



29 March 2023

## AUK to raise \$1,051,720 via strategic investor

Aumake Limited (**Aumake** or the **Company**) (ASX: AUK) is pleased to announce that it has executed a binding subscription agreement with Hong Kong based e-commerce company HK Huibeijia Brand Manage Co., Ltd (**HKH**) to raise \$1,051,720 (**Subscription Amount**) in working capital via the placement of 262,930,000 fully paid ordinary shares (**Shares**), at an issue price of \$0.004 per Share (**Subscription Agreement**).

Based on the current issued capital of the Company (being 1,051,780,257 Shares) and assuming that no further Shares are issued (other than the 262,930,000 Shares to HKH), then HKH will hold a 19.999% interest in the issued capital of Aumake.

For further information, please refer to the Company's Appendix 3B of today's date.

### Terms and conditions of the Subscription Agreement

The issue of the 262,930,000 Shares to HKH is subject to and conditional upon the receipt of Aumake shareholder approval, in accordance with Listing Rule 7.1 (**Approval Condition**).

In accordance with the Subscription Agreement, HKH is required to pay the Subscription Amount to the Company within 5 Business Days of satisfaction of the Approval Condition. Allotment of the 262,930,000 Shares to HKH is to take place no later than 5 Business Days following the receipt by the Company of the Subscription Amount (**HKH Completion**).

### Nominee director

From HKH Completion, and for so long as HKH and their related bodies corporate (or their respective nominees or custodians) hold in aggregate 10% or more of the issued share capital of Aumake (**Board Representation Rights**), then Aumake will appoint one representative of HKH (nominated in writing by HKH) to the Board as an executive director of the Company.

HKH's Board Representation Rights cease and expire as soon as HKH and their related bodies corporate (or their respective nominees or custodians) cease to hold in aggregate 10% or more of the of the issued share capital of Aumake. If HKH's Board Representation Rights cease, then HKH must procure that their nominee director resigns.

All of the other terms and conditions of the Subscription Agreement are considered standard for agreement of this nature.

### About HKH

HKH is a Sino-Australian joint venture that entered the Chinese market in 2016 and established offline stores in several Chinese provinces. It operates in the maternal and child products, health care products, skincare and the makeup sector.

HKH operates using the preferential policies of the Chinese free trade zone for cross-border e-commerce. HKH focuses on brand management to establish sales channels, connecting cross-border products with domestic major platforms and consumers. HKH has established partnerships with over 40 brands and promotes sales volume and brand awareness through online flagship stores, POP stores and supermarket promotions.

HKH operates mainly through two channels: online and offline.

- The online channels have 30 flagship stores and POP stores on various platforms, including Tmall, JD and Douyin; and
- The offline channels rely on up to 1,000 physical retail stores in 20 provinces to drive community sales.

HKH has established a loyalty model to cultivate members and enhance store member stickiness. It also has a stable of cooperative relationships with 20 well-known national retail supermarkets with whom they participate in joint promotional and marketing activities.

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

"HKH's extensive experience in cross-border e-commerce and its sophisticated online platform, which connects cross-border products with domestic platforms and consumers, will be complimentary to Aumake's business as we move to expand our presence in the Asian market."

"In addition, HKH's nationwide network of nearly 1,000 physical retail stores and its plans to expand its online and offline channels will provide Aumake with new opportunities to sell Australian and New Zealand branded products."

"As the travel and tourism sector gains momentum, I believe that working with HKH will create significant value for our customers, partners and shareholders."

**Use of funds**

Funds raised from the issue of the 262,930,000 Shares will strengthen the Company's cash position and will be used to:

- continue operating the Company's ecommerce business;
- pay corporate expenses, including general working capital requirements;
- pay trade and other payables; and
- assess strategic partnership opportunities, mergers and acquisitions.

**Shareholder approval**

The Company advises that shareholder approval for the issue of the 262,930,000 Shares to HKH will be sought at a General Meeting to be held in May 2023.

If shareholder approval in accordance with ASX Listing Rule 7.1 is obtained, the Company will issue the 262,930,000 Shares to HKH and will raise \$1,051,720 in working capital. In addition, the Company will appoint one representative of HKH (as nominated in writing by HKH) to the Board as an executive Director of the Company.

If shareholder approval in accordance with ASX Listing Rule 7.1 is not obtained, the Company will not issue the 262,930,000 Shares to HKH and the Company will not raise any working capital. In addition, the Company will not appoint a representative of HKH to the Board.

**Authorised for release by the Board of Aumake Limited**

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