

Market update

(**Sydney, Australia**) – AuMake International Limited (“**AuMake**” or the “**Company**”) wishes to provide a further update in relation to developments as a result of Novel (new) coronavirus (2019-nCoV).

Since the Company’s market update announcement on 28 January 2020, restrictions have been placed on travel by Chinese visitors to and from Australia & New Zealand. These temporary restrictions will materially impact the Company’s earnings.

At this stage, the Company is unable to provide a definitive timeframe as to when these restrictions will be lifted. However, based on industry consultation, including an understanding that a proportion of travel bookings to Australia & New Zealand will not be cancelled but rather deferred, the Company believes that the situation will only have a temporary impact on the AuMake business.

Whilst these travel restrictions are in place, the Company will implement cost mitigation measures including closing/reducing trading hours of certain stores, placing some staff on leave and standing some staff down, deferring all non-essential expenses and working with all strategic partners to adequately manage the Company’s cash position for the foreseeable future.

The implementation of these measures gives the Company sufficient scope to await a return to usual business conditions.

AuMake store network performance since onset of virus

The Company is also pleased to advise that the online and local customer (daigou) segments of the AuMake business have responded positively since the onset of the virus, providing an ongoing source of revenue to the Company and partially offsetting the temporary decline of tourist related revenue:

- From 28 January to 10 February 2020 (14 days) online sales have exceeded \$1 million compared to \$0.46 million for the period 1 to 27 January 2020; and
- Total sales (online & offline) during this Chinese New Year (CNY) period (24 January to 8 February 2020) have also increased 66% vs CNY 2019 (including a marked increase in sales of facial masks, sanitisers and immunity related health supplement products).

With the implementation of cost mitigation measures, the ongoing contribution of non-tourist related segments of the AuMake business and the benefit of Broadway’s experience in successfully managing SARS in 2003, the Company is confident that it is well positioned to assess any potential consolidation in the Asian tourist industry.

Furthermore, the Company will benefit in the long term as it brings forward planned, as well as new, cost efficiency initiatives as a result of the coronavirus challenges.

The Company will continue to update the market as material information emerges.

ENDS

This announcement has been authorised for release on behalf of the Board by Keong Chan, Executive Chairman of AuMake International Limited.

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