Allwellness Holdings Group Limited

ABN: 42 604 613 050

Consolidated Financial Statements

For the Half-Year Ended 31 December 2019

Allwellness Holdings Group Limited

ABN: 42 604 613 050

Contents

For the Year Ended 31 December 2019

Directors' Report
31 December 2019

The directors present their report on the consolidated entity ("The Group") for the half year ended 31 December 2019.

1. General information

Information on directors

The names, qualifications, experience and special responsibilities of each person who has been a director during the half year and to the date of this report are:

Mr Yong Zhang
Mr Chen Wang
Mr Yilong Shan

Principal Activities

The principal activities of the Group during the half year period ended 31 December 2019 included exporting health care products to China.

There has been no significant changes in the nature of these activities during the period.

2. Review of operations and Financial Results

Operating results

The loss of the consolidated group for the half year period ended 31 December 2019 after providing for income tax amounted to $246,623. (2018: loss of $41,020).

Losses have increased in the half year to 31 December 2019 due to the sales shrink. The current market of health products is full of competition and the group hasn't earned sufficient market share to achieve the target sales.

Dividends paid or recommended

No dividends were paid or declared since the start of the financial half year. No recommendation for payment of dividends has been made.

3. Other items

Events after the reporting date

Since January 2020, the "Corona Virus" has broken out in China and rest of world. The sales of the group has been negatively impacted and the qualification of the import is yet to be addressed.

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

There were no dividends paid or declared since the start of the financial year.

Directors' Report

31 December 2019

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the half year ended 31 December 2019 has been received and can be found on page 3 of the consolidated financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: ....

Mr Yong Zhang

Dated this ....11............. day of ....March........... 2020

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Auditor's Independence Declaration

As lead auditor for the review of the financial report of Allwellness Holdings Group Limited and its controlled entity for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2019, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

Wis Partners

Zhiyuan Liang
Partner (RCA:473429)

Sydney,
11 March 2020

WIS PARTNERS, ABN 72 163 381 128
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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2019

	Note	31 December 2019 $	31 December 2018 $
Sales revenue	5	**69,847**	436,211
Cost of sales		**(19,606)**	(228,342)
Gross profit		**50,241**	207,869
Other income		**116**	6,331
Marketing expenses		**(25,395)**	(12,365)
Rent		**-**	(26,104)
Depreciation and amortisation		**(44,924)**	(9,767)
Professional fees		**(26,988)**	(23,118)
Employee benefits		**(118,387)**	(125,073)
Other administrative costs	6	**(81,286)**	(58,793)
(Loss) / Profit before income tax		**(246,623)**	(41,020)
Income tax expense		**-**	-
(Loss) after income tax		**(246,623)**	(41,020)
Other comprehensive income, net of income tax		**-**	-
Total comprehensive loss attributable to members of the parent entity		**(246,623)**	(41,020)

Loss per share

Basic loss per share (cents per share)	(0.99)	(0.16)
Diluted loss per share (cents per share)	(0.99)	(0.16)

The accompanying notes form part of these financial statements.

Allwellness Holdings Group Limited

ABN: 42 604 613 050

Consolidated Statement of Financial Position

As At 31 December 2019

	Note	31 December 2019 $	30 June 2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	**83,529**	236,077
Trade and other receivables	8	**3,672**	26,188
Inventories	9	**57,458**	69,128
Other assets	10	**29,434**	26,583
TOTAL CURRENT ASSETS		**174,093**	357,976
NON-CURRENT ASSETS			
Property, plant and equipment	11	**591,262**	218,642
Intangible assets		**5,713**	4,598
TOTAL NON-CURRENT ASSETS		**596,975**	223,240
TOTAL ASSETS		**771,068**	581,216
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	**94,876**	60,225
Employee benefits	14	**21,388**	13,401
Lease liabilities	13	**69,215**	21,800
TOTAL CURRENT LIABILITIES		**185,479**	95,426
NON-CURRENT LIABILITIES			
Borrowings	16	**352,164**	352,164
Lease liabilities	13	**462,340**	115,918
TOTAL NON-CURRENT LIABILITIES		**814,504**	468,082
TOTAL LIABILITIES		**999,983**	563,508
NET ASSETS		**(228,915)**	17,708
EQUITY			
Issued capital	15	**740,867**	740,867
Accumulated losses		**(969,782)**	(723,159)
TOTAL EQUITY		**(228,915)**	17,708

The accompanying notes form part of these financial statements.

Allwellness Holdings Group Limited

ABN: 42 604 613 050

Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2019

	Note	Ordinary Shares $	Retained Earnings $	Total $
Balance at 1 July 2019		**740,867**	**(723,159)**	**17,708**
Loss for the period		**-**	**(246,623)**	**(246,623)**
Other comprehensive income		**-**	**-**	**-**
Total comprehensive loss		**-**	**(246,623)**	**(246,623)**
Balance at 31 December 2019		**740,867**	**(969,782)**	**(228,915)**

	Note	Ordinary Shares $	Retained Earnings $	Total $
Balance at 1 July 2018		740,867	(601,955)	138,912
Loss for the period		-	(41,020)	(41,020)
Other comprehensive income		-	-	-
Total comprehensive loss		-	(41,020)	(41,020)
Balance at 31 December 2018		740,867	(642,975)	97,892

The accompanying notes form part of these financial statements.

Allwellness Holdings Group Limited

ABN: 42 604 613 050

Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2019

	Note	31 December 2019 $	31 December 2018 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**79,674**	348,922
Payments to suppliers and employees		**(187,780)**	(326,491)
Interest received		**62**	636
Net cash provided by/(used in) operating activities		**(108,044)**	23,067
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		**(1,114)**	(93,945)
Net cash provided by/ (used in) investing activities		**(1,114)**	(93,945)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Interest paid for Lease Liability		**(12,640)**	-
Repayment of Lease Liability		**(30,750)**	-
Net cash provided by/ (used in) financing activities		**(43,390)**	-
Net increase/(decrease) in cash and cash equivalents held		**(152,548)**	(70,878)
Cash and cash equivalents at beginning of year		**236,077**	363,399
Cash and cash equivalents at end of the half year	7	**83,529**	292,521

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Half-Year Ended 31 December 2019

The consolidated financial statements and notes represent those of Allwellness Holdings Group Limited (the 'Consolidated Group' or 'Group').

The functional and presentation currency of the Group is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

These general purpose financial statements for the half-year reporting period ended 31 December 2019 have been prepared in accordance with the requirements of AASB 134 interim Financial Reporting and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2019, together with any public announcements made during the following half year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The Group has considered the implications of the new or amended Accounting Standards but determined that their application to the financial statements is either not relevant or not material.

These financial statements were authorised for issue by the board of directors on the date of signing this financial report.

2 Change in Accounting Policy

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 16 - Leases

The consolidated entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expenses recognition is replaced with a depreciation charge for the right-of-use assets and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to leases expenses under AASB 117. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Notes to the Financial Statements

For the Half-Year Ended 31 December 2019

2 Change in Accounting Policy Continued

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained profits was $nil. A reconciliation from lease commitments as reported in prior year financial report to balances of lease liabilities and right of use assets as at 1 July 2019 upon initial application of AASB 16 is as below:

	1 July 2019
Operating lease commitments as at 1 July 2019 (AASB 117)	198,518
Additional lease payment in relation with option to extend the lease	298,316
Discount in relation with NPV of lease payment	(70,047)
Lease liabilities under AASB 16 as at 1 July 2019	426,787
Lease liabilities-current (under AASB 16)	60,466
Lease liabilities - Non-current (under AASB 16)	366,321
Less: Lease incentive payable as at 30 June 2019	(10,129)
Right of use assets under AASB 16 as at 1 July 2019	416,658

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognised in the statement of financial position at the date of initial application is 4.25%. The rate is determined by referring to management estimate of the interest rate of the loan for the similar terms.

3 Summary of Significant Accounting Policies

(a) Going concern

The financial statements have been prepared on a going concern basis. During the period ended 31 December 2019 the Group incurred a net loss of $246,623 (31 December 2018: $41,020). As at that date, the group had a net liability position of $228,915 (30 June 2019: Net assets $17,708), which included cash and cash equivalents of $83,529.

The consolidated group has prepared a cash flow forecast for next 12 months from the sign-off date of the financial report which indicates that the consolidated group will be able to settle its liabilities and pay required operating expenditure.

The consolidated group has entered the sales order with Dearest Baby (Tianjin) Technology Co., Ltd in March 2020 with the total sales amount of AUD 45,600 and the upcoming sales orders with this customer will be signed in the following months.

The consolidated group will take measure to reduce the operational expenditures such as marketing and administrative expense.

Further to the that, the director has contributed additional working capital of $250,000 on 6 March 2020 to support the group's operation in next 12 months from the sign-off date of the financial report. In addition, the director will not recall a loan of $352,164 and pay for any shortfall in regard to liabilities based on a letter of financial support has been obtained.

Based on above factors, the board are of the opinion that the Group will be able to continue as a going concern.

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(c) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

3 Summary of Significant Accounting Policies continued

(d) Revenue recognition

The consolidated entity recognises revenue as follows:

Sale of goods
The consolidated group manufactures and sells a range of health products. Sales are recognised when control of the products has transferred, being when the products are delivered to customers, there is no unfulfilled obligation that could affect the customer's acceptance of the products.

For the consignment sales, the timing of the transfer of control is when the third party has sold the products.

For the non-consignment sales, the transfer of control occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customers, and either the customer has accepted the products in accordance with the sales contract or the consolidated group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts and customer return. A refund liability (included in trade and other payables) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

(e) Inventories

Inventories are valued at the lower of cost and net realisable value.

3 Summary of Significant Accounting Policies continued

(f) Property, plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment loss.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

Depreciation

The depreciable amount of all fixed assets is depreciated on a reducing balance basis over the assets' useful life to the consolidated group commencing from the time the asset is held ready for use.

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

Class of Fixed Assets	Depreciation rate
Machinery equipment	10.0%
Motor Vehicles	12.5%
Leasehold improvements	12.5%
Right of Use Asset	11.8%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed and adjusted is appropriate, at balance date.

The assets carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Consolidated Statement of Profit and Loss.

3 Summary of Significant Accounting Policies continued

(i) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(j) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement or lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

4 Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Recovery *of deferred tax assets*

Deferred tax assets were recognised for deductible temporary differences only if the consolidated group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.
No deferred tax assets were recognised for tax losses and deductible temporary difference as the director determined that there is uncertainty of generation of sufficient taxable income in the future.

3 Critical Accounting Estimates and Judgements continued

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease. The director determined that there is certainty that the group will extend the current lease as the economic cost of lease termination will be highly out weight the economic benefit from new lease contract.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates. The allowance for expected credit losses for trade and other receivables was assessed to be $19,454 as at 31 December 2019 as the overdue amounts were highly unlikely to be recovered based on current economic condition in Mainland China.

Long-term loan from director

The long-term loan from director is not at a commercial basis. In accordance with AASB 9, if the interest rate is below the market rate (None arm length interest), the loan liability should be use carrying amount of loan at fair value. The management determined that it is impractical to measure the loan at its amortised cost (net present value) and the current loan balance reported on the balance sheet approximates the fair value considering the nature of the loan.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence. The board of directors determined that there was no impairment for inventories as at 31 December 2019.

Notes to the Financial Statements

For the Half-Year Ended 31 December 2019

5 Revenue and Other Income

	31 December 2019 $	31 December 2018 $
From continuing operations		
Sales	**69,847**	436,211

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

Major product lines		
- Sales of health care products	**69,847**	257,306
- OEM	**-**	178,905
	69,847	436,211
Geographical Regions		
- Australia	**4,821**	122,281
- China	**65,026**	313,930
	69,847	436,211
Timing of revenue recognition		
Goods transferred at a point in time	**69,847**	436,211

6 Expenses

Other administrative expenses include the following specific expenses:

	31 December 2019 $	31 December 2018 $
Administrative expenses		
- Listing fee	**22,774**	18,446
- Office supply	**8,301**	17,253
- Travel	**11,861**	13,415
- Impairment of trade receivables	**19,454**	5,869
- Interest expense in relation with *AASB16 leases*	**8,768**	-
- Other expenses	**10,128**	3,810
	81,286	58,793

7 Cash and Cash Equivalents

	31 December 2019 $	30 June 2019 $
Cash on hand	**1**	251
Bank balances	**83,528**	235,826
Total cash and cash equivalents	**83,529**	236,077

8 Trade and other receivables

	31 December 2019 $	30 June 2019 $
CURRENT		
Accounts receivable	**19,653**	17,324
GST receivable	**3,473**	8,864
Provision for expected credit loss	**(19,454)**	-
	3,672	26,188

The company has recognised a loss of $19,454 (30 June 2019: nil) in the profit and loss in respect of the expected credit losses as at 31 December 2019.

9 Inventories

	31 December 2019 $	30 June 2019 $
CURRENT		
At cost:		
Stock on hand	**57,458**	69,128
Provision for impairment of stock	**-**	-
	57,458	69,128
	57,458	69,128

10 Other Assets

CURRENT		
Prepayments	**12,934**	10,083
Deposit	**16,500**	16,500
Total other assets	**29,434**	26,583

The prepayment mainly represents that advance payment paid for rent and professional service fees.

11 Property, plant and equipment

	31 December 2019 $	30 June 2019 $
Right of use assets		
At cost	**416,658**	-
Accumulated depreciation	**(29,411)**	-
Total right of use asset	**387,247**	-
Machinery Equipment		
At cost	**46,622**	46,622
Accumulated depreciation	**(4,886)**	(2,542)
Total furniture, fixtures and fittings	**41,736**	44,080
Motor vehicles		
At cost	**148,800**	148,800
Accumulated depreciation	**(27,070)**	(17,719)
Total motor vehicles	**121,730**	131,081
Leasehold Improvements		
At cost	**46,661**	46,661
Accumulated depreciation	**(6,112)**	(3,180)
Total leasehold improvements	**40,549**	43,481
Total property, plant and equipment	**591,262**	218,642

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Lease Improvements $	Machinery Equipment $	Motor Vehicles $	Right of Use Asset $	Total $
Balance at 1 July 2019	43,481	44,080	131,081	-	218,642
Additions / effect of application of AASB 16	-	-	-	416,658	416,658
Depreciation expense	(2,932)	(2,344)	(9,351)	(29,411)	(44,038)
Balance at 31 December 2019	40,549	41,736	121,730	387,247	591,262

Property, plant and equipment secured under finance leases
Refer to note 13 for further information on property, plant and equipment secured under finance leases.

During the period, the consolidated group recognised right of use assets with an aggregate of $416,658 of for the lease of the office and warehouse at Unit 2 3-11 Hallmark Street, Pendle Hill, NSW 2145, as a result of the first-time application of *AASB 16 Leases*

Notes to the Financial Statements

For the Half-Year Ended 31 December 2019

12 Trade and Other Payables

	Note	31 December 2019 $	30 June 2019 $
CURRENT			
PAYG Withholdings Payable		**9,302**	8,512
Superannuation payable		**4,675**	4,465
Accrued expenses		**8,500**	20,000
Payables to director		**36,228**	8,868
Advance from customer		**29,920**	-
Other payable		**6,251**	18,380
Total trade and other payables		**94,876**	60,225

13 Lease Liabilities

CURRENT			
Operating Lease liabilities		**46,804**	-
Hire Purchase Liabilities		**22,411**	21,800
		69,215	21,800
NON-CURRENT			
Operating Lease liabilities		**358,001**	-
Hire Purchase Liabilities		**104,339**	115,918
		462,340	115,918

The incremental borrowing rate used to determine the lease liability is 4.25%

The interest rate of hire purchase liabilities is 5.36% for the lease of forklift and 5.99% for the lease of Mercedes Benz

14 Employee Benefits

CURRENT			
Provision for annual leave		**21,388**	13,401
Total		**21,388**	13,401

15 Issued Capital

(2019: 25,000,000) Ordinary shares	**740,867**	740,867
Total issued capital	**740,867**	740,867

Ordinary Shares

Ordinary shares participate in dividends and the proceeds on winding up of the group in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

16 Borrowings

	31 December 2019 $	30 June 2019 $
Related party loans	**352,164**	352,164

The loan is unsecured and has been provided on interest free terms. The director has agreed in writing not to recall the loan within 12 months from the date of signing the half yearly financial report.

17 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2019 (30 June 2019: None).

18 Related Parties

(a) Parent Entity

Allwellness Holdings Group Limited is the parent entity.

(b) Subsidiaries

Tricare Health and Beauty Pty Limited is 100% owned by the parent and is the only subsidiary.

(c) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	31 December 2019	31 December 2018
	$	$
Transactions with related parties		
Remuneration paid to CFO Junping Hao	20,000	20,000
Remuneration paid to Executive director - Yong Zhang	40,000	40,000
Balance with related parties		
Balance of interest free loan provided by director - Yong Zhang	352,164	352,164
Balance of accounts payable to director - Yong Zhang	36,228	8,868

19 Events Occurring After the Reporting Date

Since January 2020, the “Corona Virus” has broken out in China and rest of world. The sales of the group has been negatively impacted and the qualification of the import is yet to be addressed.

No matters or circumstances have arisen since the end of the financial half year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

20 Statutory Information

The registered office and principal place of business of the company is:

Allwellness Holdings Group Limited
Unit 2
3 - 11 Hallmark Street
Pendle Hill, NSW, Australia 2145

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

The directors of the Company declare that:

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

Yong Zhang

Director

11 March 2020

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Independent Auditor's Review Report to the Members of Allwellness Holdings Group Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Allwellness Holdings Group Limited and its controlled entity (the Group) which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the half-year ended on that date, and notes to the financial statements, including a summary of significant accounting policies, and the director's declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Group are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Wis Partners

Zhiyuan Liang (RCA:473429)

Partner

11 March 2020