

**AuMake International Limited**  
**Appendix 4D**  
**Half-year report**

**Company details**

Name of entity:	AuMake International Limited
ACN:	150 110 017
Reporting period:	For the half-year ended 31 December 2017
Previous period:	For the half-year ended 31 December 2016

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**Results for announcement to the market**

	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
Revenues from ordinary activities up 791%	\$9,055,889	\$1,016,730
Loss from ordinary activities after tax attributable to the owners of AuMake International Limited up 1,757%	\$5,810,024	\$312,799
Loss for the half-year attributable to the owners of AuMake International Limited up 1,757%	\$5,810,024	\$312,799

**Commentary on the results**

The Company relisted on 4 October 2017 and consequently incurred costs relating to this relisting during the half year period. The Company also invested in the expansion of its store network, inventory and key staff/management to form a stable platform for future growth.

Please refer to the "Review of Operations" section included within the directors' report of that attached financial report for the half- year ended 31 December 2017.

**Dividends**

No dividends have been paid or declared by the Company since the beginning of the current reporting period. No dividends were paid for the previous reporting period.

**Control gained or lost over entities having material effect**

During the period the Company completed the acquisition of 100% of the share capital of ITM Corporation Limited. The transaction was completed on 4 October 2017 and the Company relisted on ASX on 4 October 2017.

**Net tangible assets**

	<b>31 December 2017</b>	<b>31 December 2016</b>
	<b>Cents</b>	<b>Cents</b>
Net tangible assets per ordinary security	<u>2.32</u>	<u>0.06</u>

**Investments in Associates or Joint Ventures**

There are no associates or joint venture entities.

**AuMake International Limited**  
**Appendix 4D**  
**Half-year report**

**Audit Qualification or Review**

The financial statements were subject to a review by the auditors and the auditor's review report is attached as part of the Interim Report.

**Attachments**

*Details of attachments:*

The Interim Report of AuMake International Limited for the half-year ended 31 December 2017 is attached.

**Signed**

A handwritten signature in black ink, appearing to be 'Keong Chan', with a long horizontal stroke extending to the right.

Keong Chan  
Executive Chairman

23 February 2018  
Sydney

**AuMake International Limited**  
(formerly Augend Ltd)

**ACN 150 110 017**

**Interim Financial Report - 31 December 2017**



## **AuMake International Limited (formerly Augend Ltd)**

### **Directors' report**

**31 December 2017**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of AuMake International Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2017.

#### **Directors**

The following persons were directors of and up to the date of this

Derek Jones	(Non-Executive Director – resigned 29 September 2017)
Robert Di Russo	(Non-Executive Director – resigned 29 September 2017)
Keong Chan	(Executive Director; appointed as Chairman on 29 September 2017)
Jiahua (Joshua) Zhou	(Managing Director – appointed 29 September 2017)
Gang Xu	(Executive Director – appointed 29 September 2017)
Quentin Flannery	(Non-Executive Director – appointed 29 September 2017)
Lingye (Lyn) Zheng	(Non-Executive Director – appointed 29 September 2017)

#### **Principal activities**

During the financial half-year the principal activities of the consolidated entity was sale of Australian products via its online e-commerce store and AuMake retail stores located in Sydney, New South Wales.

#### **Dividends**

The directors did not pay any dividends during the period. The directors do not recommend the payment of a dividend in respects of the half-year.

#### **Review of operations**

The net operation loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$5,810,024 (31 December 2016: \$312,799). The net operating loss for the six months ended 31 December 2017 included the following expenses associated with its relisting on ASX:

• Restructuring/relisting expenses	\$1,595,722
• Share based payment expense (director options, performance shares and facilitator shares)	\$2,316,816
• Corporate advisory and legal costs	\$292,025

During the period, the Company completed acquisition of 100% of the share capital of ITM Corporation Limited. The transaction was completed on 4 October 2017 and the Company relisted on ASX on 4 October 2017. The Company successfully raised \$6 million in new capital to fund its retail operations.

After the relisting on ASX the company has implemented and executed of several activities to grow the AuMake business including the followings:

- Acquired Health Essence brand
- Acquired Jumbuck Australia Pty Ltd and the UGG Aus brand
- Formed an alliance with the Australian Made Campaign
- Relocated head office to Auburn NSW
- Initiated Chinese tourist/tour group strategy
- Opened flagship George St store in Sydney CBD
- Continued to build its core team in relation to finance, supply chain and marketing

**AuMake International Limited**  
**Directors' report**  
**31 December 2017**

**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.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

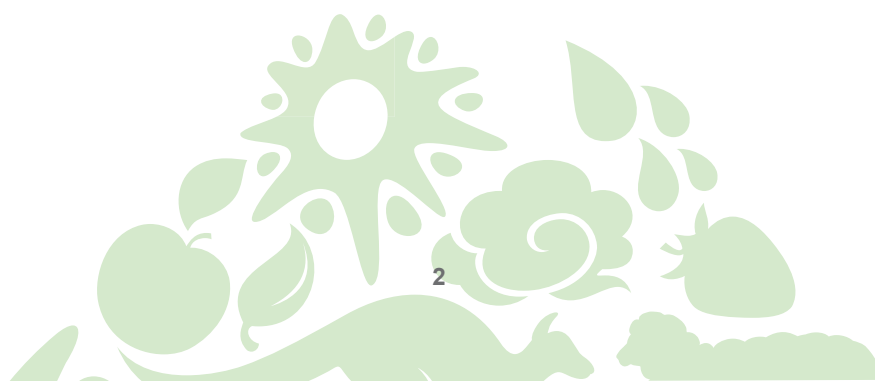
On behalf of the directors



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Keong Chan  
Executive Chairman

23 February 2018  
Sydney



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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of AuMake International Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A stylized, handwritten-style logo for RSM.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read "Tutu Phong".

TUTU PHONG  
Partner

Perth, WA  
Dated: 23 February 2018

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## **AuMake International Limited (formerly Augend Ltd)**

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### **General information**

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

AuMake International 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**

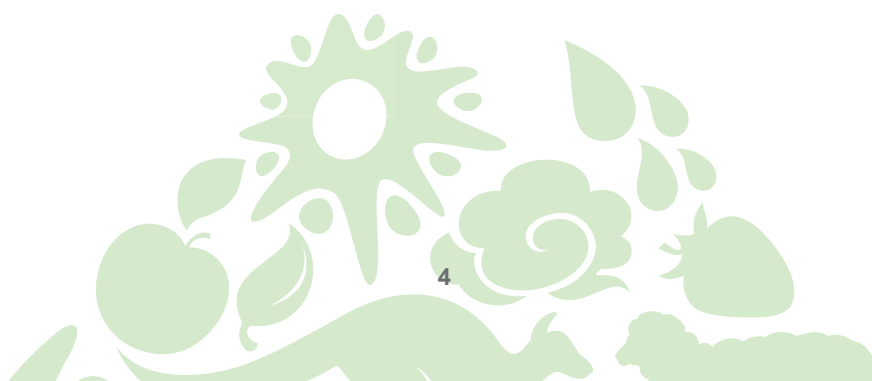
42 Percy Street, Auburn  
Sydney NSW 2144

#### **Principal place of business**

42 Percy Street, Auburn  
Sydney NSW 2144

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 23 February 2018.



**AuMake International Limited (formerly Augend Ltd)**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2017**

		<b>Consolidated Company</b>	
	<b>Note</b>	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
<b>Revenue</b>			
Sales revenue	2	9,028,568	1,015,497
Other income	2	27,321	1,233
<b>Expenses</b>			
Cost of sales		(7,904,406)	(1,017,397)
Administrative expenses		(1,021,848)	(43,125)
Employee benefits expense		(817,337)	(163,679)
Rent and outgoings expenses		(388,614)	-
Marketing expenses		(181,311)	(92,199)
Travel and accommodation expenses		(63,026)	(13,129)
Restructuring/relisting expenses	3	(1,595,722)	-
Share based payment expense (facilitator shares)	4	(470,000)	-
Share based payment expense (director options and performance shares)	5	(1,846,816)	-
Loss on disposal of assets		(101,546)	-
Impairment of intangible assets		(459,186)	-
<b>Loss before income tax expense</b>		<b>(5,793,923)</b>	<b>(312,799)</b>
Income tax expense		(16,101)	-
<b>Loss after income tax expense for the half-year</b>		<b>(5,810,024)</b>	<b>(312,799)</b>
<b>Total comprehensive loss attributable to owners of Aumake International Ltd</b>		<b>(5,810,024)</b>	<b>(312,799)</b>
Loss per share for loss from continuing operations attributable to the ordinary equity holders of the company:			
<b>Basic and diluted loss per share (cents per share)</b>		<b>(4.80)</b>	<b>(0.33)</b>

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



**AuMake International Limited (formerly Augend Ltd)**  
**Statement of financial position**  
**As at 31 December 2017**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 Dec 2017</b>	<b>30 Jun 2017</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		5,391,996	1,129,430
Trade and other receivables		930,320	196,301
Inventory		2,653,790	2,023,750
Other assets		468,870	295,467
<b>Total Current Assets</b>		<b>9,444,976</b>	<b>3,644,948</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment		655,371	118,612
Intangible assets		1,901,012	1,901,012
<b>Total Non-current Assets</b>		<b>2,556,383</b>	<b>2,019,624</b>
<b>TOTAL ASSETS</b>		<b>12,001,359</b>	<b>5,664,572</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		4,448,977	1,513,272
Interest-bearing liabilities		21,062	2,542,977
Provisions		45,810	34,532
<b>Total Current Liabilities</b>		<b>4,515,849</b>	<b>4,090,781</b>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing liabilities		43,205	67,076
<b>Total Non-Current Liabilities</b>		<b>43,205</b>	<b>67,076</b>
<b>TOTAL LIABILITIES</b>		<b>4,559,054</b>	<b>4,157,857</b>
<b>NET ASSETS</b>		<b>7,442,305</b>	<b>1,506,715</b>
<b>EQUITY</b>			
Issued capital	4	12,740,575	2,841,777
Reserves	5	1,846,816	-
Accumulated losses		(7,145,086)	(1,335,062)
<b>TOTAL EQUITY</b>		<b>7,442,305</b>	<b>1,506,715</b>

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

**AuMake International Limited (formerly Augend Ltd)**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2017**

<b>Company</b>	<b>Issued capital</b>	<b>Reserves</b>	<b>Accumulated losses</b>	<b>Total equity</b>
Balance at 1 July 2016	896,343	-	(472,906)	423,437
Loss after income tax expense for the half-year	-	-	(312,799)	(312,799)
Total comprehensive loss for the half-year	-	-	(312,799)	(312,799)
<i>Transactions with owners in their capacity as owners:</i>				
Shares issued	20,000	-	-	20,000
Balance at 31 December 2016	<u>916,343</u>	<u>-</u>	<u>(785,705)</u>	<u>130,638</u>

<b>Consolidated</b>	<b>Issued capital</b>	<b>Reserves</b>	<b>Accumulated losses</b>	<b>Total equity</b>
Balance at 1 July 2017	2,841,777	-	(1,335,062)	1,506,715
Loss after income tax expense for the half-year	-	-	(5,810,024)	(5,810,024)
Total comprehensive loss for the half-year	-	-	(5,810,024)	(5,810,024)

*Transactions with owners in their capacity as owners:*

Allotment of shares following conversion of convertible notes	2,290,000	-	-	2,290,000
Allotment of shares following conversion of convertible loan	200,000	-	-	200,000
Issue of share for acquisition of subsidiary	1,200,598	-	-	1,200,598
Share-based payments - Facilitator shares	470,000	-	-	470,000
Share issued	6,100,000	-	-	6,100,000
Share issue costs	(361,800)	-	-	(361,800)
Share-based payments - Director options and performance shares	-	1,846,816	-	1,846,816
Balance at 31 December 2017	<u>12,740,575</u>	<u>1,846,816</u>	<u>( 7,145,086 )</u>	<u>7,442,305</u>

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

**AuMake International Limited (formerly Augend Ltd)**  
**Statement of cash flows**  
**For the half-year ended 31 December 2017**

	<b>Note</b>	<b>Consolidated</b>	<b>Company</b>
		<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
<b>Cash flows from operating activities</b>			
Receipts from customers		8,945,688	965,805
Payments to suppliers and employees		(11,662,728)	(1,486,408)
Interest received		16,306	-
Other revenue		11,016	1,233
		<u>                    </u>	<u>                    </u>
Net cash used in operating activities		(2,689,718)	(519,370)
<b>Cash flows from investing activities</b>			
Cash obtained from acquisition of subsidiary	3	17,496	-
Payments for plant and equipment		(514,773)	-
Loan to a related party		(274,317)	-
		<u>                    </u>	<u>                    </u>
Net cash used in investing activities		(771,594)	-
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares (net)		5,737,200	20,000
Proceeds from borrowings		-	200,000
Net repayment of borrowings		(13,308)	-
Proceeds from shares pending allotment		1,999,986	-
		<u>                    </u>	<u>                    </u>
Net cash from financing activities		7,723,878	220,000
Net increase/ (decrease) in cash and cash equivalents		4,262,566	(299,370)
Cash and cash equivalents at beginning of the financial half-year		1,129,430	344,555
		<u>                    </u>	<u>                    </u>
Cash and cash equivalents at the end of the financial half-year		<u><u>5,391,996</u></u>	<u><u>45,185</u></u>

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

**AuMake International Limited (formerly Augend Ltd)**  
**Notes to the financial statements**  
**31 December 2017**

**Note 1. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2017 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, 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 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.

**Reverse Acquisition Accounting**

On 4 October 2017, AuMake International Limited (formerly Augend Ltd), the legal parent and legal acquirer, completed the acquisition of ITM Corporation Limited ("AuMake Subsidiary"). The acquisition did not meet the definition of a business combination in accordance with AASB 3 Business Combinations. Instead the acquisition has been treated as a group recapitalisation, using the principles of reverse acquisition accounting in AASB 3 Business Combinations given the substance of the transaction is that AuMake Subsidiary has effectively been recapitalised. Accordingly, the consolidated financial statements have been prepared as if AuMake Subsidiary has acquired AuMake International Limited, not vice versa as represented by the legal position. The recapitalisation is measured at the fair value of the equity instruments that would have been given by AuMake Subsidiary to have exactly the same percentage holding in the new structure at the date of the transaction.

The impact of the group restructure on each of the primary statements is as follows:

**Statement of Profit or Loss and Other Comprehensive Income**

- The 31 December 2017 statement of profit or loss and other comprehensive income comprise 6 months of AuMake Subsidiary and 87 days of AuMake International Limited.
- The 31 December 2016 comparative statement of profit or loss and other comprehensive income comprise 6 months of AuMake Subsidiary.

**Statement of Financial Position**

- The statement of financial position as at 31 December 2017 represents both AuMake International Limited and AuMake Subsidiary.
- The comparative statement of financial position at 30 June 2017 represents AuMake Subsidiary.

**Statement of Changes in Equity**

- The 31 December 2017 statement of changes in equity comprises AuMake Subsidiary's equity balance at 1 July 2017, its loss for the period and transactions with equity holders for the 6 months. It also comprises AuMake International Limited's transactions with equity holders in the past 87 days from the acquisition date and the equity balances of AuMake International Limited and AuMake Subsidiary as at 31 December 2017.
- The 31 December 2016 comparative statement of changes in equity comprises 6 months of AuMake Subsidiary.

**Statement of Cash Flows**

- The 31 December 2017 statement of cash flows comprise 6 months of AuMake Subsidiary and 87 days of AuMake International Limited.
- The 31 December 2016 comparative statement of cash flows comprise 6 months of AuMake Subsidiary.

**AuMake International Limited (formerly Augend Ltd)**  
**Notes to the financial statements**  
**31 December 2017**

**Note 2. Revenue**

	<b>Consolidated Company</b>	
	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
<b>From continuing operations</b>		
<i>Sales revenue</i>		
Sale of goods	9,028,568	1,015,497
	<u>9,028,568</u>	<u>1,015,497</u>
<i>Other revenue</i>		
Interest	16,306	1,233
Other revenue	11,015	-
	<u>27,321</u>	<u>1,233</u>
Revenue from continuing operations	<u><u>9,055,889</u></u>	<u><u>1,016,730</u></u>

**Note 3. Controlled Entities**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

<b>Name</b>	<b>Principal place of business / Country of incorporation</b>	<b>Ownership interest</b>	
		<b>31 Dec 2017 %</b>	<b>30 Jun 2017 %</b>
<b>Parent entity</b>			
AuMake International Limited (formerly Augend Ltd)	<b>Australia</b>		
<b>Name of controlled entity</b>			
ITM Corporation Ltd	Australia	100%	-
Aumake Australia Pty Ltd	Australia	100%	-
Jumbuck Australia Pty Ltd	Australia	49%	-

**Acquisition of Controlled Entity**

On 4 October 2017, AuMake International Limited (formerly Augend Ltd), the legal parent and legal acquirer, completed the acquisition of ITM Corporation Limited ("AuMake Subsidiary"). The acquisition did not meet the definition of a business combination in accordance with AASB 3 Business Combinations. Instead the acquisition has been treated as a group recapitalisation, using the principles of reverse acquisition accounting in AASB 3 Business Combinations given the substance of the transaction is that AuMake Subsidiary has effectively been recapitalised. Accordingly, the consolidated financial statements have been prepared as if AuMake Subsidiary has acquired AuMake International Limited, not vice versa as represented by the legal position. The recapitalisation is measured at the fair value of the equity instruments that would have been given by AuMake Subsidiary to have exactly the same percentage holding in the new structure at the date of the transaction.

As the activities of AuMake International Limited would not constitute a business based on the requirements of AASB 3, the transaction has been accounted for as a share-based payment under AASB 2. The excess of the deemed consideration over the fair value of AuMake International Limited, as calculated in accordance with the reverse acquisition accounting principles and with AASB 2, is considered to be a payment for a group restructure and has been expensed.

**Note 3. Controlled Entities (Continued)**

AuMake International Limited is the legal acquirer of AuMake Subsidiary in this transaction and the consideration for the acquisition was the issue by AuMake International Limited of:

- 95,083,151 fully paid ordinary shares in AuMake International Limited in accordance with reverse asset acquisition accounting principles the consideration is deemed to have been incurred by AuMake Subsidiary in the form of equity instruments issued to AuMake International Limited shareholders. The acquisition date fair value of this consideration has been determined with reference to the fair value of the issued shares of AuMake International Limited immediately prior to the acquisition and has been determined to be \$1,200,598; and
- 50,000,000 Performance Shares, comprising 25,000,000 Class A Performance Shares and 25,000,000 Class B Performance Shares to founding shareholders of AuMake Subsidiary. The fair value of these performance rights has been included as part of the consideration for the transaction in accordance with the relevant accounting standard.
  - **Class A Performance Share:** each Class A Performance Shares will vest into one Share upon AuMake International Limited achieving total sales revenue of \$25,000,000 at an average of 13% gross profit margin over a 12 month period based on AuMake International Limited's audited accounts (Class A Milestone); and
  - **Class B Performance Share:** each Class B Performance Shares will vest into one Share upon AuMake International Limited achieving total sales revenue of \$60,000,000 at an average of 13% gross profit margin over a 12-month period based on AuMake International Limited's audited accounts (Class B Milestone).

As AuMake International Limited is deemed to be the acquiree for accounting purposes, the carrying values of its assets and liabilities are required to be recorded at fair value for the purposes of the acquisition. No adjustments were required to the historical values to effect this change.

	<b>\$</b>
<b>Consideration</b>	
95,083,151 fully paid ordinary vendor shares	1,200,598
50,000,000 performances shares*	<u>Nil</u>
Total value of consideration	<u>1,200,598</u>
 <b>Fair Value of AuMake International Limited at acquisition:</b>	
Cash	17,496
Trade and other receivables	164,732
Trade and other payables	(393,392)
Related party loan	<u>(183,960)</u>
Fair value of net liabilities	<u>(395,124)</u>
 Excess of consideration provided over the fair value of net liabilities at the date of acquisition expensed, being group restructuring and relisting costs	 <u><u>1,595,722</u></u>

\* Performance shares were issued as additional consideration, valued at nil, as the probability of performance milestones being met was assessed as less than probable on the date of reverse acquisition.

**AuMake International Limited (formerly Augend Ltd)**  
**Notes to the financial statements**  
**31 December 2017**

**Note 4. Equity - issued capital**

**(a) Ordinary shares**

	<b>31 Dec 2017 Shares</b>	<b>Consolidated 30 Jun 2017 Shares</b>	<b>31 Dec 2017</b>	<b>30 Jun 2017</b>
Ordinary shares - fully paid	239,254,008	427,874,178	12,740,575	2,841,777

*Movements in ordinary share capital*

<b>Consolidated</b>	<b>31 Dec 2017</b>		<b>30 Jun 2017</b>	
	<b>No. of shares</b>	<b>\$</b>	<b>No. of shares</b>	<b>\$</b>
At the beginning of the reporting period	427,874,178	2,841,777	427,874,178	2,841,777
Less:				
Elimination of existing AuMake Subsidiary shares	(427,874,178)	-	-	-
Add:				
Existing AuMake International Ltd on acquisition (post 6 for 1 basis on consolidation)	15,007,480	-	-	-
Allotment of shares following conversion of convertible notes	42,937,500	2,290,000	-	-
Allotment of shares following conversion of convertible loan	5,000,000	200,000	-	-
Issue of share for acquisition of subsidiary Facilitator shares	95,083,151	1,200,598	-	-
Share issued at acquisition of subsidiary – Jumbuck Australia Pty Ltd	5,875,000	470,000	-	-
Share issued at capital raising	350,877	100,000	-	-
Share issue costs	75,000,000	6,000,000	-	-
	-	(361,800)	-	-
At the end of the reporting period	239,254,008	12,740,575	427,874,178	2,841,777

**AuMake International Limited (formerly Augend Ltd)**  
**Notes to the financial statements**  
**31 December 2017**

**Note 5. Equity – Reserves**

**Consolidated**

	<b>31 Dec 2017</b>	<b>30 Jun 2017</b>
	<b>\$</b>	<b>\$</b>
Options reserve (a)	246,816	-
Performance shares reserve (b)	1,600,000	-
	<u>1,846,816</u>	<u>-</u>

**(a) Options**

*Movements in option reserve*

	<b>31 Dec 2017</b>		<b>30 Jun 2017</b>	
	<b>No. of Securities</b>	<b>\$</b>	<b>No. of Securities</b>	<b>\$</b>
<b>Consolidated</b>				
At the beginning of the reporting period	-	-	-	-
Issue of options to director, Quentin Flannery as part of the acquisition with an exercise price of \$0.20	5,000,000	246,816	-	-
At the end of the reporting period	<u>5,000,000</u>	<u>246,816</u>	<u>-</u>	<u>-</u>

**(b) Performance shares**

The performance share reserve is related to the 50,000,000 Performance Shares, comprising 25,000,000 Class A Performance Shares and 25,000,000 Class B Performance Shares to founding shareholders of AuMake Subsidiary – refer to note 3 for further information relating to these performance shares.

**Note 6. Contingencies**

There are no contingent liabilities or assets as at 31 December 2017 (30 June 2017: Nil).



**AuMake International Limited (formerly Augend Ltd)**  
**Notes to the financial statements**  
**31 December 2017**

**Note 7. Commitments**

*Lease commitments - operating*

Committed at the reporting date but not recognised as liabilities, payable:

	<b>Consolidated 31 Dec 2017</b>	<b>Consolidated 30 Jun 2017</b>
	\$	\$
Within one year	1,279,209	439,528
After one year but not more than five years	4,130,105	757,506
	<u>5,409,314</u>	<u>1,197,034</u>

**Note 8. Operating Segments**

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 there are no separately identifiable segments.

Following the adoption of AASB 8, the identification of the consolidated entity's reportable segments has not changed. During the period, the consolidated entity considers that it has only operated in one segment, being operating a multi-brand, omni-channel retail business.

The consolidated entity is domiciled in Australia. Revenue from external customers is generated from Australia and China. Segment revenues are allocated based on the country in which the customer is located. Assets are located in Australia.

**Note 9. Events after the reporting period**

Subsequent to the end of the reporting date, on 22 January 2018 the Company completed a capital raising of \$14 million with strong support from existing shareholders and new strategic Chinese investors who bring key relationships to enhance the Company's distribution networks. The Company is now fully funded to accelerate its retail store rollout program and increase its investment in the production of AuMake own branded products.

There are no other matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**AuMake International Limited (formerly Augend Ltd)**

**Directors' declaration**

**31 December 2017**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Keong Chan  
Director

23 February 2018  
Sydney





**RSM Australia Partners**

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**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
AUMAKE INTERNATIONAL LIMITED**

We have reviewed the accompanying half-year financial report of AuMake International Limited which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the director's declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

*Director's Responsibility for the Half-Year Financial Report*

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

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of AuMake International Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of AuMake International Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of AuMake International Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM

RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 23 February 2018