

## ASX Announcement

2 April 2019

### Acquisition of a Company with Complimentary Business

- Mediland moves to acquire a retail and E-commerce business with established online sales platforms and retail franchise stores in China with over 5,000 potential customers.
- The business' products target the health and well-being market.
- The acquisition will give Mediland access to China-based retail customers through E-commerce/online platforms and a network of retail stores.
- The acquisition fast-tracks Mediland's plans to establish an online sales channel to maintain contact with its Chinese tourist customers.

**The Directors of Mediland Pharm Limited** (ASX: MPH) ("**Mediland**" or the "**Company**") are pleased to announce that the Company has entered into a conditional Business Sale Agreement to acquire **Ian's Health Lounge** (the "**business**"), a complimentary business with established E-commerce platforms and retail franchise stores in China.

First established in Australia in 2012, the business later successfully launched its first online platform in China in 2015 with the aim of promoting quality baby and adult nutritional products to Chinese retail customers. The business has successfully created a model of setting up online platforms in China and has grown to incorporate one direct shop in Australia, six franchise shops in China, three WeChat accounts and four E-commerce platforms, with operating entities and employees in both Australia and China.

The transaction will accelerate Mediland's growth and E-commerce strategy, as well as expanding its product range.

Subject to certain conditions precedent, Mediland agrees to acquire 100% of shares in the business' Australian entity and all the assets in the Chinese entity, which include trademarks, franchise agreements, WeChat accounts, E-commerce platforms and IT systems. The purchase price of the business is \$500,000 adjusted by any debt owed by the Company to the current director.

Completion of the transaction is anticipated by the end of June 2019, subject to the usual and ordinary conditions, including the Board being satisfied with the due diligence on the business.

As part of the agreement, the founders of the business will remain on board to keep managing and operating the business following completion and will assist with the introduction of the E-commerce concept to Mediland and maintaining and expanding the existing sales network in China.

### **Execution of growth strategy**

**Managing Director, Mr Yesh Mudaliar said,** *“One of our growth strategies is to promote our brand to our customers when they return home. We know that an online channel is a great way to keep in contact with our customers providing them a platform to continue purchasing products from Mediland Pharm. Thus, we are very pleased to have the opportunity to acquire an established business that has been operating in this field for several years.”*

*“Once the business transaction has been finalised, we will be able to quickly inject our product range onto the online platform and start promoting Mediland to both the business’s current customers and work towards promoting our online channel to customers that are visiting our stores from China”.*

**The Chairman, Dr Peter French, added:** *“When first admitted to the Official List of ASX, Mediland stated “with the proceeds from the IPO, the Company will execute its growth strategies as indicated in the Company’s Prospectus, with an immediate priority on online distribution. MPH aims to launch an e-commerce online distribution channel as an extension to current sales initiatives. By launching an online store stocking the same products as those sold in store, the Company will be able to continue servicing customers following their departure from Australia. This business model is expected to drive additional sales and provide the Company invaluable data on browsing and purchasing habits. Other growth plans include developing Mediland Pharm’s own range of products and expanding the Australian retail presence”.*

*“Upon completion of the transaction, Mediland will own established online retail channels which will be used to sell our own products in addition to those of the business we are looking to acquire. This opportunity will serve to not only expand our current product range and provide access to other retail customers outside inbound tours but also provides the framework to re-connect and re-engage with Mediland’s own customers once they return to China.”*

**ENDS**

### **IR Enquiries**

[ir@medilandpharm.com.au](mailto:ir@medilandpharm.com.au)

### **About Mediland Pharm**

Mediland Pharm is a leading retailer of cosmetics, jewellery, health, well-being and wool products, servicing the inbound Chinese tourism market in Australia. The Company operates three retail stores located in Sydney, Melbourne and the Gold Coast, and partners with leading travel agents and wholesale tour operators to generate sales through exclusive customer shopping agreements.