

# Aumake Limited

## Appendix 4E – preliminary final report

### 30 June 2023

#### 1. Company details

Name of entity:	Aumake Limited (the 'Company')
ACN:	150 110 017
Reporting period:	For the year ended 30 June 2023
Previous period:	For the year ended 30 June 2022

#### 2. Results for announcement to the market

Key information	12 months ended Reporting Period	12 months ended Previous Period	Decrease	Amount change
Revenues from ordinary activities	\$2,670,303	\$6,011,404	55.6%	\$3,341,101
Loss from ordinary activities after tax attributable to the owners of Aumake Limited	\$3,029,068	\$6,072,804	50.1%	\$3,043,736
Loss for the year attributable to the owners of Aumake Limited	\$3,029,068	\$6,072,804	50.1%	\$3,043,736

#### Commentary on results

The lack of Chinese tourists and Chinese students in Australia has continued to impact the Company's ability to generate sales. This financial year the Company sought to strengthen its online presence, minimise costs by closing its remaining offline retail stores, standing down staff, negotiating with landlords to surrender leases, outsourcing of a number of functions within the business, investigating complementary arrangements with key stakeholders, securing funding from our supportive investment community and wherever possible, minimising cash outflows.

This financial year Aumake's sales of \$2.7m (a fall of 55.6% from last financial year) were generated mainly from our WeChat Mini-Program online selling.

Operating costs fell by a similar percentage of 55.5% from \$13m last financial year to just under \$6m this financial year.

Refer to Annual Report for further information.

#### 3. Details of Dividend and/or Dividend Reinvestment Plans

Not applicable.

#### 4. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.1	(0.1)

The net tangible assets per security is calculated based on 1,487,259,469 ordinary shares on issue as at 30 June 2023. The previous period net tangible assets per ordinary security is calculated based on 771,446,924 ordinary shares on issue as at 30 June 2022.

Net tangible assets calculation above includes the right-of-use assets and lease liabilities but excludes goodwill.

#### 5. Control gained or lost over entities having material effect

There was no control gained or lost over entities during this period (where material).

**Aumake Limited**  
**Appendix 4E – preliminary final report**  
**30 June 2023**

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**6. Details of associates and joint venture entities**

There are no associates or joint venture entities.

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**7. Audit qualification or review**

The financial statements are based on accounts which have been audited.

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**8. Attachments**

The Annual Report of Aumake Limited for the year ended 30 June 2023 is attached.

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As authorised by the Board of Directors,

A handwritten signature in black ink that reads "Stephen Harrison". The signature is written in a cursive style and is underlined with a single horizontal line.

Signed

Date: 31 August 2023

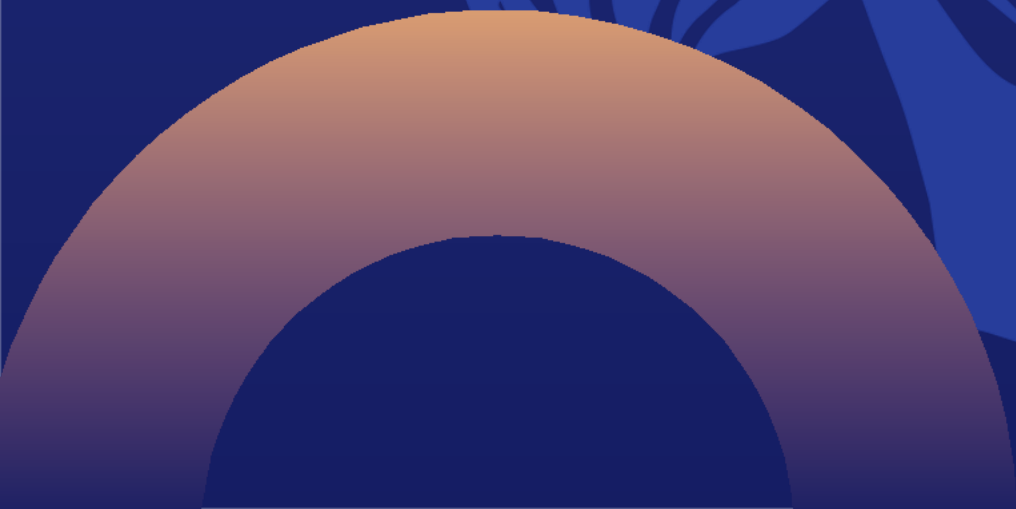
Stephen Harrison

Non-Executive Chairman  
Sydney



# Annual Report

30 June  
2023



## General information

ACN	150 110 017
Directors	Stephen Harrison (Non-Executive Chairman) Jiahua (Joshua) Zhou (Managing Director) Zhao (Tracy) Zhang (Executive Director) Li (Alex) Li (Non-Executive Director)
Company secretary	Michael Higginson
Registered office	Level 15, Suite 15.52 60 Station Street East Parramatta NSW 2150 Australia Telephone: 1800 800 285
Principal place of business	Level 15, Suite 15.52 60 Station Street East Parramatta NSW 2150 Australia Telephone: 1800 800 285
Share register	Advanced Share Registry Limited 110 Stirling Highway Nedlands WA 6009 Telephone: +61 (08) 9389 8033
Auditor	Rothsay Audit & Assurance Pty Ltd Level 1, 6-10 O'Connell Street Sydney NSW 2000
Solicitors	Steinepreis Paganin Lawyers and Consultants Level 4, 16 Milligan Street Perth WA 6000
Stock exchange listing	Australian Securities Exchange (ASX code: AUK)
Website	<a href="http://www.aumake.com.au">www.aumake.com.au</a>

## Contents

Chairman's letter .....	3
Board of Directors .....	6
Directors' report.....	8
Auditor's independence declaration.....	21
Financial statements .....	22
Statement of profit or loss and other comprehensive income .....	23
Statement of financial position .....	24
Statement of changes in equity .....	25
Statement of cash flows.....	26
Notes to the Financial Statements.....	27
Directors' declaration .....	57
Independent auditor's report to the members of Aumake Limited .....	58
Corporate Governance .....	62
Shareholder information.....	63

## Chairman's Letter

Dear Shareholders

On behalf of my fellow Board members, I present the 2023 Annual Report for Aumake Limited (**Aumake** or the **Company**).

What an arduous journey that Aumake has been on these last three and a half years – with Covid-19 hitting our shores in January 2020 our key sales market of Chinese tourism and Chinese students evaporating overnight. In March 2020 the World Health Organisation declared that Covid-19 was a worldwide pandemic. Aumake sought to strengthen its online presence, minimise costs by closing down stores, reducing staff hours and then standing down staff, seeking government support from the various Covid-19 relief packages, negotiating with landlords to surrender leases, negotiating discounts or return of unsold inventory, outsourcing of a number of functions within the business, looking at complementary arrangements with key stakeholders, securing funding from our supportive investment community and wherever possible, minimising cash outflow.

The difficult trading conditions continued throughout the 2023 financial year. The Company's revenue falling some 56% to \$2.7m, when compared to the previous financial year of \$6.0m. In addition, operating expenses for the year contracted from \$13.0m in the previous financial year, to just under \$6.0m this financial year. A highlight for the financial year was the conversion by Grand Aust International Pty Ltd of \$1.4m of debt into equity. Not only did Aumake attract a significant investor into its ecosystem, but also managed to reduce its current liabilities, but also increase its Net Asset position.

### Store Network

Prior to Covid-19, Aumake had 15 physical stores operating in Australia and New Zealand, a warehouse and two offices which collectively generated in excess of \$45.2m in sales revenue in the six months to 31 December 2019. All of these locations have now been exited and we remain committed to pay the two remaining lease liabilities of which we are in negotiations with the landlords.

With Chinese tourism and Chinese students having not yet returned to Australia and New Zealand in volume, Aumake has been hesitant to invest in physical retail stores. As a consequence, Aumake's sales in 2023 financial year were generated mainly from online sales of our WeChat Mini-Program.

Aumake plans to enhance its online activities with the return of offline physical store shopping in Australia. More specifically, Aumake is looking to outsource the operations of Aumake retail outlets (in Australia) for the sale of Aumake merchandise to selected licensees, such as tourism retail stores and the Chinese community Daigou stores. This strategy allows Aumake to very efficiently reach more customers with its branded products, without the need to open and run its own stores.

### Strategic Vested Stakeholders

Of particular note this financial year was the Debt Release Deed with Grand Aust International Pty Ltd and Grand Aust New Zealand Pty Ltd (collectively **GAT**) who agreed to convert commissions owing of \$1,423,094 into equity, thereby allowing (a) Aumake to conserve cash, (b) reduce its liabilities and strengthen its financial position, and (c) develop a strategic relationship with the leading outbound travel wholesaler to Australia. GAT currently owns a strategic 10.77% stake in Aumake.

Further, HK Huibeijia Brand Manage Co., Ltd (**HKH**) made a strategic 17.68% investment in Aumake. HKH is a Sino-Australian joint venture that 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.

### E-commerce Capabilities

This financial year saw Aumake close its remaining bricks-and-mortar operations, choosing to focus on its WeChat Mini-Program online selling.

Enhancement of Aumake's e-commerce capabilities (including elements of the very popular Chinese influencer-based selling) will occur in FY '24. This transition is a natural evolution for the Company, allowing Aumake to leverage its trusted Australian and New Zealand brand relationships, Asian influencer social networks and new 'on-trend' products and brands.

## Capital Raisings

During the 2023 financial year, Aumake successfully raised \$375k in November 2022 via Novus Capital Ltd, \$704k in March 2023 (this included \$80k invested by Aumake Directors) and in May 2023 HKH invested \$1,051,720.

## Cost Reductions

Aumake continued restructuring during the year by exiting or surrendering all property leases, cancelling all non-essential services, reducing staff numbers to a core team, negotiating reduced costs which resulted in changing some providers and outsourcing. This enabled Aumake to cut operating expenditure from \$13m last year to under \$6m this financial year (a 55% decrease). Aumake is now positioned for sales growth.

## Management & Corporate Update

A number of corporate changes occurred during the 2023 financial year, including:

- i. The appointment of Mr Li (Alex) Li as Non-Executive Director effective from 29 May 2023. Mr Li was appointed as GAT's nominated director (in accordance with the Debt Release Deed) and replaced Mr Stratos Karousos who resigned as a Non-Executive Director on the same date to facilitate Mr Li's appointment.
- ii. The appointment of Ms Zhao (Tracy) Zhang as Executive Director effective from 29 May 2023. Ms Zhang was appointed as HKH's nominated director (in accordance with the Subscription Agreement) and replaced Mr Jacky Yang who resigned as a Non-Executive Director on the same date to facilitate Ms Zhang's appointment.
- iii. For commercial reasons, a change of Share Registry was approved in April 2023 from Computershare Investor Services Pty Ltd to Advanced Share Registry Limited.
- iv. With the exiting from leased offices in December 2022 the Registered Office of Aumake temporarily changed to our auditor's address [in Sydney]. In August 2023 Aumake secured office space in Parramatta and the Company's Registered Office and principle place of business has now changed to the Parramatta address.

## Outlook for FY24

The Company, in weathering the Covid-19 generated challenges, re-focussed its business structure and objectives and successfully navigated the storm and learned from the crisis. As a result, Aumake has transformed its product development and market channel strategies and is leveraging its robust sales network to introduce new brands and products. In so doing, Aumake is looking to introduce an expanded product and brand range to not only China, but also throughout Asia.

Moving forward and in anticipation of the return of Chinese tourism to Australia, Aumake is building relationships with key stakeholders and is planning to enhance its online activities with the return of offline physical store shopping in Australia. Utilising an omnichannel approach that encompasses three critical pillars:

### *Product development strategy – vertical integration and capitalising on market trends*

Aumake will continue to distribute and incubate high-quality brands. Our research has identified 'booming' market sectors and Aumake is diversifying its product range to offer new unique, competitive high-margin own branded products to cater for this demand.

### *Market channel strategy and resource integration*

Aumake is expanding its presence by collaborating with its established and successful strategic partners of HKH and GAT.

Aumake is collaborating with HKH to sell Aumake's branded products across HKH's extensive network. HKH has an impressive network reach of 30 flagship stores, numerous POP stores on various platforms and access to up to 1,000 physical retail stores across 20 Chinese provinces.

Aumake is working with GAT to form a strategic alliance that capitalises on GAT's existing infrastructure. GAT's tour buses will in the future visit Aumake-branded stores (yet to be established), thus providing Chinese tourists with personal shopping experiences with Australian branded products. This strategy is expected to generate a significant number of tourist visitors to Aumake stores, boosting both brand recognition and generating meaningful revenue.

As previously mentioned the Company is planning to enhance its online activities with the return of offline physical store shopping in Australia. More specifically, Aumake is looking to outsource the operations of Aumake retail outlets in Australia for the sale of Aumake merchandise to selected licensees, such as tourism retail stores and Chinese community Daigou stores. This strategy allows Aumake to very efficiently reach more customers with its branded products, without the need to open and run its own stores.

On behalf of the Board, I would like to take this opportunity to thank the Aumake team, our shareholders, our suppliers, brands and influencers for their continued and ongoing support.

A handwritten signature in black ink that reads "Stephen Harrison". The signature is written in a cursive style and is underlined with a long, sweeping horizontal line.

STEPHEN HARRISON  
Non-Executive Chairman

31 August 2023



## Board of Directors



**Mr Stephen Harrison**

*Non-Executive Chairman  
(Appointed on 1 March 2022)*

Bachelor of Economics

Mr Harrison has over 30 years of experience in the financial services, funds management, M&A, private equity and accounting fields – primarily focused on the energy, technology, IT services, infrastructure, financial services, health, entertainment and natural resource sectors. He is an experienced chairman and director with extensive ASX and corporate experience. He currently serves as the chairman of the ASX listed life insurance company NobleOak Life Limited (ASX: NOL), Omega Oil and Gas Limited (ASX: OMA) and fund manager Conscious Capital Limited. Mr Harrison is a Certified Practising Accountant.



**Mr Jiahua (Joshua) Zhou**

*Managing Director  
(Appointed on 29 September 2017)*

Bachelor of Management and Master of International Business

Mr Joshua Zhou is one of Australia's leading business professionals specialising in cross-border trade between Australia and China with a focus on social eCommerce. Mr Zhou is the co-founder of Aumake, Australia's first social eCommerce platform designed to be a marketplace for social influencers selling Australian and New Zealand products directly to Chinese consumers. This platform, revolutionised Duty-free retail, together with Daigou cross border trade and international logistics solutions and was quickly recognised as the leading platform in Australia. Beginning his working life in the tourism sector, he has over a decade of working experience as a tourism Sales Manager and has facilitated numerous business and government delegations from China and South East Asia to Australia that have resulted in significant investments in Australia. Mr Zhou has an in-depth understanding of social and eCommerce technologies and a unique appreciation of the differences between Australian, New Zealand and Chinese cultures.



**Ms Zhao (Tracy) Zhang**

*Executive Director*  
*(Appointed on 29 May 2023)*

Bachelor of Information Technology and  
 Master of Accounting

Ms Zhang is an accomplished professional in the Fast-Moving Consumer Goods (FMCG) sector and has demonstrated exceptional expertise in brand management and operations since 2012. She is the architect behind the Huibeijia brand in China, successfully establishing a thriving network of over 400 stores nationwide. Ms. Zhang's core strengths lie in her proficient brand management and operational skills, coupled with her ability to design, launch, and manage large-scale retail networks. Her deep understanding of the FMCG market allows her to keenly anticipate market changes and leverage unique growth opportunities. By taking the role of Executive Director at Aumake Limited, Ms. Zhang's professional prowess and industry experience make her perfectly suited to stimulate Aumake's success and further expansion.



**Mr Li (Alex) Li**

*Non-Executive Director*  
*(Appointed on 29 May 2023)*

Bachelor of Tourism Management

As a significant figure in international tourism, Mr. Li has facilitated extensive travel between Australia, New Zealand, and China. Founder of VTOUR Travel which is the biggest outbound travel wholesaler to Australia, Mr. Li's influence on China's tourism sector is substantial. His "Sunny Australia Vision" platform annually sends 25,000 tourists to Australia, while Grand Aust. International welcomes nearly 60,000 visitors as an inbound tour operator each year. His portfolio includes high-profile Australian acquisitions such as Azzura Greens Resort, Sky Broadbeach Seafood Restaurant and the historic Rivermills farm. Recognised for his exceptional contributions, Mr. Li is a member of the Senior Industry Advisory Group of the Australian Government since 2011 and Queensland Government since 2017 and the first Aussie Specialist China Ambassador for Tourism Australia. Possessing deep insights into the cultural dynamics between China, Australia and New Zealand, Mr. Li continues to be a major influencer in global tourism.

## Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Aumake Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

### Directors

The following persons were Directors of Aumake Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Stephen Harrison  
 Jiahua (Joshua) Zhou  
 Li (Alex) Li (Appointed 29 May 2023)  
 Zhao (Tracy) Zhang (Appointed 29 May 2023)  
 Jacky Yang (Appointed 18 November 2019, Resigned 29 May 2023)  
 Stratos Karousos (Appointed 1 March 2022, Resigned 29 May 2023)

### Principal activities

During the financial year the principal activities of the consolidated entity was the sale of Australian products via its online e-commerce store and the Aumake retail stores.

### Dividends

The consolidated entity has not declared any dividend during the financial year (2022: \$nil).

### Review of operations

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$2,948,769 (2022: loss of \$6,124,180).

The Company has faced with a number of risks this financial year and addressed the main risks as follows:

- (a) Lack of Chinese tourism                      China has experienced lockdowns throughout the Covid-19 pandemic which restricted its citizens from departing its sovereign territories for tourist activity.

In response to the lack of Chinese tourist, Aumake closed its remaining three retail stores. Whilst some Chinese tourist returned in the beginning of calendar year 2023, it has been in small numbers in comparison to the pre-Covid levels.

On 10 August 2023 the Chinese Government announced Australia has once again been included on the list of countries for China's Approved Destination Status (ADS) scheme. This is expected to be the precursor for Chinese tourists to commence travel to Australia in guided groups.

- (b) Capital Raising                                      During this financial year Aumake successfully raised \$375k in November 2022 via Novus Capital Ltd, \$704k in March 2023 (this included the \$80k invested by Aumake Directors) and in May 2023 HKH invested \$1,051,720.

The Board is confident given Aumake's large shareholder base, its good-name brand within the Chinese community, stronger financial position, and the recent ADS announcement which is expected to be a precursor to the return of Chinese tourism, that raising capital will be possible when required.

### Significant changes in the state of affairs

There has not been any significant changes in the state or affairs of the Company during the financial year.

### **Matters subsequent to the end of the financial year**

On 10 August 2023 the Chinese Government announced that Australia has once again been included on the list of countries for China's Approved Destination Status (ADS) scheme. This is expected to be a precursor to Chinese tourists returning to travel to Australia in guided groups. This announcement is potentially financially positive for the consolidated entity, but it is not practicable to estimate the potential impact as the return of tourism has not yet occurred.

### **Likely developments and expected results of operations**

Likely developments in the operations of the consolidated entity and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the consolidated entity.

### **Environmental regulation**

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

### **Information on Directors**

Name:	Stephen Harrison (Appointed on 1 March 2022)
Title:	Non-Executive Chairman
Qualifications:	Bachelor of Economics, Certified Practising Accountant
Experience and expertise:	Mr Harrison has over 30 years of experience in the financial services, funds management, M&A, private equity and accounting fields – primarily focused on the energy, technology, IT services, infrastructure, financial services, health, entertainment and natural resource sectors. He is an experienced chairman and director with extensive ASX and corporate experience. He currently serves as the chairman of the ASX listed life insurance company NobleOak Life Limited (ASX: NOL), Omega Oil and Gas Limited (ASX: OMA) and fund manager Conscious Capital Limited.
Other current Directorships:	Non-Executive Director of NobleOak Life Limited
Former Directorships (last 3 years):	Director of MEC Resources Limited Non-Executive Director of IncentiaPay Limited
Special responsibilities:	None
Interests in shares:	5,333,333 ordinary shares
Interests in options:	8,666,666 options
Contractual rights to shares:	None

Name: Jiahua (Joshua) Zhou (Appointed on 29 September 2017)  
 Title: Managing Director  
 Qualifications: Bachelor of Management and Master of International Business  
 Experience and expertise: Mr Joshua Zhou is one of Australia’s leading business professionals specialising in cross-border trade between Australia and China with a focus on social eCommerce.

Mr Zhou is the co-founder of Aumake, Australia’s first social eCommerce platform designed to be a marketplace for social influencers selling Australian and New Zealand products directly to Chinese consumers. This platform, revolutionised Duty-free retail, together with Daigou cross border trade and international logistics solutions and was quickly recognised as the leading platform in Australia.

Beginning his working life in the tourism sector, he has over a decade of working experience as a tourism Sales Manager and has facilitated numerous business and government delegations from China and South East Asia to Australia that have resulted in significant investments in Australia.

Mr Zhou has an in-depth understanding of social and eCommerce technologies and a unique appreciation of the differences between Australian, New Zealand and Chinese cultures.

Other current Directorships: None  
 Former Directorships (last 3 years): None  
 Special responsibilities: None  
 Interests in shares: 70,560,672 ordinary shares  
 Interests in options: 19,516,666 options  
 Contractual rights to shares: 1,687,500 Class A performance rights

Name: Li (Alex) Li (Appointed on 29 May 2023)  
 Title: Non-Executive Director  
 Qualifications: Bachelor of Tourism Management  
 Experience and expertise: As a significant figure in international tourism, Mr. Alex Li has facilitated extensive travel between Australia, New Zealand, and China. Founder of VTOUR Travel which is the biggest outbound travel wholesaler to Australia, Mr. Li’s influence on China’s tourism sector is substantial.

His “Sunny Australia Vision” platform annually sends 25,000 tourists to Australia, while Grand Aust. International welcomes nearly 60,000 visitors as an inbound tour operator each year.

His portfolio includes high-profile Australian acquisitions such as Azzura Greens Resort, Sky Broadbeach Seafood Restaurant and the historic Rivermills farm. Recognised for his exceptional contributions, Mr. Li is a member of the Senior Industry Advisory Group of the Australian Government since 2011 and Queensland Government since 2017 and the first Aussie Specialist China Ambassador for Tourism Australia.

Possessing deep insights into the cultural dynamics between China, Australia and New Zealand, Mr. Li continues to be a major influencer in global tourism.

Other current Directorships: None  
 Former Directorships (last 3 years): None  
 Special responsibilities: None  
 Interests in shares: None

Interests in options: None  
 Contractual rights to shares: None

Name: Zhao (Tracy) Zhang (Appointed on 29 May 2023)  
 Title: Executive Director  
 Qualifications: Bachelor of Information Technology and Master of Accounting  
 Experience and expertise: As an accomplished professional in the Fast-Moving Consumer Goods (FMCG) sector, Zhao (Tracy) Zhang has demonstrated exceptional expertise in brand management and operations since 2012. She is the architect behind the Huibeijia brand in China, successfully establishing a thriving network of over 400 stores nationwide.

Ms. Zhang's core strengths lie in her proficient brand management and operational skills, coupled with her ability to design, launch and manage large-scale retail networks. Her deep understanding of the FMCG market allows her to keenly anticipate market changes and leverage unique growth opportunities.

Other current Directorships: None  
 Former Directorships (last 3 years): None  
 Special responsibilities: None  
 Interests in shares: None  
 Interests in options: None  
 Contractual rights to shares: None

Name: Jacky Yang (Appointed on 18 November 2019, Resigned on 29 May 2023)  
 Title: Non-Executive Director  
 Qualifications: Bachelor of Pharmacy  
 Experience and expertise: Mr Yang joined the Board on 18 November 2019. Mr Yang is a highly experienced Asian focussed tourism professional with over 20 years of experience in the Asian tourist retail industry. During this time, he co-founded and built the Broadway business to a turnover of over \$30 million per annum, which was ultimately acquired by Aumake in July 2019. Mr Yang's long standing and established relationships throughout the entire tourist supply chain, including with travel agents in China and ANZ, provided valuable insight to the Board as it focuses on the continued growth of Aumake in the Asian tourist market.

Other current Directorships: None  
 Former Directorships (last 3 years): None  
 Special responsibilities: None  
 Interests in shares: 23,794,268 ordinary shares  
 Interests in options: 13,833,333 options  
 Contractual rights to shares: 1,562,500 Class A performance rights

Name:	Stratos Karousos (Appointed on 1 March 2022, Resigned on 29 May 2023)
Title:	Non-Executive Director
Qualifications:	Bachelor of Law and Master of Commerce
Experience and expertise:	Mr Karousos is an experienced Director and senior executive with deep corporate and legal experience gained mostly in Australia, Hong Kong, Singapore and the US. He is currently a non-executive Director of robotics company Nightingale Intelligent Systems, Inc (ASX: NGL). He has previously held positions as CEO and Director of Elixinol Wellness Limited (ASX: EXL) and held senior roles in global organizations including WiseTech Global Limited (ASX:WTC) and Baker McKenzie.
Other current Directorships:	Non-Executive Director of Nightingale Intelligent Systems, Inc Executive Director of Kyckr Limited Non-Executive Chair of SportsHero Limited
Former Directorships (last 3 years):	Director of Elixinol Wellness Limited
Special responsibilities:	None
Interests in shares:	None
Interests in options:	1,000,000 options
Contractual rights to shares:	None

'Other current Directorships' quoted above are current Directorships for listed entities only and excludes Directorships of all other types of entities, unless otherwise stated.

'Former Directorships (last 3 years)' quoted above are Directorships held in the last 3 years for listed entities only and excludes Directorships of all other types of entities, unless otherwise stated.

#### Company secretary

Mr Michael Higginson (appointed on 21 March 2022)

#### Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2023 and the number of meetings attended by each Director were:

	Full Board		Audit and Risk Committee	
	Attended	Held	Attended	Held
Stephen Harrison	11	11	0	0
Jiahua (Joshua) Zhou	11	11	0	0
Jacky Yang	10	10	0	0
Stratos Karousos	10	10	0	0
Zhao (Tracy) Zhang	1	1	0	0
Li (Alex) Li	1	1	0	0

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

#### Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 (Cth) and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.



The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

***Principles used to determine the nature and amount of remuneration***

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- Transparency

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework seeks to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive Director remuneration is separate.

*Non-Executive Directors' remuneration*

Fees and payments to Non-Executive Directors reflect the demands and responsibilities of their role. Non-Executive Directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market.

ASX listing rules require the aggregate Non-Executive Directors' remuneration be determined periodically by a general meeting. The maximum aggregate remuneration payable to Non-Executive Directors currently stands at \$300,000 per annum.

*Executive remuneration*

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.



Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remuneration.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

### Details of remuneration

#### Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following Directors of Aumake Limited:

- Stephen Harrison (Non-Executive Chairman)
- Jiahua (Joshua) Zhou (Managing Director)
- Jacky Yang (Non-Executive Director) (Appointed on 18 November 2019, Resigned on 29 May 2023)
- Stratos Karousos (Non-Executive Director) (Appointed on 1 March 2022, Resigned on 29 May 2023)
- Zhao (Tracy) Zhang (Executive Director) (Appointed 29 May 2023)
- Li (Alex) Li (Non-Executive Director) (Appointed 29 May 2023)

2023	Short-term benefits		Post-employment benefits	Share-based payments	Total	Fixed Remuneration %
	Cash salary and fees *	Other	Super-annuation	Equity-settled options		
	\$	\$	\$	\$		
<i>Non-Executive Directors:</i>						
Stephen Harrison <sup>A</sup>	104,208	-	7,792	22,873	134,873	83
Jacky Yang <sup>A</sup>	74,000	-	-	70,552	144,552	51
Stratos Karousos <sup>A</sup>	85,000	-	-	22,873	107,873	79
Li (Alex) Li	4,000	-	-	-	4,000	100
<i>Executive Directors:</i>						
Jiahua (Joshua) Zhou <sup>1</sup>	207,608	-	21,000	92,513	321,121	71
Zhao (Tracy) Zhang	10,000	-	-	-	10,000	100
<i>Other KMP</i>						
Tony Guarna**	120,000	-	-	-	120,000	100
	<u>604,816</u>	<u>-</u>	<u>28,792</u>	<u>208,811</u>	<u>842,419</u>	

1. The Board approved that Jiahua (Joshua) Zhou's remuneration be amended to be more in line with market salary for a Managing Director of a small-cap ASX listed entity and was amended to \$200,000 per annum plus super effective from 1 July 2022 with back-pay made during this financial year. This remuneration package is lower than the pre-Covid package that Jiahua (Joshua) Zhou was paid.

A. In May 2023 the Board approved a one-off payment of \$33,000 (inclusive of GST) payable to these Directors for their contributions and extra work performed over the last 12 months.

\* Cash salary and fees includes fees paid or due to be paid and movement in annual leave entitlements for the period.

\*\* Tony Guarna was appointed Chief Financial Officer on 3 May 2021. Tony Guarna is not an employee of Aumake but rather is a contractor engaged via Platinum Gate Proprietary Limited.

All disclosed equity-settled options were approved by shareholders and are linked to performance and their value determined in accordance with the Binomial or Black-Scholes option pricing model.

**2022**

	Short-term benefits		Post-employment benefits	Share-based payments	Total	Fixed Remuneration %
	Cash salary and fees *	Other	Super-annuation	Equity-settled options		
	\$	\$	\$	\$	\$	%
<i>Non-Executive Directors:</i>						
Stephen Harrison	24,848	-	2,485	14,660	41,993	65
Jacky Yang <sup>2</sup>	132,949	-	14,019	44,324	191,292	77
Stratos Karousos	20,000	-	-	5,388	25,388	79
Keong Chan***	163,884	-	18,229	79,239	261,352	70
Quentin Flannery***	8,000	-	-	40,544	48,544	16
Ian Thubron***	40,000	-	-	-	40,000	100
<i>Executive Directors:</i>						
Jiahua (Joshua) Zhou <sup>2</sup>	133,838	-	19,663	51,713	205,214	75
<i>Other KMP</i>						
Wei (Vivian) Lin <sup>2</sup>	149,782	-	14,019	50,492	214,293	76
Tony Guarna**	128,300	-	-	-	128,300	100
	801,601	-	68,415	286,360	1,156,376	

2. Due to the impact of Covid-19 on the business, certain staff waived approximately 50% of their salary (from August 2021 until their resignation date or as amended by note 1 above) which led to a decrease in the amount of remuneration paid and reported during FY22. In addition, the deferred amount was settled via Director participation in the Company's capital raising which was approved by shareholders in March 2021.

\* Cash salary and fees includes fees paid or due to be paid and movement in annual leave entitlements for the period.

\*\* Tony Guarna was appointed Chief Financial Officer on 3 May 2021. Tony Guarna is not an employee of Aumake but rather is a contractor engaged via Platinum Gate Proprietary Limited.

\*\*\* Keong Chan resigned as Executive Chairman effective 1 March 2022. Quentin Flannery resigned as Non-Executive Director effective 8 September 2021. Ian Thubron resigned as Non-Executive Director effective 31 May 2022. Wei (Vivian) Lin resigned as Head of Group business Development and Strategy effective 31 May 2022.

All disclosed equity-settled options were approved by shareholders and are linked to performance and their value determined in accordance with the Binomial or Black-Scholes option pricing model.

There are no long-term incentives ('LTI') and short-term incentives ("STI") paid to the Directors during the year ended 30 June 2023 (30 June 2022: Nil).

**Service agreements**

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Stephen Harrison  
 Title: Non-Executive Chairman  
 Agreement commenced: 1 March 2022  
 Term of agreement: Permanent without specific term.  
 Details: Base salary of \$82,000 per year inclusive of superannuation

Name: Jiahua (Joshua) Zhou  
 Title: Managing Director  
 Agreement commenced: 29 September 2017 (amended 1 January 2021)  
 Term of agreement: Permanent without specific term.  
 Details: Base salary of \$270,000 per year plus superannuation (reduced to \$10,000 per month from August 2021)  
 Base salary of \$200,000 per year plus superannuation (from Jul 2022)  
 Payment of termination benefit on termination by employer, other than for gross misconduct, is equal to three (3) months base salary and superannuation.

Name: Zhao (Tracy) Zhang  
 Title: Executive Director  
 Agreement commenced: 29 May 2023  
 Term of agreement: Permanent without specific term.  
 Details: Base fee of \$120,000 per year

Name: Li (Alex) Li  
 Title: Non-Executive Director  
 Agreement commenced: 29 May 2023  
 Term of agreement: Permanent without specific term.  
 Details: Base fee of \$48,000 per year

### **Share-based compensation**

Details of shares, options or performance rights issued to the key management personnel as part of compensation during the year ended 30 June 2023 are outlined below:

#### *Issue of Shares*

There were no shares and performance rights issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2023.

A number of Director's participated in a capital raise in November 2022 and as part of that raise received shares and free-attaching options exercisable at \$0.008 – the details were:

Stephen Harrison  
 5,333,333 fully paid ordinary shares (\$0.00375 per share) were issued (ASX announcement 21 March 2023, approved at 2023 AGM).

Jiahua (Joshua) Zhou  
 8,000,000 fully paid ordinary shares (\$0.00375 per share) were issued (ASX announcement 21 March 2023, approved at 2023 AGM).

Jacky Yang  
 8,000,000 fully paid ordinary shares (\$0.00375 per share) were issued (ASX announcement 21 March 2023, approved at 2023 AGM).

#### *Options*

Stephen Harrison  
 2,666,666 quoted options (expiry 31 December 2024 exercisable at \$0.008) were issued (ASX announcement 20 March 2023, approved at 2023 AGM).

Jiahua Zhou  
 4,000,000 quoted options (expiry 31 December 2024 exercisable at \$0.008) were issued (ASX announcement 20 March 2023, approved at 2023 AGM).

Jacky Yang  
 4,000,000 quoted options (expiry 31 December 2024 exercisable at \$0.008) were issued (ASX announcement 20 March 2023, approved at 2023 AGM).

### Additional information

The loss of the consolidated entity for the four years to 30 June 2023 are summarised below:

	2023	2022	2021	2020
Sales revenue	2,670,303	6,011,404	12,442,733	60,056,562
EBITDA	(2,494,275)	(4,569,578)	(19,708,503)	(768,851)
EBIT	(2,950,912)	(5,913,943)	(20,147,810)	(4,392,721)
Loss after income tax	(2,948,769)	(6,072,804)	(20,118,887)	(5,147,947)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2023	2022	2021	2020
Share price at financial year end (\$)	0.003	0.005	0.029	0.052
Total dividends declared (cents per share)	Nil	Nil	Nil	Nil
Basic earnings per share (cents per share)	(0.32)	(0.89)	(3.75)	(1.55)

### Additional disclosures relating to key management personnel

#### Shareholding

The number of shares in the Company held during the financial year by each key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>				
Keong Chan	33,993,376	-	(33,993,376) <sup>1</sup>	-
Jiahua (Joshua) Zhou	62,560,672	8,000,000	-	70,560,672
Quentin Flannery	23,973,332	-	(23,973,332) <sup>1</sup>	-
Jacky Yang	15,794,268	8,000,000	(23,794,268) <sup>1</sup>	-
Stephen Harrison	-	5,333,333	-	5,333,333
Stratos Karousos	-	-	-	-
Ian Thubron	-	3,000,000	(3,000,000) <sup>1</sup>	-
Li (Alex) Li	-	160,249,420	-	160,249,420
Zhao (Tracy) Zhang	-	262,930,000	-	262,930,000
	<u>136,321,648</u>	<u>447,512,753</u>	<u>(84,760,976)</u>	<u>499,073,425</u>

1. Given their resignation from the Board these persons ceased being classified as key management personnel (KMP) and so their shareholdings are not reportable and have been treated as Disposal /Other.

### Option holding

The number of options over ordinary shares in the Company held during the financial year by each key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Additions	Disposals/ other	Balance at the end of the year
<i>Options over ordinary shares</i>				
Keong Chan	11,333,333	-	(11,333,333) <sup>1</sup>	-
Jiahua (Joshua) Zhou	15,516,666	4,000,000	-	19,516,666
Quentin Flannery	9,166,666	-	(9,166,666) <sup>1</sup>	-
Jacky Yang	12,833,333	4,000,000	(16,833,333) <sup>1</sup>	-
Stephen Harrison	6,000,000	2,666,666	-	8,666,666
Stratos Karousos	3,000,000	-	(3,000,000) <sup>1</sup>	-
Wei (Vivian) Lin	12,000,000	-	(12,000,000) <sup>1</sup>	-
Li (Alex) Li	-	-	-	-
Zhao (Tracy) Zhang	-	-	-	-
	<u>69,849,998</u>	<u>10,666,666</u>	<u>(52,333,332)</u>	<u>28,183,332</u>

1. Given their resignation from the Board or employment these persons ceased being classified as key management personnel (KMP) and so their option holdings are not reportable and have been treated as Disposal /Other.

### Performance Shares

The number of performance shares in the Company held during the financial year by each key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Additions	Disposals/ other	Balance at the end of the year
<i>Performance Rights</i>				
Keong Chan	2,187,500	-	(2,187,500) <sup>1</sup>	-
Jiahua (Joshua) Zhou	1,687,500	-	-	1,687,500
Quentin Flannery	2,100,000	-	(2,100,000) <sup>1</sup>	-
Jacky Yang	1,562,500	-	(1,562,500) <sup>1</sup>	-
Stephen Harrison	-	-	-	-
Stratos Karousos	-	-	-	-
Wei (Vivian) Lin	1,562,500	-	(1,562,500) <sup>1</sup>	-
Li (Alex) Li	-	-	-	-
Zhao (Tracy) Zhang	-	-	-	-
	<u>9,100,000</u>	<u>-</u>	<u>(7,412,500)</u>	<u>1,687,500</u>

1. Given their resignation from the Board or employment these persons ceased being classified as key management personnel (KMP) and so their performance shares are not reportable and have been treated as Disposal /Other.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

***This concludes the remuneration report, which has been audited.***

### **Indemnity and insurance of officers**

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to ensure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

### **Indemnity and insurance of auditor**

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

### **Proceedings on behalf of the Company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

### **Non-audit services**

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 25 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in Note 25 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

### **Officers of the Company who are new partners of Rothsay Audit & Assurance Pty Ltd**

There are no officers of the Company who are former partners of Rothsay Audit & Assurance Pty Ltd

### **Rounding of amounts**

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

**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.

**Auditor**

Rothsay Audit & Assurance Pty Ltd started in office on 22 November 2021 in accordance with section 327B of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors.

A handwritten signature in black ink that reads "Stephen Harrison". The signature is written in a cursive style and is underlined with a long, sweeping horizontal stroke.

Stephen Harrison  
Non-Executive Chairman

31 August 2023  
Sydney

# ROTHSAY

AUDIT & ASSURANCE PTY LTD

## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To the Directors of Aumake Limited

As lead auditor of Aumake Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Aumake Limited and the entities it controlled during the year.

**Rothsay Audit & Assurance**



**Daniel Dalla**  
Partner  
Sydney, 31 August 2023



## General information

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

Aumake 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

Level 15, Suite 15.52  
60 Station Street East  
Parramatta NSW 2150 Australia

### Principal place of business

Level 15, Suite 15.52  
60 Station Street East  
Parramatta NSW 2150 Australia

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 31 August 2023. The Directors have the power to amend and reissue the financial statements.

## Statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

	Note	Consolidated	
		2023	2022
		\$	\$
<b>Revenue</b>			
Sales revenue	4	2,670,303	6,011,404
Other income	5	172,439	867,802
<b>Expenses</b>			
Cost of sales		(2,610,136)	(5,460,001)
Administrative expenses		(490,486)	(988,478)
Employee benefits expense		(1,248,245)	(2,458,302)
Marketing expenses		(25,989)	(201,565)
Travel and accommodation expenses		(24,893)	(23,140)
Share based payment expense (options and performance shares)	22	(378,767)	(354,125)
Depreciation and amortisation		(456,637)	(1,344,365)
Loss on disposal of assets		(170,717)	(250,463)
Loss on impairment of assets	26	(385,641)	(1,922,947)
<b>Loss before income tax expense</b>		<b>(2,948,769)</b>	<b>(6,124,180)</b>
Income tax expense	6	-	-
<b>Loss after income tax expense for the year</b>		<b>(2,948,769)</b>	<b>(6,124,180)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations	19(c)	5,590	(212,287)
<b>Total comprehensive loss attributable to owners of Aumake Limited</b>		<b>(2,943,179)</b>	<b>(6,336,467)</b>
Loss for the year is attributable to:			
Non-controlling interest		80,299	(51,376)
Owners of Aumake Limited		(3,029,068)	(6,072,804)
		<b>(2,948,769)</b>	<b>(6,124,180)</b>
Total comprehensive loss for the year is attributable to:			
Non-controlling interest		80,299	(51,376)
Owners of Aumake Limited		(3,023,478)	(6,285,091)
		<b>(2,943,179)</b>	<b>(6,336,467)</b>
		<b>Cents</b>	<b>Cents</b>
<b>Loss per share for loss from continuing operations attributable to the owners of Aumake Limited</b>			
Basic earnings per share	32	(0.33)	(0.89)

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

## Statement of financial position

As at 30 June 2023

	Note	Consolidated	
		2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	1,393,865	3,042,043
Trade and other receivables	8	11,070	75,597
Inventories	9	320,516	1,418,020
Financial assets – term deposits		156,018	-
Other assets	10	43,512	78,919
<b>Total current assets</b>		<b>1,924,981</b>	<b>4,614,579</b>
<b>Non-current assets</b>			
Plant and equipment	11	174,852	500,055
Right-of-use asset	12	-	385,641
Intangibles	13	4,197,839	4,500,000
Other financial assets		50,000	50,000
Other assets	14	25,159	27,553
<b>Total non-current assets</b>		<b>4,447,850</b>	<b>5,463,249</b>
<b>Total assets</b>		<b>6,372,831</b>	<b>10,077,828</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	15	1,000,335	4,863,610
Provisions	16	260,923	597,760
Lease liabilities	17	-	459,237
<b>Total current liabilities</b>		<b>1,261,258</b>	<b>5,920,607</b>
<b>Non-current liabilities</b>			
Lease liabilities	17	-	60,999
<b>Total non-current liabilities</b>		<b>-</b>	<b>60,999</b>
<b>Total liabilities</b>		<b>1,261,258</b>	<b>5,981,606</b>
<b>Net assets</b>		<b>5,111,573</b>	<b>4,096,222</b>
<b>Equity</b>			
Issued capital	18	57,422,605	53,830,842
Reserves	19	2,382,833	2,010,476
Non-controlling interests	20	-	(80,299)
Accumulated losses	21	(54,693,865)	(51,664,797)
<b>Total equity</b>		<b>5,111,573</b>	<b>4,096,222</b>

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

## Statement of changes in equity

For the year ended 30 June 2022

<b>Consolidated</b>	<b>Issued Capital \$</b>	<b>Reserves \$</b>	<b>Accumulated Losses \$</b>	<b>Non- Controlling Interests \$</b>	<b>Total Equity \$</b>
Balance at 1 July 2021	49,094,462	1,884,638	(45,591,993)	(28,923)	5,358,184
Total comprehensive loss for the year	-	-	(6,072,804)	(51,376)	(6,124,180)
<i>Transactions with owners in their capacity as owners:</i>					
Share issued for Partnership -AI driven	16,000	-	-	-	16,000
Issue of share for acquisition of subsidiary	2,127,000	-	-	-	2,127,000
Issue of new shares	2,727,000	-	-	-	2,727,000
Share issue costs (Note 18)	(133,620)	-	-	-	(133,620)
Share-based payments - Options and performance shares (Note 22)	-	338,125	-	-	338,125
Exchange difference on translation	-	(212,287)	-	-	(212,287)
	<b>53,830,842</b>	<b>2,010,476</b>	<b>(51,664,797)</b>	<b>(80,299)</b>	<b>4,096,222</b>
Balance at 30 June 2022					
Balance at 1 July 2022	53,830,842	2,010,476	(51,664,797)	(80,299)	4,096,222
Total comprehensive loss for the year	-	-	(3,029,068)	80,299	(2,948,769)
<i>Transactions with owners in their capacity as owners:</i>					
Issue of new shares	1,481,218	-	-	-	1,481,218
Capital raising	2,130,720	-	-	-	2,130,720
Share issue costs (Note 18)	(20,175)	-	-	-	(20,175)
Share-based payments - Options and performance shares (Note 22)	-	366,767	-	-	366,767
Exchange difference on translation	-	5,590	-	-	5,590
	<b>57,422,605</b>	<b>2,382,833</b>	<b>(54,693,865)</b>	<b>-</b>	<b>5,111,573</b>
Balance at 30 June 2023					

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

## Statement of cash flows

For the year ended 30 June 2023

Consolidated

		2023	2022
	Note	\$	\$
<b>Cash flows related to operating activities</b>			
Receipts from product sales and related debtors		2,734,829	6,011,404
Payments to suppliers and employees		(6,367,767)	(9,294,556)
Other income		161,739	851,901
Interest received		10,700	15,901
<b>Net cash outflow used in operating activities</b>	<b>31</b>	<b>(3,460,499)</b>	<b>(2,415,350)</b>
<b>Cash flows related to investing activities</b>			
Payments for plant and equipment	11	-	(81,647)
Acquisition of intangibles		-	(50,000)
Secured deposits paid / (refunded)		(192,520)	721,516
<b>Net cash outflow used in investing activities</b>		<b>(192,520)</b>	<b>589,869</b>
<b>Cash flows related to financing activities</b>			
Proceeds from issue of shares	18	2,130,720	2,727,000
Share issue costs	18	(20,175)	(133,620)
Repayment of leases liabilities		(111,294)	(2,224,755)
Repayment of the borrowings		-	-
<b>Net cash inflow from financing activities</b>		<b>1,999,251</b>	<b>368,625</b>
Net decrease in cash held		(1,653,768)	(1,456,856)
Cash and cash equivalents at the beginning of the financial year		3,042,043	4,264,616
Effects of exchange rate changes on cash and cash equivalents		5,590	234,283
<b>Cash and cash equivalents at the end of the financial year</b>	<b>7</b>	<b>1,393,865</b>	<b>3,042,043</b>

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

## Notes to the financial statements

### Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements of Aumake Limited and its controlled entities (the 'consolidate entity' or 'Group') are set out below. These policies have been consistently applied to all the years presented, 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 ('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:

#### **Conceptual Framework for Financial Reporting (Conceptual Framework)**

The consolidated entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

#### **Basis of preparation**

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the AASB and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, financial assets and liabilities at fair value through profit or loss.

#### **Going concern**

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of \$2,948,769 and outflows from operating activities of \$3,460,499 respectively for the year ended 30 June 2023 and there is still some uncertainty when Chinese tourism will return.

These factors indicate material uncertainty related to the ability of the Group to continue as a going concern.

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to manage cash flows in line with available funds and to secure funds by raising additional capital from equity markets, as and when required. It is important to also note that Aumake will be sourcing additional capital from equity markets in the following financial year.

## Note 1. Significant accounting policies (cont'd)

### Going concern (cont'd)

The Directors believe that there are reasonable grounds that the Group will be able to continue as a going concern, after consideration of the following factors:

- the Group had cash and cash equivalents of \$1,393,865 as at 30 June 2023 and has prepared a cash flow forecast to manage cash in line with available funds;
- the Group has reduced or removed all non-essential costs in order to conserve cash;
- the Group has closed all stores and exited or surrendered all leases;
- the ability to defer payments to major creditors as a result of existing strong relationships;
- on 10 August 2023 the Chinese Government announced Australia has once again been included on the list of countries for China's Approved Destination Status (ADS) scheme. This is the precursor to Chinese tourists being permitted to travel to Australia in guided groups; and
- the Group expects to be successful in sourcing further capital from the issue of additional equity securities to fund its ongoing operations, as and when required.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, nor to amounts of classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

### Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 28.

### Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Aumake Limited ('Company' or 'parent entity') as at 30 June 2023 and 30 June 2022 and the results of all subsidiaries for the year then ended. Aumake Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

## **Note 1. Significant accounting policies (cont'd)**

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

### **Operating segments**

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

### **Foreign currency translation**

The financial statements are presented in Australian dollars, which is Aumake Limited's functional and presentation currency.

#### *Foreign currency transactions*

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

#### *Foreign operations*

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency translation reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

### **Revenue recognition**

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

#### *Sale of goods*

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

#### *Travel commission*

Revenue generated from the travel commission is recognised at the point in time when the customers are introduced to the tour agencies.

#### *Interest*

Interest revenue is recognised as interest accrues using the effective interest method.

#### *Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.



## Note 1. Significant accounting policies (cont'd)

### Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Aumake Limited (the 'head entity') and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime subsequent to 30 June 2018. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

## **Note 1. Significant accounting policies (cont'd)**

### **Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

### **Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any provision for impairment.

### **Inventories**

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a weighted average cost basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

## Note 1. Significant accounting policies (cont'd)

### Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

#### *Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

#### *Impairment of investments*

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

### Plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-10 years
Motor vehicle	5-8 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

## **Note 1. Significant accounting policies (cont'd)**

### **Intangible assets**

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

#### *Goodwill*

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

#### *Software*

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

#### *Agency relationships*

Agency relationships acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 20 years.

### **Impairment of non-financial assets**

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### **Trade and other payables**

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

### **Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

### **Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred

## Note 1. Significant accounting policies (cont'd)

### Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

### Employee benefits

#### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

#### *Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### *Share-based payments*

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

## **Note 1. Significant accounting policies (cont'd)**

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

### **Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

### **Issued capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### **Dividends**

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

### **Business combinations**

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

## Note 1. Significant accounting policies (cont'd)

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued, or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

## Earnings per share

### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Aumake Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

### **Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.



## Note 1. Significant accounting policies (cont'd)

### 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 and 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.

### New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2023. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.



## Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relations to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

### Agency relationship intangible

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether Agency relationship intangible has suffered any impairment, in accordance with the accounting policy stated in Note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

### Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

### Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to Note 22 for further information.

## Note 3. Operating segments

The consolidated entity is organised into three operating segments based on different locations (i) Australia, (ii) New Zealand, and (iii) China. The consolidated entity is domiciled in Australia and is the only operating segment that has generated revenue from customers through both physical stores and online e-commerce in financial years ending 30 June 2022 and 30 June 2023.

The New Zealand and the China segments held assets but did not generate revenue in both financial years ending 30 June 2022 nor 30 June 2023.

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, no breakdown of the segments is made as there has only been the one operating segment.

## Note 4. Revenue

	Consolidated	
	2023	2022
	\$	\$
<i>Revenue from contracts with customers</i>		
Sale of goods	2,670,303	6,011,404

Revenue from contracts with customers are recognised at the point in time, when the customer obtains control of the goods, which is generally at the time of delivery.

#### Note 4. Revenue (cont'd)

##### Geographical

Australia	2,670,303	6,011,404
New Zealand	-	-
	<hr/>	<hr/>
Sale of goods	<u>2,670,303</u>	<u>6,011,404</u>

#### Note 5. Other income

	Consolidated	
	2023	2022
	\$	\$
	<hr/>	<hr/>
Other income	161,739	604,083
Interest income	10,700	15,901
JobSaver subsidies	-	247,818
	<hr/>	<hr/>
	<u>172,439</u>	<u>867,802</u>

#### Note 6. Income tax expense

##### (a) Income tax recognised in profit/loss

No income tax is payable by the Group as it recorded a loss for income tax purposes for the year.

##### (b) Numerical reconciliation between income tax expense and the loss before income tax

The prima facie income tax benefit on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:

	Consolidated	
	2023	2022
	\$	\$
	<hr/>	<hr/>
Accounting loss before tax	<u>(2,948,769)</u>	<u>(6,124,180)</u>
Income tax benefit at 25% (2022: 25%)	(737,192)	(1,531,045)
Tax effect of non-allowable items and temporary differences	(413,467)	(247,496)
Unrecognised tax losses	<u>1,150,659</u>	<u>1,778,541</u>
Income tax expense/(benefit) attributable to loss from ordinary activities	<hr/> -	<hr/> -

##### (c) Unrecognised deferred tax balances

Previous year deferred tax asset	8,498,511	7,765,148
Tax losses at 25% (2022: 25%)	<u>494,355</u>	<u>733,363</u>
Net unrecognised deferred tax asset at 25% (2022: 25%)	<hr/> <u>8,992,866</u>	<hr/> <u>8,498,511</u>

A deferred tax asset attributable to income tax losses has not been recognised at the reporting date as the probability criteria disclosed in Note 1 is not satisfied and such benefit will only be available if the consolidated entity can satisfy the tax loss recoupment test as defined in each taxation jurisdiction.

**Note 7. Current assets - cash and cash equivalents**

	Consolidated	
	2023	2022
	\$	\$
Cash at bank	1,393,865	2,179,269
Term deposits	-	858,021
Cash on hand	-	4,753
	1,393,865	3,042,043

**Note 8. Current assets - trade and other receivables**

	Consolidated	
	2023	2022
	\$	\$
Trade receivables	11,070	75,385
Other receivables	-	212
	11,070	75,597

All trade receivables are non-interest bearing. Refer to Note 23 for further information on financial instruments.

*Allowance for expected credit losses*

There is no allowance for expected credit losses recognised as at 30 June 2023 (30 June 2022: Nil).

**Note 9. Current assets - inventories**

	Consolidated	
	2023	2022
	\$	\$
Finished goods	331,726	1,647,182
Less: provision for impairment	(11,210)	(229,162)
	320,516	1,418,020

**Note 10. Current assets - other assets**

	Consolidated	
	2023	2022
	\$	\$
Prepayments	43,512	78,919

**Note 11. Non-current assets - plant and equipment**

	Consolidated	
	2023	2022
	\$	\$
Software - at cost	307,325	1,048,595
Less: Accumulated depreciation	(163,815)	(663,245)
	143,510	385,350
Plant and equipment - at cost	165,459	290,969
Less: Accumulated depreciation	(144,632)	(230,123)
	20,827	60,846
Motor vehicles - at cost	83,888	151,948
Less: Accumulated depreciation	(73,373)	(98,089)
	10,515	53,859
Capital work in progress	-	-
	174,852	500,055

**Reconciliations**

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Software	Plant and equipment	Motor vehicles	Total
	\$	\$	\$	\$
Balance at 30 June 2022	385,350	60,846	53,859	500,055
Additions	-	-	-	-
Disposals	(119,874)	(19,012)	(25,267)	(164,153)
Depreciation expense	(115,469)	(20,930)	(18,077)	(154,476)
Foreign exchange differences	(6,497)	(77)	-	(6,574)
Balance at 30 June 2023	143,510	20,827	10,515	174,852

Consolidated	Software	Plant and equipment	Motor vehicles	Total
	\$	\$	\$	\$
Balance at 30 June 2021	845,960	130,820	74,838	1,051,618
Additions	71,000	10,647	-	81,647
Disposals	(252,827)	(34,720)	-	(287,547)
Depreciation expense	(289,486)	(47,714)	(20,979)	(358,179)
Foreign exchange differences	10,703	1,813	-	12,516
Balance at 30 June 2022	385,350	60,846	53,859	500,055

**Note 12. Non-current assets - right-of-use assets**

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Right-of-use assets	-	2,607,868
Less: Accumulated depreciation	-	(2,222,227)
	<u>-</u>	<u>385,641</u>

The consolidated entity has exited or surrendered all property leases during this financial year.

**Note 13. Non-current assets - intangibles**

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Agency relationships - at cost	6,043,208	6,043,208
Less: Accumulated amortisation	(1,208,642)	(906,481)
Less: Loss on impairment	(636,727)	(636,727)
	<u>4,197,839</u>	<u>4,500,000</u>

**Reconciliations**

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

<b>Consolidated</b>	<b>Agency Relationships</b>
	<b>\$</b>
Balance at 1 July 2021	5,438,887
Less: Amortisation for the year	(302,160)
Less: Impairment for the year	<u>(636,727)</u>
Balance at 30 June 2022	4,500,000
Less: Amortisation for the year	<u>(302,161)</u>
Balance at 30 June 2023	<u>4,197,839</u>

**Note 14. Non-current assets - other assets**

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Security deposits	<u>25,159</u>	<u>27,553</u>

**Note 15. Trade and other payables**

	Consolidated	
	2023	2022
	\$	\$
<b>Current</b>		
Trade payables	159,076	2,227,869
Other payables	-	32,932
Payment in advance	27,668	412,002
Accrued expenses <sup>1</sup>	813,591	2,190,807
	1,000,335	4,863,610

Refer to Note 23 for further information on financial instruments.

<sup>1</sup>The total accrued expenses balance of \$813,591 includes rent owed of \$575,790 and accrued commission of \$208,767 which are payable to travel agents and agencies.

**Note 16. Current liabilities – provisions**

	Consolidated	
	2023	2022
	\$	\$
Provision for lease payments due (not included in Lease Liabilities) <sup>1</sup>	-	304,874
Employee benefits provision	260,923	292,886
	260,923	597,760

<sup>1</sup>Last financial year's provision balance of \$304,874 related to the amount of rent payable over the entire remaining lease period for the Gold Harbour Q1 store. As this store is no longer open, the lease liabilities had been accounted for as a provision (moved out of lease liabilities). Management was able to surrender the Gold Harbour Q1 store lease this financial year and so there no provision is required.

*Amounts not expected to be settled within the next 12 months*

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current since the consolidated entity does not have an unconditional right to defer settlement. The consolidated entity expects all employees to take the full amount of accrued leave or require payment within the next 12 months.

**Note 17. Lease liabilities**

	Consolidated	
	2023	2022
	\$	\$
<b>Current</b>		
Lease liability	-	459,237
	-	459,237
	Consolidated	
	2023	2022
	\$	\$
<b>Non-current</b>		
Lease liability	-	60,999
	-	60,999

Refer to note 23 for further information on financial instruments.

## Note 18. Equity - issued capital

	Consolidated			
	2023 Shares	2022 Shares	2023 \$	2022 \$
Ordinary shares - fully paid	1,487,259,469	771,446,924	57,422,605	53,830,842

### Movements in ordinary share capital

	2023		2022	
	No. of shares	\$	No. of shares	\$
<b>Consolidated</b>				
At the beginning of the financial year	771,446,924	53,830,842	537,846,761	49,094,462
Add:				
Share issued at acquisition of business – Broadway Group	-	-	68,612,913	2,127,000
Share issued for Partnership - AI Driven	-	-	2,000,000	16,000
Conversion of ESOP to ORD	-	-	2,987,250	-
Conversion of Options to ORD	-	-	9,000,000	-
Share issued to former Director	3,000,000	12,000	-	-
Share issued for conversion of debts	172,549,212	1,469,218	-	-
Share issued at capital raising	540,263,333	2,130,720	151,000,000	2,727,000
Share issue costs	-	(20,175)	-	(133,620)
At the end of the financial year	1,487,259,469	57,422,605	771,446,924	53,830,842

Ordinary shares participate in dividends and the proceeds on winding up of the consolidated entity in proportion to the number of and amounts paid on the shares held. At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

#### *Share buy-back*

There is no current on-market share buy-back.

#### *Capital risk management*

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

## Note 18. Equity - issued capital (cont'd)

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the Company's current share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to grow its existing business.

The capital risk management policy remains unchanged from the 30 June 2022 Annual Report.

## Note 19. Equity - reserves

	Consolidated	
	2023	2022
	\$	\$
Options reserve (a)	2,426,611	2,059,844
Performance rights reserve (b)	161,773	161,773
Foreign currency translation reserve (c)	(205,551)	(211,141)
	<u>2,382,833</u>	<u>2,010,476</u>

### (a) Options reserve

Consolidated	2023		2022	
	No. of Securities	\$	No. of Securities	\$
At the beginning of the financial year	213,583,364	2,059,844	104,083,364	1,734,795
Issue of options to Non-Executive Director pursuant to Long-Term Incentive Plan with an exercise price of \$0.20 (expiry 29 September 2022)	-	26,183	-	26,183
Long-term performance options (expiry 04/12/24 exercisable @ \$0.20)	-	-	-	14,277
Issue of options to Director pursuant to Long-Term Incentive Plan with an exercise price of \$0.20 (expiry 4 December 2024)	-	162,365	-	162,365
Issue of free attaching options pursuant to Tranche 2 \$7.0 m placement with an exercise price of \$0.14 (expiry 16 March 2024)	-	-	-	-
Options (expiry 30/04/25 exercisable @\$0.00)	-	133,429	17,500,000	31,428
Options (expiry 30/04/25 exercisable @\$0.00)	-	-	13,500,000	42,750
Conversion of options to shares	-	-	(9,000,000)	-
Options (expiry 30/04/25 exercisable @various strike prices)	-	-	3,000,000	42,000
Options (expiry 01/02/25 exercisable @\$0.02)	-	24,677	3,000,000	3,331
Options (expiry 01/02/25 exercisable @\$0.04)	-	12,115	3,000,000	1,635
Options (expiry 01/02/25 exercisable @\$0.08)	-	7,998	3,000,000	1,080
Quoted Options (expiry 31/05/25 exercisable @\$0.045)	-	-	75,500,000	-
Expiration of Options	(142,383,364)	-	-	-
Options (expiry 31/12/24 exercisable @ \$0.008)	70,666,666	-	-	-
Options (expiry 31/5/25 exercisable @ \$0.0085)	52,348,144	-	-	-
At the end of the financial year	<u>194,214,810</u>	<u>2,426,611</u>	<u>213,583,364</u>	<u>2,059,844</u>



## Note 19. Equity – reserves (cont'd)

### (b) Performance rights reserve

*Movement in performance rights reserve*

	2023		2022	
	No. of Securities	\$	No. of Securities	\$
<b>Consolidated</b>				
At the beginning of the financial year	2,982,000	161,773	14,432,000	148,697
Class A Performance Rights lapsed	-	-	(7,000,000)	-
Issue of Class B Performance Rights to Non-Executive Director	-	-	-	14,361
Issue of Class C Performance Rights to Non-Executive Director	-	-	-	6,032
Issue of Short-Term Performance Rights to staff	-	-	-	16,086
Short-Term Performance Rights lapsed	-	-	(1,462,750)	-
Conversion of Short-Term Performance Rights to Ordinary Shares	-	-	(2,987,250)	(23,403)
At the end of the financial year	2,982,000	161,773	2,982,000	161,773

### (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*

	Consolidated	
	2023	2022
	\$	\$
At the beginning of the financial year	(211,141)	1,146
Exchange difference on translation of foreign operations	5,590	(212,287)
At the end of the financial year	(205,551)	(211,141)

## Note 20. Non-Controlling Interest

In April 2021 Aumake invested AUD\$1,000,000 to establish Hangzhou Ouyi Brand Management, a Chinese domiciled ecommerce operator. Whilst Aumake does not hold any direct ownership interest in Hangzhou Ouyi Brand Management, the Agreements that are in place regarding the AUD\$1,000,000 investment effectively provides Aumake with control and 76% of the business results.

Hangzhou Ouyi Brand Management is now closed so the non-controlling interest has been derecognised.

	Consolidated	
	2023	2022
	\$	\$
<i>Movement in minority interests</i>		
At the beginning of the financial year	(80,299)	(28,923)
Share of loss	80,299	(51,376)
Accumulated losses at the end of the financial year	-	(80,299)

**Note 21. Equity – accumulated losses**

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Accumulated losses at the beginning of the financial year	(51,664,797)	(45,591,993)
Loss after income tax expense for the year	<u>(3,029,068)</u>	<u>(6,072,804)</u>
Accumulated losses at the end of the financial year	<u>(54,693,865)</u>	<u>(51,664,797)</u>

**Note 22. Share-based payments**

Total expenses arising from share-based payment transactions recognised during the year were as follows:

		<b>Consolidated</b>	
		<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
Options	20(a)	366,767	341,049
Performance rights	20(b)	-	13,076
Share issue	19(a)	<u>12,000</u>	<u>-</u>
		<u>378,767</u>	<u>354,125</u>

**Note 22. Share-based payments (cont'd)**
**(a) Options**

All options granted to key employees, consultants and advisors of the Company are for ordinary shares in Aumake Limited which confer a right of one ordinary share for every option held.

**2023**

Grant Date	Expiry Date	Exercise Price	Balance at start of year	Options Issued during the period	Exercised during the period	Forfeited / Lapsed during the period	Balance at end of the period	Vested & exercisable at end of the period
			Number	Number	Number	Number	Number	Number
22/01/2018	22/01/2023	\$0.20	3,550,000	-	-	(3,550,000)	-	-
4/12/2020	4/12/2024	\$0.20	33,600,000	-	-	-	33,600,000	-
4/12/2020	29/09/2022	\$0.20	5,000,000	-	-	(5,000,000)	-	-
4/12/2020	4/12/2024	\$0.20	2,300,000	-	-	-	2,300,000	2,300,000
4/12/2020	4/12/2024	\$0.20	1,300,000	-	-	-	1,300,000	1,300,000
22/04/2022	30/04/2025	\$0.00	17,500,000	-	-	-	17,500,000	5,833,333
22/04/2022	30/04/2025	\$0.00	4,500,000	-	-	-	4,500,000	4,500,000
1/03/2022	30/04/2025	\$0.03	1,000,000	-	-	-	1,000,000	1,000,000
1/03/2022	30/04/2025	\$0.06	1,000,000	-	-	-	1,000,000	-
1/03/2022	30/04/2025	\$0.09	1,000,000	-	-	-	1,000,000	-
12/05/2022	1/02/2025	\$0.02	3,000,000	-	-	-	3,000,000	3,000,000
12/05/2022	1/02/2025	\$0.04	3,000,000	-	-	-	3,000,000	-
12/05/2022	1/02/2025	\$0.08	3,000,000	-	-	-	3,000,000	-
			79,750,000	-	-	(8,550,000)	71,200,000	17,933,333

**Note 22. Share-based payments (cont'd)**
**2022**

Grant Date	Expiry Date	Exercise Price	Balance at start of year	Options Issued during the period	Exercised during the period	Forfeited / Lapsed during the period	Balance at end of the period	Vested & exercisable at end of the period
			Number	Number	Number	Number	Number	Number
22/01/2018	22/01/2023	\$0.20	3,550,000	-	-	-	3,550,000	3,550,000
4/12/2020	4/12/2024	\$0.20	33,600,000	-	-	-	33,600,000	-
4/12/2020	29/09/2022	\$0.20	5,000,000	-	-	-	5,000,000	5,000,000
4/12/2020	4/12/2024	\$0.20	2,300,000	-	-	-	2,300,000	2,300,000
4/12/2020	4/12/2024	\$0.20	1,300,000	-	-	-	1,300,000	1,300,000
22/04/2022	30/04/2025	\$0.00	-	17,500,000	-	-	17,500,000	-
22/04/2022	30/04/2025	\$0.00	-	13,500,000	(9,000,000)	-	4,500,000	13,500,000
1/03/2022	30/04/2025	\$0.03	-	1,000,000	-	-	1,000,000	1,000,000
1/03/2022	30/04/2025	\$0.06	-	1,000,000	-	-	1,000,000	-
1/03/2022	30/04/2025	\$0.09	-	1,000,000	-	-	1,000,000	-
12/05/2022	1/02/2025	\$0.02	-	3,000,000	-	-	3,000,000	-
12/05/2022	1/02/2025	\$0.04	-	3,000,000	-	-	3,000,000	-
12/05/2022	1/02/2025	\$0.08	-	3,000,000	-	-	3,000,000	-
			45,750,000	43,000,000	(9,000,000)	-	79,750,000	26,650,000

There were no new options issued this financial year. The fair value of any new options issued in a financial year are calculated using the Black-Scholes option pricing model.

## Note 22. Share-based payments (cont'd)

### (b) Performance shares

#### 2023

Grant Date	Expiry Date	Balance at start of year	Granted during the period	Forfeited/Reclassified during the period	Balance at end of the period	Vested & exercisable at end of the period
		Number	Number	Number	Number	Number
04-12-2020	04-12-2023	2,100,000	-	-	2,100,000	2,100,000
04-12-2020	04-12-2023	882,000	-	-	882,000	882,000
		2,982,000	-	-	2,982,000	2,982,000

#### 2022

Grant Date	Expiry Date	Balance at start of year	Granted during the period	Forfeited/Reclassified during the period	Balance at end of the period	Vested & exercisable at end of the period
		Number	Number	Number	Number	Number
04-12-2020	30-06-2022	7,000,000	-	(7,000,000)	-	-
04-12-2020	04-12-2023	2,100,000	-	-	2,100,000	2,100,000
04-12-2020	04-12-2023	882,000	-	-	882,000	882,000
04-12-2020	04-12-2024	4,450,000	-	(4,450,000)	-	-
		14,432,000	-	(11,450,000)	2,982,000	2,982,000

No Performance shares were granted nor exercised during this financial year.

## Note 23. Financial risk management

### *Financial risk management objectives*

The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior management under direction of the Board. The Board provides principles for overall risk management, as well as policies covering specific areas.

The consolidated entity is not materially exposed to changes in interest rates in its activities.

The Company's financial instruments comprise mainly of deposits with banks, trade receivables and trade payables.

The Company's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, and liquidity risk.

### *Foreign currency risk*

The consolidated entity has transactional currency exposures. Such exposure arises from sales or purchases by an operating entity in currencies other than the functional currency.

At the reporting date, the consolidated entity had the following exposures to foreign currency in Chinese Yuan Renminbi (CNY\$) that are not designated in cash flow hedges:

## Note 23. Financial risk management (cont'd)

	Consolidated	
	2023 CNY\$	2022 CNY\$
<b>Financial assets</b>		
Cash and cash equivalents	200,832	190,320
Trade and other receivables*	16,711	4,610
Total financial assets	<u>217,543</u>	<u>194,930</u>
<b>Financial liabilities</b>		
Trade and other payables*	12,531	160,450
Total financial liabilities	<u>12,531</u>	<u>160,450</u>

At the reporting date, the consolidated entity had the following exposures to foreign currency in New Zealand Dollar (NZD\$) that are not designated in cash flow hedges:

	Consolidated	
	2023 NZD\$	2022 NZD\$
<b>Financial assets</b>		
Cash and cash equivalents	-	1,321,138
Trade and other receivables*	34,456	151,135
Total financial assets	<u>34,456</u>	<u>1,472,273</u>
<b>Financial liabilities</b>		
Trade and other payables*	33,102	780,895
Total financial liabilities	<u>33,102</u>	<u>780,895</u>

\*Includes loans with parent entity and other entities within the consolidated entity.

### Credit risk

The maximum exposure to credit risk by class of recognised financial assets at reporting date is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Trade and other receivables that are neither past due nor impaired, are considered to be of high credit quality. Cash and security deposits are held with financial institutions with high credit ratings.

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the consolidated entity.

### Liquidity risk

Liquidity risk arises from the possibility that the consolidated entity might encounter difficulty in settling its debts or otherwise meeting its obligation related to financial liabilities. Management monitors the rolling forecasts of the consolidated entity's cash and financial assets on the basis of expected cashflows. This is generally carried out at a local level in the operating companies of the consolidated entity in accordance with the practice and limits set by the group. In addition, the consolidated entity's liquidity management policy involves preparing forwarding looking cash flow analysis in relation to its operational, investing and financial activities.

## Note 24. Related party transactions

- (a) Parent entity  
Aumake Limited is the parent entity.
- (b) Subsidiary  
Interests in subsidiaries are set out in Note 29.
- (c) Key management personal compensation

Disclosures relating to key management personnel are set out below and in the remuneration report included in the Directors' Report.

The aggregate compensation paid to key management personnel of the consolidated entity is set out below:

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	604,816	801,601
Post-employment benefits	28,792	68,415
Share-based payments	208,811	286,360
	<u>842,419</u>	<u>1,156,376</u>

- (d) Other transactions with key management personnel and their related parties

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>EC Capital Trust - related party to Jacky Yang</b>		
Consideration payments to Broadway vendor companies	-	433
Rent and outgoings	-	-
Total paid during the year	<u>-</u>	<u>433</u>

Mr Jacky Yang resigned from his Non-Executive Director role with the Company 29 May 2023 and is not considered to be a key management personnel at 30 June 2023. EC Capital Pty Ltd (EC Capital), the trustee of EC Capital Trust, of which Jacky Yang is a beneficiary, in previous reporting periods leased property to the consolidated entity.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Zhous Australia Holding Pty Ltd - related party to Jiahua (Joshua) Zhou</b>		
Remuneration paid to Lingye Zheng	<u>58,617</u>	<u>17,875</u>
Total paid during the year	<u>58,617</u>	<u>17,875</u>

Mrs Lingye Zheng is the wife of the Managing Director, Mr Jiahua (Joshua) Zhou and was an employee of the subsidiary company Aumake Australia Pty Ltd providing Procurement Management services on a salary of \$65,000 plus superannuation and entitlements, up until 15 February 2023. Payments of contracting fees are directed into Zhous Australia Holding Pty Ltd and as such this latter entity is a related party of the Company.

## Note 25. Remuneration of auditors

The following fees were paid or payable for services provided by RSM Australia Partners:

	Consolidated	
	2023	2022
	\$	\$
Audit or review of the financial statements - RSM	-	100,916
Audit or review of the financial statements - Rothsay Audit & Assurance Pty Ltd	45,000	50,000
Other Services - fee payable as Aumake Limited Registered Office – Rothsay Audit & Assurance Pty Ltd	1,750	-
	<u>46,750</u>	<u>150,916</u>

## Note 26. Loss on impairment of assets

	Consolidated	
	2023	2022
	\$	\$
Leased property asset	385,641	1,286,220
Agency Relationships	-	636,727
	<u>385,641</u>	<u>1,922,947</u>

## Note 27. Contingent assets and liabilities

### Contingent assets

The Directors are not aware of any contingent assets as at 30 June 2023 and 30 June 2022.

### Contingent liabilities

The Directors are not aware of any contingent liabilities as at 30 June 2023 and 30 June 2022.



## Note 28. Parent entity information

Set out below is the supplementary information about the parent entity.

<b>Statement of financial position</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
Current assets	1,314,135	50,677
Non-current assets	1,287,114	1,974,915
<b>Total assets</b>	<u>2,601,249</u>	<u>2,025,592</u>
<b>Liabilities</b>		
Current liabilities	74,563	673,259
Non-current liabilities	122,839	432,831
<b>Total liabilities</b>	<u>197,402</u>	<u>1,106,090</u>
<b>Net assets</b>	<u>2,403,847</u>	<u>919,502</u>
<b>Equity</b>		
Issued capital	53,504,523	49,912,760
Reserve	2,382,833	2,010,476
Accumulated losses	(53,483,509)	(50,923,435)
Non-controlling interest	-	(80,299)
<b>Total equity</b>	<u>2,403,847</u>	<u>919,502</u>
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Statement of profit or loss and other comprehensive income</b>		
Loss for the year	(22,838,898)	(21,702,218)
Total comprehensive loss	<u>(22,838,898)</u>	<u>(21,702,218)</u>

### Guarantees entered into by the parent entity

The parent entity has not entered into any guarantees as of 30 June 2023 and 30 June 2022.

### Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022 other than as disclosed in Note 27.

### Commitments

The parent entity had no capital commitments as at 30 June 2023 and 30 June 2022.

## Note 29. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly owned subsidiaries in accordance with the accounting policy described in Note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2023 %	30 June 2022 %
<b>Parent entity</b>			
Aumake Limited (formerly Aumake International Limited)	Australia		
<b>Name of subsidiary entities</b>			
ITM Corporation Ltd	Australia	100%	100%
Aumake Australia Pty Ltd	Australia	100%	100%
Jumbuck Australia Pty Ltd	Australia	100%	100%
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%
A Kangaroo from Xiamen Health Technology Co. Ltd	China	100%	100%
Syd Star Pty Ltd	Australia	100%	100%
Gold Harbour Pty Ltd	Australia	100%	100%
Round Forest Pty Ltd	Australia	100%	100%
M Best Tax Free Pty Ltd	Australia	100%	100%
Broadway Australia Pty Ltd	Australia	100%	100%
AUBW International Limited	New Zealand	100%	100%
Herbsmart Pharmaceutical Pty Ltd	Australia	50%	50%
Herbsmart Biotech Pty Ltd	Australia	90%	90%
Aumake HongKong Limited	Hong Kong	100%	-
Aumake Cold Chain Pty Ltd	Australia	49%	-

Whilst the Group does not hold any direct ownership in Hangzhou Ouyi Brand Management, the Agreements that are in place over its contribution, effectively provides the Group with control and 76% of the business results.

Aumake HongKong Limited was incorporated by issuing share capital in the amount of HK\$10,000 to Aumake Australia Pty Ltd, which was eliminated as an intra-group transaction on consolidation basis.

## Note 30. Events after the reporting period

There have been no matters that have arisen subsequent to the end of the financial year to report on.

**Note 31. Reconciliation of profit before income tax to net cash from operating activities**

	Consolidated	
	2023	2022
	\$	\$
Loss for the year	(2,948,769)	(6,124,180)
Adjustments for:		
Loss on impairment of assets	385,641	1,922,947
Share-based payment	378,767	354,125
Interest expenses	-	-
Depreciation of assets	154,476	1,042,204
Net loss on disposal of non-current assets	170,727	250,463
Amortisation of intangible assets	302,161	302,160
Settlement of borrowings by issue of ordinary shares	1,469,218	-
<b>Changes in operating assets and liabilities</b>		
Trade and other receivables	(53,691)	465,767
Trade and other payables	(4,079,696)	(602,610)
Inventories	1,097,504	152,436
Provisions	(336,837)	(178,662)
Net cash outflow from/(used in) operating activities	<u>(3,460,499)</u>	<u>(2,415,350)</u>

**Note 32. Loss per share**

	Consolidated	
	2023	2022
	\$	\$
Basic loss per share (cents)	<u>(0.33)</u>	<u>(0.89)</u>
Diluted loss per share (cents)	<u>(0.33)</u>	<u>(0.89)</u>
Net loss used in the calculation of basic loss per share and diluted loss per share	(3,029,068)	(6,124,180)
Weighted average number of ordinary shares outstanding during the year used in calculating diluted loss per share	<u>924,750,214</u>	<u>687,819,105</u>

Options have not been included in the calculation of dilutive loss per shares as the options are anti-dilutive.

## Directors' declaration

30 June 2023

In the Directors opinion:

- the attached financial statements and notes comply with the Corporations Act 2001 (Cth), the Accounting Standards, the Corporations Regulations 2001 (Cth), and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

The Directors have been given the declarations required by section 295A of the Corporations Act 2001 (Cth).

Signed in accordance with a resolution of the Directors made pursuant to section 295(5)(a) of the Corporations Act 2001 (Cth).

On behalf of the Directors



Stephen Harrison  
Non-Executive Chairman

31 August 2023  
Sydney

# ROTHSAY

AUDIT & ASSURANCE PTY LTD

## AUMAKE LIMITED

### INDEPENDENT AUDITOR'S REPORT

To the members of Aumake Limited

#### Opinion

We have audited the financial report of Aumake Limited (“the Company”) and its controlled entities (“the Group”) which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (“the Code”) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of \$2,948,769 and cash outflows from operating activities of \$3,460,499 during the year ended 30 June 2023. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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## AUMAKE LIMITED

### INDEPENDENT AUDITOR'S REPORT (continued)

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter - Intangible Asset Impairment	How our Audit Addressed the Key Audit Matter
<p>The Group's intangible assets made up 94% of the non-current assets by value as at year end.</p> <p>The value of the intangible asset is assessed for recoverability by the directors at least annually or more frequently if events or changes in circumstances indicate that the asset may have suffered an impairment.</p> <p>This was considered a key audit matter given the significant judgement involved in assessing the recoverable amount of the asset.</p>	<p>Our procedures in accessing intangible asset impairment included but were not limited to the following:</p> <ul style="list-style-type: none"><li>• Inquiring of management regarding their plan utilizing the agency relationships.</li><li>• Assessing management's valuation model and assumptions utilised to ensure impairment recorded at year end is appropriate and sufficient.</li><li>• Reviewing the adequacy and accuracy of the disclosure in the financial statements.</li></ul>

#### Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## AUMAKE LIMITED

### INDEPENDENT AUDITOR'S REPORT (continued)

#### Responsibility of Directors for the Financial Report

The Directors of the Group are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



**AUMAKE LIMITED**

**INDEPENDENT AUDITOR'S REPORT (continued)**

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

**Report on the Remuneration Report**

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2023. The Directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**Opinion on the Remuneration Report**

In our opinion, the Remuneration Report of Aumake Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

**Rothsay Audit & Assurance Pty Ltd**

Daniel Dalla

Director

Sydney, 31 August 2023



## Corporate Governance

The Company and the Board are committed to achieving and demonstrating the highest standards of corporate governance to protect shareholder interests. The Corporate Governance Statement reports on the Company's key governance principles and practices and the Board continues to refine and improve the governance framework. The Board monitors the operational and financial position and performance of the Company and oversees the business strategy.

The ASX Listing Rules require the Company to report on the extent to which it has followed the Corporate Governance Recommendations contained in the ASX Corporate Governance Council's Principles and Recommendations. The Corporate Governance Statement, which was lodged with this Annual Report, discloses the extent to which the Company will follow the recommendations taking into account the relatively small size of the Company in determining the extent of practical implementation.

The Company website contains copies of Board and committee charters and copies of many of the policies and documents mentioned in the Statement at [www.aumake.com.au](http://www.aumake.com.au).

## Shareholder Information

30 June 2023

The shareholder information set out below was applicable as at 31 July 2023.

### a) Distribution of holdings of fully paid ordinary shares

Range	Total holders	Units	% Units
1 – 1000	1,149	123,088	0.01
1,001 – 5,000	586	1,623,436	0.11
5,001 – 10,000	301	2,479,151	0.17
10,001 – 100,000	742	28,788,342	1.94
100,001 Over	515	1,454,245,452	97.78
Rounding			(0.01)
	<u>3,293</u>	<u>1,487,259,469</u>	<u>100.00</u>

2,722 shareholders hold less than a marketable parcel of shares, being a market value of less than \$500.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

### b) Distribution of holdings of listed options expiring 16/03/2024 @ \$0.14

Range	Total holders	Units	% Units
1 – 1000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	34	2,493,848	4.28
100,001 Over	76	55,839,516	95.72
Rounding			-
	<u>110</u>	<u>58,333,364</u>	<u>100.00</u>

### c) Distribution of holdings of listed options expiring 31/05/2025 @ \$0.045

Range	Total holders	Units	% Units
1 – 1000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	13	895,775	1.19
100,001 Over	75	74,604,225	98.81
Rounding			-
	<u>88</u>	<u>75,500,000</u>	<u>100.00</u>

**d) Twenty largest ordinary fully paid shares holders**

The names of the twenty largest security holders of ordinary fully paid shares are listed below:

<b>Rank</b>	<b>Name</b>	<b>Units</b>	<b>% Units</b>
1	HK HUIBEIJIA BRAND MANAGE CO LTD	262,930,000	17.68
2	GRAND AUST INTERNATIONAL PTY LTD	160,249,420	10.77
3	ZHOUS AUSTRALIA HOLDING PTY LTD <ZHOUS AUSTRALIA HOLDING A/C>	70,560,672	4.74
4	SUPERHERO SECURITIES LIMITED <CLIENT A/C>	63,391,995	4.26
5	BLAMNCO TRADING PTY LTD	60,000,000	4.03
6	YUS HOLDINGS (AUST) PTY LTD <YUS FAMILY A/C>	48,000,000	3.23
7	MR XUELIN XIE	42,942,227	2.89
8	GOLDEN HOME DEVELOPMENT PTY LTD <GOLDEN HOME MANAGEMENT A/C>	30,000,000	2.02
9	MS NANCY ZHANG	29,420,713	1.98
10	LERWICK PTY LIMITED <COWAN SUPER FUND A/C>	25,050,579	1.68
11	BLUESTONE FUND MANAGEMENT PTY LTD <BLUESTONE GLOBAL HEALTH INDUSTRY INVESTMENT FUND A/C>	20,000,000	1.34
12	JOMALCO PTY LTD	20,000,000	1.34
13	PAN WOODS GLOBAL LIMITED	16,666,667	1.12
14	MS NANCY ZHANG	12,780,471	0.86
15	MR ALEXANDER DANIEL DEL MORO	12,726,002	0.86
16	AUEXPRESS GLOBAL PTY LTD	12,299,792	0.83
17	JOWENE PTY LIMITED	12,025,758	0.81
18	CHINA RISE FINANCIAL HOLDING INVESTMENT CO LTD	11,500,000	0.77
19	CITICORP NOMINEES PTY LIMITED	10,681,346	0.72
20	BNP PARIBAS NOMS PTY LTD	10,284,330	0.69
<b>Total: Top 20 holders of Ordinary fully paid shares</b>		<b>931,509,972</b>	<b>62.63</b>
<b>Total: Remaining holders balance</b>		<b>555,749,497</b>	<b>37.37</b>

**e) Twenty largest listed options holders for the options expiring 16/03/2024 @\$0.14**

The names of the twenty largest security holders of listed options expiring 16/03/2024 @\$0.14 are listed below:

<b>Rank</b>	<b>Name</b>	<b>Units</b>	<b>% Units</b>
1	PAN WOODS GLOBAL LIMITED	8,333,334	14.29
2	ZANACORP ACCOUNTANTS PTY LTD	4,750,000	8.14
3	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	4,166,667	7.14
4	ILWELLA PTY LTD <NO 2 A/C>	4,166,666	7.14
5	GAZUMP RESOURCES PTY LTD	3,139,083	5.38
6	ZANACORP FINANCIAL GROUP PTY LTD	1,750,000	3.00
7	MR DOMINIC VIRGARA	1,666,667	2.86
8	MR MD AKRAM UDDIN	1,449,924	2.49
9	SILKTREE INVESTMENTS PTY LTD <PETER VASSILEFF SUPER A/C>	1,250,000	2.14
10	HUNTER CAPITAL ADVISORS P/L	1,250,000	2.14
11	MUNCHA CRUNCHA PTY LTD	1,225,000	2.10
12	MR ARJUNAN SUNDARAMOORTHY	1,008,000	1.73
13	MRS EFFIE HALLAK + MR BASSAM HALLAK	1,000,001	1.71
14	MING LU	1,000,000	1.71
15	MR JOEL DAVID WEBB	1,000,000	1.71
16	MR KIM WAH SIM	1,000,000	1.71
17	EC CAPITAL PTY LTD <EC CAPITAL A/C>	833,333	1.43
18	MS LIESL RENATA CHAN <CHAN FAMILY A/C>	833,333	1.43
19	MRS LUYE LI	775,000	1.33
20	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	750,000	1.29
<b>Total: Top 20 holders of listed options expiring 16/03/2024 @ \$0.14</b>		<b>41,347,008</b>	<b>70.88</b>
<b>Total: Remaining holders balance</b>		<b>16,986,356</b>	<b>29.12</b>

**f) Twenty largest listed options holders for the options expiring 31/05/2025 @\$0.045**

The names of the twenty largest security holders of listed options expiring 31/05/2025 @\$0.045 are listed below:

Rank	Name	Units	% Units
1	MR MD AKRAM UDDIN	6,084,999	8.06
2	BNP PARIBAS NOMS PTY LTD <DRP>	5,000,000	6.62
3	SILKTREE INVESTMENTS PTY LTD	4,411,500	5.84
4	MR DOMINIC VIRGARA	3,617,647	4.79
5	GOFFACAN PTY LTD	3,500,000	4.64
6	COLIN JEE FAI LOW	3,000,000	3.97
7	MR TOBY LEI	2,589,100	3.43
8	ORCA CAPITAL GMBH	2,500,000	3.31
9	MR ALEXANDER DANIEL DEL MORO	2,275,000	3.01
10	LEET INVESTMENTS PTY LIMITED <LEET INVESTMENTS PL SF A/C>	2,000,000	2.65
11	AYERS CAPITAL PTY LTD	1,764,706	2.34
12	GAMMA INVESTMENTS PTY LTD	1,750,000	2.32
13	MR JIAMING QI	1,750,000	2.32
14	MUNCHA CRUNCHA PTY LTD	1,735,000	2.30
15	MR KUMAIL HUSSAIN	1,721,770	2.28
16	BOND STREET CUSTODIANS LIMITED <VVALLE - D42564 A/C>	1,500,000	1.99
17	KELVERLEY PTY LTD <RERANI SUPER FUND A/C>	1,500,000	1.99
18	ARMS CAPITAL PTY LTD	1,470,588	1.95
19	BOSWOOD HOLDINGS PTY LTD <SANDRA VASSILEFF SF A/C>	1,470,588	1.95
20	DINGJO PTY LTD	1,325,000	1.75
<b>Total: Top 20 holders of listed options expiring 31/05/2025 @ \$0.045</b>		<b>50,965,898</b>	<b>67.50</b>
<b>Total: Remaining holders balance</b>		<b>24,534,102</b>	<b>32.50</b>

**g) Unquoted equity securities**

	Number on issue	Number of holders
Options over ordinary shares issued	37,200,000	16
Performance rights - Class B	2,100,000	1
Performance rights - Class C	882,000	1
	<b>2,982,000</b>	

## h) Substantial holders

Substantial holders in the Company as at 30 June 2023 were:

	Ordinary shares	
	Number held	% of total share issued
HK Huibeijia Brand Manage Co Ltd	262,930,000	17.68%
Grand Aust International Pty Ltd	160,249,420	10.77%

### *Voting rights*

The voting rights attached to ordinary shares are set out below:

### *Ordinary shares*

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

## i) Restricted securities

There are no restricted shares on issue.

There is no on-market buy-back.

## j) Securities subject to voluntary escrow

Name of holders	Class	Expiry date	Number of shares	% of total share issued
Ian Thubron	Ordinary shares	8 September 2023	2,000,000	20%
Keong Chan	Ordinary shares	1 March 2024	3,000,000	20%
Keong Chan	Ordinary shares	1 March 2025	3,000,000	20%
			8,000,000	