



31 October 2022

## Q1 FY23 Quarterly Activity 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 activity report for the quarter ended 30 September 2022 (Q1 FY23).

Covid (and its differing variants) and relations with China continues to impact the Company and its operations.

Whilst Australia and the rest of the world are ending many imposed restrictions and opening up travel and tourism, the return to a new normal is still uncertain and Chinese tourism has not returned.

### Financial

- Revenue received from its 3 stores + online sales totaled \$1.0m (a decrease of 33% from Q4 FY22).
- The business has and continues to be impacted by Covid (and its differing variants) and relations with China and the related lack of Chinese tourism. As such, Aumake has implemented across the board cost savings in order to maximise cash reserves.
- At the end of June '22 Aumake negotiated the exit from the World Square store in Sydney, with the surrender paid out in July '22 and has in October '22 secured the surrender of the Q1 Surfers Paradise store. Aumake's plan is to close the Chatswood and Market City stores shortly and only retain its Burwood store.
- Staff costs for the quarter fell by 5% to \$513k (Q4 FY22: \$540k). Full and or part-time staff numbers reduced from 21 as at 30 June 2022 to 16 as at 31 October 2022.
- Primarily as a result of rental payments, lease terminations and staff redundancy payments, net cash outflows for the quarter increased from \$888k in Q4 FY22 to \$1,635k in Q1 FY23.
- The Company ended the quarter with a cash position of \$1.408m (Q4 FY22 \$3.043m).

### Operational

- Aumake is winding down all unprofitable operations, negotiating the surrender of all leases, extinguishing all debt and reducing costs as much as possible, pending the return of Chinese tourism.
- Aumake will continue to operate its ecommerce business, which continues to sell products to China through its Wechat App.
- To meet the growing popularity of social online e-commerce, Aumake is looking to introduce new social ecommerce integrations, including its partnership with Entertainment Publications of Australia Pty Ltd (refer ASX announcement 18 August 2022).

### Related party expenditure

During the quarter, a total of \$168k was paid to related parties of the Company as follows:

- Director fees paid to Board members (including a former board member) of \$168k.

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

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### **About Aumake Limited**

Aumake Limited (ASX:AUK) operates a social e-commerce marketplace that directly connects Asian influencers with high-quality and authentic Australian and New Zealand brands.

## 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")**

30 Sep 2022

| <b>Consolidated statement of cash flows</b>               | <b>Current quarter<br/>\$A'000</b> | <b>Year to date (3<br/>months)<br/>\$A'000</b> |
|---|------------------------------------|--|
| <b>1. Cash flows from operating activities</b>            |                                    |  |
| 1.1 Receipts from customers                               | 1,008                              | 1,008  |
| 1.2 Payments for  |                                    |  |
| (a) research and development                              | -                                  | -  |
| (b) product manufacturing and operating costs             | (1,190)                            | (1,190)  |
| (c) advertising and marketing                             | (13)                               | (13)   |
| (d) leased assets   | (691)                              | (691)  |
| (e) staff costs   | (513)                              | (513)  |
| (f) administration and corporate costs                    | (322)                              | (322)  |
| 1.3 Dividends received (see note 3)                       | -                                  | -  |
| 1.4 Interest received                                     | 2                                  | 2  |
| 1.5 Interest and other costs of finance paid              | -                                  | -  |
| 1.6 Income taxes paid                                     | 45                                 | 45   |
| 1.7 Government grants and tax incentives                  | -                                  | -  |
| 1.8 Other (provide details if material)                   | 39                                 | 39   |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(1,635)</b>                     | <b>(1,635)</b>                                 |
| <b>2. Cash flows from investing activities</b>            |                                    |  |
| 2.1 Payments to acquire or for:                           |                                    |  |
| (a) entities  | -                                  | -  |
| (b) businesses  | -                                  | -  |
| (c) property, plant and equipment                         | (9)                                | (9)  |
| (d) investments   | -                                  | -  |
| (e) intellectual property                                 | -                                  | -  |



| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date (3<br>months)<br>\$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
|                                      | (f) other non-current assets                          | -                          | -                                     |
| 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)                   | -                          | -                                     |
| <b>2.6</b>                           | <b>Net cash from / (used in) investing activities</b> | <b>(9)</b>                 | <b>(9)</b>                            |

|             |   |          |          |
|-------------|---|----------|----------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>   |          |          |
| 3.1         | Proceeds from issues of equity securities (excluding convertible debt securities)       | -        | -        |
| 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 | -        | -        |
| 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)   | -        | -        |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                                   | <b>-</b> | <b>-</b> |

|           |  |         |         |
|-----------|--|---------|---------|
| <b>4.</b> | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |         |         |
| 4.1       | Cash and cash equivalents at beginning of period                             | 3,042   | 3,042   |
| 4.2       | Net cash from / (used in) operating activities (item 1.9 above)              | (1,635) | (1,635) |

| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date (3<br>months)<br>\$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 4.3                                  | Net cash from / (used in) investing activities<br>(item 2.6 above)  | (9)                        | (9)                                   |
| 4.4                                  | Net cash from / (used in) financing activities<br>(item 3.10 above) | -                          | -                                     |
| 4.5                                  | Effect of movement in exchange rates on<br>cash held                | 10                         | 10                                    |
| 4.6                                  | <b>Cash and cash equivalents at end of<br/>period</b>               | <b>1,408</b>               | <b>1,408</b>                          |

| 5.  | Reconciliation of cash and cash<br>equivalents<br>at the end of the quarter (as shown in the<br>consolidated statement of cash flows) to the<br>related items in the accounts | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|-----|---|----------------------------|-----------------------------|
| 5.1 | Bank balances   | 675                        | 2,184                       |
| 5.2 | Call deposits   | 733                        | 858                         |
| 5.3 | Bank overdrafts   | -                          | -                           |
| 5.4 | Other (provide details)   | -                          | -                           |
| 5.5 | <b>Cash and cash equivalents at end of<br/>quarter (should equal item 4.6 above)</b>  | <b>1,408</b>               | <b>3,042</b>                |

| 6.   | Payments to related parties of the entity and their<br>associates                          | Current quarter<br>\$A'000 |
|--|--|----------------------------|
| 6.1  | Aggregate amount of payments to related parties and their<br>associates included in item 1 | 168                        |
| 6.2  | Aggregate amount of payments to related parties and their<br>associates included in item 2 | -                          |
| The balance in 6.1 consists of \$168,112.38 director's fees and wages paid to directors or their related parties.  |  |                            |
| <p><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></p> |  |                            |



|           |   |   |  |
|-----------|---|---|--|
| <b>7.</b> | <b>Financing facilities</b><br><i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i><br><i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>  | <b>Total facility<br/>amount at quarter<br/>end<br/>\$A'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$A'000</b> |
| 7.1       | Loan facilities   | -   | -  |
| 7.2       | Credit standby arrangements   | -   | -  |
| 7.3       | Other (please specify)  | -   | -  |
| 7.4       | <b>Total financing facilities</b>   | -   | -  |
| 7.5       | <b>Unused financing facilities available at quarter end</b>   |   | -  |
| 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. |   |  |
|           | N/A   |   |  |

|           |  |                |
|-----------|--|----------------|
| <b>8.</b> | <b>Estimated cash available for future operating activities</b>  | <b>\$A'000</b> |
| 8.1       | Net cash from / (used in) operating activities (item 1.9)  | (1,635)        |
| 8.2       | Cash and cash equivalents at quarter end (item 4.6)  | 1,408          |
| 8.3       | Unused finance facilities available at quarter end (item 7.5)  | -              |
| 8.4       | Total available funding (item 8.2 + item 8.3)  | 1,408          |
| 8.5       | <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>  | 0.9            |
|           | <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?  |                |
|           | No – The Company has implemented significant cost saving measures, including one off lease termination costs and staff redundancy costs.   |                |
|           | 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?   |                |
|           | Yes – The Company is looking to implement a share placement using its current Listing Rule 7.1 and 7.1A placement capacity and the services of its mandated Lead Manager. The Company believes that it will successfully raise equity capital in the short term. |                |

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?

Yes – Aumake expects to continue its online operations and the operations from its Burwood store.

Having taken action to close all unprofitable stores, terminate existing leases, reduce staff numbers, significantly reduce overheads and operating costs, the Company expects to raise additional equity capital and to continue its operations.

*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.*

## 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 Oct 2022

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 operating effectively.