

## Re-opening physical stores, online and market update

**Sydney, Australia** – AuMake International Limited (**AuMake, AU8** or the **Company**), a speciality retail provider focussed on the delivery of branded products and experiences for the Asian consumer, provides the following update about plans to re-open physical stores and the increased performance of the Company's online sales platform.

### Highlights

- **The Company is planning a progressive re-opening of physical stores from 11 May 2020 to cater for the increase in foot traffic as COVID-19 social distancing policies ease.**
- **Store re-openings will have a strict focus on employee and customer health and safety that complies with all government protocols.**
- **Stores will progressively re-open, with a focus on Sydney metro venues, to provide the Company's speciality product and tailored shopping experience to local Asian consumers and daigou network.**
- **Over recent weeks the Company has experienced significant online sales activity, led by its China tourism partnership network, with a focus on speciality premium products in the health supplement, skincare and cosmetics categories with an intention to expand the range to include premium food and wine.**
- **The Company remains focussed on providing a premier shopping experience for local Asian shoppers, the return of offshore visitors via tourism or foreign student arrivals and online shoppers who have previously visited stores.**
- **The combination of physical store re-openings and its growing online footprint positions AuMake to benefit from the long-term demand for quality products and shopping experiences from Asian consumers.**

AuMake Executive Chairman Keong Chan said, "AuMake remains committed to providing a premium highly-trusted, native-language physical and online shopping experience for Asian customers in Australia. The re-opening of key physical stores will allow the Asian shopper in Australia to access our premium range of authentic Australian and New Zealand-made products which are specifically designed and stocked to meet their consumption patterns.

"The development of the Broadway Online platform extends our reach and leverages our network of travel agent partners in mainland China. Our growing online presence will drive revenue growth over the medium term and will complement the premium service we deliver in our physical stores.

"Whilst COVID-19 has had a recent impact on our portfolio, the Company is strategically positioning itself to benefit from the return of Asian tourists and students to Australian shores over the coming months."



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## Reopening physical stores

AuMake suspended all trading in physical stores on 30 March 2020 to protect the safety of staff and customers and comply with government guidelines on social distancing in the wake of COVID-19.

Given the easing of COVID-19 restrictions and increasing foot traffic, the Company will progressively re-open physical stores from 11 May 2020, initially premium stores in high-traffic regions, such as Sydney metro.

Stores will re-open under strict protocols to ensure the health and safety of customers and staff, including:

- Compliance with all NSW and Federal policies;
- Customer capacity limits; and
- Use of protective items such as hand sanitiser.

The re-opening of the stores will allow AuMake to provide its range of quality products via a premium shopping experience to local Asian consumers and daigous.

## Online Update

Since the onset of COVID-19, the Company strategically focused on developing a broader, sustainable multi-brand online sales channel.

This strategic focus has led to pleasing online performance with total online gross margin increasing by more than 80% for the six-week period to 10 May 2020.

An important part of AuMake's online strategy was the launch of the Broadway Online platform, which provides brand recognition and leverages the unique customer database of the Company's network of travel agents in China. The travel agent network has an extensive list of loyal customers that have travelled, or are planning to travel internationally, have higher disposable incomes and are therefore more receptive to the purchase of premium Australian and New Zealand products.

The Broadway Online platform provides a range of premium Australian and New Zealand-made products including health supplements, skincare and cosmetic products. Further quality products such as premium food and wine will be added in coming months. Products purchased via Broadway Online platform are delivered to customers via AuMake's existing logistics channels and partners.

The Broadway Online platform provides the foundation for future sustainable growth in the online market. Due to its ability to promote new premium products via the Company's travel agent network, it does not directly compete with other large existing online platforms which predominantly focus on lower margin, high-volume products such as infant formula and well-known health supplement brands.

The Broadway Online platform will be a permanent feature of the AuMake business and will complement the eventual return of Asian tourists to the Company's physical stores. The Broadway Online platform also complements the existing AuMake Online platform which primarily targets daigou customers in China and Australia.

The Company is also updating its existing CRM/loyalty program to increase the collection and application of customer data to improve product selection and traffic/sales conversion. Existing and future online customers who are transferred online from the soon to be re-opened physical stores will benefit from a greatly enhanced online experience.



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## Outlook

AuMake has closely monitored tourism-related events in China and Australia and has a degree of optimism for the future of Asian tourism in Australia and New Zealand.

In China, physical movement has increased markedly with 115 million Chinese tourists travelling domestically during the recent traditional May Day holiday period (1-5 May 2020). A recent survey by China's largest online travel platform, Trip.com, highlights the appetite for overseas travel by Chinese tourists remains strong, with an emphasis on regions with strong safety and hygiene protocols such as Australia and New Zealand.

AuMake notes and welcomes recent commentary from the Australian government regarding an initiative to potentially allow Asian foreign students to return to Australia. The return of Asian foreign students would materially improve the Company's revenue profile given their prominence as AuMake customers in the past.

The Company looks forward to re-opening its physical stores and will continue to improve and grow the online experience for its customers with a particular focus on the growth of Broadway Online platform.

The Company remains entirely committed to the Asian tourism industry and is working closely with its tourism network in China to ensure that the business is positioned to benefit from the exciting growth opportunities that will be available with the eventual return of Asian tourists to Australia and New Zealand.

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## ENDS

This announcement has been authorised for release by the Board of AuMake International Limited.

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## About AuMake International

AuMake is a specialist retailer providing a premium shopping experience to Asian customers seeking high-quality and authentic Australian and New Zealand products. The Company operates lifestyle stores under the AuMake and Broadway brands, strategically located on Australia's east coast and in New Zealand. Its physical stores cater to organised inbound tour groups, leveraging established relationships in the Asian tourism industry with a product range tailored to Asian tourist and local Asian shopper desire for authentic premium products across skincare, health supplements, wool, honey and clothing. The Company's physical store network is complemented by a growing online presence through Broadway Online platform. Its online network specifically targets the delivery of repeat product sales to tourists who have previously visited AuMake's physical stores and potential customers via its travel network partners in mainland China.