

2 October 2024

Aumake Limited (ASX: AUK)

## Aumake Enters Tripartite Wine Sales Agreement and Secures Purchase Order from China Southern Air Cross Border E-Commerce (Hainan) Co., Ltd

### Investor Highlights

- Aumake Limited through subsidiary Newera Australia Pty Ltd ('Newera') has entered a tripartite co-operation agreement with Hunter Valley Wine & Tourism Alliance Pty Ltd ('Hunter Valley') and Guangxi Dimple Story High-Quality Goods Import and Export Trade Co., Ltd ('Dimple Story') to promote, distribute, and sell Hunter Valley wines to China.
- Dimple Story is a Chinese retailer of international wines, focused on the distribution and logistics of high-quality imported products. They manage storage, transportation, and sales channels ensuring smooth market access, optimised supply chains providing valuable market feedback to drive sales strategies in China.
- Under the three-year (3) agreement commencing 1 October 2024, Aumake to generate up to c. A\$25.5M<sup>1</sup> in total sales under the following target schedule:
  - Year 1: A\$6.375M
  - Year 2: A\$8.5M
  - Year 3: A\$10.625M
- In addition to entering the tripartite agreement, Aumake has received a direct purchase order (PO) from China Southern Air Cross Border E-Commerce (Hainan) Co., Ltd for the purchase of A\$634,194.76<sup>2</sup> worth of Australian wine.
- This agreement complements existing A\$300M strategic procurement framework with Yangtze River New Silk Road International Logistics (Hubei) Group Co., Ltd and aligns with management's key strategic objective of diversifying Aumake's revenue profile into high margin sales initiatives that will flow through to profitability in FY25.
- The company recently hosted its inaugural 'Tasting the Hunter' and 'Fast track to China' galas showcasing Aumake's end-to-end sales capabilities to high-end customers of Dimple Story and boutique Hunter Valley based wineries as the alliance looks to strengthen its supply chain capabilities.

**Aumake Limited** (the **Company** or **Aumake**) (ASX: AUK) is pleased to announce that through its majorly owned subsidiary Newera Australia Pty Ltd ('Newera') it has entered a three (3) year non-binding tripartite sales and distribution agreement with the Hunter Valley Wine & Tourism Alliance Pty Ltd ('Hunter Valley') and Guangxi Dimple Story High-Quality Goods Import and Export Trade Co., Ltd ('Dimple Story') to distribute, promote and sell wines from Australia's Hunter Valley region into China.

<sup>1</sup> Based on exchange rate: 1RMB ~ 0.2125 AUD

<sup>2</sup> Based on exchange rate: 1USD ~ 1.4655 AUD

Under the three (3) year agreement commencing 1 October 2024, Dimple Story will look to facilitate up to c. A\$25.5 worth of Hunter Valley wine sales by 2027. Wines to be included (but not limited to) under the agreement include boutique Hunter Valley produced Cabernet Sauvignon, Shiraz, and Chardonnay.

### **Key Features of Tripartite Agreement**

Under the tripartite agreement, Newera will lead the marketing and promotion of Hunter Valley wines in China. As the primary driver of the overall strategy, Newera will manage the importation process and ensure compliance with Chinese regulations. Their role also includes overseeing brand management and coordinating with partners to tailor marketing efforts for the Chinese market, maximising visibility, and engagement.

The Hunter Valley Wine & Tourism Alliance will be responsible for the production and development of Hunter Valley wines. Their role includes ensuring that wine products meet the quality standards required for the Chinese market. By focusing on product innovation and optimisation, they will work closely with Newera to refine production processes that meet local consumer preferences while maintaining the premium image of Hunter Valley wines.

Dimple Story will manage logistics, storage, and the distribution network within China. Leveraging its established infrastructure and knowledge of the Chinese retail landscape, Dimples will ensure smooth transportation and delivery of the wines to various sales channels. Their role also includes monitoring market feedback, providing valuable insights to Newera and Hunter Valley to adjust sales strategies, and working towards the shared goal of A\$25.5M in sales by 2027.

### **Purchase Order from China Southern Air Cross Border E-Commerce (Hainan) Co., Ltd**

Simultaneous to entering the tri-partite agreement, Aumake has received a direct purchase order (PO) from China Southern Air Cross Border E-Commerce (Hainan) Co., Ltd (China Southern Airlines) valued at A\$634,194.76 for a selection of distinguished Australian wines. This order is expected to be fulfilled within fourteen (14) business days.

This purchase order underscores the significance of Aumake's relationship with Dimple Story, which plays a pivotal role in facilitating access to high-end clientele throughout the Asian market.

China Southern Airlines is one of China's leading domestic airlines, operating an expansive network that encompasses over 220 global destinations. With a frequent flyer membership of over 97 million flyers. The airlines e-commerce division offers a market leading platform for the promotion and distribution of premium products, which presents significant opportunity for future partnerships that could enhance Aumake's market penetration and brand visibility.

### **Inaugural 'Tasting the Hunter' and 'Fast Track to China' Gala Dinners**

On August 17, 2024, the Hunter Valley Wine & Tourism Alliance was delighted to host a wine tasting event in Nanning City, China for key Dimple Story officials and their high-end customers. Guests were able to sample several of Petersons Wines boutique wines,

providing invaluable primary feedback for the Alliance regarding prospective consumer demand levels and wine quality.

Following successful preliminary feedback from Dimple Story, the Alliance hosted its inaugural Fast track to China' gala dinner held on August 29, 2024, at the Ben Ean Winery in the Hunter Valley. The event provided Aumake with an opportunity to detail its end-to-end expertise to over 15 boutique Hunter Valley wineries, and directly engage with winery owners. Moreover, it presented a valuable opportunity to identify new suppliers for the Hunter Valley Alliance, as the company aims to meet the growing demand for boutique and affordable Australian wines experienced by retailers such as Dimple Story.



**Aumake Managing Director Joshua Zhou speaking to Hunter Valley Winery owners about the benefits of working with the Alliance.**



**Colin Peterson of Peterson Wines recounting benefits he has experienced through working with the Alliance.**

**Aumake's Managing Director, Joshua Zhou, commented:**

“We are proud to announce the signing of a tripartite cooperation agreement with the Hunter Valley Wine & Tourism Alliance and Guangxi Dimple Story. This partnership is a crucial step in expanding our presence in the lucrative Chinese market, enabling us to promote and distribute high-quality wines from Australia's Hunter Valley region.

The projected sales of up to A\$25.5 million over the next three years highlight the growth potential we see in this collaboration, which will significantly contribute to our financial performance and help Aumake achieve profitability in FY25. Dimple Story's logistics expertise and the Hunter Valley Alliance's commitment to quality production position us well to meet Chinese consumer demands.

Additionally, the recent purchase order from China Southern Airlines validates our strategy and enhances our distribution capabilities through their extensive e-commerce platform. We believe this partnership, along with our existing procurement framework with Yangtze River, will diversify Aumake's revenue streams and deliver exceptional value to our shareholders.

We are excited about the opportunities this alliance presents and are committed to maximizing the potential of our initiatives.”

Authorised by the board of Aumake Limited.

For personal use only

**Joshua Zhou**  
**Managing Director**

**About Aumake**

Aumake Limited (ASX: AUK) is a company with strong brand acceleration and sales capabilities, positioning it as a pioneer in delivering high quality brands and products from Australia and New Zealand to the Asia market.

**Forward Looking Statement:**

This announcement may contain forward-looking statements, including statements regarding: plans, strategies and objectives of management; anticipated revenue, products, and stores; operating costs; Chinese tourism; Governmental policies and preferences (both Australian and Chinese).

Forward-looking statements can be identified by the use of terminology such as 'intend', 'aim', 'project', 'anticipate', 'estimate', 'plan', 'believe', 'expect', 'may', 'should', 'will', 'continue', 'annualised' or similar words. These statements discuss future expectations concerning the results of operations or financial condition, or provide other forward-looking statements.

These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this presentation. Readers are cautioned not to put undue reliance on forward-looking statements.

Except as required by applicable regulations or by law, the Group does not undertake any obligation to publicly update or review any forward-looking statements, whether as a result of new information or future events.

Past performance cannot be relied on as a guide to future performance.