

ASX Announcement

3rd September 2019

Market Update

- **The second stage of the Ian's Health Lounge (E-Commerce/Online platform) has been completed**
- **Fit out of Ian's Health Lounge's flagship store in Sydney currently underway**

The Directors of Mediland Pharm Limited (ASX: MPH) ("**Mediland**" or the "**Company**") are pleased to provide an update on the progress of the process of acquisition **Ian's Health Lounge** (the "**business**"), a complementary business with established E-commerce platforms and retail franchise stores in China.

Ian's Health Lounge was first established in Australia in 2012 and has now grown to incorporate one direct shop in Australia, six franchise shops in China, three WeChat accounts and four Ecommerce platforms, with operating entities and employees in both Australia and China.

As previously announced, the Company has decided to acquire the business in a staged transaction, with the first stage being the acquisition of the e-commerce platform, which took place on Friday 19th July. This allowed Mediland to begin utilising and promoting the Company's goods and services on a ready-made and established e-commerce platform.

The second stage of the acquisition process concerns Ian's Health Lounge's China-based retail operation. Today the Company has completed the Change of Party Notice, the transfer of the WeChat, e-commerce and China-based IT systems and the transfer of the trademarks. New employment agreements have been signed between the China-based employees and Mediland Pharm.

The cost of this stage of the transaction was \$400,000.

An Ian's Health Lounge flagship store premises has been leased in Sydney CBD and is currently being fitted out to deliver a memorable retail experience in line with Mediland Pharm's focus on customer service.

The Chairman, Dr Peter French, said: "As of today, Mediland now has a network of China-based retail stores to add to our retail outlets in Australia and New Zealand. We expect this, and the associated on-line platform previously acquired from Ian's Health Lounge, to help expand revenue and further diversify Mediland's business in the coming financial year and beyond."

ENDS

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About Mediland Pharm

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