

Growing Chinese customer database and online performance update

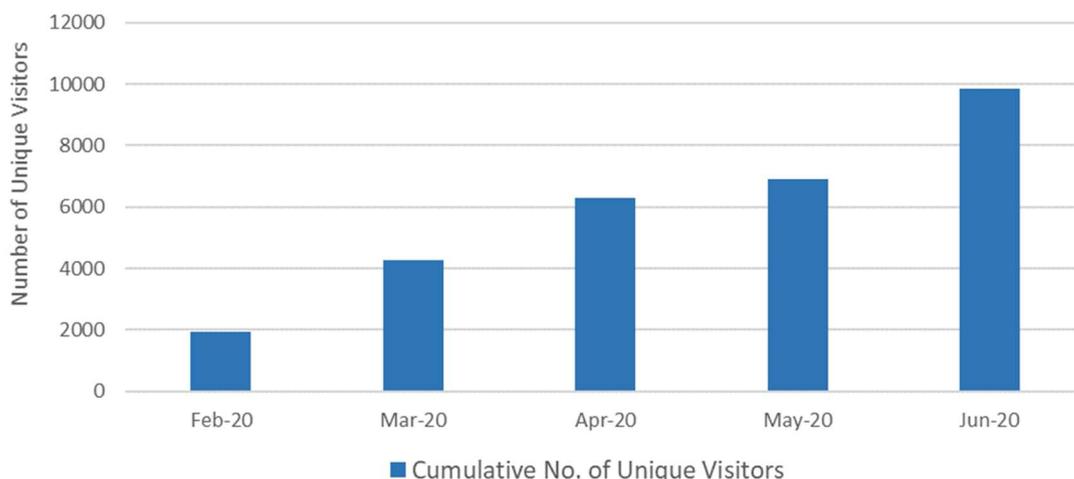
Sydney, Australia – AuMake International Limited (**AuMake, AU8** or the **Company**), a specialist retailer providing a contemporary shopping experience to Asian customers seeking high-quality and authentic Australian and New Zealand products, is pleased to provide the following update in relation to its online strategy and growing database of Chinese customers.

Highlights

- The Broadway Online platform has experienced growing demand since its launch in February 2020 with **approximately 10,000 unique visitors**, driving online purchases from over 1000 individual China-based consumers
- Purchase volumes have been increasing rapidly with **more than 3,000 unique visitors to the Broadway Online platform in the last two weeks of June**
- The focus on higher margin products through via Broadway Online platform and AuMake Online platform has resulted in **a lift to the online gross margin to 21% (87% increase pcp)** for the June quarter delivering a **21% lift in online gross profit pcp**
- AuMake continues to build its online database of more than **40,000 unique visitors**. The database allows direct marketing of new, high-quality products to customers located in China and provides an important and differentiated future source of sales growth for AuMake
- AuMake has re-opened three stores across metropolitan Sydney and is experiencing an increase in foot traffic across its physical store network
- AuMake will continue to make further investment decisions to accelerate online growth and contemporise customer physical store experience with significant changes to store layout, presentation and product category expansion

Broadway online platform

Broadway Online Platform





The Company is pleased to advise that since launch of the new Broadway Online platform in February 2020, ~10,000 unique visitors consisting of Chinese travel agencies and end consumers in China, visited the platform, with over 3000 unique visitors in the last 2 weeks of June due to a refreshed user interface and marketing promotions.

Data analysis has revealed that approximately 10% of unique visitors made a purchase at least once (3% of unique visitors were repeat purchasers), resulting in more than 3,000 parcels being shipped to 32 provinces in China, ranging from first to third tier cities. Over 40% of sales comprised of high margin owned and exclusive brand products, particularly in the health supplement category.

The Broadway Online platform provides the foundation for future high-margin products and sustainable online growth, which does not directly compete with other large existing online platforms that predominantly focus on lower margin high-volume products, such as infant formula and well-known health supplement brands.

The Broadway Online platform will be a permanent feature of the AuMake business and will complement the eventual return of Asian tourists to the Company's physical stores. The Broadway Online platform also complements the existing AuMake Online platform, which primarily targets daigou customers in China and Australia.

Total online performance

Growth of the Broadway Online platform, alongside a renewed focus on the promotion of new higher margin products via the existing AuMake Online platform, has led to a material improvement in the Company's online financial performance.

For the June 2020 quarter, online gross margin increased to 21% (up 87% pcp) which resulted in an increase in total online gross profit growth of 21% pcp.

Database

AuMake's online presence (Broadway Online and AuMake Online) leverages the Company's growing database of over 40,000 unique visitors. The database has been compiled through the collection of online and in-store customer data and sales conversion.

AuMake's database provides a deep target pool for direct online marketing of new high quality and high margin products. The ability to utilise existing customer data for marketing outreach will deliver an increase in repeat online purchasing from customers located in China and delivers an important and differentiated source of future sales growth for AuMake.

Physical store network re-opening

In addition to growing online sales, AuMake has been progressively re-opening its physical store network in the Sydney metropolitan area.

AuMake suspended all in-store trading on 30 March to protect the safety of staff and customers, ensuring compliance with Government social distancing guidelines in the wake of COVID-19. Given the easing of COVID-19 restrictions and increasing foot traffic, the Company has been progressively re-opening physical stores from 11 May 2020, and currently has three venues open across metropolitan Sydney.

The Company is pleased to advise that trading activity for these stores have been better than expected with volumes in June approximately 2x the volumes experienced during May.

AuMake is in the process of planning and implementing significant changes to contemporise the customer physical store experience with significant changes to store layout, presentation and product category expansion.



Further information regarding online and physical store performance will be provided in the June 2020 quarterly report.

AuMake Executive Chairman, Keong Chan said “The Company is extremely pleased with the early results of its renewed online strategy. Our growing database and improved online experience allow us to reach a vast number of customers in China via our trusted travel agent relationships. Brand Australia is still very strong in the minds of the Chinese consumer.

We are totally committed to innovation, providing a contemporary experience to our online & physical store customers and providing quality products and are excited by the opportunities available to meet and exceed the changing retail tastes of the Chinese customer.”

ENDS

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

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About AuMake International

AuMake is a specialist retailer providing a contemporary shopping experience to Asian customers seeking high-quality and authentic Australian and New Zealand products, The Company operates 15 lifestyle stores under the AuMake and Broadway brands, strategically located on Australia’s east coast and in New Zealand. Its physical stores cater to organised inbound tour groups, leveraging established relationships in the Asian tourism industry with a product range tailored to Asian tourist and local Asian shopper desire for authentic premium products across skincare, health supplements, wool, honey and clothing. The Company’s physical store network is complemented by a growing online presence through Broadway Online platform. Its online network specifically targets the delivery of repeat product sales to tourists who have previously visited AuMake’s physical stores and potential customers via its travel network partners in mainland China.