

Update online response to COVID-19

(**Sydney, Australia**) – AuMake International Limited (**AuMake** or the **Company**) wishes to provide a further update to the market in relation to its online response to COVID-19.

On 28 January 2020, the Company identified the potential disruptive impact of novel coronavirus on travel of Chinese tourists and immediately invested additional resources to grow its online channels to reach customers in China.

The result of this investment has seen the Company's average daily online sales increase steadily with a one-day record of \$237,000 in online sales achieved on 19 March 2020 (the previous record of \$173,000 was achieved on 2 February 2020). Owned and exclusive brand online sales have also grown materially during this period delivering higher margins.

The increase in online sales has materially offset the reduction in offline sales with the temporary closure of all but four AuMake stores, which remain trading at pre-COVID-19 sales levels.

Through an analysis of sales data over the last three months, consultation with the Company's network in China and a favourable AUD/RMB exchange rate, Chinese demand for Australian health related products is observed to be robust, providing a level of insulation against the domestic retail environment in Australia.

In recognition of the increasingly important role of online, AuMake has also assessed existing physical channels to China in consultation with its logistics providers and confirms that these channels remain open for the foreseeable future.

AuMake is closely monitoring the rapidly changing environment and has put in place mitigation strategies across its supply chain to allow the business to respond dynamically in the event of material change. As an example, a large proportion of the Company's offline customers are being transferred to its online database to allow those customers to continue purchasing online should there be a requirement to temporarily close the remaining four stores during the COVID-19 crisis.

With its strong balance sheet, operational flexibility and continued performance of online sales, the Company reconfirms its ability to navigate the remainder of CY20 and will continue to update the market as necessary.

ENDS

This announcement has been authorised for release by the Board of AuMake International Limited.

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