# abundantproduce

### Abundant Natural Health Chinese Market Launch

ASX Announcement 25 September 2017

### Highlights

- Abundant Natural Health's (ANH) first nutraceutical product selling in Woolworths Tmall Flagship Store China.
- Daigou groups selling into China from Melbourne and Sydney.
- Preparation for China's (and the worlds') largest sales event: "11.11 Singles Day".



### Tomato Infusion selling via Woolworths presence on China's largest online consumer sales platform

Abundant Produce Ltd (ASX: ABT, "Abundant"), is pleased to announce that Tomato Infusion Lycopene Active Daily Face Cream is now being sold direct to Chinese consumers via Woolworths Tmall Flagship Store. (https://detail.m.tmall.com/item.htm?id=558960843461&toSite=main&skuld=3642853378235)

"This is a significant first move for ANH "Shanan Birkin, CEO said. "Woolworths not only provides instant brand recognition and credibility, Woolworths have the second largest selling Australian store on Tmall Global.

(https://www.woolworthsgroup.com.au/page/media/Latest\_News/Woolworths\_Launches\_on\_Tmall\_Global/)



Tmall is the world's largest e-commence platform, and Tmall Global is the leading online platform for the sale of premium quality international products to Chinese consumers providing a significant launch platform for the Tomato Infusion product line."

Tmall is part of Jack Ma's massive Alibaba Group, the world's largest retailer with online sales exceeding all US retailers combined (including Walmart, Amazon and eBay). Tmall Global is a Chinese-language business-to-consumer (B2C) website allowing international businesses to reach hundreds of millions of consumers in mainland China, Hong Kong, Taiwan and Macau from overseas without the need for physical operations within mainland China.

#### **Daigou Sales**

"We're also in "store" with the major daigou groups operating in Melbourne and Sydney," Birkin said. "We've set up a dedicated sales channel to facilitate sales through these groups."



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Daigou shoppers are Chinese people living overseas who purchase luxury goods for customers in China. Initially an informal service offered part time, daigou has become a significant industry with sales estimated to exceed \$15 billion per annum.

### Singles Day, November 11th

"We're timing this very carefully," Birkin said. "We want to position ANH to take maximum advantage of Singles Day."

Singles Day originated in China in 1993 when four single university students ('single sticks', hence '11.11') decided to 'celebrate' their bachelorhood in self-deprecating good humour. In 2009, Alibaba's Jack Ma decided to use what had become an unofficial Chinese holiday to promote online sales. Singles Day evolved into the world's largest retail event, and has started to expand beyond China's borders. In 2016, Katie Perry was booked to help launch the gala event in a 60,000 seat stadium in Shenzhen province.

Online sales over the following 24 hours exceeded \$20 billion.



### **China/Australia Trade Megatrends**

"Beyond Singles Day, we plan to tap into the changing and rapidly expanding China/Australia trade landscape," Birkin said.

Cross border trade is being driven by large scale, long term trends:

- A massive Chinese middle class. Estimated to be 109 - 145 million people and growing, this group is following a pattern regarded as standard for developing economies: as disposable income increases, private consumption increases, in absolute terms and proportionally.
- 2. **An ageing population.** China is becoming one of the world's fastest ageing nations, creating massive demand for healthcare, pharmaceutical and personal care products.
- 3. **Cultural shift.** Chinese dietary and consumer goods consumption patterns are becoming more international and more western sized.
- 4. **Australian products: healthy and safe.** Australia is perceived as a natural source of safe and healthy products benefiting from strict consumer protection laws.
- 5. **ChAFTA** entered into force in December 2015 with some tariffs falling immediately and many more scheduled up to 2029. This will provide a continuing source of opportunities over coming decades.





### For more information, please contact:

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### **About Abundant Produce Ltd**

Abundant Produce Ltd (ASX: ABT) develops agricultural intellectual property, creating superior seeds and now producing skin care products based on natural vegetable extracts. Based in Sydney and Cobbitty (at the University of Sydney's Plant Breeding Institute), Abundant breeds superior vegetable seeds for food producers, and vegetable plants for their active extracts. Abundant specialises in breeding hybrid greenhouse vegetables with better yield, disease resistance, temperature tolerance, taste, texture, colour and shape, developing innovative products to target demand for highly productive food crops that thrive in low-tech conditions.