



16 June 2022

## RETURNING TOURISTS, STUDENTS AND THE PANDEMIC RECOVERY

Aumake Limited (**ASX: Aumake** or the **Company**), operator of an Australian-based social e-commerce marketplace that connects Asian influencers and consumers with high quality and authentic Australian and New Zealand brands is pleased to report on the improving trading outlook for the Company.

### **Aumake Managing Director, Joshua Zhou commented:**

"The tourism industry is picking up and international students are returning. We are combining the Company's core resources with artificial intelligence technology to provide domestic and overseas tourists and students with more convenient, easier, smarter and authentic Australian travel experiences and products."

### **Return of Tourism**

When it comes to inbound tourism from Asia, our borders have opened and the restrictions are relaxing. In response, tourists are returning to Australia and their numbers are forecast to increase as a result of:

- Australia's regional proximity;
- our positive and effective performance through Covid;
- Australia's exciting and unique attractions and activities;
- our high standard of food and wine; and
- our safe and friendly travel environment.<sup>1</sup>

In support of Australia's tourism industry, the Australian Government has been playing a significant and proactive role. Tourism Australia having initiated promotional campaigns that have stimulated the return of tourists to Australia. These campaigns include the following:

- 'Come and Say G'Day – Australia is Yours to Explore' is a \$40 million campaign that was launched in February 2022 and rolled out in India, Malaysia, Indonesia, the Republic of Korea, Japan and Greater China;
- 'Discover A Great Deal More' campaign was launched on 21 April 2022; and
- 'Welcome Back' media events commenced in April in France, Italy and Germany.

In summary, by the end of 2022 the number of tourists to Australia is expected to recover to 76% of the 2019 levels. By 2025, it is expected that tourism numbers will have returned to the level achieved in 2019.<sup>2</sup>

### **International Students**

As seen through the Australian Government's 'New way forward for international education' strategy, a 10-year strategy for post COVID recovery, our government is committed to supporting international education, as it brings in significant export trade.

The former Federal Government's Minister for Trade, Tourism and Investment, Dan Tehan, said "...attracting international students from new and emerging markets was essential to continue to see the international education sector thrive as one of Australia's strongest exports."<sup>3</sup>

Whilst Chinese international student numbers have not bounced back quickly, the positive effect of Australia's focus is now on the inclusivity of the other Asian countries targeted in the education sectors. The result being that Australian educators have quickly diversified their international enrolment base to South and Southeast Asian countries.<sup>4</sup>

Irrespective of their country of origin, in the international arena Australia is still regarded very highly and is considered to be one of the most attractive destinations for Asian students.

According to Navitas insights, in Southeast Asia, Australia ranks in the top 1-2 amongst the major international student destinations.<sup>5</sup>

In addition, the Australian Bureau of Statistics reports that international education was worth \$37.4 billion in 2019 - 2020, and of this, around 12 billion was contributed by Chinese students alone. When these students are here, they spend on average, \$35,000 to \$40,000 per year on daily essentials, luxury items and entertainment.<sup>5</sup>

### Ongoing Cost Reductions

Throughout Covid, the Board and Executive Management have continued to reduce operating costs and overheads. In that regard, over the last 12 months, Aumake's most significant cost savings have been in the form of rental reductions of \$119k per month (following the closure of 7 physical stores) and a reduction of staffing numbers from 38 to 24.

Other administration and employment expenditure items have been identified for further ongoing cost reductions.

The table below provides a comparison of the administrative and employee expenses for the year ended 30 June 2021, compared to the expenses for the 10 months ended 30 April 2022.

	12 months to 30 June 2021	10 months to 30 April 2022
<b>Administrative expenses</b>	4,499,912	1,939,550
<b>Employee expenses</b>	4,947,036	2,102,998
	<b>9,446,948</b>	<b>4,042,548</b>

### The Way Forward

In 2017, Aumake became a leading platform by utilising Daigou services to promote Australian brand products. Our business was delivered through 12 brand experience stores across Sydney and an online digital and WeChat mini-app presence. In 2019, our business merged with the Broadway Group and expanded to include tourism products.

As times have changed as a result of Covid, Aumake has restructured its operations, substantially reduced its overheads and is projecting forward by seeking new opportunities, new markets, new and diverse products and bespoke travel experiences.

Aumake's new vision includes capitalising on new trends in e-commerce and technology, whilst still leveraging off an already established reputation in the Australian market with a fully functional e-

commerce platform and our brand experience retail stores.

In order to do this, Aumake is expanding its e-commerce operations to develop an ecosystem for both customers and businesses and is looking for the best of the best Australian brands and experiences. Its web and app-based e-commerce will expand to target Asian international students and visitors, both in the Australian domestic market and internationally.

**Authorised for release by the Board of Aumake Limited.**

**Joshua Zhou**

**Managing Director**

T: +61 2 8330 8844

[zhou@aumake.com.au](mailto:zhou@aumake.com.au)

### **About Aumake Limited**

Aumake Limited (ASX:AUK) operates a social e-commerce marketplace that directly connects Asian influencers with high-quality and authentic Australian and New Zealand brands. It offers the best possible prices, end-to-end customer service and a comprehensive product range – all on one integrated platform. Aumake also operates physical stores delivering a fully integrated online and in-store shopping experience for Asian consumers.

### **Source**

1. <https://www.tourism.australia.com/en/markets-and-stats/consumer-research/our-target-audience.html>
2. <https://www2.deloitte.com/au/en/pages/consumer-industrial-products/articles/tourism-hotel-outlook.html>
3. <https://ministers.dese.gov.au/tudge/new-way-forward-international-education>
4. Source: <https://monitor.icef.com/2022/04/australias-foreign-enrolment-recovering-slowly-in-2022>
5. <https://insights.navitas.com/australia-remains-an-attractive-destination-for-students-in-south-east-asia/>