

AuMake announces strategic partnership with Chemsave to increase distribution and brand reach via a network of 150 member pharmacies across Australia's east coast

AuMake International Limited (**AuMake**) is pleased to announce the execution of a Heads of Agreement on the 7th of April 2018 to form a strategic partnership with Chemsave. Chemsave is 100% Australian-owned and operated with a network of 150 member pharmacies in Queensland, New South Wales, ACT, Victoria and South Australia in addition to its online platform www.chemsave.com.au.

The strategic partnership will initially focus on the distribution of AuMake own branded products (initially Health Essence health supplements and Medigum Honey with further own branded products to follow) in Chemsave member pharmacies and cross-promotional marketing initiatives such as print advertising in Chemsave catalogues and live-streaming in-pharmacy using AuMake video streaming capabilities. However AuMake and Chemsave have identified and are both committed to implementing future strategies involving the entire supply chain to realise further value from this long-term alliance.

Partnering with Chemsave provides AuMake with immediate and significant brand exposure and distribution expansion for AuMake owned products in up to 150 locations throughout the east coast of Australia. In addition and importantly, having AuMake products in Chemsave, a well-known and trusted Australian pharmacy, reinforces the credibility of the AuMake owned products with daigou and Chinese tourists.

AuMake will actively promote the Chemsave brand to the daigou and Chinese tourist communities as a destination-of-choice and as an alternative to other recognised pharmacy networks targeting these customers. Cross-promotional activities are anticipated to increase daigou and Chinese tourist visitation to Chemsave member pharmacies and increase the awareness of the Chemsave brand in China, which will further benefit AuMake's brand exposure and reach.

The initial term of the HOA is on a two (2) year basis with an option to extend for another two (2) years on a mutually agreed basis. Termination may occur on a mutually agreed basis with a three (3) month notice period in addition to standard termination clauses relating to unlawful/ fraudulent activity or a bankruptcy event whereby termination is immediate.

Commenting on the announcement AuMake Executive Chairman, Keong Chan said: *"AuMake is thrilled to have formed this strategic partnership with Chemsave, which is a significant milestone for AuMake. We have demonstrated success in introducing and growing sales of new and own branded products to daigou and Chinese tourists utilising our own distribution network and this partnership with Chemsave allows us to significantly expand the reach of our products across Australia and to reinforce the legitimacy of AuMake products with our customers via a well-regarded pharmacy network. This is not simply a distribution agreement but a long-term mutually beneficial strategic alliance with Chemsave to become the primary destinations for daigou and Chinese consumers in the Australian market."*

Chemsave CEO Michael Dixon added: *"Over the last year, we have had the opportunity to meet a number of groups with a view to forming a partnership that will allow us to grow our members' businesses and increase our presence with the important and influential Chinese consumer. At our initial and subsequent meetings with AuMake, we were very impressed with their professionalism and strategic outlook to create a new force in the Australian market. We are delighted to be entering into this strategic partnership with AuMake and can see the benefits for our member pharmacies as well as the Chemsave brand."*

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About AuMake

AuMake International Limited is an ASX listed retail company connecting Australian suppliers directly with daigou and Chinese tourists.

AuMake engages with the growing and influential daigou and Chinese tourist markets, by offering a one-stop-shop retail network. This includes a range of Australian products across four main categories including:

- healthcare (supplements and food)
- skin, body care and cosmetics
- dairy products and baby food (including infant formula)
- wool and leather products.

Customers of AuMake value the full service offering which includes knowledgeable bilingual staff, multiple payment options (including WeChat, Alipay and Unionpay) and an in-store logistics service for the delivery of products to anywhere in the world including China.

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