

Azure Health Technology Limited

ABN 35 111 082 485

Interim Report

for the year half year ended

31 December 2020

CONTENTS

CORPORATE DIRECTORY	3
DIRECTORS' REPORT	4
AUDITOR'S INDEPENDENCE DECLARATION	7
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	8
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	9
CONSOLIDATED STATEMENT OF CASH FLOWS	10
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	11
DIRECTORS' DECLARATION	19
INDEPENDENT REVIEW REPORT	20
INDEPENDENT AUDIT REPORT	21

CORPORATE DIRECTORY

AZURE HEALTH TECHNOLOGY LIMITED

ABN 35 111 082 485

Directors

Lou Panaccio
Steven Jiayi Yu
Glenn Tong

Non-Executive Chairman
Non-Executive Director
Executive Director

Share Register

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

Company Secretary

Catriona Glover

Registered Office and Principal Place of Business

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

Ph: (02) 8279 8908

Auditors

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

Postal Address

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

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 2020. 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.

Name	Appointed
Lou Panaccio	Non-Executive Chairman (Appointed 19 December 2019)
Steven Jiayi Yu	Non-Executive Director (Appointed 28 March 2019)
Glenn Tong	Executive Director (Appointed 19 December 2019)
Andrew Bristow	Non-Executive Director (Appointed 19 June 2020, resigned 18 February 2021)

PRINCIPAL ACTIVITIES

During the half year ended 31 December 2020 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.

REVIEW OF OPERATIONS

AZT completed a capital raising undertaken from June to September 2020 through the issue of convertible notes to investors in Australia, which raised a total of \$3,453,268. As at 30 June 2020, \$2,760,000 Convertible notes had been issued. A further \$693,268 convertible notes were issued in the half year ended 31 December 2020.

On 1 December 2020 Mr Steven Yu became a non-executive Director.

On 8 December 2020 Azure Health Technology Limited announced that the company was considering various financing options for the Company. The Company had previously made an Application for Listing to the National Stock Exchange (NSX) who, after their review of the Application, indicated that it would receive an application from the Company for listing. The Board resolved to continue the preparation work in relation to listing on the NSX while assessing all options available.

On 18 February 2021 the company lodged with ASIC a Prospectus and a Listing Application with NSX to secure the quotation of the company's shares on the NSX. The purpose is to raise further capital to fund the future business plans of the Company with a view to enhancing shareholder value.

The Offer is being made to the public of up to 15,000,000 Shares in the Company at a price of \$0.20 per Share to raise up to \$3,000,000 (before costs and expenses). The minimum subscription under the Offer is 11,250,000 Shares to raise \$2,250,000 (before costs and expenses). \$3,278,268 of the Convertible Notes convert into ordinary shares on an Initial Public Offering.

In addition to the Offer, the Company has entered into a loan agreement with its major shareholder Mr Wei (Aiden) Jiang whereby he will lend the Company \$1.5 million upon a successful listing on the NSX. The key terms of the loan are that at the discretion of the Company and subject to the receipt of shareholder approval, the loan will convert into shares (at an issue price of \$0.20) at any time during the two-year term (commencing on 31 December 2020). The Company may extend the repayment of the loan by a further 12 months in its sole discretion. Interest is payable on the outstanding principal at the rate of 8% per annum.

On 18 February 2021 Mr Andrew Bristow has resigned as a Director of the Company.

No other matter or circumstance has arisen since 31 December 2020 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' REPORT (Continued)**EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD**

On 18 February 2021 the company lodged with ASIC a Prospectus and a Listing Application with NSX to secure the quotation of the company's shares on the NSX. This was done to raise further capital to fund the future business plans of the Company with a view to enhancing shareholder value.

The Offer is being made to the public of up to 15,000,000 Shares in the Company at a price of \$0.20 per Share to raise up to \$3,000,000 (before costs and expenses). The minimum subscription under the Offer is 11,250,000 Shares to raise \$2,250,000 (before costs and expenses). \$3,278,268 of the Convertible Notes convert into ordinary shares on an Initial Public Offering.

An Timetable for the Proposed Transactions is as follows.

Event	Date
Lodgement of Prospectus with ASIC - completed	18 February 2021
Opening Date of the Offer	5 March 2021
Closing Date of Offer	1 April 2021
Settlement of the offer	13 April 2021
Issue of shares	13 April 2021
Expected commencement of trading on NSX	16 April 2021
Expected despatch date of Holding Statements	16 April 2021

In addition to the Offer, the Company has entered into a loan agreement with its major shareholder Mr Wei (Aiden) Jiang whereby he will lend the Company \$1.5 million upon a successful listing on the NSX. The key terms of the loan are that at the discretion of the Company and subject to the receipt of shareholder approval, the loan will convert into shares (at an issue price of \$0.20) at any time during the two-year term (commencing on 31 December 2020). The Company may extend the repayment of the loan by a further 12 months in its sole discretion. Interest is payable on the outstanding principal at the rate of 8% per annum.

On 18 February 2021 Mr Andrew Bristow has resigned as a Director of the Company.

No other matter or circumstance has arisen since 31 December 2020 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.

Operating Results

The loss of the Company for the half year ended 31 December 2020 after tax was \$1,344,456 (2019 loss \$722,939).

Dividends

No dividends have been paid or declared by the Company for the half year ended 31 December 2020 and up to the date of this report. The Directors do not recommend the payment of a dividend.

Likely Developments and Expected Results

On 18 February 2021 the company lodged with ASIC a Prospectus and a Listing Application with NSX to secure the quotation of the company's shares on the NSX. This was done to raise further capital to fund the future business plans of the Company with a view to enhancing shareholder value.

The Offer is being made to the public of up to 15,000,000 Shares in the Company at a price of \$0.20 per Share to raise up to \$3,000,000 (before costs and expenses). The minimum subscription under the Offer is 11,250,000 Shares to raise \$2,250,000 (before costs and expenses). \$3,278,268 of the Convertible Notes convert into ordinary shares on an Initial Public Offering.

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 8 and forms part of this Directors' report for the half year ended 31 December 2020.

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

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'Lou Panaccio', is written over a horizontal dotted line.

Lou Panaccio

Chairman

SYDNEY, New South Wales

30 March 2021

**AZURE HEALTH TECHNOLOGY LIMITED
ABN 35 111 082 485
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
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Australia

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In accordance with Section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Azure Health Technology Limited. As the lead audit partner for the review of the financial report of Azure Health Technology Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, 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 (NSW)
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND
Partner
Dated: 30 March 2021

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	Note	31 Dec 2020	31 Dec 2019
		\$	\$
Revenue and Other Income			
Interest Income	3	38	20
Expenses			
Legal and professional fees	5	(1,344,494)	(722,959)
Loss before income tax benefit		(1,344,456)	(722,939)
Loss after income tax benefit		(1,344,456)	(722,939)
Total Comprehensive Income		(1,344,456)	(722,939)
Basic loss per share (cents per share)		(1.28)	(1.04)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

		Consolidated	
		31 Dec 2020	30 Jun 2020
	Note	\$	\$
Assets			
Current Assets			
Cash and cash equivalents	6	19,887	445,371
Trade and other receivables	7	202,332	196,690
Total Current Assets		222,219	642,061
Non-Current Assets			
Intangible assets	8	9,159,614	9,130,459
Total Non-Current Assets		9,159,614	9,130,459
Total Assets		9,381,833	9,772,520
Liabilities			
Current Liabilities			
Trade and other payables	9	1,565,331	1,402,591
Borrowings	10	212,631	180,376
Convertible notes	11	3,453,268	2,760,000
Total Current Liabilities		5,231,230	4,342,967
Total Non-Current Liabilities		-	-
Total Liabilities		5,231,230	4,342,967
Net Assets		4,150,603	5,429,553
Equity			
Issued capital	12	76,575,647	76,575,647
Reserves		11,722,455	11,656,949
Accumulated losses		(84,147,499)	(82,803,043)
Total Equity		4,150,603	5,429,553

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Note	Consolidated	
		31 Dec 2020	31 Dec 2019
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(1,151,007)	(4,490)
Net cash (used in) operating activities		(1,151,006)	(4,490)
Net cash (used in) investing activities		-	-
Cash flows from financing activities			
Proceeds from Borrowings		32,255	2,617
Proceeds from issue of Convertible notes		693,268	-
Net cash provided by financing activities		725,523	2,617
Net (decrease) in cash and cash equivalents		(425,484)	(1,873)
Cash and cash equivalents at 1 July		445,371	1,327
Cash and cash equivalents at 31 December	6	19,887	(546)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Consolidated	Issued Capital	Option Reserves	Accumulated Losses	Total
	\$	\$		\$
Balance at 30 June 2020	76,575,647	11,656,949	(82,803,043)	5,429,553
Loss after income tax expense for the half-year	-	-	(1,344,456)	(1,344,456)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(1,344,456)	(1,344,456)
Transactions with owners in their capacity as owners				
Vesting of Options		65,506		65,506
Total transactions with owners	-	65,506	-	65,506
Balance at 31 December 2020	76,575,647	11,722,455	(84,147,499)	4,150,603

Consolidated	Issued Capital	Option Reserves	Accumulated Losses	Total
	\$		\$	\$
Balance at 30 June 2019	69,575,647	11,582,945	(81,384,927)	(226,335)
Loss after income tax expense for the half-year	-	-	(722,939)	(722,939)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(722,939)	(722,939)
Total transactions with owners	-	-	-	-
Balance at 31 December 2019	69,575,647	11,582,945	(82,107,866)	(949,274)

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

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 2020 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 2020 together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue on 30 March 2021.

Going Concern

During the half year ended 31 December 2020, the company incurred a net loss of \$1,344,456. As at 31 December 2020, the company had a net asset surplus of \$4,150,603. On 18 February 2021, the company has lodged with ASIC a Prospectus to secure the quotation of the company's shares on the NSX. The purpose is to raise further capital to fund the future business plans of the Company with a view to enhancing shareholder value.

The Offer is being made to the public of up to 15,000,000 Shares in the Company at a price of \$0.20 per Share to raise up to \$3,000,000 (before costs and expenses). The minimum subscription under the Offer is 11,250,000 Shares to raise \$2,250,000 (before costs and expenses). \$3,278,268 of the Convertible Notes convert into ordinary shares on an Initial Public Offering.

In addition to the Offer, the Company has entered into a loan agreement with its major shareholder Mr Wei (Aiden) Jiang whereby he will lend the Company \$1.5 million upon a successful listing on the NSX. The key terms of the loan are that at the discretion of the Company and subject to the receipt of shareholder approval, the loan will convert into shares (at an issue price of \$0.20) at any time during the two-year term (commencing on 31 December 2020). The Company may extend the repayment of the loan by a further 12 months in its sole discretion. Interest is payable on the outstanding principal at the rate of 8% per annum.

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.

(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 below.

Standards and Interpretations applicable to 31 December 2020

In the half year ended 31 December 2020, 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 2020. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 2: FINANCIAL REPORTING BY SEGMENTS

The Board of Directors for Azure Health Technology Limited reviews internal reports prepared by management and strategic decisions of the Company are determined upon analysis of these internal reports. During the Reporting Period, the Company operated predominantly in one business and geographical segment, being Health technology and development. Accordingly, under the 'management approach' outlined, one operating segment has been identified and no further disclosure is required in the notes to the financial statements.

NOTE 3: REVENUE AND OTHER INCOME

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
Revenue		
Interest received	38	20
	38	20

NOTE 4: INCOME TAX

	Consolidated	
	31-Dec-20	31-Dec-19
	\$	\$
Income Tax Expense		
The income tax expense for the year differs from the prima facie tax as follows:		
Loss for year	(1,344,456)	(722,959)
Prima facie income tax (benefit) @ 26%	349,559	216,888
Deferred tax assets not brought to account ⁺ #	(349,559)	(216,888)
Total income tax expense	-	-

⁺ These amounts have not been brought to account as it is not considered probable that the Company will earn taxable income in the foreseeable future to allow the deferred tax assets to be utilised.

[#] The Company has not yet carried out an assessment as to whether it is able to utilise current year and prior years' tax losses against future taxable income following the significant changes in the Company's shareholding and the changes to the Company's operations. If the Company does not satisfy the eligibility criteria relating to the continuation of ownership test and the same business test for carrying forward these tax losses, it will not be able to utilise some or all of these tax losses against future taxable income.

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
NOTE 5: EXPENSES		
Legal and Professional fees	1,344,456	722,959

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

NOTE 6: CASH AND CASH EQUIVALENTS	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Cash at bank	19,887	445,371
	<u>19,887</u>	<u>445,371</u>

NOTE 7: TRADE AND OTHER RECEIVABLES	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Other receivables	3,002	196,690
Prepayments	199,320	-
	<u>202,322</u>	<u>196,690</u>

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

NOTE 8: INTANGIBLE ASSETS

	Consolidated	
	2020	30 Jun 2020
	\$	\$
Goodwill (a)	8,754,237	8,754,237
IVB patents and licensed patents	405,377	376,222
	<u>9,159,614</u>	<u>9,130,459</u>

(a) Acquisition of 100% of the issued capital of Invictus BioPharma Limited

On 11 June 2020, the company acquired 100% of the issued share capital of Invictus BioPharma Ltd (now known as Invictus BioPharma Pty Ltd) ("Invictus Acquisition), a group that was developing and commercialising novel nutraceutical and prescription medicines based on natural products (tocotrienols) which have wide therapeutic potential. The Invictus group owns and controls patent and other intellectual property rights for novel approaches to delivering tocotrienols directly to the target tissues. The acquisition complements the group's existing business, which is to research, develop, distribute and market a range of health and therapeutic products and technologies, including innovative drugs and wellbeing supplements.

\$

Details of purchase consideration, the net assets acquired

Purchase consideration	
- Shares issued	7,000,000
- Share-based payments	74,004
	<u>7,074,004</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Cash and cash equivalents	6,558
Trade and other receivables	80,533
Intangible assets – patents and licensed patents	376,222
Trade and other payables	(1,963,171)
Borrowings	(180,376)
Net liabilities assumed	(1,680,234)
Goodwill	8,754,237

NOTE 9: TRADE AND OTHER PAYABLES

Consolidated

	31 Dec 2020	30 Jun 2020
	\$	\$

Trade payables	1,438,494	1,245,959
Other payables and accruals	126,837	156,632
	<u>1,565,331</u>	<u>1,402,591</u>

NOTE 10: BORROWINGS

Consolidated

	31 Dec 2020	30 Jun 2020
	\$	\$

Current

Other Borrowings	212,631	180,375
	<u>212,631</u>	<u>180,375</u>

NOTE 11: CONVERTIBLE NOTES

Consolidated

	31 Dec 2020	30 Jun 2020
	\$	\$
Convertible notes	3,453,268	2,760,000
	<u>3,453,268</u>	<u>2,760,000</u>

In June 2020 the Company required working capital funding whilst restructuring options were being explored. Certain investors provided this funding via convertible notes. A total of \$2,760,000 was loaned via the convertible notes. A further \$693,268 convertible notes were issued in the half year ended 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Certificate No.	No. of Convertible Notes	Issue Price	Issue Date	Conversion Price	Maturity Date
1	501,500	\$1.00	28 May 2020	15% discount to the Initial Public Offering Price	31 December 2021
2	50,000	\$1.00	28 May 2020	15% discount to the Initial Public Offering Price	31 December 2021
3	50,000	\$1.00	28 May 2020	15% discount to the Initial Public Offering Price	31 December 2021
4	25,000	\$1.00	28 May 2020	15% discount to the Initial Public Offering Price	31 December 2021
5	25,000	\$1.00	28 May 2020	15% discount to the Initial Public Offering Price	31 December 2021
6	25,000	\$1.00	28 May 2020	15% discount to the Initial Public Offering Price	31 December 2021
7	984,000	\$1.00	2 June 2020	18% discount to the Initial Public Offering Price	31 December 2021
8	698,640	\$1.00	15 June 2020	18% discount to the Initial Public Offer Price	31 December 2021
9	400,860	\$1.00	30 June 2020	18% discount to the Initial Public Offer Price	31 December 2021
	2,760,000				
10	200,000	\$1.00	28 Sept 2020	Average of the conversion price for certificates 1-9	31 December 2021
11	188,477	\$1.00	28 Sept 2020	Average of the conversion price for certificates 1-9	31 December 2021
12	304,791	\$1.00	28 Sept 2020	Average of the conversion price for certificates 1-9	31 December 2021
	3,453,268				

Consolidated

NOTE 12: ISSUED CAPITAL

31 Dec 2020	30 Jun 2020
\$	\$

Issued and paid up capital

Ordinary shares fully paid	76,575,647	76,575,647
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(a) Ordinary shares

Details	Issue Date	Number of shares	Issue Price	Amount \$
Balance as at 1 July 2020		105,037,167		76,575,647
Balance as at 31 December 2020		105,037,167		76,575,647

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020****NOTE 13: CONTINGENT LIABILITIES**

There were no contingent liabilities for the half year ended 31 December 2020 (2019: \$Nil)

NOTE 14: RELATED PARTY DISCLOSURES

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

NOTE 15: EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

AZT completed a capital raising undertaken from June to September 2020 through the issue of convertible notes to investors in Australia, which raised a total of \$3,453,268. As at 30 June 2020, \$2,760,000 Convertible notes had been issued. A further \$693,268 convertible notes were issued in the half year ended 31 December 2020.

On 8 December 2020 Azure Health Technology Limited announced that the company was considering what would be the best financing route for the Company. The Company had previously made an Application for Listing to the National Stock Exchange (NSX) who, after their review of the Application, indicated that it would receive an application from the Company for listing. The Board has resolved to continue the preparation work in relation to the NSX listing while assessing all options available.

On 18 February 2021 the company lodged with ASIC a Prospectus and a Listing Application with NSX to secure the quotation of the company's shares on the NSX. The purpose is to raise further capital to fund the future business plans of the Company with a view to enhancing shareholder value. \$3,278,268 of the Convertible Notes convert into ordinary shares on an Initial Public Offering.

The Offer is being made to the public of up to 15,000,000 Shares in the Company at a price of \$0.20 per Share to raise up to \$3,000,000 (before costs and expenses). The minimum subscription under the Offer is 11,250,000 Shares to raise \$2,250,000 (before costs and expenses).

An indicative Timetable for the Proposed Transactions is as follows.

Event	Date
Lodgement of Prospectus with ASIC - Completed	18 February 2021
Opening Date of the Offer	5 March 2021
Closing Date of Offer	1 April 2021
Settlement of the offer	13 April 2021
Issue of shares	13 April 2021
Expected commencement of trading on NSX	16 April 2021
Expected despatch date of Holding Statements	16 April 2021

As at the date of this report, the Prospectus has been lodged with ASIC.

In addition to the Offer, the Company has entered into a loan agreement with its major shareholder Mr Wei (Aiden) Jiang whereby he will lend the Company \$1.5 million upon a successful listing on the NSX. The key terms of the loan are that at the discretion of the Company and subject to the receipt of shareholder approval, the loan will convert into shares (at an issue price of \$0.20) at any time during the two-year term (commencing on 31 December 2020). The Company may extend the repayment of the loan by a further 12 months in its sole discretion. Interest is payable on the outstanding principal at the rate of 8% per annum.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

On 18 February 2021 Mr Andrew Bristow has resigned as a Director of the Company.

No other matter or circumstance has arisen since 31 December 2020 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"):

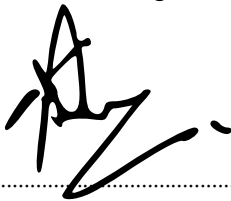
a) the accompanying financial statements and notes are in accordance with the Corporations Act 2001, including:

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 2020 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.



.....
Lou Panaccio

Chairman

SYDNEY, New South Wales

30 March 2021

**AZURE HEALTH TECHNOLOGY LIMITED
ABN 35 111 082 485
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

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Fx: (612) 9263 2800

Conclusion

We have reviewed the accompanying half-year financial report of Azure Health Technology Limited and its controlled entities (the group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes to the financial statements including a summary of significant accounting policies, other explanatory information, and the directors' declaration.

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 does not comply with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities section of our report. We are independent of the group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the group, would be in the same terms if given to the directors as at the time of this auditor's report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(a) in the half-year financial report, which indicates that the group incurred a net loss after tax of \$1,344,456 during the half-year ended 31 December 2020 and as of that date, the group's current liabilities exceeded its current assets by \$5,009,011. As stated in Note 1(a), these events or conditions, along with other matters as set forth in Note 1(a), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

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

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**AZURE HEALTH TECHNOLOGY LIMITED
ABN 35 111 082 485
AND CONTROLLED ENTITIES**

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2020 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*.

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.



HALL CHADWICK (NSW)
Level 40, 2 Park Street
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DREW TOWNSEND
Partner

Dated: 30 March 2021