

Exclusive strategic agreement between AuMake and leading Chinese e-commerce platform JD Worldwide

Highlights

- AuMake to be JD Worldwide's **exclusive strategic retail store partner** in Australia and New Zealand
- JD Worldwide is the cross-border division of JD.com, one of the largest e-commerce platforms in China with sales revenue of 362 billion RMB (AUD\$72.4 billion) and 313.8 million active user accounts
- Partnership will leverage JD Worldwide's online and logistics capability in China with AuMake's retail store capability in Australia, to create a seamless new channel for Australian and New Zealand products to reach Chinese consumers
- JD Worldwide to fully support AuMake's existing online flagship JD Worldwide store with **initial sales target of 10 million RMB (A\$2 million) per month with exponential growth potential**
- Mirrors existing exclusive relationship between Alibaba's TMall and Chemist Warehouse
- The AuMake business is developing a **multi-channel platform** (which now includes the exclusive channel with JD Worldwide) to provide a foundation for **significant revenue growth and sustainable gross margins of 25-30% within 12 months**



Mr Joshua Zhou, Managing Director, AuMake International Limited (left) Mr Tian Zheng Dong, Global Business Development Director, JD Worldwide (right)



(Sydney, Australia) – AuMake International Limited (AuMake or the Company) is pleased to announce the signing of an exclusive strategic agreement with JD Worldwide (www.jd.hk), a division of JD.com, which is responsible for the company's cross border e-commerce division.

JD.com is one of the largest e-commerce platforms in China with 2017 sales revenue of 362 billion RMB (A \$72.4 billion), 313.8 million active user accounts and a market capitalisation of 35 billion USD (A\$47.5 billion). In addition, JD.com owns an end-to-end logistics network in China with distribution centres in 28 cities and more than 550 warehouses.

Through this partnership, AuMake and JD Worldwide aim to capitalise on the current opportunity that exists in identifying and promoting new Australian and New Zealand brands and products in China.

The key principles of the strategic agreement include:

- i JD Worldwide and AuMake International Limited to form an **exclusive strategic agreement** to cooperate, explore and lead industry development in Australia and New Zealand.
- ii To **combine JD Worldwide's online and logistics capability in China with AuMake's retail store and brand building capability in Australia**, to create a seamless retail store/online platform that will provide a new channel for Australian and New Zealand products to reach the Chinese market.
- iii Both parties to combine resources to **incubate and develop new brands** and provide support to Australian and New Zealand suppliers/merchants to promote their brands in the Chinese market, creating an end-to-end ecosystem for the delivery of Australian and New Zealand products to Chinese consumers.

Pursuant to the broad principles of the strategic agreement, AuMake and JD Worldwide are in discussion on the following initial implementation steps:

1. AuMake to connect existing and future retail store customers to the AuMake online flagship JD Worldwide store on JD.com to assist in the development of **repeat sales**.
2. **JD Worldwide to actively channel** existing and future online Australian and New Zealand product enquiries to the AuMake online flagship JD Worldwide store on JD.com.
3. JD Worldwide to provide AuMake with access to its warehouse and dispatch logistic network in China, which will **streamline product delivery** to consumers in China.
4. Respective responsibilities:
 - a) AuMake – initial engagement, screening, distribute via preferred partners, promotions through KOLs and provision of retail store marketing support for new Australian and New Zealand brands and products.
 - b) JD Worldwide – online operation, diversification of sales sources, connection of sales systems, warehousing systems, distribution systems, logistics and promotion of new Australian and New Zealand brands and products in China.
5. The parties to **jointly develop and co-own products** to be exclusively sold on the JD Worldwide online platform (including AuMake's online flagship JD Worldwide store) and in AuMake's retail stores in Australia.



JD Worldwide Global Business Development Director, Mr Tian Zheng Dong states:

“JD Worldwide has been observing the Australian market for some time and we are delighted to have entered into this arrangement with AuMake to be our exclusive retail store partner in Australia.

As one of the pre-eminent e-commerce platforms in China, we recognise the importance of having a strong retail store distribution network in Australia in order to create initial brand recognition within the Australian market. We acknowledge and congratulate AuMake on what they’ve been able to achieve so far and their strategic plans for growth in the future. This agreement with AuMake will allow us to source genuine Australian and New Zealand products, and by using our logistics network, we are able to guarantee authenticity to our customers.

JD Worldwide and AuMake will share resources to promote new brands and products to the Chinese market and will also create co-owned brands. JD Worldwide will also use our sophisticated logistics and distribution network to provide a complete end-to-end solution for brands and customers.

We look forward to providing our full support to AuMake’s flagship online JD Worldwide store and supporting the retail store growth across Australia with our complementary skills online in China.

We intend to initiate implementation immediately, and upon full integration, we have targeted sales of no less than 10 million RMB (A\$2 million) per month, with exponential growth potential.

In addition, we believe that as we continue to grow with AuMake, both our companies have the opportunity to establish dominant positions in the multi-billion dollar market that exists driven by demand from Chinese consumers for Australian and New Zealand products.”

Commenting on the strategic agreement with JD Worldwide, AuMake Executive Chairman, Keong Chan states:

“This is a company changing event for AuMake and confirms the value that we have created so far via our retail store distribution network in Sydney. Under this collaboration with JD Worldwide, AuMake will now be able to reach **hundreds of millions of customers in China** with new brands and products, including brands and products owned by AuMake.

Our arrangement with JD Worldwide goes beyond a normal storefront on JD.com which is used by many companies around the world. AuMake’s relationship through this exclusive strategic agreement will **allow us to work with the JD.com business itself**, giving us access to all the resources at their disposal.

As we expand our retail store footprint across Australia and New Zealand, we anticipate this traffic to also increase with JD Worldwide’s support and together we believe we can fundamentally change the way in which Australian and New Zealand products reach the Chinese market.

We note the existing exclusive relationship between Alibaba’s TMall and Chemist Warehouse, and how our arrangement with JD Worldwide mirrors their arrangement, with all the benefits that follow in terms of customer reach and financial performance.

Local Australian pharmacies and supermarkets were never designed to cater for daigou or Chinese tourists. AuMake is the only company currently in Australia and New Zealand with the capabilities and capacity to services these influential markets, in terms of engaging them with new brands and products. This capability will now be significantly enhanced by this strategic agreement with JD Worldwide.



AuMake and JD Worldwide are a perfect fit, with complementary cultures and business outlooks. We look forward to building a long term mutually beneficially relationship with JD Worldwide that will deliver great benefits for our shareholders, customers and Australian suppliers.

This latest development with JD Worldwide is another important step in the development of AuMake's **multi-channel platform in Australia**. We are combining online and retail store concepts to reach the Chinese market, which follows a recent trend in China from the likes of Amazon and Alibaba's TMall, who have recognised how important retail stores are when it comes to promoting new brands and products to Chinese consumers.

A multi-channel approach means that AuMake is not reliant just on the daigou market or a single infant formula brand but a diversified customer and brand base with over 700 current brands, any of which may be acquired in the future and added to our owned brand product portfolio.

Our multi-channel approach will provide a foundation for **significant revenue growth and sustainable gross margins of 25-30% within 12 months**. AuMake's next phase is tremendously exciting and we look forward to our shareholders and Australian/New Zealand suppliers benefiting from our growth in Australia and China."

Please find below an English translated version of JD Worldwide media release in relation to this exclusive strategic agreement with AuMake.

-Ends-

澳大利亚跨境零售领军企业澳卖客进军中国与京东“海囤全球”独家合作

Leading Australian Cross Border E-commerce company
AuMake International Ltd chooses JD Worldwide as their
exclusive strategic partner

京东黑板报 JD Social media 10-12-2018

12月8号，京东旗下全球直购平台“海囤全球”与澳卖客在悉尼签署澳新独家跨境直邮合作备忘录，双方将在海囤全球澳卖客店铺建设、品牌孵化以及建立平台分销合作生态体系等方面展开深度合作。

Sydney 8 December 2018 - JD.com's cross border platform JD Worldwide's (www.jd.hk) and AuMake International Ltd (AuMake) signed an exclusive strategic partnership agreement regarding cooperation, exploration and to collaboratively lead industry in the development of AuMake flagship stores, brand development and incubation, and an end-to-end ecosystem for the delivery of Australian and New Zealand products to Chinese consumers.



- ▲ Left in the picture: Joshua Zhou, founder and MD of AuMake International Ltd
- ▲ Right in the picture: Zhen Dong Tian, Global Business Development Director of JD Worldwide

澳卖客是以代购和中国旅游市场业务为主的跨境零售商，为澳大利亚主板上市公司。目前在悉尼有13家线下商店，其业务正在扩展到其他澳大利亚城市和地区，以推广700多家的澳大利亚和新西兰供应商、品牌，其中包括澳卖客自有品牌产品。

AuMake is an ASX listed company in the daigou and Chinese tourist markets with 13 offline stores currently in Sydney with growth strategies to expand into other Australian states to promote over 700 genuine Australian and New Zealand suppliers/brands including AuMake owned brand products.

在签约仪式上，澳卖客创始人兼董事总经理周家华表达了与海囤全球签订独家战略合作的愿景：“京东是中国最大的电子商务平台之一，京东旗下的海囤全球是海外品牌进入中国市场的理想合作伙伴。双方期待奉行互利共赢的开放战略，旨在搭建澳洲新品牌在中国市场的重要推动平台和线上线下经济增长的稳定动力渠道，积极创造一个澳洲新品牌在中国拓展商机的活力大市场和孵化生态圈。”

Joshua Zhou, the founder and managing director of AuMake, expressed his vision for this exclusive strategic partnership with JD Worldwide: As one of the largest e-commerce platforms in China, JD Worldwide has become an ideal partner for overseas brands planning to enter the Chinese market” Joshua also said: “The two parties look forward to establishing a mutually beneficial and win-win relationship, aiming to build an important driving platform for new Australian brands entering the Chinese market. This channel is a combination of on-line and off-line economic growth, and creates an ecosystem incubating new Australian brands and introducing them to Chinese consumers.”



▲ The signing ceremony took place during AuMake's 2018 Shopping Fiesta at Shangri-La Hotel, Sydney.

海囤全球作为京东旗下全球直购平台，在原来京东全球购的基础上，进行了直采、品控、物流、用户体验、售后服务、商家赋能的全面升级。自2018年开始，海囤全球已先后在日本、韩国开设直采中心，并将在北美、欧洲、澳新等地相继开设直采中心。

澳卖客作为澳洲大健康产业的先驱，与许多海外品牌一样，选择海囤全球作为中国市场的战略合作伙伴，不仅是看重京东的强大平台影响力和海量优质用户资源，同时相信通过用户运营、精准营销、大数据等层面的深度合作，海囤全球将帮助更多品牌快速打开中国消费市场，为消费者带去全球优质好物。

As the global direct procurement platform of JD.com, JD Worldwide has carried out a comprehensive upgrade of procurement, quality control, logistics, user experience, after-sales service and business empowerment. Since 2018, JD Worldwide has opened direct procurement centers in Japan and South Korea, and will open centers in North America, Europe, Australia and New Zealand.

AuMake, as a pioneer of Australia's big health industry, like many overseas brands, choose JD Worldwide as a strategic partner of the Chinese market, not only because of JD's powerful and influential platform and massive customer base, but also the belief that through this in-depth cooperation, JD Worldwide's customer focused operations, precision sales techniques and massive database, will help more brands to quickly open up the Chinese consumer market and bring consumers high quality and premium overseas products.

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



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International Limited