

23 December 2020

AUK raises \$7 million to accelerate social e-commerce marketplace growth

Highlights

- Oversubscribed \$7 million Placement to fund acceleration of Aumake's social e-commerce marketplace, including extensive technology buildout to incorporate popular marketing features such as short form video and group buying capability.
- The Placement was strongly supported by institutional and sophisticated investors, including a strategic cornerstone investment led by Mr Steven Hu and his co-investors. Mr Hu is an Australian-based venture capital and corporate strategic investment adviser with strong links to capital markets in Hong Kong and China.
- Directors have also committed to participate in the raise under the same terms as the Placement for a total amount of \$750,000 (subject to shareholder approval).

Sydney, Australia – Aumake Limited (**ASX: AUK, Aumake, or the Company**), operator of an online platform that connects Asian influencers with high-quality and authentic Australian and New Zealand brands, is pleased to announce it has secured binding commitments of \$7 million (before costs) via a Placement of 116,666,667 new shares at \$0.06 per share and inclusive of a 1:2 free attaching option to new and existing institutional and sophisticated investors (the Placement). Tranche 1 of the Placement, (101,750,000 shares), will be issued during the week commencing 28 December 2020, with Tranche 2, (14,916,667 shares including the Directors' commitments), to be issued subject to shareholder approval.

The Placement was led by a cornerstone investment by Mr Steven Hu and co-investors. Mr Hu is a former partner of a large Hong Kong-based venture capital firm and is based in Shenzhen, the epicenter of consumer technology development in China. He has been highly active as an investor in China's consumer technology space for more than a decade.

In addition, all AUK Directors have committed to participate in the raise under the same terms as the Placement for a total amount of \$750,000. The proposed issue of options and Tranche 2 new shares (including the issue of securities to Directors) will be subject to shareholder approval, which will be sought via an Extraordinary General Meeting in the first quarter of 2021.

Funds raised from the Placement (net of costs) will be used for:

- Promotion and marketing of Aumake's new online platform in Asia to drive new active user growth and GMV;
- Continued technology buildout of AUK's social e-commerce platform, including peer-to-peer review, short-form video, gamification and group buying capability;
- Launch of new brand marketing campaigns in Asia;
- Refurbishment and launch of AUK's flagship Town Hall concept store in Sydney; and
- Corporate purposes, including general working capital requirements.

Aumake Executive Chairman, Keong Chan, commented, "The strong support we have received from new and existing investors reflects the significant long-term growth opportunities our social e-commerce platform provides for the business. We welcome our new shareholders to the register, in particular cornerstone investor Steven Hu."

“Steven initially approached us in early October when we outlined our intention to develop a social e-commerce marketplace for the Australian and New Zealand market. Given his firsthand investment experience with the rapid evolution of consumer technology in China, Steven saw the significant potential for our business to grow exponentially with this new business model. I’m delighted he has joined Aumake’s register and we look forward to leveraging his extensive network of co-investors and operators within the consumer technology field in China.”

“This Placement will enable us to fast-track marketing and growth initiatives, with plans to drive substantial user uptake and sales growth, as well as continued technology buildout. Key technology developments will focus on popular social e-commerce functionalities, such as short form video, gamification, and group buying capabilities.”

“While our new social e-commerce platform is already generating strong active new user growth and repeat purchasing, the Placement supports our commercial rollout including marketing activities which will significantly increase our platform’s visibility in mainland China. It also enables us to invest in direct marketing campaigns for new brands and the introduction of profit-sharing models to drive influencer interaction and sales conversion.”

“In preparation for the return of international students and tourists, we’re opening a Town Hall concept store in Sydney to facilitate repeat purchasing and the cost-effective conversion of physical traffic to our online platform.

“We continue to look forward, and firmly believe China with its 1.4 billion population and ~\$140b of annual trade with Australia, will continue to rely heavily on the clean, green products that Australia and New Zealand produce.”

Placement Details

Under the Placement, Aumake will raise \$7 million before costs via the issue of 116,666,667 new shares at an issue price of \$0.06 per share. The issue price of \$0.06 per share represents a 14.2% discount to the Company’s last closing price on 14 December 2020 and a 15.7% discount to the 5-day VWAP. Subject to shareholder approval, Aumake will issue one free attaching option for every two new shares purchased, with an exercise price of \$0.14, expiring three years after the date of issue.

Tranche 1 of the Placement of the shares is being undertaken within the Company’s existing capacity under ASX Listing Rule 7.1 (59,864,549 shares) and Listing Rule 7.1A (41,885,451 shares). Shareholder approval under Listing Rules 7.1 and 10.11 will be sought for the issue of the 14,916,667 Tranche 2 shares and the options.

Indicative timetable: Tranche 1

Settlement of placement via DvP	Tuesday 29 December 2020
Issue and allotment of New Shares	Wednesday 30 December 2020

Prenzler Group acted as lead manager to the Placement.

ENDS

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

Corporate

Keong Chan
Executive Chairman
T: +61 2 8330 8844

[keong.chan@AuMake.com.a](mailto:keong.chan@AuMake.com.au)

Investor Enquiries

Craig Sainsbury
Market Eye
M: 0428 550 499

craig.sainsbury@marketeye.com.au

Media Enquiries

Tristan Everett
Market Eye
M: 0403 789 096

[Tristan.everett@marketeye.com.
au](mailto:Tristan.everett@marketeye.com.au)

About Aumake

Aumake Limited (ASX:AUK) operates an online platform that directly connects Asian influencers with high-quality and authentic Australian brands. It offers the best possible prices, end-to-end customer service and a comprehensive product range – all on one integrated platform. AuMake also operates physical stores, located in key precincts on Australia's east coast and in New Zealand, delivering a fully integrated online and in-store shopping experience for Asian consumers.