



31 January 2024

Q2 FY24 Quarterly Activities Report

Sydney, Australia – Aumake Limited (**ASX:AUK**, **Aumake** or the **Company**), operator of an Australian based social e-commerce marketplace that connects Asian influencers and consumers with high-quality and authentic Australian and New Zealand brands, releases its consolidated quarterly cashflow and activities reports for the quarter ended 31 December 2023 (Q2 FY24).

Aumake has in Q2 FY24 focused on working towards delivering on initiatives outlined in its Strategy Update (refer to 7 August 2023 Strategy Update) and growing revenue through the new channels introduced by its strategic partner and investor HK Huibeijia Brand Manage Co Ltd (**HKH**).

Market Update

On 13 November 2023, Aumake announced in a Market Update that it had executed a non-binding term sheet with Petersons Wines Pty Ltd to offer Asian market premium products and tourism experiences in NSW's Hunter Valley. There has been considerable activity in this space and collaborative works are underway to bring this arrangement to the market in readiness for select Chinese New Year tourists.

Aumake participated in the 6th CIIE (Chinese International Import Expo) in Shanghai showcasing its range of Australian made health and wellness consumer products culminating in the signing of a Strategic Framework Agreement with the Chinese State-Owned Enterprise, China Animal Husbandry Group (a prominent leader in Chinese agribusiness).

Capital Raising

During the quarter Novus Capital Limited raised \$1,487,256 in working capital (before costs) for Aumake via the issue of 371,814,000 shares at an issue price of \$0.004 per share. The issue price of \$0.004 represented a discount of nil% to the Company's last closing price on Friday 1 November 2023 and a 0.35% premium to the 15-trading day VWAP up to and including 1 November 2023.

Funds raised from the placement strengthened the Company's cash position and is being used to:

- implement the Company's operational strategy and leverage its robust sales network to introduce and incubate new brands and products throughout Asia;
- explore initiatives that will help Aumake take advantage of improving Australia-China relations;
- continue operating the Company's ecommerce business; and
- corporate purposes, including general working capital requirements and costs of the issue.

Annual General Meeting

Aumake held its Annual General Meeting (**AGM**) on 30 November 2023 and where the Annual Financial Report for the year ended 30 June 2023 was accepted and all resolutions proposed in the Notice of Meeting, were approved.

Including in the resolutions that were approved, was for the issue of shares in recognition for past contributions and additional work throughout FY23 by Directors (past: Messrs Yang and Karousos and to current: Messrs Zhou and Harrison) and by the Company Secretary (Mr Higginson) and the CFO (Mr Guarna).

Outsourced Physical Stores

Significant progress has been made negotiating with various parties to open co-branded outsourced retail stores in Australia. Negotiations are continuing.

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Financial

During the quarter:

- net operating cash outflows decreased from \$630k to \$454k (a decrease of \$176k or 27.9% from Q1 FY24);
- cash collected from sales this quarter was \$9.6m (an increase of \$3.2m or 49.6% from Q1 FY24). Worth noting that for the entire FY23 financial year, sales revenue collected totaled \$2.3m;
- a majority of revenue generated during the quarter was from sales into China via new channels introduced by HKH;
- in this quarter Aumake employed two new staff with a third staff member coming on board at the beginning of calendar year 2024.
- administrative and corporate costs were higher than normal due to (a) the additional costs associated with arranging and holding the AGM in November 2023, (b) costs registration, booth, and travel costs regarding attendance at CIIE, and (c) legal costs (capital raise, Framework Agreement with China Animal Husbandry Group, non-binding term sheet with Petersons Wines Pty Ltd, and drafting of yet to be finalised agreements with potential co-branded outsourced retail store operators).
- the Company ended the quarter with a cash position of \$1.688m (previous quarter \$764k).

Operational

During the quarter, Aumake continued to activate and sell into the newly introduced HKH online and offline Chinese channels.

Aumake continued negotiations with various parties with the aim of opening co-branded outsourced retail stores in Australia.

Related party expenditure

During the quarter \$145,573 Director's fees and wages were paid to Directors or their related parties.

Outlook

During Q2 FY24, the Company focused on working towards delivering on initiatives outlined in its Strategy Update and growing revenue through the new channels introduced by its strategic partner and investor HKH.

Aumake is currently refining the tourism experience offering into NSW's Hunter Valley including selecting market premium products for the returning Asian tourist market and has commenced initial planning for the development of own branded (higher gross margin) products.

This announcement has been authorised for release by the Board of Aumake Limited.

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Appendix 4C

Quarterly cash flow report for entities
subject to Listing Rule 4.7B

Name of entity

Aumake Limited

ABN

79 150 110 017

Quarter ended ("current quarter")

31 Dec 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	9,615	16,042
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(9,488)	(16,034)
(c) advertising and marketing	(63)	(134)
(d) staff costs	(250)	(428)
(e) administration and corporate costs	(326)	(512)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	13
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – mainly from GST refunds	55	85
1.9 Net cash from / (used in) operating activities	(454)	(1,084)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(5)	(6)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(5)	(6)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,487	1,487
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(98)	(98)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,389	1,389

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	764	1,394
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(454)	(1,084)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5)	(6)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,389	1,389
4.5	Effect of movement in exchange rates on cash held	(6)	(5)
4.6	Cash and cash equivalents at end of period	1,688	1,688

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,688	764
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,688	764

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	146
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
The balance in 6.1 consists of \$145,573 director's fees and wages paid to directors or their related parties.		
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

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7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	<div style="border: 1px solid black; padding: 5px; min-height: 100px;">N/A</div>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(454)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,688
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	1,688
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	3.7
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	<div style="border: 1px solid black; padding: 5px; min-height: 30px;">N/A</div>
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	<div style="border: 1px solid black; padding: 5px; min-height: 30px;">N/A</div>
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	<div style="border: 1px solid black; padding: 5px; min-height: 30px;">N/A</div>
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

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Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2024

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operati

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