



AuMake International Limited Investor Presentation Citi Conference - 17 October 2017

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Agenda

Who is AuMake

What does AuMake do

Daigou & Chinese Tourist Statistics

Key Growth Strategies

Brand Acquisition/Ownership Strategy

Comparison - E-Commerce Platforms

Comparison - Other Major Retailers

Inside an AuMake Store

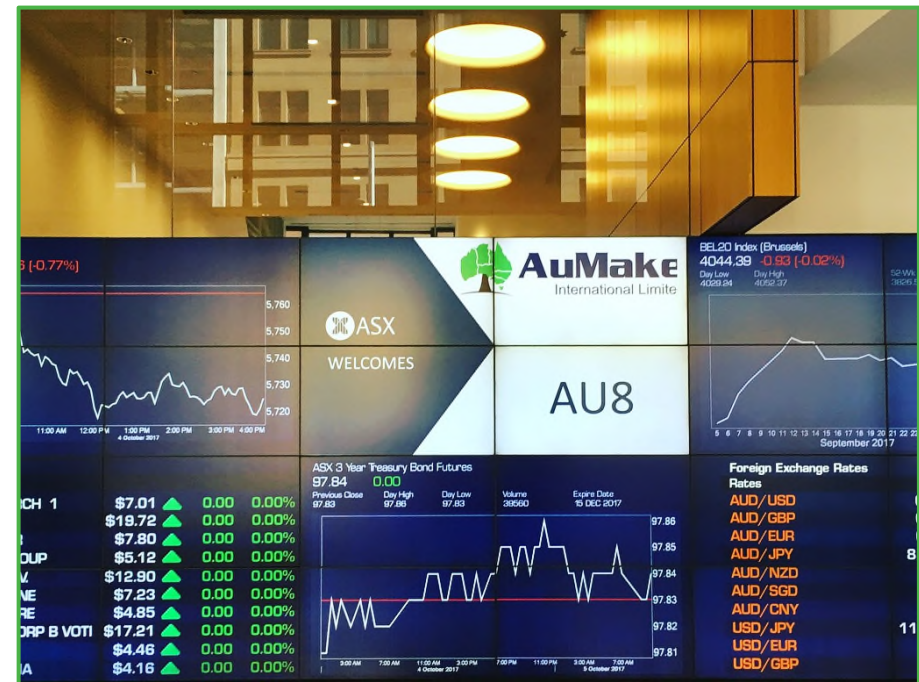
Capital Structure

Why Invest in AuMake

Board of Directors

Who is AuMake

- AuMake International Limited (**ASX:AU8**) is an Australian-owned ASX listed company selling Australian products directly to Chinese consumers via daigou and Chinese tourists
- Positioned to be the **leading** retail brand in Australia for daigou and Chinese tourists
- Audited revenue of over \$10 million for FY17 and breakeven
- A focus on **End to End** customer service (i.e. new products, Chinese speaking staff, convenient payment systems and delivery)
- AuMake is not just a retail story but also a **brand acquisition** story



What does AuMake Do

- AuMake sells Australian products to primarily Australian based **daigou** and **Chinese tourists**
- Retail stores:
 - Currently five (5) retail stores in highly populated Chinese nationality and speaking areas of Sydney NSW.
 - Addition of three (3) further stores in Sydney CBD (George St, Haymarket and Auburn)
- Relocation of warehouse facility to larger premises in Auburn NSW.
- Provide packaging and mailing services in store via third party service providers.



What does AuMake Do

- **Type of Products:**

- Primarily vitamins, healthcare, cosmetics, wool products and infant formula
- Popular brands such as Bellamy's, Blackmores, Swisse, A2, Sukin and Karicare
- AuMake intends to acquire and develop its own exclusive and own branded products

- **Influence**

- Chinese consumer buying behaviour

- **Online Platform** www.aumake.com

- AuMake provides **End to End** service for our customers



Daigou & Chinese Tourists Statistics

Daigou

- 'daigou' means to 'buy on behalf of'
- Unique to Chinese culture as a legitimate retail channel – I trust my friend or friend of a friend to buy overseas products for me
- Fake/counterfeit products are rife within China and often cheaper than in-store
- Up to 40,000 daigou in Australia and between 1,200 and 1,600 physical stores, cater to daigou buyers ("Daigou: The Extra 50 million customers hiding in plain sight" - Sydney Morning Herald, 15 June 2016)



Daigou & Chinese Tourists Statistics

Chinese Tourists

- Deloitte reports that in 2016 alone Chinese visitors spent a record \$8.3 billion, a 45 per cent rise from 2015 and projected by 2020 to grow to \$13 billion (“Australia must be China Ready – ABC, 15 June 2017)
- 92% of Chinese citizens still do not have a passport (“Chinese Extend Lead As The World's Biggest Spenders On Foreign Travel” – Forbes, 7 January 2017)
- Highly lucrative market and largely untapped as a channel to reinforce branding



Key Growth Strategies



Expanding retail footprint

New stores will be opened over the next 12 months which adds to the existing store network via acquisition and/or organic growth across Sydney, Melbourne, Brisbane and Perth. This will allow deeper brand saturation which opens up further growth opportunities.



Online platform

All customers that visit an AuMake store while living in or visiting Australia, will be able to purchase products via AuMake's online platform (primarily WeChat) while in Australia and when they return to China. Growth in our online customers will grow organically and at a low cost as customers scan WeChat details when visiting and paying for products in AuMake stores.



Brand Acquisition and Own Products

For certain brands, AuMake will have the option to purchase those brands, which prove to be popular with our customers. In addition, products developed and produced exclusively by AuMake can be distributed via our growing retail store network.



Renewed focus on the Chinese tourist industry

Chinese tourists travelling in Australia are highly motivated to find new and exciting Australian products to show their friends and family in China. Tailored marketing activities will capture this audience and further build on AuMake's reputation as a trusted retail partner for Chinese consumers. Tourists are an untapped market to influence brands popularity.

Supporting Australian Suppliers

- AuMake is highly focused on providing Australian suppliers direct contact with daigou and Chinese tourists via its retail store network
- This improves the efficiency of the supply chain by allowing suppliers to:
 - work with AuMake to tailor marketing activities directly for the daigou and Chinese tourist industries
 - More accurately forecast demand for their products
- For customers, they are able to engage directly with the Australian suppliers and have AuMake staff explain the unique features of the particular brand or product



Brand Acquisition/Ownership Strategy

- AuMake, via its retail store network, is able to test the popularity of brands/products with daigou and Chinese tourists
- Where appropriate, AuMake will have an option to acquire certain brands which prove to be popular
- This extends AuMake's value beyond being a retail business, as it provides the added versatility of being able to own the brand equity for certain products that prove to be popular with the Chinese consumer



Comparison - E-Commerce Platforms

- From information that is publicly available and media reports, the daigou channel represents a significant proportion of current sale volumes of popular Australian brands.
- E-Commerce platforms invest a large amount of resources convincing customers to purchase new products. This is due to being unable to physically engage with customers to explain product differentiation factors and to garner trust
- Consumers in mainland China spend a lot of time researching whether the products they purchase from E-Commerce platforms are genuine and/or safe
- This is why Chinese consumers often purchase from family and trusted friends (daigou) who are AuMake customers

THE AUSTRALIAN[®] BUSINESS REVIEW

Rise of China's army of 'personal shoppers'

How daigous became a retail flood

A2 shares surge after it upgrades forecast due to China demand

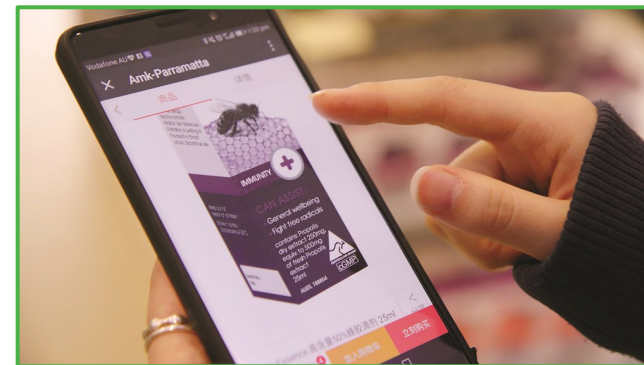
FINANCIAL REVIEW

— NEWS WEBSITE OF THE YEAR —

Shaver Shop meets upgraded guidance thanks to daigou

China's daigou shoppers; a powerful sales force not to be messed with

Golden Week explodes as daigous scramble for milk powder, vitamins and cosmetics



Comparison - Other Major Retailers

- AuMake differentiates itself to other major retailers by providing **End to End** service:
 - Bilingual staff (English and Chinese) who are able to engage with customers to explain and demonstrate new & interesting products
 - Offering familiar payment options such as WeChat pay, Alipay and Unionpay as well as more usual credit/efpos facilities
 - Delivery and postage of products to anywhere in the world (including China) making the experience truly convenient
 - The same level of service in an AuMake store as they would come to expect back home in China



Inside an AuMake Store (Parramatta)



Capital Structure

	Shares	Performance Shares	Options
Current	238,902,353	Nil.	Nil
Performance Shares subject to milestones# - Management	Nil.	50,000,000	Nil
Director Options	Nil	Nil	5,000,000
TOTAL	238,903,131	50,000,000	5,000,000

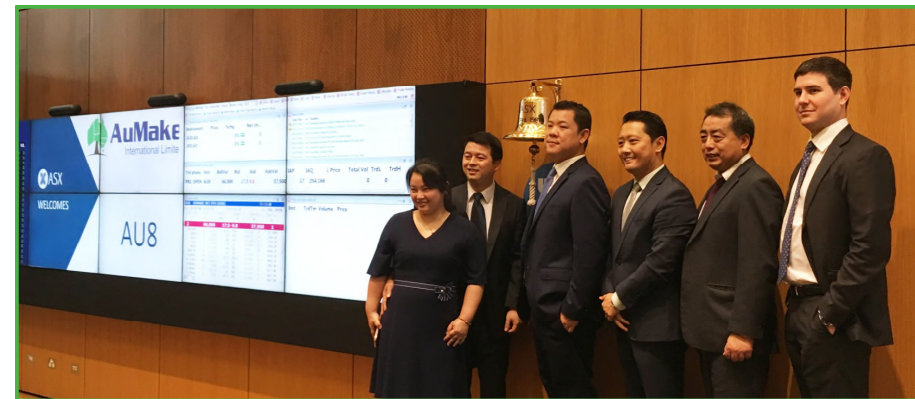
Why Invest in AuMake

- AuMake represents an opportunity to invest **directly** into the daigou and Chinese tourist channels in relation to their appetite for Australian products.
- Australian based daigou and Chinese tourists are the most **influential** groups when it comes to determining which products are popular in China.
- AuMake is positioned be the **leading** Australian retail brand for Australian based daigou and Chinese tourists wanting to purchase Australian products.
- AuMake is not just a retail story but a **brand acquisition** story because of our ability to directly engage with daigou and Chinese tourists.
- AuMake is **deeply experienced** in operating within the daigou and Chinese tourist markets



Board of Directors

- **Mr Keong Chan** – Executive Chairman
- **Mr Jiahua Zhou** – Managing Director & Founder
- **Mr Gang Xu** – Executive Director – Strategy and Business Development
- **Ms Lingye Zheng** – Non-Executive Director & Founder
- **Mr Quentin Flannery** – Non-Executive Director
- **Peter Zhao** – Chief Financial Officer and Company Secretary



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Thank You