

ASX Announcement

4 June 2019

Market Update

- **In the first 6 weeks of trading, Mediland's newly opened Auckland store has achieved a turnover of over \$2m.**
- **The due diligence process for Ian's Health Lounge (E-Commerce/Online platform) continues to progress well.**

Mediland Pharm Limited (ASX: MPH), ("**Mediland**" or "**the Company**"), would like to provide an update to its shareholders on its current operations.

As previously announced, Mediland Pharm opened its Auckland store in the upscale retail district of Newmarket on 18th of April 2019, catering to inbound Chinese tourists to New Zealand. The initial results have surpassed the Board and Senior Management's expectations as the store achieved a turnover of just over \$2 Million on the trading as of 31st May since opening.

Mediland's Chairman, Dr Peter French commented, "This encouraging preliminary result is a validation of our strategy to expand our retail network to New Zealand. With the opening of our Auckland store, we now have four retail outlets in Australia and New Zealand to take advantage of the significant interest in tourists from China to visit the Australia and New Zealand (ANZ) region."

According to a recent report from Frost & Sullivan, "China is now the largest single source of overseas visitors to Australia and the second largest source to New Zealand (after Australia). In 2019, visitors to Australia from China are expected to reach 1.44 million (by end of June 2019). In New Zealand, visitors from China reached 434,000 (year-ended 31 March 2019). Total visitors in both countries combined are therefore anticipated to reach 1.875 million in 2019. By 2020, visitors are forecast to reach 1.92 million across ANZ."

In other operations, the Company also announced in April that it had entered into a conditional Business Sale Agreement to acquire Ian's Health Lounge. The due diligence process continues to progress well, and the Company anticipates a successful completion of this transaction, and implementation of its E-Commerce strategy soon. This acquisition will allow the thousands of tourists from China who visit Mediland Pharm stores each year to "re-connect" and "re-engage" with Mediland and continue to purchase products online from China year on year. Hence, this is expected to expand Mediland Pharm's retail presence in China through providing its customers a platform to continue to purchase its goods outside of inbound tours.

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The Company will keep the market informed regarding further progress on its acquisition transaction in accordance with its continuous disclosure obligations.

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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 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.

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