

AUMAKE LIMITED

APPENDIX 4E - PRELIMINARY FINAL REPORT

30 June 2024

1. Company details

Name of entity:	Aumake Limited ('Aumake' or the 'Company')
ACN:	150 110 017
Reporting period:	For the year ended 30 June 2024
Previous period:	For the year ended 30 June 2023

2. Results for announcement to the market

Key information	12 months ended Reporting Period	12 months ended Previous Period	% Increase/ (Decrease)	Amount change
Revenues from ordinary activities	\$25,866,677	\$2,670,303	869	\$23,196,374
Loss from ordinary activities after tax attributable to the owners of Aumake Limited	\$6,283,451	\$3,029,068	107	\$3,254,383
Loss for the year attributable to the owners of Aumake Limited	\$6,283,451	\$3,029,068	107	\$3,254,383

Commentary on results

Financial year ending 30 June 2023 saw the Company near the completion of its Covid necessitated restructuring and the setting of its strategic direction for FY24. During FY23 the Company had performed a thorough review of its operations and finances, closed down all physical stores, restructured its operations, converted debt into equity, raised capital, and had become a very lean operation with little revenue.

This financial year (FY24) the Company engaged with its new strategic partners [Grand Aust International Pty Ltd and HK Huibeijia Brand Manage Co., Ltd] and the Board announced its strategic three pillar direction:

- Diversify product range capitalising on market trends
- Enhance market channels
- Outsource retail outlets utilising Aumake's resources

The Company focused on these pillars throughout FY24 to develop, enhance, and deliver.

In late February 2024 Aumake secured A\$2.0m of non-dilutive funding loan on favourable terms from a strategic shareholder who acquired 49% stake in Newera. These funds are being used to enhance Aumake's procurement, OEM brand development, and production capabilities. In June 2024 Aumake sold its first container of its brand management activated EMPDairy Full Cream product resulting in A\$111k sales recorded this financial year.

As well as working on brand management activations, Aumake has this year continued to work on negotiating with potential suppliers / customers with a view to broaden Aumake's product offering, and in November 2023, Aumake:

- signed a non-binding collaboration agreement with Peterson Wines to promote Hunter Valley wines, produce, and tourism to the Chinese community, and
- entered a strategic framework agreement with Chinese State-Owned Enterprise ('SOE'), China Animal Husbandry Group Co., Ltd ('CAHG') a prominent leader in Chinese agribusiness.

More recently (July 2024) Aumake was pleased to announce that it had entered into a non-binding strategic cooperation agreement with another Chinese SOE, Yangtze River New Silk Road International Logistics (Hubei) Group Co., Ltd to develop the supply chain for Australian agricultural and livestock products, fast-moving consumer goods, frozen goods, and bulk resource commodities into the Hubei region of China.

FY24 was about re-establishing Aumake. With no physical retail presence, Aumake focused on selling into the new channels, with Aumake's revenue increasing by 869% (from \$2.67m in FY23 to \$25.87m in FY24), with predominately these sales being on the back of selling traditional milk formula into China via these new channels.

During FY24 Aumake had been working on streamlining and reducing the cost incurred engaging with suppliers and customers and in June '24 Aumake unveiled Streamii – an AI powered digital marketing platform that will redefine SME sales.

A further aspect of Aumake's strategy was fulfilled in March '24 when Aumake announced that it had re-established a physical store footprint by licensing and rebranding 4 Diagou community stores as 'Kiwi Buy'. These stores are well placed in Auburn, Bankstown, Chatswood, and Parramatta, areas that have a higher Chinese community and so will be visited by Chinese tourist and students.

Given the low number of Chinese tour groups visiting Australia, the Company decided not to expand its physical store presence beyond these 4 Diagou stores and also to impair the remaining carrying value of Agency Relationships – an impairment charge of \$3,895,679 has been recognised.

Operating costs (excluding impairment and those costs relating to sales like COGS, marketing, and freight) fell by 15.9% from \$3.15m last financial year to \$2.65m this financial year. This reduction is consistent with closure of all store leases, reducing staff to key operational team only, maintaining ASX compliance with associated filings, and running a lean operation.

Refer to Annual Report for further information.

3. Details of Dividend and/or Dividend Reinvestment Plans

Not applicable.

4. Net tangible assets

	Reporting period (in cents)	Previous period (in cents)
Net tangible assets per ordinary security	0.03	0.06

The net tangible assets per security is calculated based on 1,914,406,802 ordinary shares on issue as at 30 June 2024. The previous period net tangible assets per ordinary security is calculated based on 1,487,259,469 ordinary shares on issue as at 30 June 2023.

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

5. Control gained or lost over entities

During the financial year ended 30 June 2024 the Company gained control of the following entities:

- Aumake (Shanghai) Technology Co., Limited
 - incorporated on 29 July 2023 in Shanghai, China
 - shareholding = 100% owned by Aumake
 - whilst this entity did contribute to the Company's business this financial year, it was not material to the overall Group results during this financial year
- Aumake (Hangzhou) Trading Co., Limited
 - incorporated on 20 Nov 2023 in Hangzhou, Zhejiang, China
 - shareholding = 100% owned by Aumake
 - whilst this entity did contribute to the Company's business this financial year, it was not material to the overall Group results during this financial year

6. Details of associates and joint venture entities

An incorporated joint venture entity named Hunter Valley Wine & Tourism Alliance Pty Ltd was established on 1 March 2024 where Aumake holds 35% shareholding. The entity has not traded during this financial year.

7. Any other information needed by an investor to make an informed assessment of the Company's financial performance and financial position

This preliminary financial report does not include all the notes of the type normally included in the full year statutory accounts. Accordingly, it is recommended that this report be read in conjunction with the Annual Report for the year ended 30 June 2024 and any public announcements made by Aumake during the year ended 30 June 2024 and up to the date of this report, in accordance with the continuous disclosure requirements of the Listing Rules of the Australian Securities Exchange (ASX).

8. Audit qualification or review

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

9. Attachments

The Annual Report of Aumake Limited for the year ended 30 June 2024 is attached.

The Company advises that its Annual General Meeting will be held on 29 November 2024 and the closing date for receipt of nominations from persons wishing to be considered for election as a director, is 4 October 2024.

As authorised by the Board of Directors,

A handwritten signature in black ink, appearing to read 'Stephen Harrison', with a long, sweeping horizontal line extending from the end of the signature.

Signed by

STEPHEN HARRISON
Non-Executive Chairman

Sydney
30 August 2024

Annual Report

30 June
2024

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	Micheal Higginson (commenced 21 March 2022, resigned 5 February 2024) Anand Sundaraj (commenced 5 February 2024, resigned 1 August 2024) Sebastian Andre (commenced 1 August 2024)
Registered office	50 Birchgrove Crescent Eastwood NSW 2122 Australia Telephone: 1800 800 285
Principal place of business	50 Birchgrove Crescent Eastwood NSW 2122 Australia Telephone: 1800 800 285
Share register	Boardroom Pty Ltd Level 12, 225 George Street Sydney NSW 2000 Australia Telephone: +61 2 9290 9600
Auditor	In.Corp Audit & Assurance Pty Ltd (formerly known as Rothsay Audit & Assurance Pty Ltd) Level 1, 6-10 O'Connell Street Sydney NSW 2000 Australia
Solicitor	Kingstone Lawyers PO Box A219 Sydney South NSW 1235 Australia
Stock exchange listing	Australian Securities Exchange (ASX code: AUK)
Website	aumake.com.au

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Chairman's Letter

Dear Shareholders

In last year's Annual Report, I described the arduous journey that Aumake Limited (**Aumake** or the **Company**) had been on since Covid-19 hit our shores and the necessary actions that had to be taken to ensure Aumake's continued existence. Obviously, this hasn't been a great story to tell and one that has been reflective on Aumake's share price.

On behalf of my fellow Board members, I am pleased to present the 2024 Annual Report for Aumake Limited.

Whilst this financial year 2024 continued to be a difficult one, the Company managed to generate sales revenue of A\$25.9m (an increase of 869% on last year's sales of A\$2.67m) selling predominately baby milk powder into China. This large increase in sales was on the back of some key milestones all pointing to the fact that the Company has turned the corner and is now in recovery mode. In 2023/24 the Company:

- announced its strategic direction which Management continues to tirelessly work on;
- successfully sourced A\$2.0m of funding without the need to dilute shareholders;
- key stakeholders are financially vested and are helping the Company to drive sales and provide key introductions;
- signed up four stores operating under the Kiwi Buy brand (all outsourced to minimise cash outflow);
- has and will continue to expand its product offerings;
- established a joint venture company with Peterson's Wines – planning to integrate tourism, wine, and retail into a cohesive experience, setting a new standard in the industry;
- negotiated and signed up collaborative agreements with large State-Owned Enterprises (SOE) in China; and
- continued its investment into Streamii, an AI powered digital marketing platform, which is now ready.

I'm pleased by all these achievements and want to thank Executive Director, Zhao (Tracy) Zhang for her unwavering determination in growing Aumake's sales through her various channels and another special thanks to the Managing Director, Jiahua (Joshua) Zhou who continues to refine and work on the foundations for Aumake's future. Pleasingly, the Company is no longer reliant on Chinese tourism (which hasn't returned to pre-Covid volumes) as the Company now sells Australian and New Zealand products to the Chinese community, both in Australia and abroad.

The future outlook for Aumake is positive. The Company remains lean, stronger and more resilient, and as it expands its product offerings, initially with OEM milk products (commenced shipping the first container of OEM EMPDairy milk powder in late June 2024) and will shortly extend to include wine and wine related products, agricultural products, as Aumake commences to fulfil Chinese SOE orders in the later part of 2024, both revenue and gross margins are expected to improve.

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



STEPHEN HARRISON
Non-Executive Chairman

Sydney
30 August 2024

Managing Director's Letter

Dear Shareholders

It's been a very busy financial year, and I am honoured to provide you with this update on what has been achieved.

Strategy

Aumake has managed to weather the Covid-19 generated challenges, and have pivoted, and have a way forward as set out in our Strategic Update (see ASX Announcement of 7 August 2023). This financial year (FY24) the Company engaged with its new strategic partners and our Board announced Aumake's strategic three pillar direction:

- Diversify product range capitalising on market trends
- Enhance market channels
- Outsource retail outlets utilising Aumake's resources

which has been our focus throughout FY24.

Product development strategy – vertical integration and capitalising on market trends

A key focus this FY24 has been to generate revenue and re-establish Aumake's brands, and I'm pleased to report that Aumake's sales revenue has increased by 869% from \$2.67m in FY23 to \$25.87m this financial year on the back of selling traditional milk formula into China via these new channels.

Aumake's 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. In June 2024 Aumake sold its first container of its brand management activated EMPDairy Full Cream product, resulting in A\$111k sales recorded this financial year.

Market channel strategy

Aumake's Executive Director, Zhao (Tracy) Zhang, introduced Aumake's products to a number of Chinese distributors and Aumake continued to promote its products on Douyin, Tmall, it's WeChat Mini-Program, and other platforms, resulting in sales of \$25.87m this financial year.

Aumake also formed strategic alliances with potential suppliers / customers with a view to broaden Aumake's product offering and:

- in November 2023 Aumake signed a non-binding collaboration agreement with Peterson Wines to promote Hunter Valley wines, produce, and tourism to the Chinese community,
- additionally in November 2023, Aumake entered a strategic framework agreement with Chinese State-Owned Enterprise ('SOE'), China Animal Husbandry Group Co., Ltd ('CAHG') a prominent leader in Chinese agribusiness, and
- in July 2024 Aumake entered into a non-binding strategic cooperation agreement with the Chinese SOE, Yangtze River New Silk Road International Logistics (Hubei) Group Co., Ltd to develop the supply chain for Australian agricultural and livestock products, fast-moving consumer goods, frozen goods, and bulk resource commodities into the Hubei region of China.

Even though in August 2023 the Chinese Government announced that Australia had been added to the list of countries for China's Approved Destination Status (ADS) scheme, Chinese group tourism and Chinese students haven't yet returned to pre-Covid numbers, but encouragingly when they return, Aumake is poised to take advantage by utilising GAT's tour buses to visit Aumake-branded stores, providing Chinese tourists with personal shopping experiences with Australian branded products.

Outsource retail outlets and resource integration

It doesn't make financial sense to lease premises (which brings with it risk and liabilities). The Company has enhanced its online activities with the return of offline physical store shopping in Australia by outsourcing the operations of Aumake retail outlets to selected licensees. In March '24 Aumake announced that it had re-established a physical store footprint by providing licensing and rebranding to 4 Diagou community stores as 'Kiwi Buy'. These stores are well placed in Auburn, Bankstown, Chatswood, and Parramatta, areas that have a higher Chinese community and will be visited by Chinese tourist and students.

Strategic Vested Stakeholders

Last year (March '23) Grand Aust International Pty Ltd and Grand Aust New Zealand Pty Ltd (collectively **GAT**) agreed to convert commissions owing of \$1,423,094 into equity. This action assisted Aumake to: (a) conserve cash; (b) reduce its liabilities, strengthening its financial position, and (c) most importantly, develop a strategic relationship with the leading outbound travel wholesaler to Australia.

Further, HK Huibeiijia Brand Manage Co., Ltd (**HKH**) made a strategic 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.

Capital Raisings

In November 2023 Aumake successfully raised \$1,487,256 via Novus Capital Ltd (issue price \$0.004 representing a 0.35% premium to the 15 trading day VWAP).

\$2.0m non-dilutive loan

In February 2024 Aumake secured a non-dilutive funding loan package of A\$2.0m from a key strategic stakeholder. The details of that loan can be found in the 26 February 2024 ASX Announcement – in essence the key stakeholder acquired a 49% stake in Newera Australia Pty Ltd, Aumake would retain ownership of the balancing majority 51%, no interest payable in the first year, the loan is fully repayable at the end of the second year, interest payable in the second year would be negotiated on a best endeavours basis, and the loan is unsecured.

The purpose of this loan was to enhance Aumake's supply chain capabilities.

Agency Relationships Intangible Asset

Australia was once again included in the list of countries for China's Approved Destination Status (ADS) scheme in August 2023.

Included in the results for the year ended 30 June 2024 is an impairment charge of \$3,895,679 related to the carrying value of Agency Relationships intangible asset. The directors have taken the decision to impair this asset given the slower than expected return of tour groups to Australia.

The directors will continue to monitor the recoverable amount of Agency Relationships in future financial years, and in line with accounting standards, should tour groups return in numbers to generate sufficient cash flows, then the previous impairments may be reversed and the Agency Relationships carrying value reinstated as an intangible asset.

Management & Corporate Update

Several corporate changes occurred during the 2024 financial year, including:

- i. Aumake's registered office and principal place of business was changed in August 2023 from Level 1, 6 O'Connell Street Sydney to secured office space in Parramatta.
- ii. In February 2024, Mr Michael Higginson resigned as Aumake's Company Secretary and was replaced by Mr Anand Sundaraj. In August 2024, Mr Anand Sundaraj resigned as Aumake's Company Secretary and was replaced by Mr Sebastian Andre.
- iii. Aumake share registry (Advanced Share Registry Limited) was acquired by Automic Pty Ltd and from March 2024 became Aumake's share registry.

Outlook for FY25

The various building blocks have been arranged and the Company is poised to accelerate in FY25.

FY24 Aumake rebuilt its market presence in China, licenced its brand to 4 community Diagou stores in the Sydney metropolitan area licencing the Kiwi Buy brand, and generated sales revenue of \$25.87m.

Signing two Chinese SOE agreements this financial year, paves the way for significant sales opportunities in FY25.

Aumake will remain focused on expanding its product and brand range, working on introducing OEM products to the mix, refining its market channels, focus on procurement. During FY25 Aumake will investigate expanding into Asia but this will be a focus more for FY26.

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, appearing to read "Jiahua" followed by a stylized flourish.

JIAHUA (JOSHUA) ZHOU
Managing Director

Sydney
30 August 2024

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 Practicing 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 2024.

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
Zhao (Tracy) Zhang
Li (Alex) Li

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 through Aumake's outsourced Kiwi Buy branded stores.

Dividends

The consolidated entity has not declared any dividend during the financial year (2023: \$nil).

Review of operations

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$6,243,288 (2023: loss of \$2,948,769).

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

(a) Lack of Chinese tourism

Whilst the Chinese Government did announce in August 2023 that Australia has once again been included on the list of countries for China's Approved Destination Status (ADS) scheme and Chinese-Australian relations have improved with various product embargos now lifted (including entry Visa requirements), tour group Chinese travel has not returned to pre-Covid levels.

The Company has pivoted its business now selling directly into China as well into the Chinese community via its Kiwi Buy branded stores. Sales revenue is testament to that achievement.

Whilst Aumake's business model no longer is reliant on Chinese tourism, it nevertheless is well placed to accommodate when Chinese tour groups return in volume, and the Company has even established a joint venture company with Peterson's Wines which integrates tourism, wine, and retail into a cohesive experience, setting a new standard in the industry,

(b) Capital Raising

Aumake has released its strategy and this has been well received and is supported by key stakeholders and Novus Capital Limited (Novus).

In November 2023 Aumake successfully raised \$1,487,256 via Novus and the Company announced in August 2024 that Novus had received binding commitments to raise \$2.8m (oversubscribed).

The Board is confident given Aumake's large shareholder base, its good-name brand within the Chinese community, stronger financial position, strategy focus, 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 14 August 2024 Aumake announced that its investor advisor, Novus had successfully received binding commitments to raise \$2.8m via a share placement, subject to shareholder approval.

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 Non-Executive Director of Omega Oil & Gas Limited
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Former Directorships (last 3 years):	Director of MEC Resources Limited Non-Executive Director of IncentiaPay Limited
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Special responsibilities:	None
Interests in shares:	14,333,333 ordinary shares
Interests in options:	7,666,666 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:	92,894,005 ordinary shares
Interests in options:	16,766,667 options
Contractual rights to shares:	None

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:	160,249,420 ordinary shares
Interests in options:	52,348,144 options
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

'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 Sebastian Andre (appointed 1 August 2024)

Mr Anand Sundaraj (appointed on 5 Feb 2024, resigned 1 August 2024)

Mr Michael Higginson (appointed on 21 March 2022, resigned on 5 Feb 2024)

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 2024 and the number of meetings attended by each Director were:

	Full Board	
	Attended	Held
Stephen Harrison	6	6
Jiahua (Joshua) Zhou	6	6
Zhao (Tracy) Zhang	6	6
Li (Alex) Li	6	6

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
- 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)
- Zhao (Tracy) Zhang (Executive Director)
- Li (Alex) Li (Non-Executive Director)

2024

2024	Short-term benefits		Post-employment benefits	Share-based payments	Total	Fixed Remuneration %
	Cash salary and fees *	Other	Superannuation	Equity-settled options		
	\$	\$	\$	\$		
Non-Executive Directors:						
Stephen Harrison	73,874	-	8,126	48,447	130,447	63
Li (Alex) Li	48,000	-	-	-	48,000	100
Executive Directors:						
Jiahua (Joshua) Zhou ¹	200,000	15,469	22,000	135,199	372,668	64
Zhao (Tracy) Zhang	120,000	-	14,300	-	134,300	100
Other KMP						
Tony Guarna**	150,000	-	-	20,000	170,000	76
	591,874	15,469	44,426	203,646	855,415	

* 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.

2023

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

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.

There are no long-term incentives ('LTI') and short-term incentives ("STI") paid to the Directors during the year ended 30 June 2024 (30 June 2023: 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 \$200,000 per year plus employee entitlements plus superannuation (from Jul 2022) Payment of termination benefit on termination by employer, 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 plus employee entitlements plus superannuation Payment of termination benefit on termination by employer, is equal to three (3) months base salary and superannuation.

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 2024 are outlined below:

Issue of Shares

Stephen Harrison

- 8,000,000 fully paid ordinary shares (\$0.004 per share) were issued (ASX announcement 7 December 2023, approved at 30 November 2023 AGM by shareholders) in recognition of contributions made during 2022/23.
- 1,000,000 ordinary shares (\$0.004 per share) were converted from zero exercise price options as non-cash incentive.

Jiahua (Joshua) Zhou

- 20,000,000 fully paid ordinary shares (\$0.004 per share) were issued (ASX announcement 7 December 2023, approved at 30 November 2023 AGM by shareholders) in recognition of contributions made during 2022/23.
- 2,333,333 ordinary shares (\$0.004 per share) were converted from zero exercise price options as non-cash incentive.

Additional information

The loss of the consolidated entity for the four years to 30 June 2024 are summarised below:

	2024	2023	2022	2021
Sales revenue	25,866,677	2,670,303	6,011,404	12,442,733
EBITDA	(1,961,724)	(2,494,275)	(4,569,578)	(19,708,503)
EBIT	(6,248,519)	(2,950,912)	(5,913,943)	(20,147,810)
Loss after income tax	(6,243,288)	(2,948,769)	(6,072,804)	(20,118,887)

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

	2024	2023	2022	2021
Share price at financial year end (\$)	0.002	0.003	0.005	0.029
Total dividends declared (cents per share)	Nil	Nil	Nil	Nil
Basic earnings per share (cents per share)	(0.36)	(0.32)	(0.89)	(3.75)

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>				
Jiahua (Joshua) Zhou	70,560,672	22,333,333	-	92,894,005
Stephen Harrison	5,333,333	9,000,000	-	14,333,333
Li (Alex) Li	160,249,420	-	-	160,249,420
Zhao (Tracy) Zhang	-	-	-	-
	<u>236,143,425</u>	<u>31,333,333</u>	<u>-</u>	<u>267,476,758</u>

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>				
Jiahua (Joshua) Zhou	19,516,666	-	(2,749,999)	16,766,667
Stephen Harrison	8,666,666	-	(1,000,000)	7,666,666
Li (Alex) Li	52,348,144	-	-	52,348,144
Zhao (Tracy) Zhang	-	-	-	-
	<u>80,531,476</u>	<u>-</u>	<u>(3,749,999)</u>	<u>76,781,477</u>

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>				
Jiahua (Joshua) Zhou	1,687,500	-	(1,687,500)	-
Stephen Harrison	-	-	-	-
Li (Alex) Li	-	-	-	-
Zhao (Tracy) Zhang	-	-	-	-
	<u>1,687,500</u>	<u>-</u>	<u>(1,687,500)</u>	<u>-</u>

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 24 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 24 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 In.Corp Audit & Assurance Pty Ltd

There are no officers of the Company who are former partners of In.Corp 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

In.Corp 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.



STEPHEN HARRISON
Non-Executive Chairman

Sydney
30 August 2024

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

To the Directors of Aumake Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the year ended 30 June 2024 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 relation to Aumake Limited and the entities it controlled during the year.

In.Corp Audit & Assurance Pty Ltd



Daniel Dalla
Director

Sydney, 30 August 2024

In.Corp Audit & Assurance Pty Ltd
ABN 14 129 769 151

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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

50 Birchgrove Crescent
Eastwood NSW 2122 Australia

Principal place of business

50 Birchgrove Crescent
Eastwood NSW 2122 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 30 August 2024. 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 2024

	Note	Consolidated	
		2024 \$	2023 \$
Revenue			
Sales revenue	4	25,866,677	2,670,303
Other income	5	86,039	172,439
Expenses			
Cost of sales		(25,023,054)	(2,610,136)
Administrative expenses		(984,700)	(490,486)
Employee benefits expense		(1,134,268)	(1,248,245)
Marketing expenses		(352,880)	(25,989)
Travel and accommodation expenses		(91,881)	(24,893)
Share based payment expense (options and performance shares)	21	(320,679)	(378,767)
Depreciation and amortisation		(391,115)	(456,637)
Loss on disposal of assets		(1,748)	(170,717)
Loss on impairment of assets	25	(3,895,679)	(385,641)
Loss before income tax expense		(6,243,288)	(2,948,769)
Income tax expense	6	-	-
Loss after income tax expense for the year		(6,243,288)	(2,948,769)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations	18(c)	(22,087)	5,590
Total comprehensive loss attributable to owners of Aumake Limited		(6,265,375)	(2,943,179)
 Loss for the year is attributable to:			
Non-controlling interest		40,163	80,299
Owners of Aumake Limited		(6,283,451)	(3,029,068)
		(6,243,288)	(2,948,769)
 Total comprehensive loss for the year is attributable to:			
Non-controlling interest		40,163	80,299
Owners of Aumake Limited		(6,305,538)	(3,023,478)
		(6,265,375)	(2,943,179)
 Loss per share for loss from continuing operations attributable to the owners of Aumake Limited		Cents	Cents
Basic earnings per share	31	(0.36)	(0.33)

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 2024

	Note	Consolidated	
		2024	2023
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	7	1,985,495	1,393,865
Trade and other receivables	8	539,626	11,070
Inventories	9	1,221,315	320,516
Financial assets – term deposits		45,222	156,018
Other assets	10	61,304	43,512
Total current assets		3,852,962	1,924,981
Non-current assets			
Plant and equipment	11	274,816	174,852
Intangibles	12	-	4,197,839
Other financial assets		50,000	50,000
Other assets	13	187,521	25,159
Total non-current assets		512,337	4,447,850
Total assets		4,365,299	6,372,831
Liabilities			
Current liabilities			
Trade and other payables	14	1,139,654	1,000,335
Provisions	15	374,731	260,923
Borrowings	16	29,392	-
Total current liabilities		1,543,777	1,261,258
Non-current liabilities			
Other payables	14	93,868	-
Borrowings	16	2,162,756	-
Total non-current liabilities		2,256,624	-
Total liabilities		3,800,401	1,261,258
Net assets		564,898	5,111,573
Equity			
Issued capital	17	59,081,989	57,422,605
Reserves	18	2,165,721	2,382,833
Non-controlling interests	19	40,163	-
Accumulated losses	20	(60,722,975)	(54,693,865)
Total equity		564,898	5,111,573

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 2024

Consolidated

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Non- Controlling Interests \$	Total Equity \$
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 17)	(20,175)	-	-	-	(20,175)
Share-based payments - Options and performance shares (Note 21)	-	366,767	-	-	366,767
Exchange difference on translation	-	5,590	-	-	5,590
Balance at 30 June 2023	57,422,605	2,382,833	(54,693,865)	-	5,111,573
Balance at 1 July 2023	57,422,605	2,382,833	(54,693,865)	-	5,111,573
Total comprehensive loss for the year	-	-	(6,283,451)	40,163	(6,243,288)
<i>Transactions with owners in their capacity as owners:</i>					
Capital raising	1,487,256	-	-	-	1,487,256
Share issue costs (Note 17)	(89,235)	-	-	-	(89,235)
Share-based payments (Note 21)	192,000	128,679	-	-	320,679
Derecognition of issued, expired, and forfeited options	69,363	(323,704)	254,341	-	-
Exchange difference on translation	-	(22,087)	-	-	(22,087)
Balance at 30 June 2024	59,081,989	2,165,721	(60,722,975)	40,163	564,898

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 2024

Consolidated

		2024	2023
	Note	\$	\$
Cash flows related to operating activities			
Receipts from product sales and related debtors		25,338,122	2,734,829
Payments to suppliers and employees		(28,073,869)	(6,367,767)
Other income		72,266	161,739
Interest received		13,773	10,700
Net cash outflow used in operating activities	30	(2,649,708)	(3,460,499)
Cash flows related to investing activities			
Payments for plant and equipment	11	(190,039)	-
Payment of bond		(128,163)	(192,520)
Net cash outflow used in investing activities		(318,202)	(192,520)
Cash flows related to financing activities			
Proceeds from issue of shares	17	1,487,256	2,130,720
Share issue costs	17	(89,235)	(20,175)
Repayment of leases liabilities		-	(111,294)
Interest paid		(8,542)	-
Proceeds from borrowings	16	2,192,148	-
Net cash inflow from financing activities		3,581,627	1,999,251
Net (decrease) increase in cash held		613,717	(1,653,768)
Cash and cash equivalents at the beginning of the financial year		1,393,865	3,042,043
Effects of exchange rate changes on cash and cash equivalents		(22,087)	5,590
Cash and cash equivalents at the end of the financial year	7	1,985,495	1,393,865

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

Notes to the financial statements

Note 1. Material accounting policy information

Material accounting policy information 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.

The Company has adopted AASB 2021-2, *Amendments to Australian Accounting Standards Disclosure of Accounting Policies and Definition of Accounting Estimates* on 1 January 2023. As a result, only material accounting policy information is disclosed within these financial statements.

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 \$6,243,288 and outflows from operating activities of \$2,649,708 respectively for the year ended 30 June 2024 and there is still uncertainty when Chinese tour group 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. Material accounting policy information (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 \$1,985,495 as at 30 June 2024 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;
- 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;
- the Group has secured a non-binding strategic procurement framework with Chinese SOE Yangtze River New Silk Road International Logistics (Hubei) Group Co., Ltd which intends to purchase a minimum of A\$100m worth of Australian goods from Aumake, with a total procurement plan of A\$300m over three years; 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 27.

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.

Note 1. Material accounting policy information (cont'd)

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.

The principal activities of Aumake is trading goods to earn revenues through purchasing inventories and placing consignment orders. Aumake has stocks and is responsible for sourcing and delivery of the goods.

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. Material accounting policy information (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.

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.

Note 1. Material accounting policy information (cont'd)

Share-based payments (cont'd)

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.

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.

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 2024. 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. 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 21 for further information.

Note 3. Operating segments

The consolidated entity is organised into four operating segments based on different locations (i) Australia, (ii) Hong Kong, (iii) Mainland China, and (iiii) New Zealand.

The consolidated entity is domiciled in Australia. Revenues from external customers are generated from Australia, Hong Kong, Mainland China and New Zealand through wholesale channel and online e-commerce. Segment revenues are allocated based on the country in which the customer is located. Assets are located in Australia, Hong Kong, Mainland China and New Zealand. For the years ended 30 June 2023 and 30 June 2024 the revenue from New Zealand is not material to the Group.

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 are no separately identifiable segments.

Note 4. Revenue

	Consolidated	
	2024	2023
	\$	\$
<i>Revenue from contracts with customers</i>		
Sale of goods	25,866,677	2,670,303

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

	Consolidated	
	2024	2023
	\$	\$
Australia	945,170	2,670,303
Hong Kong	20,914,124	-
Mainland China	4,001,683	-
New Zealand	5,700	-
Sale of goods	25,866,677	2,670,303

Note 5. Other income

	Consolidated	
	2024	2023
	\$	\$
Other income	72,266	161,739
Interest income	13,773	10,700
	86,039	172,439

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	
	2024	2023
	\$	\$
Accounting loss before tax	(6,243,288)	(2,948,769)
Income tax benefit at 25% (2023: 25%)	(1,560,822)	(737,192)
Tax effect of non-allowable items and temporary differences	1,321,140	(413,467)
Unrecognised tax losses	239,682	1,150,659
Income tax expense/(benefit) attributable to loss from ordinary activities	-	-

(c) Unrecognised deferred tax balances

Previous year deferred tax asset	8,992,866	8,498,511
Tax losses at 25% (2023: 25%)	408,821	494,355
Net unrecognised deferred tax asset at 25% (2023: 25%)	9,401,687	8,992,866

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 6. Income tax expense (cont'd)

Included in the Future Tax Assets not brought to account are tax losses for which no deferred tax asset has been recognised. After reviewing the Group's current contracts and future revenue and expense estimates, the Group's management have made a judgement that whilst there is an expectation that there will be sufficient future taxable amounts available to utilise the deferred tax assets, there is insufficient evidence available to recognise the deferred tax assets at 30 June 2024 as required under *AASB 112 Income Taxes*. Accordingly, the tax losses available as at 30 June 2024 have not been recognised as Future Tax Assets.

The deductible temporary differences and tax losses do not expire under current tax legislation. The utilisation of tax losses is dependent on the Company satisfying the continuity of ownership test or the same or similar business test at the time the tax losses are applied against taxable income.

Note 7. Current assets - cash and cash equivalents

	Consolidated	
	2024	2023
	\$	\$
Cash at bank	1,985,495	1,393,865

Note 8. Current assets - trade and other receivables

	Consolidated	
	2024	2023
	\$	\$
Trade receivables	527,749	11,070
Other receivables	11,877	-
	539,626	11,070

All trade receivables are non-interest bearing. Refer to Note 22 for further information on financial instruments.

Allowance for expected credit losses

There is no allowance for expected credit losses recognised as at 30 June 2024 (30 June 2023: Nil).

Note 9. Current assets - inventories

	Consolidated	
	2024	2023
	\$	\$
Finished goods	1,221,315	331,726
Less: provision for impairment	-	(11,210)
	1,221,315	320,516

Note 10. Current assets - other assets

	Consolidated	
	2024	2023
	\$	\$
Prepayments	61,304	43,512

Note 11. Non-current assets - plant and equipment

	Consolidated	
	2024	2023
	\$	\$
Software - at cost	348,977	307,325
Less: Accumulated depreciation	(215,710)	(163,815)
	<u>133,267</u>	<u>143,510</u>
Plant and equipment - at cost	175,131	165,459
Less: Accumulated depreciation	(163,685)	(144,632)
	<u>11,446</u>	<u>20,827</u>
Motor vehicles - at cost	138,273	83,888
Less: Accumulated depreciation	(8,170)	(73,373)
	<u>130,103</u>	<u>10,515</u>
	<u>274,816</u>	<u>174,852</u>

Reconciliations

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

	Software	Plant and equipment	Motor vehicles	Total
Consolidated	\$	\$	\$	\$
Balance at 30 June 2023	143,510	20,827	10,515	174,852
Additions	42,006	9,760	138,273	190,039
Disposals	-	-	(1,748)	(1,748)
Depreciation expense	(52,856)	(19,162)	(16,937)	(88,955)
Foreign exchange differences	607	21	-	628
Balance at 30 June 2024	<u>133,267</u>	<u>11,446</u>	<u>130,103</u>	<u>274,816</u>

	Software	Plant and equipment	Motor vehicles	Total
Consolidated	\$	\$	\$	\$
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	<u>143,510</u>	<u>20,827</u>	<u>10,515</u>	<u>174,852</u>

Note 12. Non-current assets - intangibles

	Consolidated	
	2024	2023
	\$	\$
Agency relationships - at cost	6,043,208	6,043,208
Less: Accumulated amortisation	(1,510,802)	(1,208,642)
Less: Loss on impairment	(4,532,406)	(636,727)
	<u>-</u>	<u>4,197,839</u>

Australia was once again included in the list of countries for China's Approved Destination Status (ADS) scheme in August 2023.

Included in the results for the year ended 30 June 2024 is an impairment charge of \$3,895,679 related to the carrying value of Agency Relationships intangible asset. The directors have taken the decision to impair this asset given the slower than expected return of tour groups to Australia.

The directors will continue to monitor the recoverable amount of Agency Relationships in future financial years, and in line with accounting standards, should tour groups return in numbers to generate sufficient cash flows, then the previous impairments may be reversed and the Agency Relationships carrying value reinstated as an intangible asset.

Reconciliations

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

Consolidated	Agency Relationships
	\$
Balance at 1 July 2022	4,500,000
Less: Amortisation for the year	(302,161)
Balance at 30 June 2023	4,197,839
Less: Amortisation for the year	(302,160)
Less: Impairment for the year	(3,895,679)
Balance at 30 June 2024	<u>-</u>

Note 13. Non-current assets - other assets

	Consolidated	
	2024	2023
	\$	\$
Security deposits	153,322	25,159
Other	34,199	-
	<u>187,521</u>	<u>25,159</u>

Note 14. Trade and other payables

	Consolidated	
	2024	2023
	\$	\$
Current		
Trade payables	589,306	159,076
Payment in advance	301,582	27,668
Accrued expenses	248,766	813,591
	<u>1,139,654</u>	<u>1,000,335</u>
Non-current		
Other payables	<u>93,868</u>	<u>-</u>

Refer to Note 22 for further information on financial instruments.

Note 15. Current liabilities – provisions

	Consolidated	
	2024	2023
	\$	\$
Employee benefits provision	<u>374,731</u>	<u>260,923</u>

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.

Consolidated

Note 16. Borrowings

	2024	2023
	\$	\$
Current		
Asset loan - motor vehicles	29,392	-
	Consolidated	
	2024	2023
	\$	\$
Non-current		
Asset loan - motor vehicles	162,756	-
Business loan	2,000,000	-
	2,162,756	-

An unsecured \$2,000,000 business loan was provided by Zoomcoo Holding Pty Ltd (lender) in February 2024 in exchange for 49% of Newera Australia Pty Ltd. There is no interest payable in the first year, the loan is fully repayable at the end of the second year, interest payable in the second year will equate to the target cash rate as published by the Reserve Bank of Australia plus an additional margin which is yet to be negotiated.

This loan can be terminated earlier than the two years if:

- (a) the occurrence of an Event of Default; or
- (b) any later date the parties agree in writing.

The loan amount and any accrued interest or other sums due and payable under this document to the lender on the termination date without any deductions, counterclaim or set off. Aumake, at its sole discretion, may elect to repay the lender the whole or any part of the sum owing to the lender at any time prior to the termination date.

Note 17. Equity - issued capital

	Consolidated			
	2024	2023	2024	2023
	Shares	Shares	\$	\$
Ordinary shares - fully paid	1,914,406,802	1,487,259,469	59,081,989	57,422,605

Movements in ordinary share capital

	2024		2023	
	No. of shares	\$	No. of shares	\$
Consolidated				
At the beginning of the financial year	1,487,259,469	57,422,605	771,446,924	53,830,842
Add:				
Share issued in recognition of contributions made by allottees	48,000,000	192,000	-	-
Conversion of options to ordinary shares	7,333,333	69,363	-	-
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	371,814,000	1,487,256	540,263,333	2,130,720
Share issue costs	-	(89,235)	-	(20,175)
At the end of the financial year	1,914,406,802	59,081,989	1,487,259,469	57,422,605

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 17. 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 2023 Annual Report.

Note 18. Equity - reserves

	Consolidated	
	2024	2023
	\$	\$
Options reserve (a)	2,393,359	2,426,611
Performance rights reserve (b)	-	161,773
Foreign currency translation reserve (c)	(227,638)	(205,551)
	<u>2,165,721</u>	<u>2,382,833</u>

(a) Options reserve

	2024		2023	
	No. of Securities	\$	No. of Securities	\$
Consolidated				
At the beginning of the financial year	194,214,810	2,426,611	213,583,364	2,059,844
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
Issue of options to Director pursuant to Long-Term Incentive Plan with an exercise price of \$0.20 (expiry 4 December 2024)	-	69,777	-	162,365
Options (expiry 30/04/25 exercisable @\$0.00)	-	40,769	-	133,429
Conversion of options to shares	(7,333,333)	(69,363)	-	-
Options (expiry 01/02/25 exercisable @\$0.02)	-	-	-	24,677
Options (expiry 01/02/25 exercisable @\$0.04)	-	10,113	-	12,115
Options (expiry 01/02/25 exercisable @\$0.08)	-	8,020	-	7,998
Expiration of Options	(5,000,000)	(92,568)	(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>181,881,477</u>	<u>2,393,359</u>	<u>194,214,810</u>	<u>2,426,611</u>

Note 18. Equity – reserves (cont'd)

(b) Performance rights reserve

Movement in performance rights reserve

	2024		2023	
	No. of Securities	\$	No. of Securities	\$
Consolidated				
At the beginning of the financial year	2,982,000	161,773	2,982,000	161,773
Short-Term Performance Rights lapsed	-	(92,099)	-	-
Class B Performance Rights lapsed	(2,100,000)	(49,066)	-	-
Class C Performance Rights lapsed	(882,000)	(20,608)	-	-
At the end of the financial year	-	-	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	
	2024	2023
	\$	\$
At the beginning of the financial year	(205,551)	(211,141)
Exchange difference on translation of foreign operations	(22,087)	5,590
At the end of the financial year	(227,638)	(205,551)

Note 19. Non-Controlling Interest

As a result of transferring 49% shares of Newera Australia Pty Ltd in February 2024 and 25% shares of Aumake HongKong Limited in October 2023 to the third parties, Aumake recognises those shares of profit as non-controlling interest.

	Consolidated	
	2024	2023
	\$	\$
<i>Movement in minority interests</i>		
At the beginning of the financial year	-	(80,299)
Share of profit	40,163	80,299
Accumulated profit at the end of the financial year	40,163	-

Note 20. Equity – accumulated losses

	Consolidated	
	2024	2023
	\$	\$
Accumulated losses at the beginning of the financial year	(54,693,865)	(51,664,797)
Transfer from options reserve on lapse of options	254,341	-
Loss after income tax expense for the year	(6,283,451)	(3,029,068)
Accumulated losses at the end of the financial year	(60,722,975)	(54,693,865)

Note 21. Share-based payments

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

		Consolidated	
		2024	2023
		\$	\$
Options	18(a)	128,679	366,767
Performance rights	18(b)	-	-
Share issue	17	192,000	12,000
		320,679	378,767

Note 21. 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.

2024

Grant Date	Expiry Date	Exercise Price	Balance at start of year	Options Issued during the period	Exercised /Converted 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
4/12/2020	4/12/2024	\$0.20	33,600,000	-	-	-	33,600,000	33,600,000
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	-	(5,833,333)	-	11,666,667	5,833,333
22/04/2022	30/04/2025	\$0.00	4,500,000	-	(1,500,000)	-	3,000,000	3,000,000
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	1,000,000
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	3,000,000
12/05/2022	1/02/2025	\$0.08	3,000,000	-	-	-	3,000,000	-
			71,200,000	-	(7,333,333)	-	63,866,667	54,033,333

Note 21. Share-based payments (cont'd)

2023

Grant Date	Expiry Date	Exercise Price	Balance at start of year	Options Issued during the period	Exercised /Converted 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

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 21. Share-based payments (cont'd)

(b) Performance shares

2024

Grant Date	Expiry Date	Balance at start of year	Granted 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
04-12-2020	04-12-2023	2,100,000	-	(2,100,000)	-	-
04-12-2020	04-12-2023	882,000	-	(882,000)	-	-
		2,982,000	-	(2,982,000)	-	-

2023

Grant Date	Expiry Date	Balance at start of year	Granted 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
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

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

Note 22. 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 22. Financial risk management (cont'd)

	Consolidated			
	2024		2023	
	CNY\$	AUD equivalent	CNY\$	AUD equivalent
Financial assets				
Cash and cash equivalents	581,066	120,696	200,832	41,771
Trade and other receivables*	16,025	3,329	16,711	3,476
Total financial assets	597,091	124,025	217,543	45,247
Financial liabilities				
Trade and other payables*	155,388	32,276	12,531	2,606
Total financial liabilities	155,388	32,276	12,531	2,606

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			
	2024		2023	
	NZD\$	AUD equivalent	NZD\$	AUD equivalent
Financial assets				
Trade and other receivables*	34,304	31,393	34,456	31,660
Total financial assets	34,304	31,393	34,456	31,660
Financial liabilities				
Trade and other payables*	23,558	21,559	33,102	30,416
Total financial liabilities	23,558	21,559	33,102	30,416

*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.

Note 22. Financial risk management (cont'd)

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 23. Related party transactions

- (a) Parent entity
Aumake Limited is the parent entity.
- (b) Subsidiary
Interests in subsidiaries are set out in consolidated entity disclosure statement .
- (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:

	Consolidated	
	2024	2023
	\$	\$
Short-term employee benefits	607,343	604,816
Post-employment benefits	44,426	28,792
Share-based payments	203,646	208,811
	<u>855,415</u>	<u>842,419</u>

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

	2024	2023
	\$	\$
Lingye Zheng - related party to Jiahua (Joshua) Zhou		
Remuneration paid to Lingye Zheng	<u>65,960</u>	<u>58,617</u>
Total paid during the year	<u>65,960</u>	<u>58,617</u>

Mrs Lingye Zheng is the wife of the Managing Director, Mr Jiahua (Joshua) Zhou and was re-engaged from 1 September 2024 as an employee of the subsidiary company Aumake Australia Pty Ltd providing Procurement Management services on a salary of \$75,000 plus superannuation and entitlement and the payments of salaries were made to her personal bank account. The comparative balance of \$58,617 relates to last year where Mrs Lingye Zheng had been engaged on as an employee from 1 July 2022 up until 15 February 2023, where she provided Procurement Management services on a salary of \$65,000 plus superannuation and entitlements.

Note 24. Remuneration of auditors

The following fees were paid or payable for services provided by In.Corp Audit & Assurance Pty Ltd:

	Consolidated	
	2024	2023
	\$	\$
Audit and review of the financial statements - In.Corp Audit & Assurance Pty Ltd	53,000	45,000
Other Services - fee payable as Aumake Limited Registered Office – to a related entity of In.Corp Audit & Assurance Pty Ltd	-	1,750
	<u>53,000</u>	<u>46,750</u>

Note 25. Loss on impairment of assets

	Consolidated	
	2024	2023
	\$	\$
Leased property asset	-	385,641
Agency Relationships	<u>3,895,679</u>	<u>-</u>
	<u>3,895,679</u>	<u>385,641</u>

Note 26. Contingent assets and liabilities

Contingent assets

The Directors are not aware of any contingent assets as at 30 June 2024 and 30 June 2023.

Contingent liabilities

The Directors are not aware of any contingent liabilities as at 30 June 2024 and 30 June 2023.

Note 27. Parent entity information

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

Statement of financial position

	2024	2023
	\$	\$
Assets		
Current assets	372,030	1,314,135
Non-current assets	984,954	1,287,114
Total assets	1,356,984	2,601,249
Liabilities		
Current liabilities	75,180	74,563
Non-current liabilities	157,626	122,839
Total liabilities	232,806	197,402
Net assets	1,124,178	2,403,847
Equity		
Issued capital	55,163,907	53,504,523
Reserve	2,165,720	2,382,833
Accumulated losses	(56,245,612)	(53,483,509)
Non-controlling interest	40,163	-
Total equity	1,124,178	2,403,847

	2024	2023
	\$	\$
Statement of profit or loss and other comprehensive income		
Loss for the year	(1,536,539)	(2,712,456)
Total comprehensive loss	(1,536,539)	(2,712,456)

Guarantees entered into by the parent entity

The parent entity has not entered into any guarantees as of 30 June 2024 and 30 June 2023.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023 other than as disclosed in Note 27.

Commitments

The parent entity had no capital commitments as at 30 June 2024 and 30 June 2023.

Note 28. Interest 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:

	Place formed or incorporation	% of share capital held	
		30-Jun-24	30-Jun-23
Parent entity			
Aumake Limited (formerly Aumake International Limited)	Australia		
Name of subsidiary entities			
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	51%	100%
Kiwibuy Australia Pty Ltd	Australia	100%	100%
Medigum Honey Pty Ltd	Australia	50%	50%
A Kangaroo from Xiamen Health Technology Co. Ltd	Mainland 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	75%	100%
Aumake Cold Chain Pty Ltd	Australia	49%	49%
Aumake (Shanghai) Technology Co. Ltd	Mainland China	100%	-
Aumake (Hangzhou) Trading Co. Ltd	Mainland China	100%	-
Hunter Valley Wine & Tourism Alliance Pty Ltd	Australia	35%	-

Note 29. Events after the reporting period

On 14 August 2024 Aumake announced that its investor advisor, Novus had successfully received binding commitments to raise \$2.8m via a share placement, subject to shareholder approval.

Other than the above, there have been no matters that have arisen subsequent to the end of the financial year to report on.

Note 30. Reconciliation of profit before income tax to net cash from operating activities

	Consolidated	
	2024	2023
	\$	\$
Loss for the year	(6,243,288)	(2,948,769)
Adjustments for:		
Loss on impairment of assets	3,895,679	385,641
Share-based payment	320,679	378,767
Interest expenses	8,542	-
Depreciation of assets	88,955	154,476
Net loss on disposal of non-current assets	1,119	170,727
Amortisation of intangible assets	302,160	302,161
Settlement of borrowings by issue of ordinary shares	-	1,469,218
Changes in operating assets and liabilities		
Trade and other receivables	(469,751)	(53,691)
Trade and other payables	233,188	(4,079,696)
Inventories	(900,799)	1,097,504
Provisions	113,808	(336,837)
Net cash outflow from/(used in) operating activities	<u>(2,649,708)</u>	<u>(3,460,499)</u>

Note 31. Loss per share

	Consolidated	
	2024	2023
	\$	\$
Basic loss per share (cents)	<u>(0.36)</u>	<u>(0.33)</u>
Diluted loss per share (cents)	<u>(0.36)</u>	<u>(0.33)</u>
Net loss used in the calculation of basic loss per share and diluted loss per share	(6,283,451)	(3,029,068)
Weighted average number of ordinary shares outstanding during the year used in calculating diluted loss per share	<u>1,755,838,451</u>	<u>924,750,214</u>

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

Consolidated Entity Disclosure Statement

For the year ended 30 June 2024

The consolidated entities included in the financial report are disclosed as follows.

			% of share capital held	Tax residency	
	Entity Type	Place formed or incorporation	30-Jun-24	Australian or foreign	Foreign jurisdiction
Parent entity					
Aumake Limited (formerly Aumake International Limited)	Body Corporate	Australia		Australian	N/A
Name of subsidiary entities					
ITM Corporation Ltd	Body Corporate	Australia	100%	Australian	N/A
Aumake Australia Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Jumbuck Australia Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
168 Express Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Newera Australia Pty Ltd	Body Corporate	Australia	51%	Australian	N/A
Kiwibuy Australia Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Medigum Honey Pty Ltd	Body Corporate	Australia	50%	Australian	N/A
A Kangaroo from Xiamen Health Technology Co. Ltd	Body Corporate	Mainland China	100%	Foreign	Mainland China
Syd Star Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Gold Harbour Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Round Forest Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
M Best Tax Free Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Broadway Australia Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
AUBW International Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Herbsmart Pharmaceutical Pty Ltd	Body Corporate	Australia	50%	Australian	N/A
Herbsmart Biotech Pty Ltd	Body Corporate	Australia	90%	Australian	N/A
Aumake HongKong Limited	Body Corporate	Hong Kong	75%	Foreign	Hong Kong
Aumake Cold Chain Pty Ltd	Body Corporate	Australia	49%	Australian	N/A
Aumake (Shanghai) Technology Co. Ltd	Body Corporate	Mainland China	100%	Foreign	Mainland China
Aumake (Hangzhou) Trading Co. Ltd	Body Corporate	Mainland China	100%	Foreign	Mainland China
Hunter Valley Wine & Tourism Alliance Pty Ltd	Body Corporate	Australia	35%	Australian	N/A

Directors' declaration

30 June 2024

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 correct view of the consolidated entity's financial position as at 30 June 2024 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 information disclosed in the attached consolidated entity disclosure statement are true and correct.

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

Sydney
30 August 2024

AUMAKE LIMITED
INDEPENDENT AUDITOR'S REPORT

To the Members of Aumake Limited

Opinion

We have audited the accompanying consolidated 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 2024, and 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, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying consolidated 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 2024 and of its performance for the year ended; and
- b) complying with Australian Accounting Standards and the *Corporations Act 2001*.

Basis for Conclusion

We conducted our audit in accordance with Australian Accounting 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 & 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 Company, 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.

In.Corp Audit & Assurance Pty Ltd
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AUMAKE LIMITED

INDEPENDENT AUDITOR'S REPORT (continued)

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 \$6,243,288 and cash outflows from operating activities of \$2,649,708 during the year ended 30 June 2024. 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.

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 –Agency Relationships	How our Audit Addressed the Key Audit Matter
<p>Note 12 to the financial statements shows that at 30 June 2024 the Group has impaired its intangible assets to Nil.</p> <p>This was considered a key audit matter given the significant judgement involved in assessing the recoverable amount of this asset.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Reviewing the calculations and performing an assessment of the reasonableness of inputs used in management's analysis; and • Assessing the appropriateness of the related disclosures in the financial report.

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 2024, 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 the Directors for the Financial Report

The directors of the Group are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. the consolidated entity disclosure statement that is true and correct and is free of 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 intends to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Review 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. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar1.pdf . This description forms part of our auditor's report.

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

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024. The directors of the Company 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

In our opinion the Remuneration Report of Aumake Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

In.Corp Audit & Assurance Pty Ltd



Daniel Dalla
Director

Sydney, 30 August 2024

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.

Shareholder Information

30 June 2024

The shareholder information set out below was applicable as at 31 July 2024.

a) Distribution of holdings of fully paid ordinary shares

Range	Total holders	Units	% Units
1 – 1000	1,130	119,023	-
1,001 – 5,000	569	1,566,506	-
5,001 – 10,000	272	2,223,562	-
10,001 – 100,000	703	28,509,176	1.00
100,001 Over	554	1,881,988,535	98.00
Rounding			1.00
	<u>3,228</u>	<u>1,914,406,802</u>	<u>100.00</u>

2,591 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 31/05/2025 @ \$0.045

Range	Total holders	Units	% Units
1 – 1000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	9	632,214	1.00
100,001 Over	65	74,867,786	99.00
Rounding			-
	<u>74</u>	<u>75,500,000</u>	<u>100.00</u>

6 shareholders hold less than a marketable parcel of options, being a market value of less than \$500.

c) Twenty largest ordinary fully paid shares holders

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

Rank	Name	Units	% Units
1	GRAND AUST INTERNATIONAL PTY LTD	160,249,420	8.37
2	TIGER BROKERS (AU) PTY LTD	140,430,000	7.34
3	BNP PARIBAS	138,124,989	7.22
4	FINCLEAR SERVICES PTY LTD <SUPERHERO SECURITIES A/C>	98,593,370	5.15
5	ZHOUS AUSTRALIA HOLDING PTY LTD <ZHOUS AUSTRALIA HOLDING A/C>	92,894,005	4.85
6	SHAO KANG CHEN	90,000,000	4.70
6	AIZHEN LIANG	90,000,000	4.70
6	BLAMNCO TRADING PTY LTD	90,000,000	4.70
7	ZOOMHI INVESTMENT PTY LTD	73,114,000	3.82
8	GOLDEN HOME DEVELOPMENT PTY LTD <GOLDEN HOME MANAGEMENT A/C>	70,000,000	3.66
9	MR XUE LIN XIE	42,942,227	2.24
10	MS NANCY ZHANG	29,420,713	1.54
11	MR WENFU CHEN	26,831,665	1.40
12	LERWICK PTY LIMITED <COWAN SUPER FUND A/C>	25,050,579	1.31
13	LEHAV PTY LTD <THE VHL FAMILY A/C>	25,050,101	1.31
14	MR JUN LI	22,015,629	1.15
15	BLUESTONE FUND MANAGEMENT PTY LTD <BLUESTONE GLOBAL HEALTH INDUSTRY INVESTMENT FUND A/C>	20,000,000	1.04
16	JOMALCO PTY LTD	19,405,000	1.01
17	PAN WOODS GLOBAL LIMITED	16,666,667	0.87
18	SPICEME CAPITAL PTY LTD	15,000,000	0.78
19	MR ANDREW THAI	14,000,000	0.73
20	HASNIE4 PTY LTD	13,993,126	0.73
Total: Top 20 holders of Ordinary fully paid shares		1,313,781,491	68.63
Total: Remaining holders balance		600,625,311	31.37

d) 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 JUSTIN MICHAEL WALTER GARNETT	6,000,000	7.95
2	MS NICOLA KATE CONNELL	5,914,899	7.83
3	BNP PARIBAS	5,000,000	6.62
3	MR PATRICK JOSEPH HODGES	5,000,000	6.62
4	SILKTREE INVESTMENTS PTY LTD <PETER VASSILEFF SUPER A/C>	4,411,500	5.84
5	MR DOMINIC VIRGARA	3,617,647	4.79
6	MR RORY BRENDAN DOCKING	3,505,560	4.64
7	MR ANDREW EDWIN YOUNG	3,000,000	3.97
8	MR SAMY GIRGIS SAAD	2,792,856	3.70
9	MRS KRISHNA SMIT NAYAK	2,557,060	3.39
10	MR ALEXANDER DANIEL DEL MORO	2,275,000	3.01
11	LEET INVESTMENTS PTY LIMITED <LEET INVESTMENTS PL SF A/C>	2,000,000	2.65
12	AYERS CAPITAL PTY LTD	1,764,706	2.34
13	MR KUMAIL HUSSAIN	1,721,770	2.28
14	BOSWOOD HOLDINGS PTY LTD <SANDRA VASSILEFF SF A/C>	1,470,588	1.95
15	MR YANG YE	1,390,000	1.84
16	MR ANTHONY STEELE CLAY & MS CAROL CLAY <CLAY SUPER FUND A/C>	1,250,000	1.66
17	MR RAVIKUMAR DILIPBHAI PATEL	1,111,111	1.47
18	MR STEVEN CHARLES MITTER	1,000,000	1.32
18	MR MING LU	1,000,000	1.32
18	ATOMIC BLENDER PTY LTD <KNOTT FAMILY A/C>	1,000,000	1.32
18	MS MEIXIA CHEN	1,000,000	1.32
18	RIYA INVESTMENTS PTY LTD	1,000,000	1.32
19	MR KEVIN DANIEL LEARY & MRS HELEN PATRICIA LEARY <KEVIN & HELEN LEARY S/F A/C>	889,853	1.18
20	MR CHUNG BUU LE	878,500	1.16
Totals: Top 20 holders of Listed Options Expiring 31/05/2025 @ \$0.045		61,551,050	81.52
Total Remaining Holders Balance		13,948,950	18.48

e) Unquoted equity securities

Security Code	Security Name	Issuer Holdings	Total Holders
AU8OPT10	UNL OPT @ \$0.06 EXP 30/04/2025	1,000,000	1
AU8OPT11	UNL OPT @ \$0.09 EXP 30/04/2025	1,000,000	1
AU8OPT12	UNL OPT @ \$0.00 EXP 30/04/2025	14,666,667	4
AU8OPT13	UNL OPTIONS @ \$0.04 EXP 01/02/2025	3,000,000	1
AU8OPT14	UNL OPT @ \$0.08 EXP 01/02/2025	3,000,000	1
AU8OPT4	UNL OPT @ \$0.0085 EXP 31/05/2025	52,348,144	1
AU8OPT5	UNL OPT @ \$0.20 EXP 04/12/2024	33,600,000	3
AU8OPT7	UNL OPT @ \$0.008 EXP 31/12/2024	70,666,666	25
AU8OPT8	UNL OPT @ \$0.20 EXP 04/12/2024	1,300,000	9
AU8OPT9	UNL OPT @ \$0.03 EXP 30/04/2025	1,000,000	1
		181,581,477	47

f) Substantial holders

Substantial holders in the Company as at 30 June 2024 were:

Ordinary shares		
	Number held	% of total share issued
GRAND AUST INTERNATIONAL PTY LTD	160,249,420	8.37
TIGER BROKERS (AU) PTY LTD	140,430,000	7.34
BNP PARIBAS NOMS PTY LTD	122,764,245	6.41
FINCLEAR SERVICES PTY LTD <SUPERHERO SECURITIES A/C>	101,655,175	5.31

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.

g) Restricted securities

There are no restricted shares on issue.

There is no on-market buy-back.

h) Securities subject to voluntary escrow

Name of holders	Class	Expiry date	Number of shares	% of total share issued
Keong Chan	Ordinary shares	1 March 2025	3,000,000	100%