

AuMake adds Herbsmart to owned brand dairy product portfolio

- Ownership of an initial 50% interest in Herbsmart, including all brands and associated trademarks, with an option to acquire a further 40%
- Herbsmart to develop innovative products for China's ageing population which combine the health benefits of natural supplements and milk
- Herbsmart is AuMake's first owned brand dairy product
- Herbsmart's *Valerian Milk* product will be promoted on China's JiaJia TV shopping channel (viewership of 385 million people, predominantly aged 60+) by the end of September 2018

(Sydney, Australia) - AuMake International Limited (“**AuMake**” or the “**Company**”) is pleased to announce the ownership of 50% of Herbsmart Pharmaceutical Pty Ltd (**Herbsmart**), including all associated brands and trademarks, with an option to acquire a further 40%. The addition of Herbsmart further expands the Company's portfolio of diversified owned brands and is the first to be included within its dairy category.





Herbsmart's range consists of innovative milk products with planned product development, contemporary design and packaging to focus on the needs of China's ageing population.

Stocked in AuMake since October 2017, the Herbsmart brand is growing in awareness among the daigou and Chinese tourist markets, and in particular Herbsmart's *Valerian Milk* product.

Herbsmart *Valerian Milk* uses valerian root and other natural supplements that are specially formulated to aid sleep, which is combined with milk powder.

As announced on 3 September 2018, AuMake has a relationship with China's JiaJia TV shopping channel, which has a national viewership of approximately 350 million people, predominantly aged over 60. JiaJia have expressed significant interest in the attributes of Herbsmart *Valerian Milk* and the product is scheduled to go to air by the end of September 2018.



Transaction Terms

Herbsmart Pharmaceutical Pty Ltd (ACN 612 576 860) owns 100% of the Herbsmart brands and trademark. Newera Australia Pty Ltd (ACN 139 341 156) (Newera) a 100% held subsidiary of AuMake, owns 50% of Herbsmart Pharmaceutical Pty Ltd, with the vendor owning the remaining 50%.

AuMake's 50% ownership of Herbsmart Pharmaceutical Pty Ltd is at nil cost in recognition of the Company's contribution to the development of the Herbsmart brand. AuMake will be responsible for marketing and distribution activities while the vendor will handle research and development, along with manufacturing of Herbsmart products.

Under the Share Sale Deed, from 14 September 2020, Newera has the option to acquire a further 40% of Herbsmart Pharmaceutical Pty Ltd from the vendor via the issue of AuMake fully paid ordinary shares. The vendor will continue to retain the remaining 10% of Herbsmart Pharmaceutical Pty Ltd.

Should AuMake choose to exercise this option, the methodology used to value the 40% interest in Herbsmart Pharmaceutical Pty Ltd will be calculated at 24% of the annual sales of Herbsmart branded products prior to ownership, satisfied via the issue of AuMake fully paid ordinary shares at an issue price based on a 30-day volume weighted average price.

Executive Chairman Keong Chan states

"Our observation of current trends and market feedback from our customers in Australia and China indicates that a significant opportunity exists for AuMake to develop a range of products, starting with the *Valerian* milk product, which combine the health benefits of natural supplements and milk."

"Our initial joint ownership and opportunity to acquire more of Herbsmart provides a strategic opportunity for us to develop niche products to meet an identified need within the Chinese consumer market, with 241 million Chinese over the age of 60 and that number expected to rise to 487 million by 2050*."

"We have confidence in making trend creating acquisitions like Herbsmart, given AuMake's proven ability to build momentum in the popularity of products within the daigou and Chinese tourist markets in Australia, and to identify distribution channels in China that can use that product momentum to ultimately reach the consumer directly in market."

-Ends-

* <https://gbtimes.com/chinas-elderly-population-continues-to-rise>

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.

aumake.com.au

INVESTORS

Keong Chan, Executive Chairman
keong.chan@aumake.com.au

MEDIA

Lynn Semjaniv, Sauce Communications
lynn@saucecommunications.com.au
or 0481 004 797



Twitter: [@AuMakeAus](https://twitter.com/AuMakeAus)
Instagram: [@aumake](https://www.instagram.com/aumake)
LinkedIn: www.linkedin.com/company/aumake



AuMake
International Limited