

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 2019
Previous period:	For the half-year ended 31 December 2018

Results for announcement to the market

The consolidated entity has adopted Accounting Standard AASB 16 'Leases' for the half-year ended 31 December 2019 using the modified retrospective approach and as such the comparatives have not been restated.

	31 Dec 2019	31 Dec 2018
Revenues from ordinary activities up 105%	\$45,279,036	\$22,042,273
Loss from ordinary activities after tax attributable to the owners of AuMake International Limited down 84%	\$464,985	\$2,985,934
Loss for the half-year attributable to the owners of AuMake International Limited down 84%	\$464,985	\$2,985,934

Commentary on the results

Please refer to the "Review of Operations" section included within the directors' report of the attached financial report for the half-year ended 31 December 2019.

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

Not applicable.

Net tangible assets

	31 December 2019 Cents	31 December 2018 Cents
Net tangible assets per ordinary security	<u>1.31</u>	<u>4.58</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 attached financial report.

Attachments

Details of attachments:

The Interim Financial Report of AuMake International Limited for the half-year ended 31 December 2019 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

12 February 2020
Sydney

AuMake International Limited

ACN 150 110 017

Interim Financial Report - 31 December 2019

AuMake International Limited
Directors' report
31 December 2019

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 2019.

Directors

The following persons were directors of AuMake International Limited ('AuMake') during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Keong Chan (Executive Chairman)
Jiahua (Joshua) Zhou (Managing Director)
Gang Xu (Non-Executive Director) – resigned on 18 November 2019
Quentin Flannery (Non-Executive Director)
Lingye (Lyn) Zheng (Non-Executive Director) – resigned on 18 November 2019
Jacky Yang (Executive Director) – Appointed on 18 November 2019
Oliver Horn (Non-Executive Director) – Appointed on 18 November 2019

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, AuMake and Broadway retail stores located across Australia and New Zealand.

Review of operations

The net operation loss for the consolidated entity after providing for income tax amounted to \$464,985 (31 December 2018: \$2,985,934).

Significant changes in the state of affairs

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

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



Keong Chan
Executive Chairman

12 February 2020
Sydney

RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111
www.rsm.com.au

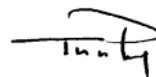
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of AuMake International Limited for the half-year ended 31 December 2019, 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.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 12 February 2020

AuMake International Limited**Contents****31 December 2019**

Statement of profit or loss and other comprehensive income	4
Statement of financial position	5
Statement of changes in equity	6
Statement of cash flows	7
Notes to the financial statements	8
Directors' declaration	14
Independent auditor's review report to the members of AuMake International Limited	15

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 12 February 2020.

AuMake International Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2019

	Consolidated	
Note	31 Dec 2019	31 Dec 2018
Revenue		
Sales revenue	45,183,889	21,859,231
Other income	95,147	183,042
Expenses		
Cost of sales	(24,084,227)	(17,653,739)
Administrative expenses	(1,698,754)	(780,973)
Employee benefits expense	(5,090,314)	(3,786,856)
Rent and outgoings expenses	(133,902)	(1,111,135)
Marketing expenses	(12,241,870)	(951,058)
Travel and accommodation expenses	(88,784)	(172,444)
Share based payment expense	(92,999)	(295,459)
Depreciation and amortisation	(1,640,941)	(275,062)
Loss on disposal of assets	(224,976)	(1,481)
Finance costs	(447,254)	-
Loss before income tax expense	(464,985)	(2,985,934)
Income tax expense	-	-
Loss after income tax expense for the half-year	(464,985)	(2,985,934)
Other comprehensive (loss) income		
<i>Items that may be reclassified to profit or loss</i>		
Exchange differences on translation of foreign operations	(56,456)	24,943
Total comprehensive loss attributable to owners of AuMake International Ltd	(521,441)	(2,960,991)
Loss per share for loss from continuing operations attributable to the ordinary equity holders of the company:		
Basic and diluted loss per share (cents per share)	(0.16)	(1.10)

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

AuMake International Limited
Statement of financial position
As at 31 December 2019

		Consolidated	
	Note	31 Dec 2019	30 Jun 2019
CURRENT ASSETS			
Cash and cash equivalents		12,101,831	10,015,853
Trade and other receivables		2,556,008	734,021
Inventory		3,909,663	5,088,130
Other assets		266,659	281,974
Total Current Assets		18,834,161	16,119,978
NON-CURRENT ASSETS			
Plant and equipment		3,006,510	2,665,492
Right-to-use assets		12,769,480	-
Intangible assets		16,385,437	2,373,059
Other assets		1,344,691	1,264,237
Total Non-Current Assets		33,506,118	6,302,788
TOTAL ASSETS		52,340,279	22,422,766
CURRENT LIABILITIES			
Trade and other payables	4	13,582,488	3,671,720
Lease liabilities	1	2,296,981	-
Interest-bearing liabilities		41,642	50,229
Provisions		796,606	788,552
Total Current Liabilities		16,717,717	4,510,501
NON-CURRENT LIABILITIES			
Lease liabilities	1	10,711,068	-
Other payables		4,367,500	-
Interest-bearing liabilities		55,925	78,762
Total Non-Current Liabilities		15,134,493	78,762
TOTAL LIABILITIES		31,852,210	4,589,263
NET ASSETS		20,488,069	17,833,503
EQUITY			
Issued capital	5	35,956,823	32,873,815
Reserves	6	5,321,391	5,284,848
Accumulated losses		(20,790,145)	(20,325,160)
TOTAL EQUITY		20,488,069	17,833,503

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

AuMake International Limited
Statement of changes in equity
For the half-year ended 31 December 2019

	Issued capital	Reserves	Accumulated losses	Total equity
Consolidated				
Balance at 1 July 2018	26,519,602	3,237,689	(12,567,923)	17,189,368
Loss after income tax expense for the half-year	-	-	(2,985,934)	(2,985,934)
Other comprehensive income for the half-year	-	24,943	-	24,943
Total comprehensive loss for the half-year	-	24,943	(2,985,934)	(2,960,991)

Transactions with owners in their capacity as owners:

Issue of share for acquisition of subsidiary	271,907	-	-	271,907
Share-based payments – Employee options and performance shares	-	295,460	-	295,460
Balance at 31 December 2018	<u>26,791,509</u>	<u>3,558,092</u>	<u>(15,553,857)</u>	<u>14,795,744</u>

	Issued capital	Reserves	Accumulated losses	Total equity
Consolidated				
Balance at 1 July 2019	32,873,815	5,284,848	(20,325,160)	17,833,503
Loss after income tax expense for the half-year	-	-	(464,985)	(464,985)
Other comprehensive income for the half-year	-	(56,456)	-	(56,456)
Total comprehensive loss for the half-year	-	(56,456)	(464,985)	(521,441)

Transactions with owners in their capacity as owners:

Issue of share for acquisition of subsidiary and capital raising, net of issue cost (Note 5)	3,083,008	-	-	3,083,008
Share-based payments – Employee options	-	92,999	-	92,999
Balance at 31 December 2019	<u>35,956,823</u>	<u>5,321,391</u>	<u>(20,790,145)</u>	<u>20,488,069</u>

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

AuMake International Limited
Statement of cash flows
For the half-year ended 31 December 2019

	Consolidated	
Note	31 Dec 2019	31 Dec 2018
Cash flows from operating activities		
Receipts from customers	45,074,164	21,911,826
Payments to suppliers and employees	(39,115,209)	(24,038,655)
Interest received	298,586	176,381
Other revenue	46,736	37,257
	<u>6,304,277</u>	<u>(1,913,191)</u>
Cash flows from investing activities		
Cash used in acquisition of subsidiary, net of transaction cost	(3,069,221)	(28,093)
Payments for plant and equipment	(814,417)	(587,447)
Payment of bond	(235,337)	(156,097)
	<u>(4,118,975)</u>	<u>(771,637)</u>
Cash flows from financing activities		
Net repayment of borrowings	(106,339)	(35,158)
	<u>(106,339)</u>	<u>(35,158)</u>
Net increase/(decrease) in cash and cash equivalents	2,078,963	(2,719,986)
Cash and cash equivalents at beginning of the financial half-year	10,015,853	10,737,214
Effects of exchange rate changes on cash and cash equivalents	7,015	24,944
	<u>12,101,831</u>	<u>8,042,172</u>
Cash and cash equivalents at the end of the financial half-year	<u>12,101,831</u>	<u>8,042,172</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2019 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 2019 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, except for the policies stated below.

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:

AASB 16 Leases

The consolidated entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained profits as at 1 July 2019 was as follows:

	1 July 2019 \$
Operating lease commitments as at 1 July 2019 (AASB 117)	10,387,306
Operating lease commitments with option to extend as at 1 July 2019 (AASB 117)	17,704,241
Operating lease commitments discount based on the weighted average incremental borrowing rate of 7% (AASB 16)	13,343,494
Short-term leases not recognised as a right-of-use asset (AASB 16)	(482,109)
Right-of-use assets (AASB 16)	<u>12,861,385</u>
Lease liabilities – current and non-current (AASB 16)	<u>(12,861,385)</u>
Reduction in opening retained profits as at 1 July 2019	<u><u>-</u></u>

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 or loss as incurred.

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.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 2. Revenue

	Consolidated	
	31 Dec 2019	31 Dec 2018
From continuing operations		
<i>Sales revenue</i>		
Sale of goods	45,183,889	21,859,231
	<u>45,183,889</u>	<u>21,859,231</u>
<i>Other revenue</i>		
Interest	21,505	145,785
Other revenue	73,642	37,257
	<u>95,147</u>	<u>183,042</u>
Revenue from continuing operations	<u><u>45,279,036</u></u>	<u><u>22,042,273</u></u>

Note 3. Controlled Entities

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 Dec 2019 %	30 Jun 2019 %
Parent entity			
AuMake International Limited	Australia		
Name of controlled entity			
ITM Corporation Ltd	Australia	100%	100%
AuMake Australia Pty Ltd	Australia	100%	100%
Jumbuck Australia Pty Ltd	Australia	49%	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%
AU8 Media Pty Ltd	Australia	50%	50%
Da Xue Li Health and Technology Ltd	China	100%	100%
Herbsmart Pharmaceutical Pty Ltd	Australia	50%	50%
Broadway Australia Pty Ltd	Australia	100%	-
SYD Star Pty Ltd	Australia	100%	-
M Best Tax Free Pty Ltd	Australia	100%	-
Gold Harbour Pty Ltd	Australia	100%	-
Round Forest Pty Ltd	Australia	100%	-
AUBW International Limited	New Zealand	100%	-

Acquisition of Controlled Entities – Business Combination

On 24 July 2019, AuMake International Limited acquired the rights to operate the underlying business of a network of retail stores (“Broadway”) For a consideration of \$14.18m in cash and shares.

The fair value of Broadway’s assets has been measured provisionally. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the amounts below, the accounting for the acquisition will be revised.

Details of the acquisition are as follows:

	Fair value \$
Net assets acquired	-
Intangible assets	14,180,000
Acquisition-date fair value of the total consideration transferred	<u>14,180,000</u>
Representing:	
Cash paid or payable to vendor	7,090,000
Aumake Shares paid or payable to vendor	<u>7,090,000</u>
Total consideration transferred	<u>14,180,000</u>

Note 4. Trade and other payables

	Consolidated	
	31 Dec 2019	30 June 2019
	\$	\$
Trade payables	3,488,178	2,810,330
Payment in advance	64,164	3,408
Accrued expenses	6,726,146	357,982
Other payables*	3,304,000	500,000
	<u>13,582,488</u>	<u>3,671,720</u>

*the other payables as at 31 December 2019 is the future payment of cash and shares in relation to Broadway acquisition.

Note 5. Equity - issued capital

(a) Ordinary shares

	31 Dec 2019	Consolidated	31 Dec 2019	30 Jun 2019
	Shares	30 Jun 2019	\$	\$
	Shares	Shares		
Ordinary shares - fully paid	<u>332,436,698</u>	<u>312,079,202</u>	<u>35,954,542</u>	<u>32,873,815</u>

Movements in ordinary share capital

	31 Dec 2019		30 Jun 2019	
	No. of shares	\$	No. of shares	\$
Consolidated				
At the beginning of the reporting period	312,079,202	32,873,815	270,366,572	26,519,602
Share issued at acquisition of subsidiary – Broadway	17,232,496	2,602,107	-	-
Share issued at capital raising	3,125,000	500,000	1,087,630	271,908
Share issued relating to business combination – Kiwibuy	-	-	40,625,000	6,500,000
Share issue costs	-	(19,099)	-	(417,695)
At the end of the reporting period	<u>332,436,698</u>	<u>35,956,823</u>	<u>312,079,202</u>	<u>32,873,815</u>

Note 6. Equity – Reserves

Consolidated

	31 Dec 2019	30 Jun 2019
	\$	\$
Options reserve (a)	1,554,210	1,461,211
Performance shares reserve (b)	4,000,000	4,000,000
Foreign currency translation reserve (c)	<u>(232,819)</u>	<u>(176,363)</u>
Total	<u>5,321,391</u>	<u>5,284,848</u>

(a) Options

Movements in option reserve

	December 2019		June 2019	
	No. of Securities	\$	No. of Securities	\$
Consolidated				
At the beginning of the reporting period	10,250,000	1,461,211	12,150,000	727,327
Issue/(forfeited) of options to employees in pursuant to Employee Share Option Plan ('ESOP') with an exercise price of \$0.20	(1,400,000)	-	(1,900,000)	-
Amortisation of expense on options issued in prior year	-	92,999	-	733,884
At the end of the reporting period	<u>8,850,000</u>	<u>1,554,210</u>	<u>10,250,000</u>	<u>1,461,211</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.

(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

	31 Dec 2019	30 Jun 2019
	\$	\$
Consolidated		
At the beginning of the reporting period	(176,363)	110,362
Exchange difference on translation of foreign operations	<u>(56,456)</u>	<u>(286,725)</u>
At the end of the reporting period	<u>(232,819)</u>	<u>(176,363)</u>

Note 7. Contingencies

There are no contingent assets as at 31 December 2019 (30 June 2019: Nil). There have been changes to the contingent liabilities since 30 June 2019.

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.

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 and China.

Note 9. Events after the reporting period

On 25 January 2020, China's Ministry of Culture and Tourism instructed Chinese travel agents to suspend all tour groups and the sale of flight and hotel packages overseas, from 27 January 2020. The Company continues to assess the impact of 2019-nCoV as more information emerges and to update the market accordingly through ASX announcements.

There are no other matters or circumstances have arisen since 31 December 2019 that have 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
Directors' declaration
31 December 2019

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 2019 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



Keong Chan
Director

12 February 2020
Sydney

RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111
www.rsm.com.au

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of AuMake International Limited which comprises the statement of financial position as at 31 December 2019, 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 directors' 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.

Directors' 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 2019 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.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

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 2019 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 AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 12 February 2020