

**Preliminary Final Report**

**For the year ended 30 June 2021**

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**Mediland Pharm Limited**  
**Appendix 4E**  
**Preliminary final report**

**1. Company details**

|                   |                                 |
|-------------------|---------------------------------|
| Name of entity:   | Mediland Pharm Limited          |
| ABN:              | 83 628 420 824                  |
| Reporting period: | For the year ended 30 June 2021 |
| Previous period:  | For the year ended 30 June 2020 |

**2. Results for announcement to the market**

|  |      |           | \$        |
|--|------|-----------|-----------|
| Revenues from ordinary activities  | down | 95.0% to  | 1,157,489 |
| Loss from ordinary activities after tax attributable to the owners of Mediland Pharm Limited | Up   | 25.86% to | 6,430,453 |
| Loss for the year attributable to the owners of Mediland Pharm Limited                       | Up   | 25.86% to | 6,430,453 |

*Dividends*

There were no dividends paid, recommended or declared during the current financial period. The directors do not propose to pay a final dividend for the year ended 30 June 2021.

*Comments*

Mediland's operations continued with significant disruption as a result of COVID-19 pandemic, with the Group focusing on preserving its cash position and controlling its costs.

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$6,430,453 (30 June 2020: \$5,109,041). The loss after tax was attributable to the following:

- As indicated in previous period reports, the Company underwent a substantial decrease in revenue from ordinary activities as the full impact of the Covid-19 pandemic was felt. There had been nil income from retail stores since suspension of trading in February 2020. With continued suspended retail operations for most of 2020 calendar year, all Australian subsidiaries were entered into external administration in December 2020.
- After seeking non-associated shareholders' approval in April 2021, the Company purchased the Hamilton Hotel in New Zealand. The revenue includes two months of trading from hotel operations since its date of acquisition with an average occupancy rate of 78%.
- Impairment expense increased from \$nil to \$3.4m. The decrease was mainly attributable to closure of all retail stores since the announcement of the pandemic.
- Further \$3.1m was written off as loans forgiven due to loss of control of the subsidiaries.

The Company has implemented rigorous cost control measures and has stabilised cashflows used in operations by minimising fixed operating costs. During the financial year, the Company terminated four of six lease contracts resulting in a substantial decrease in on-going occupancy and operational expenses.

Management remains open to once again playing an active role in the "health and well-being" sector in the inbound Chinese tourist retail market as and when the tourism industry returns to some form of normality.

**3. Net tangible assets**

|   | Reporting period<br>Cents | Previous period<br>Cents |
|---|---------------------------|--------------------------|
| Net tangible assets per ordinary security | 0.03                      | 0.03                     |

#### **4. Control gained over entities**

| Name of entities (or group of entities)            | Date control gained |
|--|---------------------|
| IXORA Investments Limited (New Zealand)            | 29 April 2021       |
| The Collection Hotels and Resorts Pty Ltd (Sydney) | 27 April 2021       |

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#### **5. Loss of control over entities**

| Name of entities (or group of entities)                   | Date control lost |
|---|-------------------|
| Darling Harbour Pty Ltd (Sydney store)                    | 11 December 2020  |
| St Wells Pty Ltd (Melbourne store)                        | 11 December 2020  |
| Surfers Paradise Pty Ltd (Gold Coast store)               | 11 December 2020  |
| Enti Financial Ltd (Sydney store)                         | 12 May 2021       |
| Share We Do Platform Technology Services Co., Ltd (China) | 23 June 2021      |

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#### **6. Details of associates and joint venture entities**

None

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#### **7. Audit qualification or review**

*Details of audit/review dispute or qualification (if any):*

The financial statements are based on the accounts that is in the progress of being audited.

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#### **8. Attachments**

*Details of attachments (if any):*

Consolidated statement of profit or loss and other comprehensive income  
Consolidated statement of financial position  
Consolidated Statement of cash flows  
Consolidated statement of changes in equity

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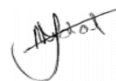
**9. Signed**



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**Dr Peter French**  
**Chairman**

**Sydney**  
**31 August 2021**



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**Yeshween Mudaliar**  
**Managing Director**

**Sydney**  
**31 August 2021**

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**Mediland Pharm Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2021**

**MEDILAND**  
Pharm Limited

|  | <b>Consolidated</b> |                    |
|--|---------------------|--------------------|
|  | <b>2021</b>         | <b>2020</b>        |
|  | <b>\$</b>           | <b>\$</b>          |
| Revenue  | 1,157,489           | 23,298,447         |
| Cost of sales  | (541,369)           | (5,506,738)        |
| Gross profit   | 616,120             | 17,791,709         |
| Other income   | 139,627             | 109,722            |
| Government grant   | 629,753             | 288,984            |
| Gain on loss of control of subsidiaries                              | 1,844,206           | -                  |
| Gain on lease termination  | 449,581             | -                  |
| Gain on bargain purchase   | 355,675             | -                  |
| Bad debts  | (91,000)            | -                  |
| Inventory written off  | (392,397)           | -                  |
| Marketing expenses   | (18,501)            | (15,366,550)       |
| Occupancy expenses   | -                   | (437,675)          |
| Administrative expenses  | (2,102,682)         | (3,439,141)        |
| Employee benefit expenses  | (1,151,014)         | (2,697,129)        |
| Share-based payment expenses   | (552,311)           | (990,560)          |
| Finance costs  | (141,291)           | (180,527)          |
| Impairment expenses  | (3,461,248)         | -                  |
| Loan forgiveness on the loss of control                              | (3,134,450)         | -                  |
| <b>(Loss) before income tax expense</b>                              | <b>(7,009,932)</b>  | <b>(4,921,167)</b> |
| Income tax (expense)/benefit   | 563,354             | (187,874)          |
| <b>Loss after income tax expense for the year</b>                    | <b>(6,446,578)</b>  | <b>(5,109,041)</b> |
| <b>Attributable to:</b>  |                     |                    |
| Owners of Mediland Pharm Limited                                     | (6,430,453)         | (5,109,041)        |
| Non-controlling interests  | (16,125)            | -                  |
| <b>Loss after income tax expense for the year</b>                    | <b>(6,446,578)</b>  | <b>(5,109,041)</b> |
|  | <b>Cents</b>        | <b>Cents</b>       |
| <b>Earnings</b>  |                     |                    |
| Basic earnings per share   | (2.03)              | (1.63)             |
| Diluted earnings per share   | (2.03)              | (1.63)             |
| <b>Other comprehensive loss</b>                                      |                     |                    |
| <i>Items that may be reclassified subsequently to profit or loss</i> |                     |                    |
| Foreign currency translation   | (9,782)             | (72,723)           |
| <b>Other comprehensive loss for the year, net of tax</b>             | <b>(9,782)</b>      | <b>(72,723)</b>    |
| <b>Total comprehensive loss for the year</b>                         | <b>(6,456,360)</b>  | <b>(5,181,764)</b> |
| <b>Attributable to:</b>  |                     |                    |
| Owners of Mediland Pharm Limited                                     | (6,440,235)         | (5,181,764)        |
| Non-controlling interests  | (16,125)            | -                  |
|  | <b>(6,456,360)</b>  | <b>(5,181,764)</b> |

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Mediland Pharm Limited**  
**Consolidated statement of financial position**  
**As at 30 June 2021**

|   | <b>Consolidated</b> |                   |
|---|---------------------|-------------------|
|   | <b>2021</b>         | <b>2020</b>       |
|   | <b>\$</b>           | <b>\$</b>         |
| <b>Assets</b>   |                     |                   |
| <b>Current assets</b>                                   |                     |                   |
| Cash and cash equivalents                               | 3,391,075           | 7,304,139         |
| Trade and other receivables                             | 377,148             | 925,029           |
| Prepayments   | 15,278              | -                 |
| Inventories   | 81,097              | 1,411,204         |
| Current tax assets                                      | -                   | 373,842           |
| <b>Total current assets</b>                             | <b>3,864,598</b>    | <b>10,014,214</b> |
| <b>Non-current assets</b>                               |                     |                   |
| Property, plant, and equipment                          | 5,723,691           | 3,031,398         |
| Right-of-use assets                                     | -                   | 3,953,146         |
| Intangibles   | 18,733              | 204,647           |
| Goodwill  | -                   | 321,882           |
| Deferred tax assets                                     | -                   | 1,014,350         |
| <b>Total non-current assets</b>                         | <b>5,742,424</b>    | <b>8,525,423</b>  |
| <b>Total assets</b>                                     | <b>9,607,022</b>    | <b>18,539,637</b> |
| <b>Liabilities</b>                                      |                     |                   |
| <b>Current liabilities</b>                              |                     |                   |
| Trade and other payables                                | 804,885             | 3,704,391         |
| Provisions  | 61,384              | 50,854            |
| Customer deposit  | -                   | 399,987           |
| Current tax liabilities                                 | 65,363              | -                 |
| Lease – Short term liabilities                          | 412,572             | 820,451           |
| Borrowings – Short term liabilities                     | 1,150,470           | -                 |
| <b>Total current liabilities</b>                        | <b>2,494,674</b>    | <b>4,975,683</b>  |
| <b>Non-current liabilities</b>                          |                     |                   |
| Deferred tax liabilities                                | 245,971             | 1,398,224         |
| Lease – Long term liabilities                           | 490,397             | 3,391,058         |
| Borrowings – Long term liabilities                      | 3,505,322           | -                 |
| <b>Total non-current liabilities</b>                    | <b>4,241,690</b>    | <b>4,789,282</b>  |
| <b>Total liabilities</b>                                | <b>6,736,364</b>    | <b>9,764,965</b>  |
| <b>Net assets</b>                                       | <b>2,870,658</b>    | <b>8,774,672</b>  |
| <b>Equity</b>   |                     |                   |
| Issued capital  | 11,898,945          | 11,898,945        |
| Reserves  | 2,186,367           | 1,643,838         |
| (Accumulated losses)                                    | (11,198,564)        | (4,768,111)       |
| <b>Total equity attributable to member of the Group</b> | <b>2,886,748</b>    | <b>8,774,672</b>  |
| Non-controlling interests                               | (16,090)            | -                 |
| <b>Total equity</b>                                     | <b>2,870,658</b>    | <b>8,774,672</b>  |

**Mediland Pharm Limited**  
**Consolidated Statement of cash flows**  
**For the year ended 30 June 2021**

|   | <b>Consolidated</b> |                    |
|---|---------------------|--------------------|
|   | <b>2021</b>         | <b>2020</b>        |
|   | <b>\$</b>           | <b>\$</b>          |
| Cash flows from operating activities                              |                     |                    |
| Receipts from customers (inclusive of GST)                        | 687,779             | 24,271,223         |
| Payments to suppliers and employees (inclusive of GST)            | (3,867,336)         | (25,773,774)       |
| Interest received   | 58,334              | 109,722            |
| Lease interests   | (129,387)           | (180,526)          |
| Net income taxes refunded/(paid)                                  | 338,642             | (547,635)          |
| Government grants and tax incentives                              | 629,753             | 288,984            |
| <b>Net cash used in operating activities</b>                      | <b>(2,282,215)</b>  | <b>(1,832,006)</b> |
| Cash flows from investing activities                              |                     |                    |
| Proceeds from disposal of plant and equipment                     | -                   | 1,818              |
| Payments to acquire plant and equipment                           | (4,342)             | (1,319,481)        |
| Purchase of intangibles   | -                   | (112,325)          |
| Payments to acquire business                                      | (300,000)           | (800,000)          |
| Payment to related party  | (97,976)            | -                  |
| Loss of control over subsidiaries                                 | (876,306)           | -                  |
| <b>Net cash used in investing activities</b>                      | <b>(1,278,624)</b>  | <b>(2,229,988)</b> |
| Cash flows from financing activities                              |                     |                    |
| Lease payment (Principal)   | (340,173)           | (622,346)          |
| <b>Net cash used in financing activities</b>                      | <b>(340,173)</b>    | <b>(622,346)</b>   |
| Net decrease in cash and cash equivalents                         | (3,901,012)         | (4,684,340)        |
| Cash and cash equivalents at the beginning of the financial year  | 7,304,139           | 12,047,350         |
| Effects of exchange rate changes on cash and cash equivalents     | (12,052)            | (58,871)           |
| <b>Cash and cash equivalents at the end of the financial year</b> | <b>3,391,075</b>    | <b>7,304,139</b>   |

**Mediland Pharm Limited**  
**Consolidated statement of changes in equity**  
**For the year ended 30 June 2021**

|   | Issued<br>capital | Group<br>restructure<br>reserve | Foreign<br>currency<br>reserve | Share-based<br>payments<br>reserve | Retained<br>Profits/<br>(Accumulated<br>losses) | Total equity       |
|---|-------------------|---------------------------------|--------------------------------|------------------------------------|---|--------------------|
| <b>Consolidated</b>                                   | \$                | \$                              | \$                             | \$                                 | \$  | \$                 |
| <b>Balance at 1 July 2019</b>                         | <b>11,898,945</b> | <b>71,146</b>                   | <b>18,164</b>                  | <b>710,909</b>                     | <b>341,427</b>                                  | <b>13,040,591</b>  |
| Reversal of share-based payment (note 18)             | -                 | -                               | -                              | (74,218)                           | 74,218  | -                  |
| Impact of change in accounting policy – AASB16        | -                 | -                               | -                              | -                                  | (74,715)  | (74,715)           |
| <b>Restated balance at 1 July 2019</b>                | <b>11,898,945</b> | <b>71,146</b>                   | <b>18,164</b>                  | <b>636,691</b>                     | <b>340,930</b>                                  | <b>12,965,876</b>  |
| Loss after income tax expense for the year            | -                 | -                               | -                              | -                                  | (5,109,041)                                     | (5,109,041)        |
| Other comprehensive income for the year, net of tax   | -                 | -                               | (72,723)                       | -                                  | -   | (72,723)           |
| <b>Total comprehensive income for the year</b>        | <b>-</b>          | <b>-</b>                        | <b>(72,723)</b>                | <b>-</b>                           | <b>(5,109,041)</b>                              | <b>(5,181,764)</b> |
| Transactions with owners in their capacity as owners: |                   |                                 |                                |                                    |   |                    |
| Share-based payments                                  | -                 | -                               | -                              | 990,560                            | -   | 990,560            |
| <b>Balance at 30 June 2020</b>                        | <b>11,898,945</b> | <b>71,146</b>                   | <b>(54,559)</b>                | <b>1,627,251</b>                   | <b>(4,768,111)</b>                              | <b>8,774,672</b>   |



**Mediland Pharm Limited**  
**Consolidated statement of changes in equity**  
**For the year ended 30 June 2021**

|   | Issued<br>capital | Group<br>restructure<br>reserve | Foreign<br>currency<br>reserve | Share-based<br>payments<br>reserve | (Accumulated<br>losses) | Total              | Non-<br>controlling<br>Interest | Total equity       |
|---|-------------------|---------------------------------|--------------------------------|------------------------------------|-------------------------|--------------------|---------------------------------|--------------------|
| Consolidated  | \$                | \$                              | \$                             | \$                                 | \$                      | \$                 | \$                              | \$                 |
| <b>Balance at 1 July 2020</b>                         | <b>11,898,945</b> | <b>71,146</b>                   | <b>(54,559)</b>                | <b>1,627,251</b>                   | <b>(4,768,111)</b>      | <b>8,774,672</b>   | <b>-</b>                        | <b>8,774,672</b>   |
| Loss after income tax expense for the year            | -                 | -                               | -                              | -                                  | (6,430,453)             | <b>(6,430,453)</b> | (16,090)                        | <b>(6,446,543)</b> |
| Other comprehensive income for the year, net of tax   | -                 | -                               | (9,782)                        | -                                  | -                       | <b>(9,782)</b>     | -                               | <b>(9,782)</b>     |
| <b>Total comprehensive income for the year</b>        | <b>-</b>          | <b>-</b>                        | <b>(9,782)</b>                 | <b>-</b>                           | <b>(6,430,453)</b>      | <b>(6,440,235)</b> | <b>(16,090)</b>                 | <b>(6,456,325)</b> |
| Transactions with owners in their capacity as owners: |                   |                                 |                                |                                    |                         |                    |                                 |                    |
| Share-based payments                                  | -                 | -                               | -                              | 552,311                            | -                       | <b>552,311</b>     | -                               | <b>552,311</b>     |
| <b>Balance at 30 June 2021</b>                        | <b>11,898,945</b> | <b>71,146</b>                   | <b>(64,341)</b>                | <b>2,179,562</b>                   | <b>(11,198,564)</b>     | <b>2,886,748</b>   | <b>(16,090)</b>                 | <b>2,870,658</b>   |