

16 December 2024

Aumake Limited (ASX: AUK)

Aumake Receives Initial A\$16M Binding Purchase Order from Leading Chinese SOE Under Procurement Framework

Investor Highlights

- **Aumake secures initial A\$16M binding purchase order (PO) from YANGTZE RIVER NEW SILK ROAD INTERNATIONAL LOGISTICS (HUBEI) GROUP CO., LTD ("YANGTZE RIVER"), a leading Chinese State-Owned Enterprise (SOE).**
- **The PO consists of health supplements, dairy products, and beef, reinforcing Aumake's strategic focus on developing a comprehensive agricultural supply chain, diversifying revenue into high-margin products, to support profitability in FY25.**
- **Yangtze River has demonstrated its commitment to the strategic framework by providing Aumake with a 30% deposit (A\$4.8M), and a three (3) month fulfilment period ensuring timely delivery.**
- **The initial order marks the beginning of a growing partnership with Yangtze River, with consistent order flow anticipated as ties strengthen and Chinese trade accelerates ahead of the Lunar New Year.**
- **Aumake's operational readiness, established supply chain capabilities, and experienced management team position the company to swiftly meet the growing demand for Australian exports, enhancing the company's ability to secure additional agreements with Chinese SOE's.**

Aumake Limited (ASX: AUK) (Aumake or the Company) is delighted to announce it has received its first binding purchase order, valued at A\$16 million, from **Yangtze River New Silk Road International Logistics (Hubei) Group Co., Ltd (Yangtze River)**, a leading Chinese State-Owned Enterprise (SOE). This purchase order is a major milestone under Aumake's strategic procurement framework and reinforces its position as a trusted supplier of premium Australian agricultural and consumer products to the Chinese market.

The agreement reflects Yangtze River's confidence in Aumake's operational readiness and ability to deliver high-quality goods, laying the foundation for a strong and sustainable partnership.

Key Features of the Purchase Order (PO)

This purchase order exemplifies Aumake's capability to fulfil the exacting standards of international markets, delivering a diverse portfolio of premium Australian products. The key terms of the agreement include:

- **Product Scope:** The purchase order includes health supplements, dairy products, and beef, underscoring Aumake's ability to deliver a diversified range of premium Australian products.
- **Payment Terms:** Yangtze River has provided a 30% deposit (A\$4.8M) upon signing, with the remaining balance payable upon Free on Board (FOB).
- **Fulfilment Period:** A three-month delivery timeline has been agreed, ensuring the efficient and timely execution of the order.

These terms highlight the mutual trust and confidence between Aumake and Yangtze River, establishing a strong foundation for a long-term partnership and consistent order flow in the future.

Strengthening Bilateral Relations and Market Position

This purchase order comes amid improving trade relations between Australia and China, driven by the easing of restrictions and a renewed focus on economic collaboration. With agricultural exports contributing over A\$15 billion annually, China remains Australia's largest trading partner, creating significant opportunities for Australian exporters.

The agreement aligns with Aumake's strategy to strengthen its market presence by meeting the growing demand for premium Australian goods. It positions the Company to capitalise on heightened trade activity ahead of the Lunar New Year and increasing demand for health-focused, high-margin products, reinforcing its role as a trusted supplier to Chinese SOEs.

Operational Readiness and Competitive Advantage

Aumake's ability to secure and execute this agreement demonstrates its operational excellence and competitive positioning. The Company's strong supply chain infrastructure and experienced management team have been instrumental in building the capabilities required to meet international trade standards.

The three-month fulfilment period reflects Aumake's preparedness to handle complex export operations efficiently while ensuring the highest levels of quality and compliance. This operational strength positions Aumake as a trusted partner for future agreements with Yangtze River and other Chinese SOEs.

Strategic Importance of the Agreement

This transaction represents a transformative step in Aumake's business strategy, providing a pathway to sustained growth and diversified revenue streams. By focusing on premium agricultural products, Aumake is addressing global market demands while positioning itself for long-term success.

The agreement also underscores Aumake's commitment to delivering value for its stakeholders through operational excellence and strategic partnerships. As the Company continues to build its presence in the Chinese market, it is well-positioned to capture new opportunities and deliver sustainable returns for its shareholders.

Future Opportunities and Growth Potential

This initial binding purchase order marks the beginning of a long-term partnership between Aumake and Yangtze River. Consistent order flow is anticipated as the relationship deepens, supported by:

- Strengthened ties between Aumake and Yangtze River, underpinned by shared strategic goals.
- The favourable timing of the Lunar New Year, which typically drives increased demand for imported goods in China.
- Broader economic trends, including improving Australia-China trade relations and the growing appetite for premium agricultural imports.

Aumake's strategic focus on high-margin product categories, including health supplements, dairy products, and beef, aligns with its objective to achieve profitability in FY25. This agreement not only provides immediate revenue opportunities but also enhances Aumake's ability to scale its operations and secure additional agreements with other Chinese SOEs.

Aumake's Managing Director, Joshua Zhou, commented:

"This binding purchase order is a significant milestone for Aumake, marking the beginning of a strong partnership with Yangtze River and solidifying our presence in the Chinese market. It reflects confidence in our ability to deliver premium Australian products efficiently while positioning the Company for sustainable growth as we progress towards achieving our long-term financial objectives, including profitability in FY25."

Yangtze River's General Manager, Wang Yongfen, commented:

"We are delighted to partner with Aumake as part of our commitment to sourcing premium, high-quality products for the Chinese market. This initial purchase order reflects the strong alignment between our organisations and the trust we place in Aumake's ability to meet our expectations for quality, efficiency, and reliability. We look forward to a fruitful and expanding collaboration in the years to come."

Authorised by the Board of Aumake Limited.

Joshua Zhou
Managing Director

About Aumake

Aumake Limited (ASX: AUK) is a company with strong brand acceleration and sales capabilities, positioning it as a pioneer in delivering high quality brands and products from Australia and New Zealand to the Asia market.

Forward Looking Statement:

This announcement may contain forward-looking statements, including statements regarding: plans, strategies and objectives of management; anticipated revenue, products, and stores; operating costs; Chinese tourism; Governmental policies and preferences (both Australian and Chinese).

Forward-looking statements can be identified by the use of terminology such as 'intend', 'aim', 'project', 'anticipate', 'estimate', 'plan', 'believe', 'expect', 'may', 'should', 'will', 'continue', 'annualised' or similar words. These statements discuss future expectations concerning the results of operations or financial condition, or provide other forward-looking statements.

These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this presentation. Readers are cautioned not to put undue reliance on forward-looking statements.

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Past performance cannot be relied on as a guide to future performance.