

CHAIRMAN'S LETTER

Extracted from Prospectus dated 13 December 2017

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Dear Investor,

AuMake International Limited (“**AuMake**” or the “**Company**”) by this Prospectus has undertaken a capital raising of up to \$20,097,271 (before costs) (Entitlement Offer). Please read the prospectus carefully for further details regarding the Entitlement Offer.

On completion of the Entitlement Offer, the Company expects to be fully funded to take the AuMake business forward and hopes to develop it into a significant presence in the daigou and Chinese tourist retail markets.

Our Board has determined that it is the right time for AuMake to take advantage of its first mover status and implement accelerated growth strategies in an attempt to bring to reality its objective of becoming the pre-eminent daigou and Chinese tourist retail brand in Australia.

With the scalability that this capital raising affords, our vision is to entrench the AuMake brand as the first port of call for daigou who live in Australia and for each Chinese tourist who visits Australia, when they are looking to purchase genuine Australian products.

We firmly believe that with the implementation of our growth plans, including leveraging our deep relationships with Chinese tour guides and the execution of comprehensive WeChat marketing campaigns both in Australia and China, that the majority of Chinese tourists who visit Australia are likely to be aware of the AuMake brand prior to their trip and are equally likely to visit one of our stores at least once during their stay.

Similarly, for the majority of daigou in Australia, our intention is to have an AuMake store in close proximity in their local communities, to provide them with benefits such as price competitiveness, supply stability, payment convenience and logistics, all of which are provided with a familiar touch. From our experience, daigou form longstanding and loyal relationships with our store managers who in turn look after their product requirements and also introduce them to new Australian products.

Our bricks and mortar retail stores provide a convenient place for our customers to meet and talk with us about their needs which leads to the establishment of a relationship based on trust. Once a relationship is established, the majority of our customers migrate their purchasing method from in-store to online via our WeChat groups whether they continue to live in Australia or choose to return to China.

The transition of our customers from in-store to WeChat and the level of trust that is developed during this process in the AuMake brand, is fundamental to the growth of our business. Via WeChat these personal relationships can be fostered in Australia but also extended back to China, should our customers or staff choose to return to their country of origin, which provides AuMake with vast distribution opportunities.

AuMake is in the formative stages of its development but is seeing strong growth in its sales and profitability. Since our listing, we have been primarily the same business as we were before our listing with our five (5) existing stores but have almost doubled revenue and gross profit since July 2017.

The Board believes that this suggests that our growth strategies are gaining traction, which in conjunction with financial and operational discipline, have provided us with the capability to extract significant value from our business. We expect that this is likely to increase as we expand our retail distribution network. In this regard, the Company is acutely aware of the need to balance the rate at which we expand our retail store network with financial and operational discipline, in order to maintain positive momentum in its earnings whilst AuMake is in an accelerated growth phase.

In addition, we expect overall gross profit margins to increase further as we: expand our retail store network, particularly those that focus on Chinese tourists; increasing the adoption rate of AuMake owned brands; and establishing better trade terms with our suppliers that comes with improved purchasing power.

Lastly, we are fortunate to have the flexibility to promote and own multiple brands within our distribution network in an ASX listed context, which provides our Company and shareholders with significant upside.

The Board intends to confer with the Underwriter in relation to the allocation of the shortfall with a view to ensuring that appropriate consideration is given to current shareholders, in further recognition of their existing support for AuMake. However, the shortfall allocation is also being made available to the general public.

Shortfall applications can be made via www.aumakeinvestors.com.au from the Open Date (scheduled 20th December 2017). It is intended that preference will be given to shortfall applications in order of receipt.

The Company wishes to take this opportunity to thank existing and future shareholders for their continued support, as AuMake takes this step in creating a new retail channel to China.

Yours Sincerely,



Keong Chan
Executive Chairman

