has vast experience in distribution and warehouse management.

Ms. Zhang, aged 32, is a resident of China.

## SECTION 12: FINANCIAL INFORMATION

### Historical Financial Data

The Company was incorporated on 5 February 2010 as a holding company for the group business. It has no substantial operating or trading history. The financial data of AAHT, which is 100% subsidiary of the Company in 8 June 2010 is considered relevant.

Set out below is the summary of the following financial information:

- Financial information of the Company on a consolidated basis for the year ended 31 December 2015 based on its audited accounts; and
- Financial information of the Company on a consolidated basis for the year ended 31 December 2014 based on its audited accounts.

Complete set of audited financial statement and most recently available audited management financial statements for the Company and its subsidiary, are available for inspection at the Company's registered office. A summary of the same are as set out next.

### **Extract of the Audited Financial Statement of Anti-Aging House Holding Limited for the 12 months period ended 31 December 2015**

#### **1. STATEMENT OF COMPREHENSIVE INCOME FOR 12 MONTHS ENDED 31 DECEMBER 2015**

DESCRIPTION	RMB
Revenue	21,510,370
Cost of Sales	(17,347,265)
Gross Profit	4,163,105
Other operating income	320
Administration and Operating Expenses	(3,089,582)
Finance Expenses	(111,213)
Profit before Taxation	962,630
Income Tax Expenses	(215,103)
<b>Profit / (Loss) after Taxation</b>	<b>747,527</b>

## 2. STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015:

DESCRIPTION	RMB
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	4,330,598
Trade and other receivables	19,860,067
Inventories	3,888,736
<b>TOTAL CURRENT ASSETS</b>	<b>25,352,603</b>
<b>NON-CURRENT ASSETS</b>	
Property, plant and equipment	94,152
<b>TOTAL NON-CURRENT ASSETS</b>	<b>94,152</b>
<b>TOTAL ASSETS</b>	<b>28,173,553</b>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Trade and other payables	(18,713,764)
<b>TOTAL CURRENT LIABILITIES</b>	<b>(18,713,764)</b>
<b>NON-CURRENT LIABILITIES</b>	
Amount due to director	(3,404,397)
<b>TOTAL NON-CURRENT LAIBILITIES</b>	<b>(3,404,397)</b>
<b>TOTAL LIABILITIES</b>	<b>(22,118,161)</b>
<b>NET ASSETS</b>	<b>6,055,392</b>
<b>EQUITY</b>	
Issued capital	11,407,197
Retained Earnings	(5,351,805)
<b>TOTAL EQUITY</b>	<b>6,055,392</b>

**Extract of the Audited Financial Statement of Anti-Aging House Holding Limited for the 12 months period ended 31 December 2014**

**1. STATEMENT OF COMPREHENSIVE INCOME FOR 12 MONTHS ENDED 31 DECEMBER 2014**

<b>DESCRIPTION</b>	<b>RMB</b>
Revenue	5,216,518
Cost of Sales	(4,665,048)
Gross Profit	551,470
Other operating income	1
Administration and Operating Expenses	(3,531,265)
Finance Expenses	(2,451)
Profit before Taxation	(2,982,245)
Income Tax Expenses	-
<b>Profit / (Loss) after Taxation</b>	<b>(2,982,245)</b>

## 2. STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014:

DESCRIPTION	RMB
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	370,729
Trade and other receivables	19,762,609
Inventories	5,308,260
<b>TOTAL CURRENT ASSETS</b>	<b>25,352,603</b>
<b>NON-CURRENT ASSETS</b>	
Property, plant and equipment	85,062
<b>TOTAL NON-CURRENT ASSETS</b>	<b>85,062</b>
<b>TOTAL ASSETS</b>	<b>25,526,660</b>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Trade and other payables	(19,275,840)
<b>TOTAL CURRENT LIABILITIES</b>	<b>(19,275,840)</b>
<b>NON-CURRENT LIABILITIES</b>	
Amount due to director	(942,955)
<b>TOTAL NON-CURRENT LAIBILITIES</b>	<b>(942,955)</b>
<b>TOTAL LIABILITIES</b>	<b>(20,218,795)</b>
<b>NET ASSETS</b>	<b>5,307,865</b>
<b>EQUITY</b>	
Issued capital	11,407,197
Retained Earnings	(6,099,332)
<b>TOTAL EQUITY</b>	<b>5,307,865</b>

### Working Capital

As of the date of this Information Memorandum, the Directors are of the opinion that the Company has sufficient working capital to support its existing business as stated in this Information Memorandum. Notwithstanding the foregoing, the Directors intend to expand the Company's business and such expansion plans require the deployment of significant additional capital. Such capital is not available to the Company solely as a result of profits earned through its existing operations and the Directors intend that the Company will seek to raise new equity capital through a new issue of shares in the future subject to the Listing Rules, the Corporations Act and the Company's constitution.

### **Group Cash Flow & 12 Months Expenses**

As of 31 December 2015, the Group has cash and cash equivalents of RMB4,330,598, and trade receivables of RMB19,860,067. The incurred administration and operation expenses is of the average RMB165,000 per month for the past 12 months.

Based on this level of expenditure and the current availability of cash and liquid assets and on the assumption that no further revenue is realized for the next 24 months, and provided there are no significant increases in operating costs, the Group will be able to meet its expenses and continue operations by utilizing its existing resources.

### **Changes in Financial Position**

The Directors assert that to the best of their knowledge, there have been no adverse material changes to the financial or trading position of the Group since the date of the last available audited accounts, for the period ended 31 December 2015.

### **Lock-up Agreements**

5 Shareholders (including Directors) of the Company ("Escrowed Shareholders") representing approximately 52.06% of the entire issued and paid-up Shares of the Company, have executed agreements with the Company whereby the Escrowed Shareholders agreed not to dispose of, or agree of offer to dispose of the restricted securities; or do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the restricted securities for a period of 12 months from the date the Shares are admitted to trading on the NSX and 24 months from this date in the case of Directors of the Company and their related parties who are Escrowed Shareholders.

## **SECTION 13: CORPORATE GOVERNANCE**

The composition of the Board of Directors of the Company may be altered from time to time by ordinary resolution passed at a general meeting of the Company. One third of the Directors in office must retire at each annual general meeting. The Directors to retire will be those who have been longest in office since their last election. No Director shall hold office for more than three years, or past the third annual general meeting following its appointment or election, whichever is longer. Unless otherwise disqualified under the Act or the Constitution, a Director who retires or whose office is vacated will be eligible for re-election to the Board. There is no mandatory retirement age for Directors and there is no share qualification necessary to be held by Directors. The Board is currently of the view that the composition of the Board is appropriate for the Company at this stage of its development.

## **SECTION 14: CHINA REGULATORY OVERVIEW**

This summary of China's Regulatory Overview; AAHT operates its businesses in China and outlines a summary of relevant China laws and regulations that might affect its operations in this Section.

### **1. The PRC legal system**

The PRC legal system is based on the PRC Constitution and is made up of written laws, regulations and directives. Decided court cases do not constitute binding precedents.

The National People's Congress of the PRC ("NPC") and the Standing Committee of the NPC are empowered by the PRC Constitution to exercise legislative power of the state. The NPC has the power to amend the PRC Constitution and to enact and amend primary laws governing the state organs, civil and criminal matters. The Standing Committee of the NPC is empowered to interpret, enact and amend laws other than those required to be enacted by the NPC.

The State Council of the PRC is the highest organ of state administration and has the power to enact administrative rules and regulations. Ministries and commissions under the State Council of the PRC are also vested with power to issue orders, directives and regulations within the jurisdiction of their respective departments. Administrative rules, regulations, directives and orders promulgated by the State Council and its ministries and commissions must not be in conflict with the PRC Constitution or the national laws and, in the event that any conflict arises, the Standing Committee of the NPC has the power to annul such administrative rules, regulations, directives and orders enacted by the State Council and the State Council has the power to annul such directives, orders and regulations issued by its ministries and commissions.

At the regional level, the people's congresses of provinces and municipalities and their standing committees may enact local rules and regulations and the people's government may promulgate administrative rules and directives applicable to their own administrative area. These local laws and regulations may not be in conflict with the PRC Constitution, any national laws or any administrative rules and regulations promulgated by the State Council.

The power to interpret laws is vested by the PRC Constitution in the Standing Committee of the NPC. According to the Decision of the Standing Committee of the NPC Regarding the Strengthening of Interpretation of Laws (全国人民 代表大会常务委员会关于加强法律解释工作的决议) passed on 10 June 1981, the Supreme People's Court is empowered to issue general interpretations on the application of laws in judicial proceedings in addition to its power to issue specific interpretations in specific cases. The State Council and its ministries and commissions are also vested with the power to issue interpretations of the rules and regulations which they promulgated. At the regional level, the power to issue interpretations of regional laws is vested in the regional legislative and administration organs which promulgate such laws. All such interpretations carry legal effect.

### **2. Judicial system**

The People's Courts are the judicial organs of the PRC. Under the PRC Constitution (中华人民共和国宪法) and the Law of Organisation of the People's Courts of the People's Republic of China (中华人民共和国人民法院组织法), the People's Courts comprise the Supreme People's Court, the People's Local Courts, military courts and other special People's Courts.



The People's Local Courts are divided into three levels, namely, the basic People's Courts, intermediate People's Courts and higher People's Courts. The basic People's Courts are divided into civil, criminal, administrative and economic divisions. The intermediate People's Courts have divisions similar to those of the basic People's Courts and, where the circumstances so warrant, may have other special divisions (such as intellectual property divisions). The judicial functions of the People's Courts at lower levels are subject to supervision of the People's Courts at higher levels. The People's procuratorates also have the right to exercise legal supervision over the proceedings of the People's Courts of the same or lower levels. The Supreme People's Court is the highest judicial organ of the PRC. It supervises the administration of justice by the People's Courts of all levels.

The People's Court adopts a two-tier appeal system. At first instance a party may, before a judgment or order takes effect, appeal against the judgment or order of a Local People's Court to the People's Court of the next higher level. Judgments or orders at the second instance of the same level of the People's Court or at the next higher level of the People's Court are final and binding. Judgments or orders of the first instance of the Supreme People's Court are also final and binding. If, however, the Supreme People's Court or a People's Court of a higher level finds an error in a final and binding judgment of any People's Court of a lower level which has taken effect, or the presiding judge of a People's Court finds an error in a final and binding judgment which has taken effect in a court over which he presides, a retrial of the case may be ordered according to the judicial supervision procedures.

The PRC civil procedures are governed by the Civil Procedure Law of the People's Republic of China (中华人民共和国民事诉讼法) (the "Civil Procedure Law") amended and adopted on 31 August 2012. The Civil Procedure Law governs the institution of a civil action, the jurisdiction of the People's Courts, the procedures for the conduct of a civil action, trial procedures and procedures for the enforcement of a civil judgment or order. All parties to a civil action conducted within the territory of the PRC must comply with the Civil Procedure Law. A civil case is generally heard by a court located in the defendant's place of domicile. The jurisdiction may also be selected by express agreement of the contractual parties provided that the jurisdiction of the People's Court so selected is connected with the dispute, that is to say, the plaintiff or the defendant is located or domiciled, or the contract was executed or performed in the jurisdiction selected, or the subject-matter of the proceedings is located in the jurisdiction selected. In respect of litigation, a foreign national or foreign enterprise is accorded the same rights and subject to the same obligations as a citizen or legal person of the PRC. If any party to a civil action refuses to comply with a judgment or order made by a People's Court or an award made by an arbitration body in the PRC, the aggrieved party may apply to the People's Court to enforce the judgment, order or award. The time limit on the right to apply for such enforcement shall be two years.

A party seeking to enforce a judgment or order of a People's Court against a party who or whose property is not within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of such judgment or order. A foreign judgment or ruling may also be recognised and enforced according to the PRC enforcement procedures by the People's Courts in accordance with the principle of reciprocity or if there exists an international or bilateral treaty with or acceded to by the foreign country that provides for such recognition and enforcement, unless the People's Court considers that the recognition

or enforcement of the judgment or ruling will violate fundamental legal principles of the PRC or its sovereignty, security or social or public interest.

### **3. Arbitration and enforcement of arbitral awards**

The Arbitration Law of the PRC (中华人民共和国仲裁法) (the “Arbitration Law”) was promulgated by the Standing Committee of the NPC on 31 August 1994 and amended on 27 August 2009. It is applicable to, among other matters, trade disputes involving foreign parties where the parties have entered into a written agreement to refer the matter to arbitration before an arbitration committee constituted in accordance with the Arbitration Law. Under the Arbitration Law, an arbitration committee may, before the promulgation by the PRC Arbitration Association of arbitration regulations, formulate interim arbitration rules in accordance with the Arbitration Law and the PRC Civil Procedure Law. Where the parties have by an agreement provided arbitration as a method for dispute resolution, the parties are not permitted to institute legal proceedings in a People’s Court.

Under the Arbitration Law, an arbitral award is final and binding on the parties and if a party fails to comply with an award, the other party may apply to the People’s Court for enforcement. A People’s Court may refuse to enforce an arbitral award made by an arbitration committee if there were mistakes, an absence of material evidence or irregularities over the arbitration proceedings, or the jurisdiction or constitution of the arbitration committee.

A party seeking to enforce an arbitral award of a foreign affairs arbitration body of the PRC against a party who or whose property is not within the PRC may apply to a foreign court with jurisdiction over the case for enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognised and enforced by the PRC courts in accordance with the principles of reciprocity or any international treaty or bilateral treaty concluded or acceded to by the PRC.

In respect of contractual and non-contractual commercial-law-related disputes which are recognised as such for the purposes of the PRC law, the PRC has acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Award (“New York Convention”) adopted on 10 June 1958 pursuant to a resolution of the Standing Committee of the NPC passed on 2 December 1986. The New York Convention provides that all arbitral awards made by a state which is a party to the New York Convention shall be recognised and enforced by other parties to the New York Convention subject to their right to refuse enforcement under certain circumstances including where the enforcement of the arbitral award is against the public policy of the state to which the application for enforcement is made. It was declared by the Standing Committee of the NPC at the time of the accession of the PRC that (1) the PRC would only recognise and enforce foreign arbitral awards on the principle of reciprocity and (2) the PRC would only apply the New York Convention in disputes considered under the PRC laws to be arising from contractual and non-contractual mercantile legal relations.

### **4. Wholly foreign-owned enterprise (“WFOE”)**

WFOE is governed by the Law of the People’s Republic of China Concerning Enterprises with Sole Foreign Investments (中华人民共和国外资企业法), which was promulgated on 12 April 1986 and amended on 31 October 2000, and its Implementation Regulations

promulgated on 12 December 1990 and amended on 12 April 2001 (together the “WFOE Law”).

***(a) Procedures for establishment of a WFOE***

The establishment of a WFOE will have to be approved by the Ministry of Commerce (“MOC”) (or its delegated authorities). In the case of a WFOE whereby two or more foreign investors jointly apply for the establishment of a WFOE, a copy of the contract between the parties must also be submitted to MOC (or its delegated authorities) for its approval and record. A WFOE must also obtain a business licence from the State Administration for Industry and Commerce (or its delegated authorities) (“SAIC”) before it can commence business.

***(b) Nature of WFOE***

A WFOE is a limited liability company under the WFOE Law. It is a legal person which may independently assume civil obligations, enjoy civil rights and has the right to own, use and dispose of property. It is required to have a registered capital contributed by the foreign investor(s). The liability of the foreign investor(s) is limited to the amount of registered capital contributed. A foreign investor may make its contributions by instalments and the registered capital must be contributed within the period as approved by MOC (or its delegated authorities) in accordance with relevant regulations.

***(c) Profit distribution***

The WFOE Law provides that after payment of taxes, a WFOE must make contributions to a reserve fund and an employee bonus and welfare fund. The allocation ratio for the employee bonus and welfare fund may be determined by the enterprise. However, at least 10% of the after tax profits must be allocated to the reserve fund. If the cumulative total of allocated reserve funds reaches 50% of an enterprise’s registered capital, the enterprise will not be required to make any additional contribution. The enterprise is prohibited from distributing dividends unless the losses (if any) of previous years have been made up.

## **SECTION 15:     ADDITIONAL INFORMATION**

### **Consents and Disclaimers**

Southasia Advisory Sdn Bhd has given and has not withdrawn its written consent to be named in this Information Memorandum in the form and context in which it is named.

Shanghai Allbright Law Office has given and has not withdrawn its written consent to be named in this Information Memorandum in the form and context in which it is named.

Portcullis TrustNet (BVI) Limited has given and has not withdrawn its written consent to be named in this Information Memorandum in the form and context in which it is named.

BoardRoom Pty Limited has given and has not withdrawn its written consent to be named in this Information Memorandum in the form and context in which it is named.

Goh, Tan, Choong & Co. has given and has not withdrawn its written consent to be named in this Information Memorandum in the form and context in which it is named.

### **Privacy**

The Company collects personal information from investors for the purposes of maintaining its share register and administering interests in the Company. Protecting the privacy of Investors is a key part of the Company's normal operations.

The Company does not disclose personal information to any outside third party organization, unless it is contracted to the Company to provide administrative services or activities on the Company's behalf. In this case, the Company ensures that the third party is bound by the same privacy rules which itself follows.

The information may also be used from time to time and disclosed to persons inspecting the CDI register, bidders for your CDIs in the context of takeovers, regulatory bodies, authorised securities brokers, print services providers, mail houses and the Company CDI registry.

Please note that you can access, correct and update the personal information that we hold about you or an associated entity. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Information Memorandum. Collection, maintenance and disclosure of certain personal information is governed by legislation and certain rules such as the Settlement Rules.

### **Rights of CDI Holders**

With the exception of voting rights CDI Holders have the equivalent rights as holders of ordinary Shares whereby the security is registered in their own name. This means that all

economic benefits such as dividends, bonus issues, rights issue or similar corporate actions flow through to the CDI Holders as if the CDI Holder were the legal owner.

The ASX Settlement Operating Rules require the Company to give notices to the CDI Holders of general meetings of shareholders. The notice of meeting must include a form permitting the CDI Holder to direct CDN to cast proxy votes in accordance with the CDI Holder's written directions. CDI Holders cannot vote directly at Shareholder meeting. The CDI Holder must convert their CDIs into certificated shares prior to the relevant meeting in order to vote at the meeting in person.

### **Converting from a CDI to a Share**

Holders may at any time convert their holdings of CDIs (tradeable on NSX) to certificated Shares:

1. For CDIs held through the issuer sponsored sub-register, contacting BoardRoom Pty Limited in Australia directly to obtain the applicable request form. The removed holding would then be registered into the same address that appeared on the Australian CDI register; or
2. For CDIs held on CHESS sub-register, contacting their controlling participant (generally a stockbroker), who will liaise with BoardRoom Pty Limited in Australia to obtain and complete the request form.

Upon receipt of the request form, the relevant number of CIDs will be cancelled and Shares will be transferred from CDN into the name of the CDI Holder and a registered share certificate be issued. This will cause your Shares to be registered on the certificated Register of Members of the Company and trading will no longer be possible on NSX.

A holder of Shares may also convert their Shares to CDIs, subject to any escrow arrangements, by contacting BoardRoom Pty Limited of Australia or their stockbroker (or applicable controlling participant). In this case, the Shares registered in the Shareholder's name will be transferred to CDN and a holding statement in respect of the CDIs will be issued to the CDI Holder. The CDIs will be tradable on NSX.

## **SECTION 16: DEFINITION**

<b>“A2H” or the “Company”</b>	means Anti-Aging House Holding Limited 抗衰老工坊控股有限公司 (BVI: 1570095 and ARBN: 606 301 106), a company incorporated in British Virgin Island and having its registered address at P.O. Box 3444, Road Town, Tortola, British Virgin Island, which is a holding company owned all the Company’s operations and assets;
<b>“AAHI”</b>	means Anti-Aging House International Limited 抗衰老工坊国际有限公司 (Company No. 1430767) a company incorporated in Hong Kong and having its registered address at Room 703-704, 7 <sup>th</sup> Floor, Wing On House, 71 Des Voeux Road, Central, Hong Kong, which is 100% own by A2H;
<b>“AAHT”</b>	means Anti-Aging House Technology (Wuhan) Company Limited 梦工坊技术（武汉）有限公司 (Registration Number: 420113400000021) a company incorporated in China and having its registered address at 551 Shamao Street Yucai Road, Hannan District, Wuhan City, Hubei Province, China, which is 100% own by AAHI;
<b>“ACT”</b>	means the BVI Business Companies Act, 2004 (No. 16 of 2004) including any modification, extension, re-enactment or renewal thereof and any regulations made thereunder;
<b>“ARBN”</b>	means the Australian Registered Body Number used for non-company entities such as registerable Australian bodies, and for foreign companies, and is a nine digit number allocated by ASIC.
<b>“ASIC”</b>	means the Australian Securities and Investment Commission;
<b>“CDI”</b>	means a CHESS Depository Interest with each CDI being a unit of beneficial interest in one corresponding Share registered in the name of CDN;
<b>“CDI Holder”</b>	means a holder of a CDI;
<b>“CDN”</b>	means a CHESS Depository Nominees PTY Limited ACN 071 346 506;

<b>“CFDA”</b>	The China Food and Drug Administration (国家食品药品监督管理总局)
<b>“CHESS”</b>	means Clearing House Electronic Sub-register System;
<b>“Corporations Act”</b>	means the Australian Corporations Act 2001 (Commonwealth of Australia);
<b>“Group”</b>	means the Company, AAHI and AAHT;
<b>“Listing Rules”</b>	means the listing rules of the NSX;
<b>“NSX”</b>	means the National Stock Exchange of Australia;
<b>“Settlement Rules”</b>	means the ASX Settlement Operating Rules;
<b>“Shares”</b>	means 93,251,251 fully-paid ordinary shares of the Company, having the rights as set forth in the Constitution of the Company;

## **SECTION 17: GLOSSARY OF TECHNICAL TERMS**

CAGR	: Compound Annual Growth Rate
EMA	: Europe, Middle East and Africa
RMB	: The renminbi is the official currency of the People's Republic of China
SEA	: South East Asia
USD	: US Dollar