

AuMake develops new UAF[®] certified honey brand

Highlights

Development of 'Medigum'



One of the first honey brands to receive UAF[®] certification

World-first UAF[®] index



Allows consumers to identify the antioxidant value of honey products

Significant differentiation



Medigum and its UAF[®] certified products will provide significant differentiation to other honey brands in the market

Favourable partnership terms



With gross margins between 50-70%

(Sydney, Australia) – AuMake International Limited (**AuMake** or the **Company**) is pleased to announce the development and launch of Medigum medicinal honey, one of the first honey brands to receive Unified Antioxidant Factor (UAF[®]) certification. UAF[®] will make it easier for consumers, particularly in export markets, to identify the antioxidant value of honey products. Currently in the market only antimicrobial properties are identified.

The development of Medigum, in partnership with OneFood Bee Farm of Australia Pty Ltd, follows an extensive due diligence process to identify and collaborate with the right producer to develop a range of medicinal honey with sufficient differentiating characteristics to other honey brands currently in the market.

The unique source of Medigum honey, combined with the application of UAF[®] and its measurement of antioxidant value, is anticipated to have a significant impact on AuMake's ability to differentiate Medigum honey products to other brands in the market when promoting to daigou and Chinese tourists.

Further information regarding the unique features of Medigum that will be marketed to AuMake customers is included in an infographic at Appendix 1.





Medigum and the Unified Antioxidants Factor (UAF®) index



The UAF® measures the level of antioxidants in honey through the measurement of the capacity of the honey to absorb free radicals.

It is a world-first index, developed in Australia and supported by the Australian Government's Collaborative Research Centre for Honey Bee Products (CRCHBP).

An accredited independent science laboratory uses two antioxidant tests to identify the antioxidant value of the product. The higher the value, the higher the antioxidant activity and potential health benefits. Medigum's product range has UAF® ratings between 350 and 750+.

Ms Rosie Liu, co-owner and producer of AuMake's Medigum products, said she initiated the development of UAF, which is supported by the CRCHBP, to promote and add value to Australia's honey in overseas markets.

"Consumers in our export markets are very discerning, particularly when it comes to their health and the health of their families. The UAF will make it easier for consumers of Australian honey products to identify and make informed choices about the antioxidant value of the honey bee products they are purchasing," she said.

Australia UAF Organisation Inc (UAF Org), the UAF® management and certifying authority, is supported by anti-ageing specialists, food scientists and laboratories; and the organisation cooperates with ongoing antioxidants researchers to provide antioxidant level guidance and measurements for honey products that support good health, have potential to slow the ageing process and aid disease prevention.

Mr Eduard Planken OAM, Executive Councillor, Australia UAF Organisation Inc. and Dr Liz Barbour, CEO, Cooperative Research Centre for Honey Bee Products (CRCHBP) will officially launch the world-first UAF® index today at AuMake's Daigou Hub in Haymarket.

For more information visit www.uafinfo.org.au

Partnership terms

ITM Corporation Limited (ACN 605 374 570) (ITM) a 100% held subsidiary of the Company, owns 50% of the issued capital of Medigum Honey Pty Ltd and subsequently the 'Medigum' trademark (registration number 1847692). The remaining 50% of the issued capital of Medigum Honey Pty Ltd is owned by OneFood Bee Farm of Australia Pty Ltd (ABN 30 602 867 596) ("OneFood"), who is also the producer and supplier of honey to the Medigum honey brand.

AuMake, ITM and OneFood have entered into a partnership agreement whereby from 28 March 2020, ITM has an option to acquire the remaining 50% of Medigum Honey Pty Ltd from OneFood via the issue of AuMake fully paid ordinary shares.

Should ITM choose to exercise this option, the valuation methodology used to value 50% of the issued capital of Medigum Honey Pty Ltd held by OneFood Bee Farm of Australia Pty Ltd, is calculated as 30% of the average annual sales of Medigum honey branded products.

Clauses relating to exclusivity, volume and quality of supply have been included as agreed terms in the partnership agreement.

This transaction provides flexibility for the Company to own 100% of Medigum Honey Pty Ltd and the Medigum honey brand, should internal sales and gross margin targets be met.



Medigum growth potential

AuMake's total sales of honey products in FY17 were approximately \$250,000. The Company notes that total sales of honey products YTD for FY18 are currently \$335,000 and growing strongly in line with the Company's expansion strategies.

Medigum honey products have been stocked since early March 2018 in three (3) AuMake stores and almost 200 units have already been sold prior to official marketing.

AuMake will gradually rationalise its existing range of honey to cater for the introduction of Medigum, with gross margins expected to be 50-70% across the three product lines, depending on their UAF® index.

"Medigum and its use of the UAF index fits perfectly with AuMake's strategy of providing our customers, daigou and Chinese tourists, with new and different Australian products that meet China's increasing desire for health benefiting ranges that are safe and natural. The Company is anticipating strong growth from Medigum as we are currently seeing in other AuMake owned brands," said Mr Keong Chan, AuMake's Executive Chairman.



-Ends-





Appendix 1: Medigum honey chain of custody

To bring you a unique antioxidant honey product requires tracking its journey from native bushland to you.

Antioxidant rich foods are good for health, have the potential to slow the ageing process and aid disease prevention.

From flora to Medigum

Seasonal origin

Australia's healthiest bees produce floral honey from Eucalyptus (Gum) in natural bushland in Southern Western Australia, far away from farm and vet chemicals. The south of Western Australia has six seasons, each with its dominant honey bee-loving flora spread across the landscape. The bees mix the various flora in their hives making Medigum a natural combination of these floral sources.

Crossing country

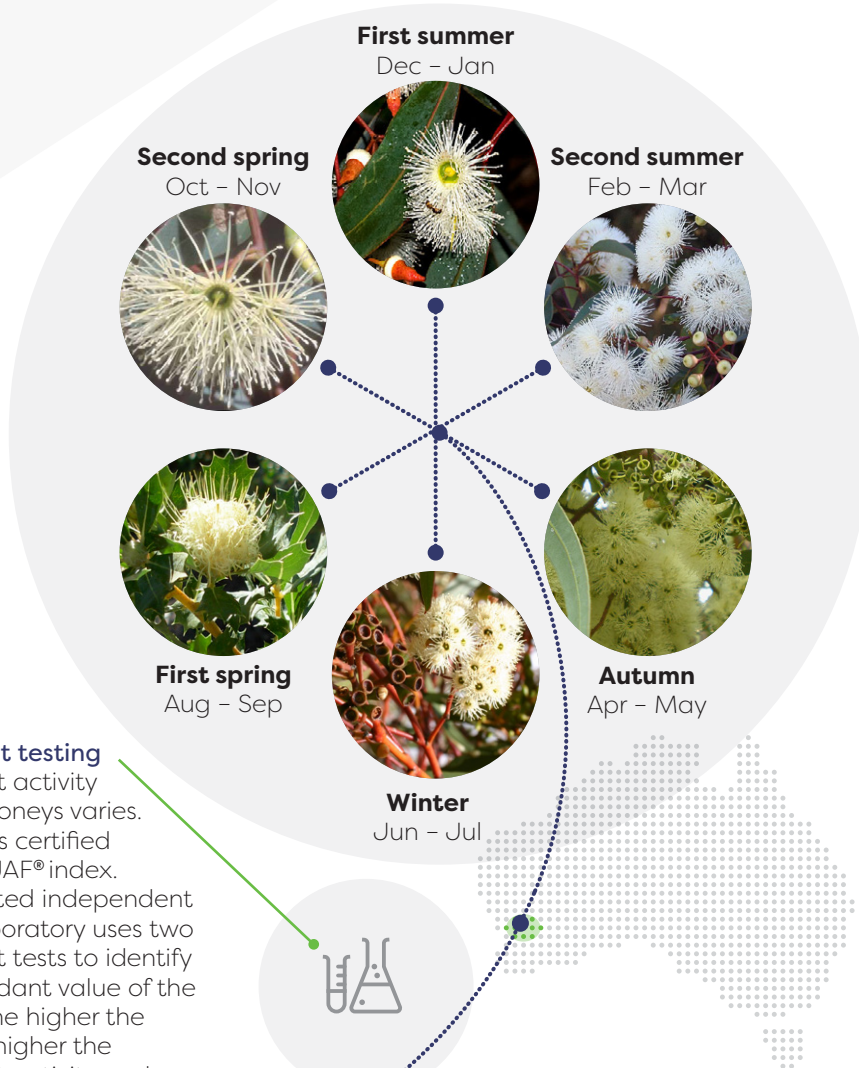
Beekeepers are migratory, moving with season and flowers. Each year, beekeepers move their bees in the dead of night thousands of kilometres to make sure that at daybreak, their honey bees have the nectar and pollen feast to keep them healthy and producing quality honey.

Unique multi-floral honey begins with the bees in the hives

The honey is then cold extracted and packed ensuring the natural and bioactive properties in Medigum honey are maintained.

Antioxidant testing

Antioxidant activity between honeys varies. Medigum is certified using the UAF® index. An accredited independent science laboratory uses two antioxidant tests to identify the antioxidant value of the product. The higher the value, the higher the antioxidant activity and potential health benefits.



Assured distribution route

Our product moves through trusted partners to ensure that what was created by the honey bees in native bushland of Western Australia arrives to you in this bottle.



Seal

Ensuring freshness and tamper-proof security.



Honey chemistry

West Australian honeys are foraged from rare flora, unique to this part of the world, producing a distinct traceable profile.



Distinct label

Instant recognition of a quality product.



QR Code

Links to official Medium WeChat site for customers to keep up-to-date on product information.



UAF® index + certification

UAF® allows the antioxidant levels in different honeys to be directly compared to make it easier for buyers to make informed purchasing decisions.

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); and 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.

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