

Annual Report

30 June
2022

General information

ACN	150 110 017
Directors	Stephen Harrison (Non-Executive Chairman) Jiahua (Joshua) Zhou (Managing Director) Jacky Yang (Non-Executive Director) Stratos Karousos (Non-Executive Director)
Company secretary	Michael Higginson
Registered office	Suite 1.01, 22-36 Mountain Street Ultimo NSW 2007 Australia Telephone: 1800 800 285
Principal place of business	Suite 1.01, 22-36 Mountain Street Ultimo NSW 2007 Australia Telephone: 1800 800 285
Share register	Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace Perth WA 6000 Telephone: +61 (08) 9323 2000
Auditor	Rothsay Audit & Assurance Pty Ltd Level 1, 6-10 O'Connell Street Sydney NSW 2000
Solicitors	Steinepreis Paganin Lawyers and Consultants Level 4, 16 Milligan Street Perth WA 6000
Stock exchange listing	Australian Securities Exchange (ASX code: AUK)
Website	www.aumake.com.au

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Chairman's Letter

A Year of Scaling Back and Re-focusing

Dear Shareholders

On behalf of my fellow Board members, I present the 2022 Annual Report for Aumake Limited (**Aumake** or the **Company**).

As a result of the Covid-19 pandemic, on-and-off lockdowns, supply-chain disruptions, small-business closures, tight selling margins, almost non-existent international travel (tourism and international students) and the reported tensions between Australia and China, the last 2 years have certainly been very challenging for the Company.

The difficult trading conditions resulted in the Company's revenue falling some 52% to \$6.0m, when compared to the previous financial year of \$12.4m. In addition, operating expenses for the year contracted to \$13.0m, which included a further impairment of assets of \$1.92m.

The Board's focus is set on maintaining the existing business and a continued reduction in operating costs.

Physical Store Network

In July 2021, the Company completed the final issue of securities in relation to the Broadway acquisition.

With a lack of foot traffic at our Broadway stores, all of the Broadway stores were closed in calendar year 2021. Of our remaining three stores (located at Burwood, Chatswood and Market City in NSW, Australia), they have undergone a refresh and serve as showrooms for our new brands, higher-value products and to service local customers with our offering of low-margin popular products that are delivered directly from our warehouse. We are assessing the viability of the remaining physical stores and will continue to take steps to reduce costs.

E-commerce Capabilities

Establishing and focusing on our online marketplace saw Aumake continue to pivot its business, focusing more on our online platform and shifting our business model from a predominately bricks-and-mortar business to an online influencer-based marketplace. This transition is a natural evolution for the Company, leveraging Aumake's trusted Australian and New Zealand brand relationships and Asian influencer social networks. We have focused on online technology development and are considering new 'on-trend' products and brands along with the expansion of our online active user influencer base.

Capital Raisings

As expectations increased that Covid-19 was nearing an end and in anticipation of the opening of borders, Aumake successfully raised \$500k in October 2021 and a further \$2.2m in November 2021.

Cost Reductions

Aumake has restructured its operations and substantially reduced overheads and operating costs. During the financial year, Aumake's most significant cost saving was rental reductions of \$119k per month (as a result of the closure of 7 physical stores) and a reduction of staffing numbers from 38 to 24.

Other administration and employment expenditure items have been identified and action is being taken to outsource costs (where possible) and to further reduce all operating and administrative costs.

Management & Corporate Update

A number of corporate changes occurred during the year, including:

- i. The appointment of Mr Ian Thubron as a non-executive Director in September 2021, following the resignation of Quentin Flannery (Ian subsequently resigning in order to minimise costs).
- ii. For commercial reasons, a change of auditor was approved by Shareholders in February 2022, with RSM departing and Rothsay being appointed.
- iii. A revamp of the Board occurred in March 2021 with the appointment of myself as the Company's non-executive Chair (replacing Keong Chan who resigned) and the appointment of Mr Stratos Karousos as a non-executive Director.
- iv. The appointment in March 2022 of Mr Michael Higginson as Company Secretary, following the resignation of Ms Lisa Wynne.
- v. In May 2022, the Company's long standing executive Director Mr Jacky Yang stepped aside and assumed a non-executive Director role.

Outlook for FY23

Aumake is expecting that the economic outlook and the return of tourists and students will improve. Aumake is, however, cognizant that this may take longer than expected and hence we expect that FY 2023 may include:

- the continuation of costs cuts (including physical store closures) and an improvement in efficiencies;
- attracting new 'on-trend' products and experiences that deliver improved gross margins;
- the introduction of state of the art ecommerce technologies for the delivery of a diverse range of premium products;
- increasing customer numbers and the reach of our influencers; and
- other potential acquisitions that are revenue and value accretive.

With elements of international tourism slowly returning to Australia and indications that China may soon open its borders, Aumake is well placed to capitalise on any resurgence in demand for Australian and New Zealand products from the Chinese consumer.

On behalf of the Board, I would like to take this opportunity to thank the Aumake team, our shareholders, our suppliers, brands and influencers for their continued support.



STEPHEN HARRISON
Non-Executive Chairman

Board of Directors



Mr Stephen Harrison

*Non-Executive Chairman
(Appointed on 1 March 2022)*

Bachelor of Economics

Mr Harrison has over 30 years of experience in the financial services, funds management, M&A, private equity and accounting fields – primarily focused on the energy, technology, IT services, infrastructure, financial services, health, entertainment and natural resource sectors. He is an experienced chairman and Director with extensive ASX and corporate experience. He currently serves as the chairman of the ASX listed life insurance company NobleOak Life Limited (ASX: NOL), loyalty company IncentiaPay Limited (ASX: INP) and fund manager Conscious Capital Limited. Mr Harrison is a Certified Practising Accountant.



Mr Jiahua (Joshua) Zhou

Managing Director

Bachelor of Management and
Master of International Business

Mr Zhou is the founder of Aumake. Mr Zhou worked in the Australian tourism industry for 10 years in roles which included the coordination of business and government delegations from China.



Mr Jacky Yang

Non-Executive Director

Mr Yang is a highly experienced Asian focused tourism professional with over 20 years of experience in the Asian tourist retail industry. During this time, he co-founded and built the Broadway business to a turnover of over \$30 million per annum.



Mr Stratos Karousos

*Non-Executive Director
(Appointed on 1 March 2022)*

Bachelor of Law and Master of Commerce

Mr Karousos is an experienced Director and senior executive with deep corporate and legal experience gained mostly in Australia, Hong Kong, Singapore, and the US. He is currently a non-executive Director of robotics company Nightingale Intelligent Systems, Inc ASX: NGL). He has previously held positions as CEO and Director of Elixinol Wellness Limited (ASX: EXL) and has held senior roles in global organizations including WiseTech Global Limited (ASX:WTC) and Baker McKenzie.

Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Aumake Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

Directors

The following persons were Directors of Aumake Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Stephen Harrison (Appointed 1 March 2022)
 Jiahua (Joshua) Zhou
 Jacky Yang
 Stratos Karousos (Appointed 1 March 2022)
 Keong Chan (Appointed 29 September 2017, Resigned 1 March 2022)
 Quentin Flannery (Appointed 29 September 2017, Resigned 8 September 2021)
 Ian Thubron (Appointed 8 September 2021, Resigned 31 May 2022)

Principal activities

During the financial year the principal activities of the consolidated entity was the sale of Australian products via its online e-commerce store and the Aumake retail stores.

Dividends

The consolidated entity has not declared any dividend during the financial year.

Review of operations

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$6,124,180 (30 June 2021: loss of \$20,147,809).

The Company has faced with a number of risks this financial year and addressed the main risks as follows:

(a) Covid-19 pandemic lockdowns	The Australian Federal and State Governments introduced lockdowns throughout FY22 disrupting retail foot traffic activity. The on and off nature and uncertainty of these lockdowns was impossible to determine, but true to the Company's core business model, the decision was made to retain a minimum store presence. The City of Sydney was particularly impacted by the lockdowns and lack of foot traffic, with Management negotiating an exit from the World Square store in July 2022 and is currently in final stage negotiations to exit the Town Hall store. Additionally, the Company has pivoted to a more ecommerce online influencer based marketplace, reducing its reliant on bricks-and-mortar selling model.
(b) Lack of Chinese tourist	China has been in lockdown throughout the Covid-19 pandemic restricting its citizens from departing its sovereign territories for tourist activity. The Broadway Group business is reliant on Chinese tourism. The Company closed all Broadway stores in calendar year 2021.

(c) Capital Raising	As expectations increased that Covid-19 was nearing an end and in anticipation of the opening of borders, Aumake successfully raised \$500k in October 2021 and a further \$2.2m in November 2021. Aumake has engaged Novus Capital Limited to source additional capital from equity markets
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Significant changes in the state of affairs

In line with previous announcements to the Australian Securities Exchange, the consolidated entity has continued pivoting from a retailer focusing on Chinese tourism into Australia to an online influencer marketplace model.

The consolidated entity remains committed to maintaining retail stores in Australia and will look to open stores following the return of international travellers.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

The impact of the Coronavirus (COVID-19) pandemic and the lack of international tourists has been ongoing and whilst it has been financially negative for the consolidated entity, it is not practicable to estimate the potential impact, positive or negative, after the reporting date.

On 18 August 2022, the Company announced that it had entered into a four year strategic partnership agreement with leading Australian frequent value rewards program provider, Entertainment Publications of Australia Pty Ltd (EPA). The partnership allows Aumake to use EPA's popular member rewards program, via a branded white label app, for Aumake's domestic Chinese customers in Australia and New Zealand.

Likely developments and expected results of operations

Whilst still in its early days, the Company's ecommerce activities are showing positive signs and the number of visitors are gaining momentum.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on Directors

Name: Stephen Harrison (Appointed 1 March 2022)
 Title: Non-Executive Chairman
 Qualifications: Bachelor of Economics

Experience and expertise: Mr Harrison has over 30 years of experience in the financial services, funds management, M&A, private equity and accounting fields – primarily focused on the energy, technology, IT services, infrastructure, financial services, health, entertainment and natural resource sectors. He is an experienced chairman and Director with extensive ASX and corporate experience. He currently serves as the chairman of the ASX listed life insurance company NobleOak Life Limited (ASX:NOL), loyalty company IncentiaPay Limited (ASX: INP) and fund manager Conscious Capital Limited. Mr Harrison is a Certified Practising Accountant.

Other current Directorships: Director of NobleOak Life Limited
 Director of IncentiaPay Limited

Former Directorships (last 3 years): Director of MEC Resources Limited

Special responsibilities: None
 Interests in shares: None
 Interests in options: 6,000,000 options
 Contractual rights to shares: None

Name: Jiahua (Joshua) Zhou (Appointed on 29 September 2017)
Title: Managing Director
Qualifications: Bachelor of Management and Master of International Business
Experience and expertise: Mr Zhou is the co-founder of Aumake Australia and joined the Board on 29 September 2017. Prior to setting up the business, Mr Zhou worked in the Australian tourism industry for 10 years in roles which included the coordination of business and government delegations from China. His retail business acumen was honed working in duty free retail and sales management. This direct experience with both Chinese and Australian culture has provided Mr Zhou with a sound understanding of how to maximise the opportunities for Australian/Chinese retailing which he now brings to Aumake.

Other current Directorships: None
Former Directorships (last 3 years): None
Special responsibilities: None
Interests in shares: 62,560,672 ordinary shares
Interests in options: 15,516,666 options
Contractual rights to shares: 1,687,500 Class A performance rights

Name: Jacky Yang (Appointed on 18 November 2019)
Title: Non-Executive Director
Qualifications: Bachelor of Pharmacy
Experience and expertise: Mr Yang joined the Board on 18 November 2019. Mr Yang is a highly experienced Asian focussed tourism professional with over 20 years of experience in the Asian tourist retail industry. During this time, he co-founded and built the Broadway business to a turnover of over \$30 million per annum, which was ultimately acquired by Aumake in July 2019. Mr Yang's long standing and established relationships throughout the entire tourist supply chain, including with travel agents in China and ANZ, provides valuable insight to the Board as it focuses on the continued growth of Aumake in the Asian tourist market.

Other current Directorships: None
Former Directorships (last 3 years): None
Special responsibilities: None
Interests in shares: 15,794,268 ordinary shares
Interests in options: 12,833,333 options
Contractual rights to shares: 1,562,500 Class A performance rights

Name: Stratos Karousos (Appointed on 1 March 2022)
Title: Non-Executive Director
Qualifications: Bachelor of Law and Master of Commerce
Experience and expertise: Mr Karousos is an experienced Director and senior executive with deep corporate and legal experience gained mostly in Australia, Hong Kong, Singapore and the US. He is currently a non-executive Director of robotics company Nightingale Intelligent Systems, Inc (ASX: NGL). He has previously held positions as CEO and Director of Elixinol Wellness Limited (ASX: EXL) and has held senior roles in global organizations including WiseTech Global Limited (ASX:WTC) and Baker McKenzie.

Other current Directorships: Non-Executive Director of Nightingale Intelligent Systems, Inc
Former Directorships (last 3 years): Director of Elixinol Wellness Limited
Special responsibilities: None
Interests in shares: None
Interests in options: 3,000,000 options
Contractual rights to shares: None

Name: Keong Chan (Appointed on 29 September 2017, Resigned on 1 March 2022)
Title: Executive Chairman
Qualifications: Bachelor of Commerce and Master of International Customs Law and Administration
Experience and expertise: Mr Chan joined the Board on 29 September 2017. Mr Chan spent his early career working with Big 4 accountings firms in Canberra, Sydney and Perth and has significant corporate experience in capital raisings, initial public offerings, mergers and acquisitions, and takeovers and divestments. Mr Chan has also been a Director on the Boards of a number of ASX listed companies and has accumulated a vast network of relationships across a number of industries, bringing these connections and his expertise to his role as Executive Chairman of Aumake.
Other current Directorships: None
Former Directorships (last 3 years): Non-Executive Director of Hylea Metals Ltd
Non-Executive Chairman Superior Lake Resources Limited
Non-Executive Chairman Metalsearch Limited
Special responsibilities: Member of the Audit and Risk Committees (Resigned 1 March 2022)
Interests in shares: 33,993,376 ordinary shares
Interests in options: 11,333,333 options
Contractual rights to shares: 2,187,500 Class A performance rights

Name: Quentin Flannery (Appointed on 29 September 2017, Resigned 8 September 2021)
Title: Non-Executive Director
Qualifications: Bachelor of International Business with a minor in Mandarin.
Experience and expertise:

Currently the Director of several family companies, Mr Flannery brings a wealth of experience across corporate and commercial matters.

Since joining the board in 2017, Quentin has brought more than a decade of experience across a range of industries including exports, energy production, emerging technologies and both commercial and residential property development. Quentin is a member of the Australian Institute of Company Directors, and holds a Bachelor of International Business, Chinese Languages from the Queensland University of Technology.

Mr Flannery is also a Director for energy supplier Sunset Power International, coal mining company Delta Coal, and is Chairman of the medical device start-up Field Orthopaedics.

Quentin is also the Director of the Flannery Foundation, which supports a large range of charities, and is a corporate ambassador for the Australian Charity Act for Kids.

Other current Directorships: None
Former Directorships (last 3 years): None
Special responsibilities: Chairman of Audit Committee and Risk Committee (Resigned 8 September 2021)
Interests in shares: 23,973,332 ordinary shares
Interests in options: 9,166,666 options
Contractual rights to shares: 2,100,000 Class B performance rights

Name: Ian Thubron (Appointed on 8 September 2021, Resigned on 31 May 2022)
 Title: Non-Executive Director
 Qualifications: Master of Arts (Cambridge)
 Experience and expertise: Ian graduated from Cambridge University in 1987. After a stint in Corporate Finance at JP Morgan in New York, he returned to London and embarked on a 30-year career in the Marketing Communication Industry, working with some of the world's most admired brands. From 1991 until 2014 he lived and worked in Hong Kong, Singapore and Shanghai, and from 2004 until 2014 was Executive Vice President of TBWA\Asia Pacific and President of TBWA\Greater China.

Ian moved to Western Australia in 2015 and founded AsiaStrategies, a consulting firm which advises companies on Strategy, Growth and Asian Expansion. He sits on the boards of Good Samaritan Enterprises, Amana Living, Integrated Marketing Technology and Chairs the Blue Tree Project. Ian previously sat on the Boards of Tourism Western Australia and D'Orsogna.

Other current Directorships: None
 Former Directorships (last 3 years): None
 Special responsibilities: Chairman of Audit and Risk Committee (Resigned 31 May 2022)
 Interests in shares: None
 Interests in options: None
 Contractual rights to shares: Subject to Shareholder approval, Ian will also be entitled to 3 million zero priced options with an expiry date of 6 September 2024 vesting over time and in accordance with meeting milestones.

'Other current Directorships' quoted above are current Directorships for listed entities only and excludes Directorships of all other types of entities, unless otherwise stated.

'Former Directorships (last 3 years)' quoted above are Directorships held in the last 3 years for listed entities only and excludes Directorships of all other types of entities, unless otherwise stated.

Company secretary

Mr David Franks (appointed on 20 March 2020, resigned 23 August 2021)
 Ms Lisa Wynne (appointed on 23 August 2021, resigned 21 March 2022)
 Mr Michael Higginson (appointed on 21 March 2022)

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each Director were:

	Full Board		Audit and Risk Committee	
	Attended	Held	Attended	Held
Stephen Harrison	4	4	0	0
Jiahua (Joshua) Zhou	13	13	0	0
Jacky Yang	13	13	0	0
Stratos Karousos	4	4	0	0
Keong Chan	9	9	0	0
Quentin Flannery	3	4	0	0
Ian Thubron	7	8	0	0

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 (Cth) and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Principles used to determine the nature and amount of remuneration

Additionally, the reward framework seeks to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive Director remuneration is separate.

Non-Executive Directors' remuneration

Fees and payments to Non-Executive Directors reflect the demands and responsibilities of their role. Non-Executive Directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market.

ASX listing rules require the aggregate Non-Executive Directors' remuneration be determined periodically by a general meeting. The maximum aggregate remuneration payable to Non-Executive Directors currently stands at \$300,000 per annum.

Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following Directors of Aumake Limited:

- Stephen Harrison (Non-Executive Chairman)
- Jiahua (Joshua) Zhou (Managing Director)
- Jacky Yang (Non-Executive Director)
- Stratos Karousos (Non-Executive Director)
- Keong Chan (Executive Chairman) (Appointed 29 September 2017, Resigned 1 March 2022)
- Quentin Flannery (Non-Executive Director) (Appointed 29 September 2017, Resigned 8 September 2021)
- Ian Thubron (Non-Executive Chairman) (Appointed 8 September 2021, Resigned 31 May 2022)

2022

	Short-term benefits		Post-employment benefits	Share-based payments		Fixed Remuneration
	Cash salary and fees *	Other	Super-annuation	Equity-settled options	Total	%
	\$	\$	\$	\$	\$	
<i>Non-Executive Directors:</i>						
Stephen Harrison	24,848	-	2,485	14,660	41,993	65
Jacky Yang ¹	132,949	-	14,019	44,324	191,292	77
Stratos Karousos	20,000	-	-	5,388	25,388	79
Keong Chan	163,884	-	18,229	79,239	261,352	70
Quentin Flannery	8,000	-	-	40,544	48,544	16
Ian Thubron	40,000	-	-	-	40,000	100
<i>Executive Directors:</i>						
Jiahua Zhou ¹	133,838	-	19,663	51,713	205,214	75
<i>Other KMP</i>						
Wei (Vivian) Lin ¹	149,782	-	14,019	50,492	214,293	76
Tony Guarna***	128,300	-	-	-	128,300	100
	801,601	-	68,415	286,360	1,156,376	

1. Due to the impact of Covid-19 on the business, certain staff waived approximately 50% of their salary (from August 2021 and this is still the case at the moment) which led to a decrease in the amount of remuneration paid and reported during FY22. In addition, the deferred amount was settled via Director participation in the Company's capital raising which was approved by shareholders in March 2021.

2021

	Short-term benefits		Post-employment benefits	Share-based payments	Fixed Remuneration	
	Cash salary and fees *	Other	Super-annuation	Equity-settled options	Total	%
	\$	\$	\$	\$	\$	%
<i>Non-Executive Directors:</i>						
Quentin Flannery	42,000	-	-	59,831	101,831	41
Oliver Horn	7,613	-	-	14,576	22,189	34
<i>Executive Directors:</i>						
Keong Chan	330,366	-	16,150	52,410	398,926	87
Jiahua Zhou ²	307,478	-	25,558	40,430	373,466	89
Jacky Yang ²	283,689	-	9,938	37,436	331,063	89
<i>Other KMP</i>						
Wei (Vivian) Lin ²	300,345	-	8,842	37,436	346,623	89
Peter Zhao**	161,087	-	16,028	37,356	214,471	83
Tony Guarna***	26,000	-	-	-	26,000	100
	1,458,578	-	76,516	279,475	1,814,569	

2. Due to the impact of Covid-19 on the business, the Directors deferred 50% of their salary (from March 2020 to December 2020) which led to an increase in the amount of remuneration paid and reported during FY21. In addition, the deferred amount was settled via Director participation in the Company's capital raising which was approved by shareholders in March 2021. The Company engaged BDO Reward Pty Ltd to independently determine fair and reasonable arm's length FY20 Director remuneration including incentives.

The equity-settled options were approved by shareholders in December 2020 and are all linked to performance, have not been paid, and their value determined in accordance with the Binomial or Black-Scholes option pricing model

* Cash salary and fees includes fees paid or due to be paid and movement in annual leave entitlements for the period.

** Peter Zhao resigned as Chief Financial Officer effective 3 May 2021.

*** Tony Guarna was appointed Chief Financial Officer on 3 May 2021. Tony Guarna is not an employee of Aumake but rather is a contractor engaged via Platinum Gate Proprietary Limited.

There are no long-term incentives ('LTI') and short-term incentives ("STI") paid to the Directors during the year ended 30 June 2022 (30 June 2021: Nil).

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Stephen Harrison
Title:	Non-Executive Chairman
Agreement commenced:	1 March 2022
Term of agreement:	Permanent without specific term.
Details:	Base salary of \$82,000 per year inclusive of superannuation

Name: Jiahua (Joshua) Zhou
 Title: Managing Director
 Agreement commenced: 29 September 2017 (amended 1 January 2021)
 Term of agreement: Permanent without specific term.
 Details: Base salary of \$270,000 per year plus superannuation (reduced to \$10,000 per month from August 2021)
 Payment of termination benefit on termination by employer, other than for gross misconduct, is equal to three (3) months base salary and superannuation.

Name: Jacky Yang
 Title: Non-Executive Director
 Agreement commenced: 1 August 2019 (amended 1 January 2021)
 Term of agreement: Permanent without specific term.
 Details: Base fee of \$250,000 per year plus superannuation as Director (from Jan 2021 to Jul 2021)
 Base fee of \$120,000 per year plus superannuation as Director (from Aug 2021 to May 2022)
 Base fee of \$4,000 per month as Non-Executive Director (from Jun 2022)
 Payment of termination benefit on termination by employer, other than for gross misconduct, is equal to three (3) months base salary and superannuation.

Name: Stratos Karousos
 Title: Non-Executive Director
 Agreement commenced: 1 March 2022
 Term of agreement: Permanent without specific term.
 Details: Base fee of \$48,000 per year as Non-Executive Director and \$12,000 per year as consultant.

Share-based compensation

Details of shares, options or performance rights issued to the key management personnel as part of compensation during the year ended 30 June 2022 are outlined below:

Issue of Shares

There were no shares and performance rights issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2022.

Options

Stephen Harrison
 6,000,000 unquoted options (3,000,000 options expiry 30 April 2025 exercisable at \$0.00, 3,000,000 options expiry 30 April 2025 exercisable at various prices) were issued (ASX announcement 12 May 2022, approved at 2022 AGM).

Jiahua Zhou
 7,000,000 unquoted options (expiry 30 April 2025 exercisable at \$0.00) were issued (ASX announcement 13 May 2022, approved at 2022 AGM).

Jacky Yang
 4,500,000 unquoted options (expiry 30 April 2025 exercisable at \$0.00) were issued (ASX announcement 13 May 2022, approved at 2022 AGM).

Stratos Karousos
 3,000,000 unquoted options (expiry 30 April 2025 exercisable at \$0.00) were issued (ASX announcement 12 May 2022, approved at 2022 AGM).

Keong Chan

9,000,000 quoted options (expiry 30 April 2025 exercisable at \$0.00) were issued (approved at 2022 AGM) and were converted to ordinary shares (ASX announcement 16 May 2022).

Wei (Vivian) Lin

4,500,000 unquoted options (expiry 30 April 2025 exercisable at \$0.00) were issued (ASX announcement 13 May 2022, approved at 2022 AGM).

Additional information

The loss of the consolidated entity for the four years to 30 June 2022 are summarised below:

	2022	2021	2020	2019
Sales revenue	6,011,404	12,442,733	60,056,562	44,346,500
EBITDA	(4,569,578)	(19,708,503)	(768,851)	(7,165,415)
EBIT	(5,913,943)	(20,147,810)	(4,392,721)	(7,743,317)
Loss after income tax	(6,072,804)	(20,118,887)	(5,147,947)	(7,757,237)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2022	2021	2020	2019
Share price at financial year end (\$)	0.01	0.03	0.05	0.14
Total dividends declared (cents per share)	Nil	Nil	Nil	Nil
Basic earnings per share (cents per share)	(0.89)	(3.75)	(1.55)	(2.79)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>				
Keong Chan	26,793,376	9,000,000	(1,800,000)	33,993,376
Jiahua (Joshua) Zhou	62,560,672	-	-	62,560,672
Quentin Flannery	23,973,332	-	-	23,973,332
Jacky Yang	7,865,997	7,928,271	-	15,794,268
Peter Zhao	324,283	-	(324,283)	-
	<u>121,517,660</u>	<u>16,928,271</u>	<u>(2,124,283)</u>	<u>136,321,648</u>

Option holding

The number of options over ordinary shares in the Company held during the financial year by each key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Additions	Disposals/ other	Balance at the end of the year
<i>Options over ordinary shares</i>				
Keong Chan	11,333,333	9,000,000	(9,000,000)	11,333,333
Jiahua (Joshua) Zhou	8,516,666	7,000,000	-	15,516,666
Quentin Flannery	9,166,666	-	-	9,166,666
Jacky Yang	8,333,333	4,500,000	-	12,833,333
Stephen Harrison	-	6,000,000	-	6,000,000
Stratos Karousos	-	3,000,000	-	3,000,000
Wei (Vivian) Lin	7,500,000	4,500,000	-	12,000,000
	<u>44,849,998</u>	<u>34,000,000</u>	<u>(9,000,000)</u>	<u>69,849,998</u>

Performance Shares

The number of performance shares in the Company held during the financial year by each key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Additions	Disposals/ Other ¹	Balance at the end of the year
<i>Performance Rights</i>				
Keong Chan	2,187,500	-	-	2,187,500
Jiahua (Joshua) Zhou	1,687,500	-	-	1,687,500
Quentin Flannery	2,100,000	-	-	2,100,000
Jacky Yang	1,562,500	-	-	1,562,500
Oliver Horn	882,000	-	(882,000)	-
Wei (Vivian) Lin	1,562,500	-	-	1,562,500
Peter Zhao	<u>2,000,000</u>	<u>-</u>	<u>(2,000,000)</u>	<u>-</u>
	<u>11,982,000</u>	<u>-</u>	<u>(2,882,000)</u>	<u>9,100,000</u>

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

This concludes the remuneration report, which has been audited.

Indemnity and insurance of officers

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to ensure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to 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 part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 26 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in Note 26 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are new partners of Rothsay Audit & Assurance Pty Ltd

There are no officers of the Company who are former partners of Rothsay Audit & Assurance Pty Ltd.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Auditor

Rothsay Audit & Assurance Pty Ltd started in office on 22 November 2021 in accordance with section 327B of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Non-Executive Chairman

30 September 2022
Sydney

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To the Directors of Aumake Limited

As lead auditor of Aumake Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Aumake Limited and the entities it controlled during the year.

Rothsay Audit & Assurance Pty Ltd



Daniel Dalla

Partner

Sydney, 30 September 2022

Financial Statements

The financial statements cover Aumake Limited as a consolidated entity consisting of Aumake Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Aumake Limited's functional and presentation currency.

Aumake Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Suite 1.01, 22-36 Mountain Street
Ultimo, NSW 2007, Australia

Principal place of business

Suite 1.01, 22-36 Mountain Street
Ultimo, NSW 2007, Australia

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 30 September 2022. The Directors have the power to amend and reissue the financial statements.

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2022

	Note	Consolidated	
		2022 \$	2021 \$
Revenue			
Sales revenue	4	6,011,404	12,442,733
Other income	5	867,802	1,894,990
Expenses			
Cost of sales		(5,460,001)	(10,659,060)
Administrative expenses		(988,478)	(4,499,912)
Employee benefits expense		(2,458,302)	(4,947,036)
Marketing expenses		(201,565)	(748,088)
Travel and accommodation expenses		(23,140)	(66,078)
Share based payment expense (options and performance shares)	23	(354,125)	(410,230)
Depreciation and amortisation		(1,344,365)	(439,307)
Loss on disposal of assets		(250,463)	(1,242,129)
Loss on impairment of assets	27	(1,922,947)	(11,473,692)
Loss before income tax expense		(6,124,180)	(20,147,809)
Income tax expense	6	-	-
Loss after income tax expense for the year		(6,124,180)	(20,147,809)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations	20	(212,287)	(71,707)
Total comprehensive loss attributable to owners of Aumake Limited		(6,336,467)	(20,219,516)
Loss for the year is attributable to:			
Non-controlling interest		(51,376)	(28,923)
Owners of Aumake Limited		(6,072,804)	(20,118,886)
		(6,124,180)	(20,147,809)
Total comprehensive loss for the year is attributable to:			
Non-controlling interest		(51,376)	(28,923)
Owners of Aumake Limited		(6,285,091)	(20,190,593)
		(6,336,467)	(20,219,516)
Loss per share for loss from continuing operations attributable to the owners of Aumake Limited		Cents	Cents
Basic earnings per share	33	(0.89)	(3.75)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

ANNUAL REPORT – AUMAKE LIMITED (ASX: AUK)

Statement of financial position

As at 30 June 2022

	Note	Consolidated	
		2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	7	3,042,043	4,264,616
Trade and other receivables	8	75,597	156,142
Inventories	9	1,418,020	1,799,618
Other assets	10	78,919	464,140
Total current assets		4,614,579	6,684,516
Non-current assets			
Plant and equipment	11	500,055	1,051,618
Right-of-use asset	12	385,641	2,850,381
Intangibles	13	4,500,000	5,438,887
Other financial assets		50,000	-
Other assets	14	27,553	1,310,463
Total non-current assets		5,463,249	10,651,349
Total assets		10,077,828	17,335,865
Liabilities			
Current liabilities			
Trade and other payables	15	4,863,610	7,305,356
Borrowings	16	-	39,497
Provisions	17	597,760	1,387,967
Lease liabilities	18	459,237	1,654,590
Total current liabilities		5,920,607	10,387,410
Non-current liabilities			
Lease liabilities	18	60,999	1,361,367
Other payables	15	-	228,904
Total non-current liabilities		60,999	1,590,271
Total liabilities		5,981,606	11,977,681
Net assets		4,096,222	5,358,184
Equity			
Issued capital	19	53,830,842	49,094,462
Reserves	20	2,010,476	1,884,638
Non-controlling interests	21	(80,299)	(28,923)
Accumulated losses	22	(51,664,797)	(45,591,993)
Total equity		4,096,222	5,358,184

The above statement of financial position should be read in conjunction with the accompanying notes

ANNUAL REPORT – AUMAKE LIMITED (ASX: AUK)

Statement of changes in equity

For the year ended 30 June 2022

Consolidated	Issued Capital \$	Reserves \$	Accumulated Losses \$	Non- Controlling Interests \$	Total Equity \$
Balance at 1 July 2020	35,954,542	5,546,115	(25,473,107)	-	16,027,550
Total comprehensive loss for the year	-	-	(20,118,886)	(28,923)	(20,147,809)
<i>Transactions with owners in their capacity as owners:</i>					
Issue of share for acquisition of subsidiary	2,504,000	-	-	-	2,504,000
Issue of new shares	7,000,000	-	-	-	7,000,000
Share Payment Reserve conversion	4,000,000	(4,000,000)	-	-	-
Share issue costs (Note 19)	(364,080)	-	-	-	(364,080)
Share-based payments - Options and performance shares (Note 23)	-	410,230	-	-	410,230
Exchange difference on translation	-	(71,707)	-	-	(71,707)
Balance at 30 June 2021	49,094,462	1,884,638	(45,591,993)	(28,923)	5,358,184
Balance at 1 July 2021	49,094,462	1,884,638	(45,591,993)	(28,923)	5,358,184
Total comprehensive loss for the year	-	-	(6,072,804)	(51,376)	(6,124,180)
<i>Transactions with owners in their capacity as owners:</i>					
Share issued for Partnership -AI driven	16,000	-	-	-	16,000
Issue of share for acquisition of subsidiary	2,127,000	-	-	-	2,127,000
Issue of new shares	2,727,000	-	-	-	2,727,000
Share issue costs (Note 19)	(133,620)	-	-	-	(133,620)
Share-based payments - Options and performance shares (Note 23)	-	338,125	-	-	338,125
Exchange difference on translation	-	(212,287)	-	-	(212,287)
Balance at 30 June 2022	53,830,842	2,010,476	(51,664,797)	(80,299)	4,096,222

The above statement of changes in equity should be read in conjunction with the accompanying notes

ANNUAL REPORT – AUMAKE LIMITED (ASX: AUK)

Statement of cash flows

For the year ended 30 June 2022

Consolidated

		2022	2021
	Note	\$	\$
Cash flows related to operating activities			
Receipts from product sales and related debtors		6,011,404	12,442,733
Payments to suppliers and employees		(9,294,556)	(21,978,346)
Other income		851,901	1,538,169
Interest received		15,901	7,450
Net cash outflow used in operating activities	32	(2,415,350)	(7,989,994)
Cash flows related to investing activities			
Payments for plant and equipment	11	(81,647)	(137,688)
Acquisition of intangibles		(50,000)	(2,354,000)
Secured deposits paid / (refunded)		721,516	(101,535)
Net cash outflow used in investing activities		589,869	(2,593,223)
Cash flows related to financing activities			
Proceeds from issue of shares	19	2,727,000	7,000,000
Share issue costs	19	(133,620)	(364,080)
Repayment of leases liabilities		(2,224,755)	-
Repayment of the borrowings		-	(43,148)
Net cash inflow from financing activities		368,625	6,592,772
Net decrease in cash held		(1,456,856)	(3,990,445)
Cash and cash equivalents at the beginning of the financial year		4,264,616	8,228,008
Effects of exchange rate changes on cash and cash equivalents		234,283	27,053
Cash and cash equivalents at the end of the financial year	7	3,042,043	4,264,616

The above statement of cash flows should be read in conjunction with the accompanying notes
ANNUAL REPORT – AUMAKE LIMITED (ASX: AUK)

Notes to the financial statements

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements of Aumake Limited and its controlled entities (the 'consolidate entity' or 'Group') are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The consolidated entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the AASB and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of \$6,124,180 and outflows from operating activities of \$2,415,350 respectively for the year ended 30 June 2022. As at that date, the Group had net current liabilities of \$1,306,028.

These factors indicate material uncertainty related to the ability of the Group to continue as a going concern.

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to manage cash flows in line with available funds and to secure funds by raising additional capital from equity markets, as and when required. It is important to also note that Aumake has engaged Novus Capital Limited to source additional capital from equity markets.

The Directors believe that there are reasonable grounds that the Group will be able to continue as a going concern, after consideration of the following factors:

- the Group had cash and cash equivalents of \$3,042,043 as at 30 June 2022 and has prepared a cash flow forecast to manage cash in line with available funds;
- the Group has reduced or removed all non-essential costs in order to conserve cash;
- the Group has closed all non-profitable stores;
- the ability to defer payments to major creditors as a result of existing strong relationships and;
- the Group expects to be successful in sourcing further capital from the issue of additional equity securities to fund its ongoing operations, as and when required.

Note 1. Significant accounting policies (cont'd)

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, nor to amounts of classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 29.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Aumake Limited ('Company' or 'parent entity') as at 30 June 2022 and 30 June 2021 and the results of all subsidiaries for the year then ended. Aumake Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Aumake Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Note 1. Significant accounting policies (cont'd)

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Travel commission

Revenue generated from the travel commission is recognised at the point in time when the customers are introduced to the tour agencies.

Interest

Interest revenue is recognised as interest accrues using the effective interest method.

Other revenue

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

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 1. Significant accounting policies (cont'd)

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Aumake Limited (the 'head entity') and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime subsequent to 30 June 2018. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

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 provision for impairment. Trade receivables are generally due for settlement within 30 days.

The consolidated entity 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.

Other receivables are recognised at amortised cost, less any provision for impairment.

Note 1. Significant accounting policies (cont'd)

Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a weighted average cost basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of investments

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	3-10 years
Plant and equipment	3-10 years
Motor vehicle	5-8 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 1. Significant accounting policies (cont'd)

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

Agency relationships

Agency relationships acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 20 years.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Note 1. Significant accounting policies (cont'd)

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

Note 1. Significant accounting policies (cont'd)

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued, or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Note 1. Significant accounting policies (cont'd)

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Aumake Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

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 of lease liabilities.

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

Note 1. Significant accounting policies (cont'd)

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.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2022. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relations to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. The consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Agency relationship intangible

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether Agency relationship intangible has suffered any impairment, in accordance with the accounting policy stated in Note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

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.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to Note 23 for further information.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Note 3. Operating segments

The consolidated entity is organised into two operating segments based on differences in the type of selling that occurs. The main operation is its traditional multi-brand, omni-channel retail business, and during this financial year the consolidated entity has developed its online platform and will begin to shift the business model from a predominately bricks-and-mortar business to an online influencer-based marketplace. This latter segment has not contributed sufficient revenue to justify separate disclosure in these financial statements.

The Directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the Board in allocating resources, and have concluded that at this time, no breakdown of the segments is made as the contributions to the e-commerce platform are not significant.

The consolidated entity is domiciled in Australia. Revenue from external customers is generated from Australia, New Zealand and China. Segment revenues are allocated based on the country in which the customer is located. Assets are located in Australia, New Zealand and China. For the years ended 30 June 2022 and 30 June 2021, the revenues from China and New Zealand are not material to the Group.

Note 4. Revenue

	Consolidated	
	2022	2021
	\$	\$
<i>Revenue from contracts with customers</i>		
Sale of goods	6,011,404	12,442,733

Revenue from contracts with customers are recognised at the point in time, when the customer obtains control of the goods, which is generally at the time of delivery.

Geographical

Australia	6,011,404	12,442,733
New Zealand	-	-
Sale of goods	6,011,404	12,442,733

Note 5. Other income

	Consolidated	
	2022	2021
	\$	\$
Other income	604,083	543,405
Interest income	15,901	-
Cash Flow Boost	-	227,585
JobSaver subsidies	247,818	-
JobKeeper subsidies	-	1,124,000
	867,802	1,894,990

Note 6. Income tax expense

(a) Income tax recognised in profit/loss

No income tax is payable by the Group as it recorded a loss for income tax purposes for the year.

(b) Numerical reconciliation between income tax expense and the loss before income tax

The prima facie income tax benefit on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:

	Consolidated	
	2022 \$	2021 \$
Accounting loss before tax	(6,124,180)	(20,147,809)
Income tax benefit at 25% (2021: 26%)	(1,531,045)	(5,238,430)
Tax effect of non-allowable items and temporary differences	(247,496)	2,340,261
Unrecognised tax losses	1,778,541	2,898,169
Income tax expense/(benefit) attributable to loss from ordinary activities	-	-

(c) Unrecognised deferred tax balances

Previous year deferred tax asset	7,765,148	5,668,076
Tax losses at 25% (2021: 26%)	733,363	2,097,072
Net unrecognised deferred tax asset at 25% (2021: 26%)	8,498,511	7,765,148

A deferred tax asset attributable to income tax losses has not been recognised at the reporting date as the probability criteria disclosed in Note 1 is not satisfied and such benefit will only be available if the consolidated entity can satisfy the tax loss recoupment test as defined in each taxation jurisdiction.

Note 7. Current assets - cash and cash equivalents

	Consolidated	
	2022 \$	2021 \$
Cash at bank	2,179,269	4,043,799
Term deposits	858,021	210,667
Cash on hand	4,753	10,150
	3,042,043	4,264,616

Note 8. Current assets - trade and other receivables

	Consolidated	
	2022 \$	2021 \$
Trade receivables	75,385	143,015
Other receivables	212	13,127
	75,597	156,142

All trade receivables are non-interest bearing. Refer to Note 24 for further information on financial instruments.

Allowance for expected credit losses

There is no allowance for expected credit losses recognised as at 30 June 2022 (30 June 2021: Nil).

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Note 9. Current assets - inventories

	Consolidated	
	2022 \$	2021 \$
Finished goods	1,647,182	1,919,579
Less: provision for impairment	(229,162)	(119,961)
	<u>1,418,020</u>	<u>1,799,618</u>

Note 10. Current assets - other assets

	Consolidated	
	2022 \$	2021 \$
Prepayments	<u>78,919</u>	<u>464,140</u>

Note 11. Non-current assets - plant and equipment

	Consolidated	
	2022 \$	2021 \$
Leasehold improvements - at cost	1,048,595	1,578,392
Less: Accumulated depreciation	(663,245)	(732,432)
	<u>385,350</u>	<u>845,960</u>
Plant and equipment - at cost	290,969	430,855
Less: Accumulated depreciation	(230,123)	(300,035)
	<u>60,846</u>	<u>130,820</u>
Motor vehicles - at cost	151,948	190,693
Less: Accumulated depreciation	(98,089)	(115,855)
	<u>53,859</u>	<u>74,838</u>
Capital work in progress	-	-
	<u>500,055</u>	<u>1,051,618</u>

Reconciliations

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

	Leasehold improvements	Plant and equipment	Motor vehicles	Capital work in progress	Total
Consolidated	\$	\$	\$	\$	\$
Balance at 30 June 2021	845,960	130,820	74,838	-	1,051,618
Additions	71,000	10,647	-	-	81,647
Disposals	(252,827)	(34,720)	-	-	(287,547)
Depreciation expense	(289,486)	(47,714)	(20,979)	-	(358,179)
Foreign exchange differences	10,703	1,813	-	-	12,516
Balance at 30 June 2022	385,350	60,846	53,859	-	500,055

	Leasehold improvements	Plant and equipment	Motor vehicles	Capital work in progress	Total
Consolidated	\$	\$	\$	\$	\$
Balance at 30 June 2020	1,791,486	321,446	100,151	84,553	2,297,636
Additions	99,249	38,439	-	-	137,688
Disposals/Transfer	(1,006,976)	(132,590)	(18,010)	(84,553)	(1,242,129)
Depreciation expense	(33,612)	(96,232)	(7,303)	-	(137,147)
Foreign exchange differences	(4,187)	(243)	-	-	(4,430)
Balance at 30 June 2021	845,960	130,820	74,838	-	1,051,618

Note 12. Non-current assets - right-of-use assets

	Consolidated	
	2022 \$	2021 \$
Right-of-use assets	2,607,868	5,848,772
Less: Accumulated depreciation	(2,222,227)	(2,998,391)
	385,641	2,850,381

The consolidated entity has exited or surrendered several property leases during this financial year. The remaining leases over buildings for its offices and retail outlets are under agreements with a duration of between one to three and a half years to expiry. The leases have various escalation clauses. On renewal, the terms of the leases will be renegotiated.

Note 13. Non-current assets - intangibles

	Consolidated	
	2022 \$	2021 \$
Goodwill	-	-
Agency relationships - at cost	6,043,208	6,043,208
Less: Accumulated amortisation	(906,481)	(604,321)
Less: Loss on impairment	(636,727)	-
	4,500,000	5,438,887

Note 13. Non-current assets – intangibles (cont'd)

Reconciliations

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

Consolidated	Agency Relationships	Goodwill	Total
	\$	\$	\$
Balance at 1 July 2020	5,741,047	10,509,851	16,250,898
Less: Amortisation for the year	(302,160)	-	(302,160)
Less: Impairment for the year	-	(10,509,851)	(10,509,851)
Balance at 30 June 2021	5,438,887	-	5,438,887
Less: Amortisation for the year	(302,160)	-	(302,160)
Less: Impairment for the year	(636,727)	-	(636,727)
Balance at 30 June 2022	4,500,000	-	4,500,000

Impairment testing

Given the impact of COVID-19 on the Group's operations for the year ended 30 June 2021 and the likelihood that COVID-19 was going to continue to affect the Group's revenue, the Directors fully impaired the goodwill as at 30 June 2021.

Note 14. Non-current assets - other assets

	Consolidated	
	2022 \$	2021 \$
Security deposits	27,553	1,310,463

Note 15. Trade and other payables

	Consolidated	
	2022 \$	2021 \$
Current		
Trade payables	2,227,869	1,306,698
Other payables	32,932	2,651,131
Payment in advance	412,002	3,609
Accrued expenses ¹	2,190,807	3,343,918
	4,863,610	7,305,356

	Consolidated	
	2022 \$	2021 \$
Non-current		
Other payables	-	228,904

Refer to Note 24 for further information on financial instruments.

¹The total accrued expenses balance of \$2,190,807 includes rent owed of \$426,190 and accrued commission of \$1,764,617 which are payable to travel agents and agencies. Whilst the Company has not been able to locate any written contractual documentation in relation to the \$1,764,617 liability, based on past practice, the accrual has continued to be recognised as a liability.

Note 16. Borrowings

		Consolidated	
		2022	2021
		\$	\$
Current			
Finance lease liability - motor vehicles		-	39,497
		-	39,497
		Future minimum lease payments	Present value of minimum lease payments
		\$	\$
30 June 2021			
Less than one year		39,514	39,497
Between one and five years		-	-
		39,514	39,497

The finance lease liability is secured by a charge over the underlying finance leased asset.

Note 17. Current liabilities – provisions

		Consolidated	
		2022	2021
		\$	\$
Provision for lease payments due (not included in Lease Liabilities) ¹		304,874	750,068
Employee benefits provision		292,886	637,899
		597,760	1,387,967

¹The provision balance of \$304,874 relates to the amount of rent payable over the entire remaining lease period for the Gold Harbour Q1 store. As this store is no longer open, the lease liabilities have been accounted for as provisions (moved out of lease liabilities). Management is endeavouring to surrender, exit, or sub-lease this location.

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current since the consolidated entity does not have an unconditional right to defer settlement. The consolidated entity expects all employees to take the full amount of accrued leave or require payment within the next 12 months.

Note 18. Lease liabilities

		Consolidated	
		2022	2021
		\$	\$
Current			
Lease liability		459,237	1,654,590
		Consolidated	
		2022	2021
		\$	\$
Non-current			
Lease liability		60,999	1,361,367

Refer to note 24 for further information on financial instruments.

Note 19. Equity - issued capital

	Consolidated			
	2022 Shares	2021 Shares	2022 \$	2021 \$
Ordinary shares - fully paid	771,446,924	537,846,761	53,830,842	49,094,462

Movements in ordinary share capital

	2022		2021	
	No. of shares	\$	No. of shares	\$
Consolidated				
At the beginning of the financial year	537,846,761	49,094,462	332,436,698	35,954,542
Add:				
Share issued at acquisition of business – Broadway Group	68,612,913	2,127,000	36,417,816	2,354,000
Share issued for Partnership - AI Driven	2,000,000	16,000	-	-
Reclassify Share Payment Reserve to issued Capital	-	-	50,000,000	4,000,000
Conversion of Performance Rights to shares	2,987,250	-	2,325,581	150,000
Conversion of Options to shares	9,000,000	-	-	-
Share issued at capital raising	151,000,000	2,727,000	116,666,666	7,000,000
Share issue costs		(133,620)		(364,080)
At the end of the financial year	771,446,924	53,830,842	537,846,761	49,094,462

Ordinary shares participate in dividends and the proceeds on winding up of the consolidated entity in proportion to the number of and amounts paid on the shares held. At shareholder 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.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Note 19 Equity – issued capital (cont'd)

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the Company's current share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2021 Annual Report.

Note 20. Equity - reserves

	Consolidated	
	2022	2021
	\$	\$
Options reserve (a)	2,059,844	1,734,795
Performance rights reserve (b)	161,773	148,697
Foreign currency translation reserve (c)	(211,141)	1,146
	<u>2,010,476</u>	<u>1,884,638</u>

Note 20. Equity – reserves (cont'd)

(a) Options reserve

Movements in option reserve

	2022		2021	
	No. of Securities	\$	No. of Securities	\$
Consolidated				
At the beginning of the financial year	104,083,364	1,734,795	8,550,000	1,473,262
Issue/(forfeited) of options to employees in pursuant to Employee Share Option Plan ('ESOP') with an exercise price of \$0.20	-	-	(5,000,000)	-
Issue of options to Non-Executive Director pursuant to Long-Term Incentive Plan with an exercise price of \$0.20 (expiry 29 September 2022)	-	26,183	5,000,000	25,126
Long-term performance options (expiry 04/12/24 exercisable @ \$0.20)	-	14,277	3,600,000	68,695
Issue of options to Director pursuant to Long-Term Incentive Plan with an exercise price of \$0.20 (expiry 4 December 2024)	-	162,365	33,600,000	167,712
Issue of free attaching options pursuant to Tranche 2 \$7.0 m placement with an exercise price of \$0.14 (expiry 16 March 2024)	-	-	58,333,364	-
Options (expiry 30/04/25 exercisable @\$0.00)	17,500,000	31,428	-	-
Options (expiry 30/04/25 exercisable @\$0.00)	13,500,000	42,750	-	-
Conversion of Options to shares	(9,000,000)	-	-	-
Options (expiry 30/04/25 exercisable @various strike prices)	3,000,000	42,000	-	-
Options (expiry 01/02/25 exercisable @\$0.02)	3,000,000	3,331	-	-
Options (expiry 01/02/25 exercisable @\$0.04)	3,000,000	1,635	-	-
Options (expiry 01/02/25 exercisable @\$0.08)	3,000,000	1,080	-	-
Quoted Options (expiry 31/05/25 exercisable @\$0.045)	75,500,000	-	-	-
<i>At the end of the financial year</i>	<i>213,583,364</i>	<i>2,059,844</i>	<i>104,083,364</i>	<i>1,734,795</i>

Note 20. Equity – reserves (cont'd)

(b) Performance rights reserve

Movement in performance rights reserve

	2022		2021	
	No. of Securities	\$	No. of Securities	\$
Consolidated				
At the beginning of the financial year	14,432,000	148,697	50,000,000	4,000,000
Issue of Class A Performance Rights to founding shareholders of Aumake Limited with an exercise price of \$0.09	-	-	7,000,000	-
Class A Performance Rights lapsed	(7,000,000)	-	-	-
Issue of Class B Performance Rights to Non-Executive Director	-	14,361	2,100,000	34,705
Reclassify Share Payment Reserve to Issued Capital (Note 19)	-	-	(50,000,000)	(4,000,000)
Issue of Class C Performance Rights to Non-Executive Director	-	6,032	882,000	14,576
Issue of Short-Term Performance Rights to staff	-	16,086	4,450,000	99,416
Short-Term Performance Rights lapsed	(1,462,750)	-	-	-
Conversion of Short-Term Performance Rights to Ordinary Shares	(2,987,250)	(23,403)	-	-
At the end of the financial year	<u>2,982,000</u>	<u>161,773</u>	<u>14,432,000</u>	<u>148,697</u>

(c) Foreign currency translation reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Movements in foreign currency translation reserve

	Consolidated	
	2022	2021
	\$	\$
At the beginning of the financial year	1,146	72,853
Exchange difference on translation of foreign operations	(212,287)	(71,707)
At the end of the financial year	<u>(211,141)</u>	<u>1,146</u>

Note 21. Non-Controlling Interest

In April 2021 Aumake invested AUD\$1,000,000 to establish Hangzhou Ouyi Brand Management, a Chinese domiciled ecommerce operator. Whilst Aumake does not hold any direct ownership interest in Hangzhou Ouyi Brand Management, the Agreements that are in place regarding the AUD\$1,000,000 investment effectively provides Aumake with control and 76% of the business results.

	Consolidated	
	2022	2021
	\$	\$
<i>Movement in minority interests</i>		
At the beginning of the financial year	(28,923)	-
Share of loss	(51,376)	(28,923)
Accumulated losses at the end of the financial year	(80,299)	(28,923)

Note 22. Equity – accumulated losses

	Consolidated	
	2022	2021
	\$	\$
Accumulated losses at the beginning of the financial year	(45,591,993)	(25,473,107)
Loss after income tax expense for the year	(6,072,804)	(20,118,886)
Accumulated losses at the end of the financial year	(51,664,797)	(45,591,993)

Note 23. Share-based payments

Total expenses arising from share-based payment transactions recognised during the year were as follows:

		Consolidated	
		2022	2021
		\$	\$
Options	20(a)	325,049	261,533
Performance rights	20(b)	13,076	148,697
		338,125	410,230

Note 23. Share-based payments (cont'd)

(a) Options

All options granted to key employees, consultants and advisors of the Company are for ordinary shares in Aumake Limited which confer a right of one ordinary share for every option held.

2022

Grant Date	Expiry Date	Exercise Price	Balance at start of year	Options Issued during the period	Exercised during the period	Forfeited during the period	Balance at end of the period	Vested & exercisable at end of the period
			Number	Number	Number	Number	Number	Number
22/01/2018	22/01/2023	\$0.20	3,550,000	-	-	-	3,550,000	3,550,000
4/12/2020	4/12/2024	\$0.20	33,600,000	-	-	-	33,600,000	-
4/12/2020	29/09/2022	\$0.20	5,000,000	-	-	-	5,000,000	5,000,000
4/12/2020	4/12/2024	\$0.20	2,300,000	-	-	-	2,300,000	2,300,000
4/12/2020	4/12/2024	\$0.20	1,300,000	-	-	-	1,300,000	1,300,000
22/04/2022	30/04/2025	\$0.00	-	17,500,000	-	-	17,500,000	-
22/04/2022	30/04/2025	\$0.00	-	13,500,000	(9,000,000)	-	4,500,000	13,500,000
1/03/2022	30/04/2025	\$0.03	-	1,000,000	-	-	1,000,000	1,000,000
1/03/2022	30/04/2025	\$0.06	-	1,000,000	-	-	1,000,000	-
1/03/2022	30/04/2025	\$0.09	-	1,000,000	-	-	1,000,000	-
12/05/2022	1/02/2025	\$0.02	-	3,000,000	-	-	3,000,000	-
12/05/2022	1/02/2025	\$0.04	-	3,000,000	-	-	3,000,000	-
12/05/2022	1/02/2025	\$0.08	-	3,000,000	-	-	3,000,000	-
			45,750,000	43,000,000	(9,000,000)	-	79,750,000	26,650,000

Note 23. Share-based payments (cont'd)

2021

Grant Date	Expiry Date	Exercise Price	Balance at start of year	Options Issued during the period	Exercised during the period	Forfeited during the period	Balance at end of the period	Vested & exercisable at end of the period
			Number	Number	Number	Number	Number	Number
12/09/2017	12/09/2022	\$0.20	5,000,000	-	-	(5,000,000)	-	-
22/01/2018	22/01/2023	\$0.20	3,550,000	-	-	-	3,550,000	3,550,000
4/12/2020	4/12/2024	\$0.20	-	33,600,000	-	-	33,600,000	-
4/12/2020	29/9/2022	\$0.20	-	5,000,000	-	-	5,000,000	5,000,000
4/12/2020	4/12/2024	\$0.20	-	2,300,000	-	-	2,300,000	-
4/12/2020	4/12/2024	\$0.20	-	1,300,000	-	-	1,300,000	1,300,000
			8,550,000	42,200,000	-	(5,000,000)	45,750,000	9,850,000

The following table sets out the assumptions made in determining the fair value of the options granted during the financial year using the Black-Scholes option pricing model:

Note 23. Share-based payments (cont'd)

	Options Granted 22 April 2022	Options Granted 22 April 2022
2022		
Expected volatility (%)	684	684
Risk free interest rate (%)	2.65	2.65
Weighted average expected life of options (years)	1	1
Expected dividends	Nil	Nil
Option exercise price (cents)	0	0
Share price at grant date (cents)	1	1
Fair value of option (cents)	1	1
Number of options	17,500,000	4,500,000
Expiry date	30 April 2025	30 April 2025
Vesting date	22 April 2023	22 April 2022
Share-based payment expensed recognised for the year ended 30 June 2022 (\$)	31,428	128,250
	Options Granted 1 March 2022	Options Granted 1 March 2022
2022		
Expected volatility (%)	684	684
Risk free interest rate (%)	1.50	1.50
Weighted average expected life of options (years)	1	1
Expected dividends	Nil	Nil
Option exercise price (cents)	3	6
Share price at grant date (cents)	1.4	1.4
Fair value of option (cents)	1.4	1.4
Number of options	1,000,000	1,000,000
Expiry date	30 April 2025	30 April 2025
Vesting date	2 March 2022	2 March 2022
Share-based payment expensed recognised for the year ended 30 June 2022 (\$)	14,000	14,000
	Options Granted 1 March 2022	Options Granted 12 May 2022
2022		
Expected volatility (%)	684	684
Risk free interest rate (%)	1.50	2.91
Weighted average expected life of options (years)	1	1
Expected dividends	Nil	Nil
Option exercise price (cents)	9	2
Share price at grant date (cents)	1.4	0.8
Fair value of option (cents)	1.4	0.8
Number of options	1,000,000	3,000,000
Expiry date	30 April 2025	1 February 2025
Vesting date	2 March 2022	30 April 2023
Share-based payment expensed recognised for the year ended 30 June 2022 (\$)	14,000	3,331

Note 23. Share-based payments (cont'd)

	Options Granted 12 May 2022	Options Granted 12 May 2022
2022		
Expected volatility (%)	488	380
Risk free interest rate (%)	2.91	2.91
Weighted average expected life of options (years)	1	1
Expected dividends	Nil	Nil
Option exercise price (cents)	4	8
Share price at grant date (cents)	0.8	0.8
Fair value of option (cents)	0.8	0.8
Number of options	3,000,000	3,000,000
Expiry date	1 February 2025	1 February 2025
Vesting date	30 April 2024	30 April 2025
Share-based payment expensed recognised for the year ended 30 June 2022 (\$)	1,635	1,080

(b) Performance shares
2022

Grant Date	Expiry Date	Balance at start of year	Granted during the period	Forfeited/Reclassified during the period	Balance at end of the period	Vested & exercisable at end of the period
		Number	Number	Number	Number	Number
2020-12-04	2022-06-30	7,000,000	-	(7,000,000)	-	-
2020-12-04	2023-06-30	2,100,000	-	-	2,100,000	2,100,000
2020-12-04	2023-12-04	882,000	-	-	882,000	882,000
2020-12-04	2024-12-04	4,450,000	-	(4,450,000)	-	-
		14,432,000	-	(11,450,000)	2,982,000	2,982,000

2021

Grant Date	Expiry Date	Balance at start of year	Granted during the period	Forfeited/Reclassified during the period	Balance at end of the period	Vested & exercisable at end of the period
		Number	Number	Number	Number	Number
2017-09-12	2022-09-12	50,000,000	-	(50,000,000)	-	-
2020-12-04	2022-06-30	-	7,000,000	-	7,000,000	-
2020-12-04	2023-06-30	-	2,100,000	-	2,100,000	-
2020-12-04	2023-12-04	-	882,000	-	882,000	-
2020-12-04	2024-12-04	-	4,450,000	-	4,450,000	-
		50,000,000	14,432,000	(50,000,000)	14,432,000	-

The 50.0 m Performance Share relating to the Company's IPO vested and on 4 December 2020 were converted into ordinary shares. No other Performance shares were exercised during the financial year ended 30 June 2021.

Note 24. Financial risk management

Financial risk management objectives

The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior management under direction of the Board. The Board provides principles for overall risk management, as well as policies covering specific areas.

The consolidated entity is not materially exposed to changes in interest rates in its activities.

The Company's financial instruments comprise mainly of deposits with banks, trade receivables and trade payables.

The Company's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, and liquidity risk.

Foreign currency risk

The consolidated entity has transactional currency exposures. Such as exposure arises from sales or purchases by an operating entity in currencies other than the functional currency.

At the reporting date, the consolidated entity had the following exposures to foreign currency in Chinese Yuan Renminbi (CNY\$) that are not designated in cash flow hedges:

	Consolidated	
	2022	2021
	CNY\$	CNY\$
Financial assets		
Cash and cash equivalents	190,320	435,698
Trade and other receivables*	4,610	254,172
Total financial assets	194,930	689,870
Financial liabilities		
Trade and other payables*	160,450	270,304
Total financial liabilities	160,450	270,304

At the reporting date, the consolidated entity had the following exposures to foreign currency in New Zealand Dollar (NZD\$) that are not designated in cash flow hedges:

	Consolidated	
	2022	2021
	NZD\$	NZD\$
Financial assets		
Cash and cash equivalents	1,321,138	2,046,131
Trade and other receivables*	151,135	158,120
Total financial assets	1,472,273	2,204,251
Financial liabilities		
Trade and other payables*	780,895	1,296,412
Total financial liabilities	780,895	1,296,412

*Includes loans with parent entity and other entities within the consolidated entity.

Note 24. Financial risk management (cont'd)

Credit risk

The maximum exposure to credit risk by class of recognised financial assets at reporting date is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Cash and security deposits are held with financial institutions with high credit ratings.

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the consolidated entity.

Liquidity risk

Liquidity risk arises from the possibility that the consolidated entity might encounter difficulty in settling its debts or otherwise meeting its obligation related to financial liabilities. Management monitors the rolling forecasts of the consolidated entity's cash and financial assets on the basis of expected cashflows. This is generally carried out at a local level in the operating companies of the consolidated entity in accordance with the practice and limits set by the group. In addition, the consolidated entity's liquidity management policy involves preparing forwarding looking cash flow analysis in relation to its operational, investing and financial activities.

Note 25. Related party transactions

- (a) Parent entity
Aumake Limited is the parent entity.
- (b) Subsidiary
Interests in subsidiaries are set out in Note 30.
- (c) Key management personal compensation

Disclosures relating to key management personnel are set out below and in the remuneration report included in the Directors' Report.

The aggregate compensation paid to key management personnel of the consolidated entity is set out below:

	Consolidated	
	2022	2021
	\$	\$
Short-term employee benefits	801,601	1,458,578
Post-employment benefits	68,415	76,516
Share-based payments	286,360	279,475
	<u>1,156,376</u>	<u>1,814,569</u>

(d) Other transactions with key management personnel and their related parties

	2022	2021
	\$	\$
EC Capital Trust - related party to Jacky Yang		
Consideration payments to Broadway vendor companies	(433)	(242,523)
Rent and outgoings	-	(957,019)
Total paid during the year	(433)	(1,199,542)

Note 25. Related party transactions (cont'd)

	2022	2021
	\$	\$
Zhous Australia Holding Pty Ltd- related party to Jiahua Zhou		
Remuneration paid to Lingye Zheng	17,875	-
Total paid during the year	17,875	-

EC Capital Pty Ltd (EC Capital) is a trustee of EC Capital Trust, of which Jacky Yang is a beneficiary. EC Capital holds a non-controlling interest in Maxbuy, and a controlling interest in Broadway Tax Free, Gold Port and Coral Legend. As such, Broadway Tax Free, Maxbuy, Gold Port and Coral Legend are related parties of the Company by virtue of their association with Mr Yang.

The final tranche of 2,127,000 Aumake shares were issued on 23rd July 2021 in satisfaction of the Broadway acquisition.

Mrs Lingye Zheng is the wife of the Managing Director, Mr Jiahua (Joshua) Zhou and an employee of the subsidiary company Aumake Australia Pty Ltd providing Procurement Management services on a salary of \$65,000 plus superannuation and entitlements. From 1 April 2022 Mrs Zheng ceased being employed as an employee, instead becoming remunerated as a contractor (same salary and terms). Payments of contracting fees are directed into Zhous Australia Holding Pty Ltd and as such this latter entity is a related party of the Company.

Note 26. Remuneration of auditors

The following fees were paid or payable for services provided by RSM Australia Partners:

	Consolidated	
	2022	2021
	\$	\$
Audit or review of the financial statements - RSM	100,916	129,550
Other services – technical accounting advice - RSM	-	6,325
Audit or review of the financial statements – Rothsay Audit & Assurance Pty Ltd	50,000	-
	150,916	135,875

Note 27. Loss on impairment of assets

	Consolidated	
	2022	2021
	\$	\$
Leased property asset	1,286,220	963,841
Goodwill	-	10,509,851
Agency Relationships	636,727	-
	<u>1,922,947</u>	<u>11,473,692</u>

The Group has ceased operating out of Q1 (Surfers Paradise), the China Town (Sydney), Town Hall and World Square stores, but still has lease agreements in place re Town Hall and Q1. As these sites are no longer revenue generating, the Group has ceased to recognise the future rental payments as right-of-use assets and has impaired this value.

COVID-19 has forced the Group to close all non-profitable stores and as a result the Group can no longer justify the Goodwill and as a result, this asset has fully impaired.

Note 28. Contingent assets and liabilities

Contingent assets

The Directors are not aware of any contingent assets as at 30 June 2022 and 30 June 2021.

Contingent liabilities

The consolidated entity has given bank guarantees as at 30 June 2022 of \$921,564 to various landlords.

Other than the above, there is no contingent liability as at 30 June 2022 and 30 June 2021.

Note 29. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of financial position

	2022	2021
	\$	\$
Assets		
Current assets	63,631	1,239,383
Non-current assets	3,581,908	1,569,869
Total assets	<u>3,645,539</u>	<u>2,809,252</u>
Liabilities		
Current liabilities	226,975	241,732
Non-current liabilities	66,959	127,654
Total liabilities	<u>293,934</u>	<u>369,386</u>
Net assets	<u>3,351,605</u>	<u>2,439,866</u>
Equity		
Issued capital	98,651,611	93,931,231
Reserve	2,010,476	1,884,638
Accumulated losses	(97,310,482)	(93,376,003)
Total equity	<u>3,351,605</u>	<u>2,439,866</u>

Note 29. Parent entity information (cont'd)

	2022	2021
	\$	\$
Statement of profit or loss and other comprehensive income		
Loss for the year	(31,770,469)	(31,722,870)
Total comprehensive loss	(31,770,469)	(31,722,870)

Guarantees entered into by the parent entity

The parent entity has not entered into any guarantees as of 30 June 2022 and 30 June 2021.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021 other than as disclosed in Note 28.

Commitments

The parent entity had no capital commitments as at 30 June 2022 and 30 June 2021.

Note 30. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly owned subsidiaries in accordance with the accounting policy described in Note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2022	30 Jun 2021
		%	%
Parent entity			
Aumake Limited (formerly Aumake International Limited)	Australia		
Name of subsidiary entities			
ITM Corporation Ltd	Australia	100%	100%
Aumake Australia Pty Ltd	Australia	100%	100%
Jumbuck Australia Pty Ltd	Australia	100%	49%
168 Express Pty Ltd	Australia	100%	100%
Newera Australia Pty Ltd	Australia	100%	100%
Kiwibuy Australia Pty Ltd	Australia	100%	100%
Medigum Honey Pty Ltd	Australia	50%	50%
A Kangaroo from Xiamen Health Technology Co. Ltd	China	100%	100%
Syd Star Pty Ltd	Australia	100%	100%
Gold Harbour Pty Ltd	Australia	100%	100%
Round Forest Pty Ltd	Australia	100%	100%
M Best Tax Free Pty Ltd	Australia	100%	100%
Broadway Australia Pty Ltd	Australia	100%	100%
AUBW International Limited	New Zealand	100%	100%
Herbsmart Pharmaceutical Pty Ltd	Australia	50%	-
Herbsmart Biotech Pty Ltd	Australia	90%	-

Whilst the Group does not hold any direct ownership in Hangzhou Ouyi Brand Management, the Agreements that are in place over its contribution, effectively provides the Group with control and 76% of the business results.

Note 31. Events after the reporting period

On 18 August 2022, the Company announced that it had entered into a four year strategic partnership agreement with leading Australian frequent value rewards program provider, Entertainment Publications of Australia Pty Ltd (EPA). The partnership allows Aumake to use EPA's popular member rewards program, via a branded white label app, for Aumake's domestic Chinese customers in Australia and New Zealand.

The impact of the Coronavirus (COVID-19) pandemic and the lack of international tourists has been ongoing and whilst it has been financially negative for the consolidated entity, it is not practicable to estimate the potential impact, positive or negative, after the reporting date.

Note 32. Reconciliation of profit before income tax to net cash from operating activities

	Consolidated	
	2022	2021
	\$	\$
Loss for the year	(6,124,180)	(20,147,809)
Adjustments for:		
Loss on impairment of assets	1,922,947	11,473,692
Share-based payment	354,125	410,230
Interest expenses		-
Depreciation of assets	1,042,204	137,147
Net loss on disposal of non-current assets	250,463	1,242,129
Amortisation of intangible assets	302,160	302,160
Changes in operating assets and liabilities		
Trade and other receivables	465,767	278,498
Trade and other payables	(602,610)	(1,785,746)
Inventories	152,436	(66,917)
Provisions	(178,662)	166,622
Net cash outflow from/(used in) operating activities	<u>(2,415,350)</u>	<u>(7,989,994)</u>

Note 33. Loss per share

	Consolidated	
	2022	2021
	\$	\$
Basic loss per share (cents)	<u>(0.89)</u>	<u>(3.75)</u>
Diluted loss per share (cents)	<u>(0.89)</u>	<u>(4.43)</u>
Net loss used in the calculation of basic loss per share and diluted loss per share	(6,124,180)	(20,147,809)
Weighted average number of ordinary shares outstanding during the year used in calculating diluted loss per share	<u>687,819,105</u>	<u>454,412,244</u>

Options have not been included in the calculation of dilutive loss per shares as the options are anti-dilutive.

Directors' declaration

30 June 2022

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001 (Cth), the Accounting Standards, the Corporations Regulations 2001 (Cth) and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

The Directors have been given the declarations required by section 295A of the Corporations Act 2001 (Cth).

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001 (Cth).

On behalf of the Directors



Stephen Harrison
Non-Executive Chairman

30 September 2022
Sydney

AUMAKE LIMITED

INDEPENDENT AUDITOR'S REPORT

To the members of Aumake Limited

Opinion

We have audited the financial report of Aumake Limited ("the Company") and its controlled entities ("the Group") which comprises the consolidated statement of financial position as at 30 June 2022, 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report 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 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of \$6,124,180 during the year ended 30 June 2022 and, as of that date, the Group's current liabilities exceeded its total assets by \$1,306,028. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



AUMAKE LIMITED

INDEPENDENT AUDITOR'S REPORT (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter - Intangible Asset Impairment	How our Audit Addressed the Key Audit Matter
The Group's intangible assets made up 70% of the non-current assets by value as at year end. The value of the intangible asset is assessed for recoverability by the directors at least annually or more frequently if events or changes in circumstances indicate that the asset may have suffered an impairment. This was considered a key audit matter given the significant judgement involved in assessing the recoverable amount of the asset.	Our procedures in accessing intangible asset impairment included but were not limited to the following: • Inquiring of management regarding their plan utilizing the agency relationship. • Assessing management's valuation model to ensure impairment recorded at year end is appropriate and sufficient. • Reviewing the adequacy and accuracy of the disclosure in the financial statements.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



AUMAKE LIMITED

INDEPENDENT AUDITOR'S REPORT (continued)

Responsibility of Directors for the Financial Report

The Directors of the Group are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



AUMAKE LIMITED

INDEPENDENT AUDITOR'S REPORT (continued)

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Report on the Remuneration Report

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2022. The Directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion on the Remuneration Report

In our opinion, the Remuneration Report of Aumake Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Rothsay Audit & Assurance Pty Ltd

Daniel Dalla

Director

Sydney, 30 September 2022

Corporate Governance

The Company and the Board are committed to achieving and demonstrating the highest standards of corporate governance to protect shareholder interests. The Corporate Governance Statement reports on the Company's key governance principles and practices and the Board continues to refine and improve the governance framework. The Board monitors the operational and financial position and performance of the Company and oversees the business strategy.

The ASX Listing Rules require the Company to report on the extent to which it has followed the Corporate Governance Recommendations contained in the ASX Corporate Governance Council's Principles and Recommendations. The Corporate Governance Statement, which was lodged with this Annual Report, discloses the extent to which the Company will follow the recommendations taking into account the relatively small size of the Company in determining the extent of practical implementation.

The Company website contains copies of Board and committee charters and copies of many of the policies and documents mentioned in the Statement at www.aumake.com.au.

Shareholder Information

30 June 2022

The shareholder information set out below was applicable as at 14 Sep 2022.

a) Distribution of holdings of fully paid ordinary shares

Range	Total holders	Units	% Units
1-1000	1,176	125,473	0.02
1,001 – 5,000	604	1,679,033	0.22
5,001-10,000	324	2,673,030	0.35
10,001-100,000	811	31,508,887	4.08
100,001 Over	526	735,460,501	95.34
Rounding			(0.01)
	<u>3,441</u>	<u>771,446,924</u>	<u>100.00</u>

2,860 shareholders hold less than a marketable parcel of shares, being a market value of less than \$500.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

b) Distribution of holdings of listed options expiring 16/03/2024 @ \$0.14

Range	Total holders	Units	% Units
1-1000	-	-	-
1,001 – 5,000	-	-	-
5,001-10,000	-	-	-
10,001-100,000	34	2,493,848	4.28
100,001 Over	76	55,839,516	95.72
Rounding			-
	<u>110</u>	<u>58,333,364</u>	<u>100.00</u>

86 shareholders hold less than a marketable parcel of options, being a market value of less than \$500.

c) Distribution of holdings of listed options expiring 31/05/2025 @ \$0.045

Range	Total holders	Units	% Units
1-1000	-	-	-
1,001 – 5,000	-	-	-
5,001-10,000	-	-	-
10,001-100,000	13	895,775	1.19
100,001 Over	75	74,604,225	98.81
Rounding			-
	<u>88</u>	<u>75,500,000</u>	<u>100.00</u>

48 shareholders hold less than a marketable parcel of options, being a market value of less than \$500.

d) Twenty largest ordinary fully paid shares holders

The names of the twenty largest security holders of ordinary fully paid shares are listed below:

Rank	Name	Units	% Units
1	ZHOUS AUSTRALIA HOLDING PTY LTD <ZHOUS AUSTRALIA HOLDING A/C>	62,493,672	8.10
2	MS NANCY ZHANG	29,420,713	3.81
3	BLUESTONE FUND MANAGEMENT PTY LTD <BLUESTONE GLOBAL HEALTH INDUSTRY INVESTMENT FUND A/C>	20,000,000	2.59
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	19,896,241	2.58
5	MR DOMINIC VIRGARA	17,527,000	2.27
6	PAN WOODS GLOBAL LIMITED	16,666,667	2.16
7	BLAMNCO TRADING PTY LTD	13,000,000	1.69
8	MS NANCY ZHANG	12,780,471	1.66
9	GUOPING YAO	12,639,068	1.64
10	SILKTREE INVESTMENTS PTY LTD	12,298,000	1.59
11	CHINA RISE FINANCIAL HOLDING INVESTMENT CO LTD	11,500,000	1.49
12	CITICORP NOMINEES PTY LIMITED	10,677,363	1.38
13	EC CAPITAL PTY LTD <EC CAPITAL A/C>	10,092,748	1.31
14	MR MING LU	10,035,889	1.30
15	JOMALCO PTY LTD	10,000,000	1.30
16	MR JOSEPH ZANCA + MRS SZERENKE ZANCA <ZANACORP SUPER FUND A/C>	9,875,000	1.28
17	ILWELLA PTY LTD <NO 2 A/C>	9,533,333	1.24
18	BOSSWHAT PTY LTD	9,100,000	1.18
19	DURET HOLDINGS PTY LTD	9,000,000	1.17
20	JING WANG	8,487,624	1.10
Total: Top 20 holders of Ordinary fully paid shares		315,023,789	40.84
Total: Remaining holders balance		456,423,135	59.16

e) Twenty largest listed options holders for the options expiring 16/03/2024 @\$0.14

The names of the twenty largest security holders of listed options expiring 16/03/2024 @\$0.14 are listed below:

Rank	Name	Units	% Units
1	PAN WOODS GLOBAL LIMITED	8,333,334	14.29
2	ZANACORP ACCOUNTANTS PTY LTD	4,750,000	8.14
3	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	4,166,667	7.14
4	ILWELLA PTY LTD <NO 2 A/C>	4,166,666	7.14
5	GAZUMP RESOURCES PTY LTD	3,139,083	5.38
6	ZANACORP FINANCIAL GROUP PTY LTD	1,750,000	3.00
7	MR DOMINIC VIRGARA	1,666,667	2.86
8	MR MD AKRAM UDDIN	1,449,924	2.49
9	HUNTER CAPITAL ADVISORS P/L	1,250,000	2.14
10	SILKTREE INVESTMENTS PTY LTD	1,250,000	2.14
11	MUNCHA CRUNCHA PTY LTD	1,225,000	2.10
12	MR ARJUNAN SUNDARAMOORTHY	1,008,000	1.73
13	MRS EFFIE HALLAK + MR BASSAM HALLAK	1,000,001	1.71
14	MING LU	1,000,000	1.71
15	MR KIM WAH SIM	1,000,000	1.71
16	MR JOEL DAVID WEBB	1,000,000	1.71
17	MS LIESL RENATA CHAN <CHAN FAMILY A/C>	833,333	1.43
18	EC CAPITAL PTY LTD <EC CAPITAL A/C>	833,333	1.43
19	MRS LUYE LI	775,000	1.33
20	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	750,000	1.29
Total: Top 20 holders of listed options expiring 16/03/2024 @\$0.14		41,347,008	70.88
Total: Remaining holders balance		16,986,356	29.12

f) Twenty largest listed options holders for the options expiring 31/05/2025 @\$0.045

The names of the twenty largest security holders of listed options expiring 31/05/2025 @\$0.045 are listed below:

Rank	Name	Units	% Units
1	MR MD AKRAM UDDIN	6,084,999	8.06
2	BNP PARIBAS NOMS PTY LTD <DRP>	5,000,000	6.62
3	SILKTREE INVESTMENTS PTY LTD	4,411,500	5.84
4	MR DOMINIC VIRGARA	3,617,647	4.79
5	GOFFACAN PTY LTD	3,500,000	4.64
6	COLIN JEE FAI LOW	3,000,000	3.97
7	MR TOBY LEI	2,589,100	3.43
8	ORCA CAPITAL GMBH	2,500,000	3.31
9	MR ALEXANDER DANIEL DEL MORO	2,275,000	3.01
10	LEET INVESTMENTS PTY LIMITED <LEET INVESTMENTS PL SF A/C>	2,000,000	2.65
11	AYERS CAPITAL PTY LTD	1,764,706	2.34
12	GAMMA INVESTMENTS PTY LTD	1,750,000	2.32
13	MR JIAMING QI	1,750,000	2.32
14	MUNCHA CRUNCHA PTY LTD	1,735,000	2.30
15	MR KUMAIL HUSSAIN	1,721,770	2.28
16	BOND STREET CUSTODIANS LIMITED <VVALLE - D42564 A/C>	1,500,000	1.99
17	KELVERLEY PTY LTD <RERANI SUPER FUND A/C>	1,500,000	1.99
18	ARMS CAPITAL PTY LTD	1,470,588	1.95
19	BOSWOOD HOLDINGS PTY LTD <SANDRA VASSILEFF SF A/C>	1,470,588	1.95
20	DINGJO PTY LTD	1,325,000	1.75
Total: Top 20 holders of listed options expiring 31/05/2025 @ \$0.045		50,965,898	67.50
Total: Remaining holders balance		24,534,102	32.50

g) Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	45,750,000	19
Performance rights - Class A	7,000,000	4
Performance rights - Class B	2,100,000	1
Performance rights - Class C	882,000	1
Performance rights - short-term loyalty	-	
	9,982,000	

h) Substantial holders

Substantial holders in the Company as at 30 June 2022 were:

	Ordinary shares	
	Number held	% of total share issued
Jiahua Zhou	62,560,672	8.11%
Nancy Zhang	42,201,184	5.47%
Liesl Chan	33,993,376	4.41%

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

i) Restricted securities

There are no restricted shares on issue.

There is no on-market buy-back.

j) Securities subject to voluntary escrow

Name of holders	Class	Expiry date	Number of shares	% of total share issued
Nancy Zhang	Ordinary shares	23 July 2023	23,682,887	35%
Keong Chan	Ordinary shares	1 March 2023	3,000,000	100%
Keong Chan	Ordinary shares	1 March 2024	3,000,000	100%
Keong Chan	Ordinary shares	1 March 2025	3,000,000	100%
			<u>32,682,887</u>	