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**AUMAKE INTERNATIONAL LIMITED****ACN 150 110 017****NOTICE OF GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 10:00 am (AEST)

**DATE:** 27 June 2019

**PLACE:** AuMake Daigou Hub, Level 1, 209 Thomas St, Haymarket NSW 2000

***The business of the Meeting affects your shareholding and your vote is important.***

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00 am (AEST) on 25 June 2019.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. RESOLUTION 1 – ISSUE OF STAGE 1 EQUITY CONSIDERATION TO THE VENDORS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares to the value of \$2,836,000 to the Vendors (or their respective nominees) as consideration for the Acquisition on the terms and conditions set out in the Explanatory Statement.”*

**Short Explanation of Resolution:** The Company has entered into the Agreement pursuant to which the Company will acquire 100% of the Broadway Assets from the Vendors. The Company seeks Shareholder approval for the issue of the above Shares as consideration for the Acquisition in accordance with ASX Listing Rule 7.1.

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES – PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 40,625,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 3. RESOLUTION 3 – ISSUE OF SHARES TO RELATED PARTY – QUENTIN FLANNERY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to*

*issue up to 3,125,000 Shares to Quentin Flannery (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Quentin Flannery (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**Dated: 24 May 2019**

**By order of the Board**

**Peter Zhao**  
**Company Secretary**

**Voting in person**

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To vote in person, attend the Meeting at the time, date and place set out above.

**Voting by proxy**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

**Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 2 8330 8888.**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. BACKGROUND TO THE ACQUISITION OF BROADWAY

#### 1.1 General Background

As announced on 17 April 2019, the Company has entered into a binding agreement (**Agreement**) to acquire 100% of the business assets (**Broadway Assets**) of affiliated inbound Chinese tourist retail network, the Broadway Group (**Broadway**), from Coral Legend Pty Ltd, Broadway Tax Free Pty Ltd, Maxbuy Australia Pty Ltd, Gold Port Souvenir Pty Ltd and PNL Outlet Limited (the **Vendors**), through its wholly owned subsidiary, Broadway Australia Pty Ltd, for total consideration of \$14,180,000 (plus GST and stock) (**Acquisition**).

The Broadway Assets comprise:

- (a) all rights and interests of the Vendors in and to the business of Broadway and all appliances, equipment, furniture, fittings and chattels located at each operating premise;
- (b) all rights and interests of the Vendors in and to leases and material contracts relevant to operating the business of Broadway;
- (c) all rights and interests of the Vendors in and to the "Broadway Tax Free" business names;
- (d) the goodwill of the business of Broadway; and
- (e) all of the Vendors' stock (other than damaged goods or goods for which the use-by date has expired).

Pursuant to the Agreement, the Company has agreed to:

- (a) make payment of \$7,090,000 in cash (**Cash Consideration**); and
- (b) issue that number of Shares having an aggregative value of \$7,090,000 (**Equity Consideration**),

in consideration for the Acquisition.

The Cash Consideration is payable by the Company as follows:

- (a) \$2,836,000 payable at Settlement; and
- (b) \$4,254,000 payable in eight equal quarterly instalments from the date of Settlement.

Subject to Shareholder approval being obtained, the Equity Consideration is to be issued by the Company as follows:

- (a) the value of \$2,836,000 in Shares with a deemed issue price of the ninety-day volume weighted average price (**VWAP**) of Shares calculated for the period ending on the date prior to Settlement to be issued at Settlement (**Stage 1 Equity Consideration**);

- (b) the value of \$2,127,000 in Shares with a deemed issue price of the ninety-day VWAP of Shares calculated for the period ending on the date prior to issue and to be issued no later than 12 months from Settlement (**Stage 2 Equity Consideration**); and
- (c) the value of \$2,127,000 in Shares with a deemed issue price of the ninety-day VWAP of Shares calculated for the period ending on the date prior to issue and to be issued no later than 24 months from Settlement (**Stage 3 Equity Consideration**).

Settlement is expected to occur on or about 1 July 2019.

All Shares issued as Equity Consideration will be subject to a 24-month escrow period from the date of issue.

## **1.2 Effect of Resolution 1**

The Acquisition is subject to and conditional on (amongst other things) the Company obtaining Shareholder approval to issue the Stage 1 Equity Consideration.

This Notice of Meeting sets out the Resolution necessary to complete the issue of the Stage 1 Equity Consideration. Resolution 1 is essential to completion of the Acquisition. If Resolution 1 is not approved by Shareholders, Settlement will not occur and the Acquisition will not proceed.

## **1.3 Issue of Stage 2 Equity Consideration and Stage 3 Equity Consideration**

The Company will seek Shareholder approval respectively to issue the Stage 2 Equity Consideration (on or before 12 months from Settlement) and the Stage 3 Equity Consideration (on or before 24 months from Settlement) at the relevant time.

In the event that Shareholder approval is not obtained for the issue of the Stage 2 Equity Consideration or the Stage 3 Equity Consideration, the Company will instead satisfy that proportion of the Equity Consideration by a cash payment to the same dollar value as the Stage 2 Equity Consideration or the Stage 3 Equity Consideration, as applicable.

## **1.4 Overview of business operations of Broadway**

Broadway is a leading group of retailers with 8 store locations across the east coast of Australia and New Zealand (**ANZ**) focused on inbound Chinese tourists.

The Vendors carry on the business of supplying a variety of product lines similar to the Company, including health supplements, infant formula, wool, food products (including, amongst others, honey) and other consumable products, with its primary target market being Chinese tourists.

The New Zealand side of the operation sells products through wholesale and retail channels, primarily from its 2 retail outlets based in Auckland, New Zealand and Rotorua, New Zealand.

The Australian side of the operation sells products through 6 retail stores operated across Australia, with 2 stores located in Cairns, 2 stores located in the Gold Coast, 1 store in Sydney and 1 store in Melbourne.

## 1.5 Composition of the Board

There will be no changes to the Board of the Company upon completion of the Acquisition.

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## 2. RESOLUTION 1 – ISSUE OF STAGE 1 EQUITY CONSIDERATION TO THE VENDORS

### 2.1 General

Resolution 1 seeks Shareholder approval to issue up to that number of Shares which, when multiplied by the deemed issue price of the ninety-day VWAP of Shares for the period ending on the date prior to Settlement, equals \$2,836,000 (**Stage 1 Shares**) to the Vendors (or their respective nominees) in satisfaction of the Stage 1 Equity Consideration (**Stage 1 Issue**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

The effect of Resolution 1 will be to allow the Company to issue the Stage 1 Shares during the period of 3 months after the Meeting (or such longer period to the extent permitted by any ASX waiver), without using the Company's 15% annual placement capacity.

### 2.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Stage 1 Issue:

- (a) the maximum number of Shares to be issued is up to that number of Shares which, when multiplied by the ninety-day VWAP of Shares for the period ending on the date prior to Settlement, equals \$2,836,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver) and it is intended that issue of the Shares will occur on the same day;
- (c) the Shares will be issued for nil cash consideration as the Stage 1 Shares are being issued as part consideration for the Acquisition. The deemed issue price of the Shares will be the ninety-day VWAP of Shares for the period ending on the date prior to Settlement;
- (d) the Shares will be issued to the Vendors (or their respective nominees), who are not related parties of the Company;
- (e) the Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue of the Stage 1 Shares as the Shares are to be issued as part consideration for the Acquisition in accordance with the terms of the Agreement.

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### **3. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES - PLACEMENT**

#### **3.1 General**

As announced, on 17 April 2019 the Company undertook a capital raising by way of a placement of 43,750,000 Shares (**Placement Shares**) at an issue price of \$0.16 to raise \$7,000,000 to fund the Acquisition and for working capital purposes (**Placement**).

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 40,625,000 Placement Shares (**Ratification**). The balance of the Placement Shares of 3,125,100 are intended to be placed to a related party of the Company and are the subject of Resolution 3.

A summary of ASX Listing Rule 7.1 is set out in Section 2.1 above.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying the issue of the 40,625,000 Placement Shares, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

#### **3.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 40,625,000 Shares were issued;
- (b) the issue price was \$0.16 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to professional and sophisticated investors who are clients of Ashanti Capital. None of these subscribers are related parties of the Company; and
- (e) the Company intends to use the funds raised from the Placement to fund the Acquisition and for working capital purposes.

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### **4. RESOLUTION 3 – ISSUE OF SHARES TO RELATED PARTY – QUENTIN FLANNERY**

#### **4.1 General**

As set out in section 3.1 above, the Company has undertaken the Placement. Quentin Flannery, a Director, has agreed to subscribe for 3,125,100 Shares under the Placement, subject to Shareholder approval.

Resolutions 3 seeks Shareholder approval for the issue of up to 3,125,100 Shares to Quentin Flannery (or his nominee) arising from the participation by Quentin Flannery in the Placement (**Participation**).

## 4.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Participation will result in the issue of Shares which constitutes giving a financial benefit and Quentin Flannery is a related party of the Company by virtue of being a Director.

The Directors (other than Quentin Flannery who has a material personal interest in this Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares will be issued to Quentin Flannery on the same terms as the Shares that have been issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

## 4.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the Placement involves the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

## 4.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the Shares will be issued to Quentin Flannery (or his nominee);
- (b) the maximum number of Shares to be issued is 3,125,100;
- (c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver);
- (d) the issue price will be \$0.16 per Share, being the same as all other Shares issued under the Placement;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the funds raised will be used to fund the Acquisition and for working capital purposes.



Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to Mr Flannery (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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## GLOSSARY

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**\$** means Australian dollars.

**Acquisition** has the meaning given to that term at Section 1.1.

**Agreement** has the meaning given to that term at Section 1.1.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of Directors of the Company.

**Broadway** has the meaning given to that term at Section 1.1.

**Broadway Assets** has the meaning given to that term at Section 1.1.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Cash Consideration** has the meaning given to that term at Section 1.1.

**Chair** means the chair of the Meeting.

**Company** means Aumake International Limited (ACN 150 110 017).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Equity Consideration** has the meaning given to that term at Section 1.1.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Schedule** means a schedule accompanying this Notice.

**Section** means a section of the Explanatory Statement.

**Settlement** means settlement of the Acquisition.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**Vendors** has the meaning given to that term at Section 1.1.

**VWAP** means volume weighted average price.

**WST** means Western Standard Time as observed in Perth, Western Australia.

**PROXY FORM**

**AUMAKE INTERNATIONAL LIMITED  
ACN 150 110 017**

**GENERAL MEETING**

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

**OR:**  the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10:00 am (AEST), on 27 June 2019 at AuMake Daigou Hub, Level 1, 209 Thomas St, Haymarket NSW 2000, and at any adjournment thereof.

**CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES**

**The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.**

**Voting on business of the Meeting**

		FOR	AGAINST	ABSTAIN
Resolution 1	Issue of Stage 1 Equity Consideration to Vendors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Shares to Related Party	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: \_\_\_\_\_ %

**Signature of Shareholder(s):**

**Individual or Shareholder 1**

Sole Director/Company Secretary

**Shareholder 2**

Director

**Shareholder 3**

Director/Company Secretary

**Date:** \_\_\_\_\_

**Contact name:** \_\_\_\_\_

**Contact ph (daytime):** \_\_\_\_\_

**E-mail address:** \_\_\_\_\_

**Consent for contact by e-mail in relation to this Proxy Form:** YES  NO

## Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to AuMake International Limited, 42 Percy Street, Auburn, New South Wales 2144;  
or
  - (b) email to the Company at peter.zhao@aumake.com.au,so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**