

# **Azure Health Technology Limited**

ABN 31 111 082 485

(Formerly: Moko Social Media Limited)

## **Interim Report**

for the year half year ended

31 December 2018

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**CORPORATE DIRECTORY**

**AZURE HEALTH TECHNOLOGY LIMITED**

**ABN** 35 111 082 485

**Directors**

Mr Wei Jiang	Non-Executive Chairman
Steven Jiayi Yu	Non-Executive Director
Weidong Chen	Non-Executive Director
Gregory Barry Starr	Non-Executive Director

**Company Secretary**

Gregory Barry Starr

**Registered Office and Principal Place of Business**

Level 45, Suite 03,  
19-29 Martin Place,  
Sydney, NSW, 2003

Ph: (02) 8279 8908

**Postal Address**

Azure Health Technology Limited  
Level 45, Suite 03,  
19-29 Martin Place,  
Sydney, NSW, 2003

**Share Register**

Link Market Services  
Level 12, 680 George Street  
SYDNEY, NSW, 2000  
Ph: 1300 554 474

**Auditors**

Hall Chadwick  
Level 40, 2 Park Street  
SYDNEY, NSW, 2000

**Securities Exchange Listing**

Australian Securities Exchange  
(Home Branch – Perth)  
ASX Code: AZT

## **DIRECTORS' REPORT**

Your Directors submit the annual financial report of Azure Health Technology Limited ("Azure" or "the Company") for the half year ended 31 December 2018. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

### **Directors**

The names of Directors who held office during the half year and up to the date of this Report are as follows. Directors were in office for this entire period unless otherwise stated.

<b>Name</b>	<b>Appointed</b>
Emma Waldon	Non-Executive Director (Resigned 18 December 2018). Company Secretary (Resigned 18 December 2018)
Edward Bralower	Non-Executive Director (Resigned 18 December 2018)
Malcolm James	Non-Executive Director (Appointed 7 October 2016 and Resigned 18 December 2018)
Gregory Barry Starr	Non-Executive Director (Appointed 18 December 2018) Company Secretary (Appointed 18 December 2018)
Steve Nicols	Non-Executive Director (Appointed 18 December 2018 and resigned 15 March 2019)
Greg Cornelson	Non-Executive Director (Appointed 18 December 2018 and resigned 15 March 2019)
Steven Jiayi Yu	Non-Executive Director (Appointed 28 March 2019)
Mr Wei Jiang	Non-Executive Chairman (Appointed 15 March 2019)
Weidong Chen	Non-Executive Director (Appointed 15 March 2019)

### **PRINCIPAL ACTIVITIES**

During the half year ended 31 December 2018 the principal activity of Azure Health Technology Limited is to research, develop, distribute and market a range of health and therapeutic products and technologies, including innovative drugs, wellbeing supplements and medical devices.

### **REVIEW OF OPERATIONS**

On 1 July 2017, the Company had a working capital deficiency and the Directors determined to place the Company into Voluntary Administration. A proposal from Benelong Capital Partners Ltd (Benelong), for the restructure and recapitalisation of the company via a varied DOCA was submitted on 27 June 2018. The purpose of this Deed was to facilitate the recapitalisation of the Company with new business direction under a new Board of Directors. The deed of company arrangement was entered in to on 20 August 2018.

The Revised DOCA was approved by shareholders at the General meeting on 18 December 2018 and the Company was removed from external administration and the Company returned to the control of the new Board of Directors. As the first stage of the recapitalisation, a small amount of capital was raised to meet the Company's immediate needs. All pre-Administration liabilities of the Company were extinguished by the establishment of a Creditors Trust in accordance with the DOCA. Company liabilities incurred during the DOCA were met by the Deed Administrators from remaining company assets. Upon the Company being returned to the control of the new Board, the Company had extinguished the recapitalisation liabilities.

At the date of this Report, the new Board is determining the new direction the business will take and will, as part of a programme to secure the re-quotations of the Company's shares on the ASX, among other things, raise further capital to fund the future business plan of the Company.

#### *Special Note*

On 31 May 2017, the Company was placed into voluntary administration. The Company subsequently entered a Deed of Company Arrangement ("DOCA") on 7 November 2017 and was then recapitalised and returned to normal trading following the effectuation of the DOCA on 18 December 2018.

The current directors of the Company were all appointed following the recapitalisation and effectuation of the DOCA on 18 December 2018. The previous directors who managed the Company during the Reporting Period covered in this Report all also resigned to facilitate the completion of the recapitalisation.

Azure Health Technology Limited ("the Company") was named Moko Social Media Limited during the year ended 30 June 2017 and then changed its name to Azure Health Technology Limited on 5 Feb 2019.

The current directors of the Company did not participate in the matters prior to the effectuation of the DOCA discussed in this Review of Operations during the Period.

Therefore, the activities of the Company reported here are provided for historical reference.

**DIRECTORS' REPORT (Continued)**

On 1 June 2017, the Company advised the Australian Securities Exchange ("ASX") that it had appointed Mr Jason Tracy and Tim Henan, of Deloitte Financial Advisory Pty Limited, as Joint and Several Voluntary Administrators ("the Administrators") of the Company pursuant to Section 436A of the Corporations Act 2001.

On 13 June 2017, a meeting of creditors of the company was held. At this meeting, the administrators advised that they would undertake an investigation into the affairs of the Company while a restructuring strategy for the company was pursued.

On 27 June 2017, the Supreme Court of Western Australia approved the application for an extension until 30 October 2017 to convene the second meeting of creditors at which the future of the Company will be determined.

The extension was also unanimously approved at the first meeting of creditors on 13 June 2017.

In August 2017, a proposed Deed of Company Arrangement (DOCA) was submitted by Trevor Nairn, a party related to Rhonda Nairn (a secured creditor), proposing to recapitalise the company.

On 15 November 2017, a DOCA was signed. However, this DOCA could not be completed.

A proposal from Benelong Capital Partners Ltd (Benelong), for the restructure and recapitalisation of the company via a varied DOCA was submitted on 27 June 2018.

*During the period ended 31 December 2018 ("the Period") the Company undertook the following activities:*

The Creditors agreed to the Benelong Recapitalisation Proposal. A deed of company arrangement was entered in to on 20 August 2018 under which Mr Jason Mark Tracy was appointed Deed Administrator.

On 15 November 2018, the Administrators and Trevor Nairn executed the DOCA in line with the DOCA proposal put to Creditors on 17 August 2018.

In summary, the Recapitalisation Deed provided for:

- Consolidation of shares and options on a 382 to 1 basis
- Allotment of shares to the secured Creditor (30,655,000 Fully Paid Shares to Rhonda Nairn)
- Allotment of shares to RPK Nominees P/L (1,000,000 shares)
- Allotment of Shares to Mr Wei Jiang (144,000,000 Fully paid shares for \$355,000)
- Appointment of Gregory Barry Starr as Director
- Appointment of Steve Nicols as Director
- Appointment of Greg Cornelson as Director
- Benelong Capital Partners P/L contributes \$170,000 to meet the costs of the deed administrator and meet the claims of the employees.
- A creditors' trust ("the Creditors' Trust") would be established for the benefit of all pre-Administration creditors of the Company. All remaining claims against the Company will be transferred to the Creditors Trust, thus extinguishing such claims against the Company.
- Shares in the subsidiaries of the company will be transferred to the Creditors trust.

The Revised DOCA was approved by shareholders at the General meeting on 18 December 2018 and the Company was removed from external administration. Following the effectuation of the DOCA, Emma Waldon, Edward Bralower and Malcolm James resigned as directors of the Company. On 18 December 2018, the Board of the Company appointed Mr Gregory Barry Starr as Secretary, replacing Emma Waldon who had resigned following the effectuation of the DOCA.

The Company also changed its name on 5 Feb 2019 to Azure Health Technology Limited.

**EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD**

On 15 March 2019, Steve Nicols and Greg Cornelson resigned as Directors and Mr Wei Jiang and Weidong Chen were both appointed as Directors.

On 28 March 2019, Steven Jiayi Yu was appointed as Director.

Under the Australian Securities Exchange Listing rules ASX's policy is to remove from the official list any entity whose securities have been suspended from trading for a continuous period of 3 years. In the company's case, it will have been continuously suspended for 3 years on 25 January 2020, with removal taking effect on 26 January 2020. As per ASX's revised Guidance Note 33 released in April 2019, this policy will be changing as of 3 February 2020, but due to the abovementioned dates, this will not affect AZT's current removal date if its securities remain continuously suspended from trading as at 25 January 2020.

**DIRECTORS' REPORT (Continued)**

ASX may agree to a short extension of the 3 year deadline for the automatic removal of a long-term suspended entity if the entity can demonstrate to ASX's satisfaction that it is in the final stages of implementing a transaction that will lead to the resumption of trading in its securities. For these purposes, "final stages" means:

- having announced the transaction to the market;
- having signed definitive legal agreements for the transaction (including for any financing required in respect of the transaction);
- if the transaction requires a prospectus or product disclosure statement to be lodged with ASIC, having lodged that document with ASIC and it not being the subject of a stop order or other regulatory action by ASIC;
- if the transaction requires approval by security holders or from a governmental agency or financier, the entity having obtained all such approvals; and
- ASX otherwise being satisfied that the transaction is reasonably capable of being consummated within the period of the extension.

The extension, if granted, will be for no more than 3 months (it may be shorter if ASX considers that the transaction ought to be reasonably capable of being consummated in a lesser period).

There is no certainty that the Company will be requoted.

**Operating Results**

The profit of the Company for the half year ended 31 December 2018 after tax was \$3,009,345 (2017 \$Nil).

**Dividends**

No dividends have been paid or declared by the Company for the half year ended 31 December 2018 and up to the date of this report. The Directors do not recommend the payment of a dividend.

**Likely Developments and Expected Results**

The Directors are seeking opportunities in other industries with a view to enhancing Shareholder value. Any significant change in the nature of the Company's activities will require Shareholder approval under ASX Listing Rule 11. The aim is to pursue an appropriate business opportunity against which the Company may be recapitalised and its shares requoted on the Australian Securities Exchange.

**Indemnification and insurance of Directors and Officers**

The Company has agreed to indemnify all the Directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

**Proceedings on Behalf of the Company**

During the Reporting Period, no person applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the half year.

**DIRECTORS' REPORT (Continued)**

**Auditor Independence and Non-Audit Services**

Section 307C of the Corporations Act 2001 requires our auditors, Hall Chadwick, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the Financial Report. This Independence Declaration is set out on page 21 and forms part of this Directors' report for the half year ended 31 December 2018.

There were no non-audit services provided by our auditors, Hall Chadwick.

Signed in accordance with a resolution of the Directors.



.....  
Wei Jiang  
Chairman  
SYDNEY, New South Wales  
19 July 2019

**AZURE HEALTH TECHNOLOGY LIMITED  
(FORMERLY MOKO SOCIAL MEDIA LIMITED)  
ABN 31 111 082 485  
AND CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF AZURE HEALTH TECHNOLOGY LIMITED**

**SYDNEY**

Level 40  
2 Park Street  
Sydney NSW 2000  
Australia  
Ph: (612) 9263 2600  
Fx: (612) 9263 2800

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2018 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



HALL CHADWICK  
Level 40, 2 Park Street  
Sydney NSW 2000



**DREW TOWNSEND**  
Partner  
Dated: 19 July 2019

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An Association of Independent  
Accounting Firms

 **PrimeGlobal**



**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Note	31 Dec 2018	31 Dec 2017
		\$	\$
<b>Revenue and Other Income</b>			
Revenue	3	-	-
Interest Income	3	-	-
Other Income	3	3,331,163	-
<b>Expenses</b>			
Legal and professional fees	4	(321,818)	-
<b>Profit before income tax benefit</b>		<b>3,009,345</b>	-
Income tax benefit		-	-
<b>Profit after income tax benefit</b>		<b>3,009,345</b>	-
Exchange differences on translation of foreign operations		-	-
<b>Total Comprehensive Profit</b>		<b>3,009,345</b>	-
Basic profit per share (cents per share)		1.67	-

The accompanying notes form part of these financial statements

**STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2018

	Note	Consolidated	
		31 Dec 2018	30 Jun 2018
		\$	\$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	1,000	-
Trade and other receivables	6	32,182	-
<b>Total Current Assets</b>		<b>33,182</b>	-
<b>Total Non-Current Assets</b>		-	-
<b>Total Assets</b>		<b>33,182</b>	-
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	7	-	1,871,095
Employee benefits		-	62,106
Borrowings	8	-	1,476,000
<b>Total Current Liabilities</b>		-	<b>3,409,201</b>
<b>Total Non-Current Liabilities</b>		-	-
<b>Total Liabilities</b>		-	<b>3,409,201</b>
<b>Net Assets</b>		<b>33,182</b>	<b>(3,409,201)</b>
<b>Equity</b>			
Issued capital	9	69,575,571	69,142,533
Reserves		11,582,945	13,729,375
Accumulated losses		(81,125,334)	(86,236,344)
Non-controlling interest		-	(44,765)
<b>Total Equity</b>		<b>33,182</b>	<b>(3,409,201)</b>

The accompanying notes form part of these financial statements

**STATEMENT OF CASH FLOWS**

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Note	Consolidated	
		31 Dec 2018	31 Dec 2017
		\$	\$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		354,000	-
<b>Net cash (used in) operating activities</b>		<b>354,000</b>	-
<b>Net cash (used in) investing activities</b>		-	-
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		355,000	-
<b>Net cash provided by financing activities</b>		<b>355,000</b>	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,000</b>	-
Cash and cash equivalents at 1 July		-	-
Effects of exchange rates on cash		-	-
<b>Cash and cash equivalents at 31 December</b>	<b>7</b>	<b>1,000</b>	-

The accompanying notes form part of these financial statements

## STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

Consolidated	Issued Capital	Foreign currency Translation Reserve	Option Reserves	Accumulated Losses	Non-controlling interest	Total
	\$	\$		\$	\$	\$
<b>Balance at 30 June 2018</b>	<b>69,142,533</b>	<b>2,146,430</b>	<b>11,582,945</b>	<b>(86,236,344)</b>	<b>(44,765)</b>	<b>(3,409,201)</b>
Loss after income tax expense for the half-year	-	-	-	3,009,345	-	3,009,345
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,009,345</b>	<b>-</b>	<b>3,009,345</b>
<b>Transactions with owners in their capacity as owners</b>						
Issuance of shares	433,038	-	-	-	-	433,038
Reclassification on disposal of subsidiaries pursuant to DOCA	-	(2,146,430)	-	2,101,665	44,765	-
<b>Total transactions with owners</b>	<b>433,038</b>	<b>(2,146,430)</b>	<b>-</b>	<b>2,101,665</b>	<b>44,765</b>	<b>433,038</b>
<b>Balance at 31 December 2016</b>	<b>69,575,571</b>	<b>-</b>	<b>11,582,945</b>	<b>(81,125,334)</b>	<b>-</b>	<b>33,182</b>

Consolidated	Issued Capital	Foreign currency Translation Reserve	Option Reserves	Accumulated Losses	Non-controlling interest	Total
	\$	\$		\$	\$	\$
<b>Balance at 30 June 2017</b>	<b>69,142,533</b>	<b>2,146,430</b>	<b>11,582,945</b>	<b>(86,236,344)</b>	<b>(44,765)</b>	<b>(3,409,201)</b>
Loss after income tax expense for the half-year	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 31 December 2016</b>	<b>69,142,533</b>	<b>2,146,430</b>	<b>11,582,945</b>	<b>(86,236,344)</b>	<b>(44,765)</b>	<b>(3,409,201)</b>

The accompanying notes form part of these financial statements

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **(a) Basis of Preparation**

These general purpose interim financial statements for half-year reporting period ended 31 December 2018 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Azure Health Technology Limited and its controlled entities (referred to as the "consolidated group" or "group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2018 together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue on 19 July 2019.

#### *Going Concern*

On 1 July 2017, the Company had a working capital deficiency and the Directors determined to place the Company into Voluntary Administration. A proposal from Benelong Capital Partners Ltd (Benelong), for the restructure and recapitalisation of the company via a varied DOCA was submitted on 27 June 2018. The purpose of this Deed was to facilitate the recapitalisation of the Company with new business direction under a new Board of Directors. The deed of company arrangement was entered in to on 20 August 2018.

The Revised DOCA was approved by shareholders at the General meeting on 18 December 2018 and the Company was removed from external administration and the Company returned to the control of the new Board of Directors. As the first stage of the recapitalisation, a small amount of capital was raised to meet the Company's immediate needs. All pre-Administration liabilities of the Company were extinguished by the establishment of a Creditors Trust in accordance with the DOCA. Company liabilities incurred during the DOCA were met by the Deed Administrators from remaining company assets. Upon the Company being returned to the control of the new Board, the Company had extinguished the recapitalisation liabilities.

At the date of this Report, the new Board is determining the new direction the business will take and will, as part of a programme to secure the re-quotations of the Company's shares on the ASX, among other things, raise further capital to fund the future business plan of the Company.

The Directors are satisfied that the Company will be able to meet its liabilities as and when they fall due in the interim and as a consequence of this belief and the planned future capital raising, the Directors believe that the Company remains a going concern at the date of this Report.

The Board recognises that additional funding is required to ensure that the Company can continue to fund its operations for a period of at least twelve months from the date of signing this financial report but is confident that additional funding and a suitable business opportunity will be forthcoming in the short term.

If the Board's plan fails for any other reason, the Company would urgently need to secure further capital by some other means. Further additional funding is potentially available from one or a combination of the following:

- Equity placement; or
- Loan funds unsecured or secured against a proposed new business of the Company.

Should any future proposal for further funding be rejected by shareholders or otherwise fails for any reason and none of the future equity raisings and/or the other arrangements mentioned above can be completed to the extent required, there will exist a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and therefore it may be unable to realise its assets and extinguish its liabilities in the normal course of business.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

**(b) Accounting policies**

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for those as described in below.

*Standards and Interpretations applicable to 31 December 2018*

In the half year ended 31 December 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual Reporting Period.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

*Standards and Interpretations in issues not yet adopted*

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half year ended 31 December 2018. As a result of the review the Directors have determined that there is no material impact, of the new and revised Standards and Interpretations on the Company and, therefore, no change necessary to Group accounting policies.

**NOTE 2: FINANCIAL REPORTING BY SEGMENTS**

The Company has identified its operating segments based on the internal reports that are used by the Board (the chief operating decision maker) in assessing performance and in determining the allocation of resources.

At the date of this Report, the new Board is determining the new direction the business will take and will, as part of a programme to secure the re-quotations of the Company's shares on the ASX, among other things, raise further capital to fund the future business plan of the Company.

During the half-year ended 31 December 2018, the Company did not undertake any significant activities, having just come out of Voluntary Administration on 18 December 2018. As a result, disclosure of segment information is not considered relevant.

**NOTE 3: REVENUE AND OTHER INCOME**

	<b>Consolidated</b>	
	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
	\$	\$
Revenue	-	-
Interest received	-	-
Other income		-
- Debt forgiveness from unsecured creditors pursuant to DOCA	1,933,201	
- Debt forgiveness from secured creditors pursuant to DOCA	1,397,962	
	<b>3,331,163</b>	<b>-</b>

**NOTE 4: EXPENSES**

	<b>Consolidated</b>	
	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
	\$	\$
Legal and Professional fees	321,818	-

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

<b>NOTE 5: CASH AND CASH EQUIVALENTS</b>	<b>Consolidated</b>	
	<b>31 Dec 2018</b>	<b>30 Jun 2018</b>
	\$	\$
Cash at bank	1,000	-
	<u>1,000</u>	<u>-</u>

<b>NOTE 6: TRADE AND OTHER RECEIVABLES</b>	<b>Consolidated</b>	
	<b>31 Dec 2018</b>	<b>30 Jun 2018</b>
	\$	\$
Other receivables	32,182	-
	<u>32,182</u>	<u>-</u>

Other Receivables balance is the GST input tax to be reclaimed from the ATO.

<b>NOTE 7: TRADE AND OTHER PAYABLES</b>	<b>Consolidated</b>	
	<b>31 Dec 2018</b>	<b>30 Jun 2018</b>
	\$	\$
Trade payables and accruals	-	367,523
Other payables and accruals	-	1,503,572
	<u>-</u>	<u>1,871,095</u>

<b>NOTE 8: BORROWINGS</b>	<b>Consolidated</b>	
	<b>31 Dec 2018</b>	<b>30 Jun 2018</b>
	\$	\$
Convertible Notes	-	799,000
Loan from Shareholder	-	677,000
	<u>-</u>	<u>1,476,000</u>

On 31 October 2016, Rhonda Nairn executed a loan agreement with the Company for an initial advance of \$150,000 to the Company secured by a GSA over the Company's assets and registered on the PPSR. Following this initial advance Rhonda Nairn has advanced an additional \$350,000, and is owed an additional \$177,000 in interest and fees. These loans were provided to assist with the Company meeting its short term liquidity requirements. In total The Secured Creditor has an outstanding balance of \$677,000

In March to May 2017 the Company required working capital funding whilst restructuring options were being explored. Certain shareholders of the Company provided this funding via convertible notes secured by GSA's. A total of \$780,000 was lent via the convertible notes. The Convertible Note Holders security all ranks after the security of The Secured Creditor.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

The Revised DOCA was approved by shareholders at the General meeting on 18 December 2018 and the Company was removed from external administration and the Company returned to the control of the new Board of Directors. As the first stage of the recapitalisation, all pre-Administration liabilities of the Company were extinguished by the establishment of a Creditors Trust in accordance with the DOCA. As part of the DOCA, The liability owed to Rhonda Nairn was transferred to the Creditors Trust and Rhonda Nairn in turn was issued 30,655,000 shares at an issue price of \$Nil.

<b>NOTE 9: ISSUED CAPITAL</b>	<b>Consolidated</b>	
	<b>31 Dec 2018</b>	<b>30 Jun 2018</b>
	\$	\$
<b>Issued and paid up capital</b>		
Ordinary shares fully paid	69,575,571	69,142,533

**(a) Ordinary shares**

<b>Details</b>	<b>Issue Date</b>	<b>Number of shares</b>	<b>Issue Price</b>	<b>Amount \$</b>
<b>Balance as at 1 July 2018</b>		1,659,796,126		69,142,533
Share consolidation 1:382 pursuant to DOCA	18/12/2018	(1,655,452,677)		-
		4,343,499		69,142,533
Settlement of secured creditors pursuant to DOCA	18/12/2018	31,655,000	0.002	78,038
Issuance of shares pursuant to DOCA	18/12/2018	144,000,000	0.002	355,000
<b>Balance as at 31 December 2018</b>		<b>179,998,449</b>		<b>69,575,571</b>

The Revised DOCA was approved by shareholders at the General meeting on 18 December 2018 and the Company was removed from external administration and the Company returned to the control of the new Board of Directors. According to the DOCA, the issued capital was re-structured. The re-structure of the ordinary shareholding was in four parts:

- Firstly the existing shareholding was consolidated on a 1 share for every 382 shares held. If a shareholder held less than 382 shares, the shareholding was rounded to Nil. Prior to the consolidation of shares, there were 1,659,796,126 shares issued. Following the re-organisation, the shares issued was reduced to 4,343,499 shares.
- 30,655,000 shares were issued at Nil cost to Rhonda Nairn, the secured creditor.
- 1,000,000 shares were issued to RPK Nominees for Nil cost
- 144,000,000 shares were issued to Mr Wei Jiang for \$355,000.

There were 179,998,449 issued shares after the DOCA was effected.

**NOTE 10: CONTINGENT LIABILITIES**

There were no contingent liabilities for the half year ended 31 December 2018 (2017: \$Nil)

**NOTE 11: RELATED PARTY DISCLOSURE**

There have been no significant changes to related party transactions as disclosed in the last annual report.



## **NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

### **NOTE 12: EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD**

On 15 March 2019, Steve Nicols and Greg Cornelson resigned as Directors and Mr Wei Jiang and Weidong Chen were both appointed as Directors.

On 28 March 2019, Steven Jiayi Yu was appointed as Director.

Under the Australian Securities Exchange Listing rules ASX's policy is to remove from the official list any entity whose securities have been suspended from trading for a continuous period of 3 years. In the company's case, it will have been continuously suspended for 3 years on 25 January 2020, with removal taking effect on 26 January 2020. . As per ASX's revised Guidance Note 33 released in April 2019, this policy will be changing as of 3 February 2020, but due to the abovementioned dates, this will not affect AZT's current removal date if its securities remain continuously suspended from trading as at 25 January 2020.

ASX may agree to a short extension of the 3 year deadline for the automatic removal of a long-term suspended entity if the entity can demonstrate to ASX's satisfaction that it is in the final stages of implementing a transaction that will lead to the resumption of trading in its securities. For these purposes, "final stages" means:

- having announced the transaction to the market;
- having signed definitive legal agreements for the transaction (including for any financing required in respect of the transaction);
- if the transaction requires a prospectus or product disclosure statement to be lodged with ASIC, having lodged that document with ASIC and it not being the subject of a stop order or other regulatory action by ASIC;
- if the transaction requires approval by security holders or from a governmental agency or financier, the entity having obtained all such approvals; and
- ASX otherwise being satisfied that the transaction is reasonably capable of being consummated within the period of the extension.

The extension, if granted, will be for no more than 3 months (it may be shorter if ASX considers that the transaction ought to be reasonably capable of being consummated in a lesser period).

There is no certainty that the Company will be requoted.

No other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

**DIRECTORS' DECLARATION**

1. In the opinion of the Directors of Azure Health Technology Limited ("the Company"):

a) the accompanying financial statements and notes are in accordance with the Corporations Act 2001, including:

i) complying with Accounting Standard AASB 134: *Interim Financial Reporting*; and

ii) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the half-year ended on that date.

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



.....  
Wei Jiang  
Chairman  
SYDNEY, New South Wales  
19 July 2019

**AZURE HEALTH TECHNOLOGY LIMITED  
(FORMERLY MOKO SOCIAL MEDIA LIMITED)  
ABN 31 111 082 485  
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF  
AZURE HEALTH TECHNOLOGY LIMITED**

**SYDNEY**

Level 40  
2 Park Street  
Sydney NSW 2000  
Australia  
Ph: (612) 9263 2600  
Fx: (612) 9263 2800

**Report on the Half Year Financial Report**

We were engaged to review the accompanying half year financial report of Azure Health Technology Limited (the group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

**Directors' Responsibility for the Half Year Financial Report**

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

**Auditor's Responsibility**

Our responsibility is to conduct a review of the half year financial report in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Conclusion section of our report, we were not able to obtain sufficient appropriate review evidence to provide a basis for a review conclusion on the half year financial report.

We are independent of the group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our review of the half year financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

**Basis for Disclaimer of Conclusion**

As disclosed in the Directors' Report, on 31 May 2017, the group was placed into voluntary administration. On 7 November 2017, the group entered a Deed of Company Arrangement (DOCA) and was then recapitalised and returned to normal trading following the effectuation of the DOCA on 18 December 2018. The accounting and statutory records prior to 18 December 2018 were not adequate to permit the application of necessary review procedures. As such, we are unable to obtain all the information and explanations we require in order to form a conclusion on the financial report.

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 **PrimeGlobal**

**AZURE HEALTH TECHNOLOGY LIMITED  
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**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF  
AZURE HEALTH TECHNOLOGY LIMITED**

**Disclaimer of Conclusion**

We do not express a conclusion on the accompanying half year financial report of the group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate review evidence to provide a basis for a review conclusion on this half year financial report.



HALL CHADWICK  
Level 40, 2 Park Street  
Sydney NSW 2000



**DREW TOWNSEND**  
Partner  
Dated: 19 July 2019