

17 June 2021

National Stock Exchange of Australia  
1 Bligh Street  
SYDNEY NSW 2000

**Re: ALLWELLNESS HOLDINGS GROUP LIMITED – Market Update and Intention to Seek Approval to Delist**

Allwellness Group Holdings Limited (NSX:AHW) provides the following market update since its update of 5 May 2021:

1. The Company's operations have been impacted by the impacts of Covid -19 and various new import restrictions in China. The Company's operations involve the preparation and export to China of health and beauty products. With the impact of Covid-19 and the new Chinese import restrictions orders from China have declined with no new orders in the last 6 months. The Company's distributors in China report reduced demand for products and indicate that they are short of cash due to lack of sales.

Travel restrictions means management has been unable to travel to China or other potential markets to source orders or obtain approvals for the Company's products.

The Company has required all customers to pre-pay all or part of the costs of product before delivery to ensure cash flow. Any enquiries for product have required the Company to meet the costs upfront and await payment. The Company's cash position does not allow it to currently operate on that basis.

Due to the lack of cash flow the Company is reliant on funding from the major shareholder to continue limited operations.

2. The Company is unable to advise when its half -yearly accounts will be prepared for lodgment as it currently cannot fund the preparation of the accounts.
3. The Company is constrained due to travel restrictions in sourcing new markets and demonstrating its products. Enquiries have been made of potential distributors outside of China but as yet no distribution arrangements have been entered. The Company is also in discussions with potential producers of products to provide contract manufacturing and also in early discussions with potential purchasers of its manufacturing facility.

As a result of the Company's financial and trading position the Board believes that it would be best for the Company to delist from the NSX and convert to a proprietary company in order to reduce costs. To that end the Company will shortly be requesting a waiver of the 90 day period to delist set out in LR 2.25 and issue a notice of general meeting to seek shareholder approval to delist from NSX.

AUTHORISED BY



**Andrew Bristow**  
Secretary