

CHAIRMAN'S ADDRESS

28 November 2017

Ladies and Gentlemen thank you for attending the AuMake International Limited (**AuMake** or the **Company**) Annual General Meeting.

AuMake listed on the ASX on the 5th of October 2017 and in the eight weeks since that date, the Company has executed the following key strategies:

- The acquisition of the Health Essence trademark to provide a premium health supplement alternative to our customers;
- The acquisition of Jumbuck Australia Pty Ltd and the UGG AUS trademark to provide the Company with wool products as a fourth pillar in terms of core product categories;
- The establishment of a strategic alliance with Australian Made Campaign Limited which provides the Company with access to over 2,700 genuine Australian suppliers and allows AuMake to promote this alliance to our customers who deeply value such an association; and
- An investment to establish a support team in Xiamen, China to facilitate growth of our existing and growing number of China based daigou by providing sales and after sales support.

Since June 2017, AuMake has featured prominently across all forms of media including print, online and television, which has helped position the Company as a leading authority on matters relating to daigou and Chinese tourists.

AuMake works closely with reputable organisations in the daigou and Chinese tourist markets ranging from those in government, suppliers, consultants, buyers and logistics companies which provides us with an un-paralleled understanding of these markets in an Australian context. We use this information to provide a stable and flexible platform for our stakeholders to connect with the daigou and Chinese tourist markets, in light of any regulation changes. To this end, the Company is currently working on initiatives to further strengthen the stability of this platform and route to the market in China.

Increased media coverage has also helped develop an understanding about daigou and communicate to the general public that daigou are a permanent and positive feature of Australian society. Daigou contribute to our economy by playing a crucial role in connecting Australian suppliers with the Chinese market. Judging by the overwhelming response we have received from all our stakeholders - Australian suppliers, investors, daigou and Chinese tour guides - this message is certainly gaining traction.

Whilst there is significant interest and focus on the daigou market in Australia, we believe that the Chinese tourist market has the potential to be equal to the daigou market in terms of new brand promotion and raw purchasing power. Current statistical information points strongly towards increasing numbers of Chinese tourists visiting our shores over the coming years which AuMake is positioned well to capitalise upon. AuMake will aim to achieve a 50/50 split over the medium/long term in our investment between the Chinese tourist and daigou parts of our business. This balance provides the Company with flexibility within the overall context of the Chinese market and adds further diversification for our business as we move forward.

Our George Street flagship store in Sydney's CBD opened yesterday and was well received by the customers, Australian media and Chinese media including a livestream to China where over 8 million viewers watched the opening. Our George Street store is another landmark moment for our business and I welcome all investors and stakeholders to take the time to visit the store. The look and feel of the store is something we will be taking forward as we expand our retail network and yesterday was a wonderful start for our newest addition to the AuMake network. We look forward to maintaining this momentum into the future.

The Company has scheduled the opening of a further three (3) stores in Sydney over the next three (3) months in Haymarket, Auburn and Burwood, which will bring our total store network to nine (9). Further information in relation to these new stores will be provided as we get closer to the opening dates including some exciting new concepts which have the potential to change the way in which daigou engage with Australian suppliers via AuMake.

The Company intends to maintain the current pace of expansion to position the Company as the leading brand in the Sydney market. The Company will support this leading position in Sydney with further store locations in Brisbane, Gold Coast and Melbourne. In addition to the growth of the Company's 100% owned stores, the Company is assessing opportunities to further increase the rate of expansion of the AuMake brand and sales of AuMake owned products, whilst minimising capital commitment.

An increase in our retail store network will increase AuMake's brand penetration within the daigou and Chinese tourist markets and facilitate growth in sales and gross margin. In addition, it will also aid in increasing the adoption rate of new brands and products including those owned by AuMake, which we are already beginning to see good progress on within our existing stores.

As has been stated in previous announcements, AuMake is advancing discussions in relation to the acquisition and creation of new products and brands in the four 'pillar' product categories of wool, healthcare, skincare and milk formula. The Company will update the market when appropriate in relation to these matters.

The Company is continuing to make significant in-roads into the improvement of underlying profitability of the AuMake business with overall gross margin improvement since July 2017 including the current month of November 2017. Our board and management understand the importance of underlying profitability, whilst acknowledging the need to invest now for the future.

I am in the privileged position of being able to observe our management team and staff, led by Managing Director Joshua Zhou and ably supported by Chief Financial Officer Peter Zhao, who along with the rest of the AuMake team work tirelessly to achieve our strategic goals. I would like to take this opportunity to formally acknowledge their efforts.

I am proud that AuMake is a company based on transparency, innovation and unwavering work ethic, the combination of which has the potential to significantly and positively impact the way that Australian suppliers engage with the Chinese market and vice versa. The board believes the path that lies ahead for AuMake is certainly bright.

Finally I wish to thank our current and future shareholders for their support as AuMake continues to execute its growth strategies, with the aim of being the pre-eminent daigou and Chinese tourist retail store brand in Australia.

Yours Sincerely,



Keong Chan
Executive Chairman

