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RLG & AFT launch OTC medicines online in China

RLG and ASX and NZX-listed AFT Pharmaceuticals (ASX:AFP, NZX:AFT) officially launch the first New Zealand OTC (Over The Counter, without prescription) <u>online pharmacy store in China</u>

e-Commerce and digital marketing company RooLife Group Ltd (**ASX:RLG**) ("**RLG**" or "**Company**") and AFT Pharmaceuticals (ASX:AFP, NZX:AFT) ("**AFT**") have launched a range of over the counter (OTC) pharmaceuticals through their store on the China Cross Border E-Commerce (CBEC) online platform Tmall Global. Further launches are to follow over the next few months.

The store, known as the 'Kiwi Health Global Flagship Store', was launched in 2020 initially with a trial range of AFT's health supplements and has since achieved strong support.

Now, following registration under China's cross border e-commerce (CBEC) OTC pilot scheme, the store has become the first New Zealand Direct to Consumer OTC online medicine marketplace in China cross border e-commerce (CBEC).

RLG provides its digital marketing and store operation, selling AFT's trusted portfolio of products including Vitamin C & D Lipo Sachets, Ferro Sachet, Kiwisoothe, Crystawash Extend, Loraclear hay fever relief and Histaclear non drowsy allergy relief.

As part of this two-phase launch, the OTC medical product portfolio will continue to be expanded, including AFT's patented Maxigesic pain relief medication and five additional OTC medicine products.

RLG is responsible for the end-to-end approval process for AFT to have its OTC pharmaceutical products approved for sale in China, making AFT Pharmaceuticals the first New Zealand company to have its OTC pharmaceutical products approved for sale cross border into China on Alibaba's Tmall Global platform.

RooLife Managing Director, Bryan Carr said, "This partnership with AFT Pharmaceuticals places us at the forefront of the market, directly servicing the strong demand for international OTC pharmaceutical products from Chinese consumers.



OF POTENTIAL

This collaboration leverages our China market and e-commerce expertise, including our role of managing and achieving the necessary approvals for the sale of OTC pharmaceutical products in China, combined with AFT's extensive pharmaceutical experience and highly regarded product range. This represents a fantastic achievement for both our companies."

AFT Pharmaceuticals Founder and Managing Director Dr Hartley Atkinson said: "The Kiwi Health Global Flagship Store offers a significant growth opportunity for AFT. We are excited to be the first New Zealand company to be approved for the CBEC OTC pilot scheme that launched in 2019."

"The Chinese market for OTC medicines is the world's second largest behind the US and is growing rapidly. In 2020 it was worth US\$16.3 billion and it is now expected to reach US\$22.7 billion by 2023, as the Chinese population ages and becomes more focussed on healthcare. Additionally, well over 58% of those sales occur online¹."

"The Kiwi Health Global Flagship Store aims to leverage the strong brand awareness of AFT's product range, the high regard and demand for New Zealand products in China and the low numbers of OTC products approved on Tmall Global."

"Our initial health supplements trial has already secured a strong following since its launch, and we are delighted to reach more consumers in China with the launch of our OTC range which will be rolled out in stages over the next few months. We also believe the store will further assist us in amplifying our online presence in the world's largest e-commerce market."

As China's largest cross-border marketplace, Tmall Global is the premier channel through which overseas brands and retailers can reach Chinese consumers, build brand awareness, and gain valuable consumer insights in forming their overall China strategy, without the need for physical operations in that country.

Pier Smulders, New Zealand Country Manager of Tmall Global's owner Alibaba Group, said: "We are delighted to see the Kiwi Health Tmall Global flagship store expand its offering to now include OTC pharmaceutical products. This is an innovative step, and we congratulate everyone involved and look forward to supporting their growth in China."

"New Zealand products have a strong reputation and remain a popular choice with Chinese consumers, who care more about their health and wellness than ever before. The time is right for New Zealand brands to think about expanding their reach in China."

¹www.azoyagroup.com/blog/view/the-e-commerce-opportunity-in-chinas-otc-pharmaceuticals-market/, www.statista.com/outlook/cmo/otc-pharmaceuticals/china



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¹www.azoyagroup.com/blog/view/the-e-commerce-opportunity-in-chinas-otc-pharmaceuticals-market/, www.statista.com/outlook/cmo/otc-pharmaceuticals/china

For further information, please visit the RooLife website at www.roolifegroup.com.au or contact:

Bryan Carr Managing Director Ph: +61 8 6444 1702 Email: **ir@roolifegroup.com.au** Peter Nesveda Corporate Affairs & International Investor Relations Ph: +61 412 357 375 peter@intuitiveaustralia.com.au

About AFT Pharmaceuticals (ASX:AFP, NZX:AFT)

www.aftpharm.com

AFT Pharmaceuticals are a growing multinational pharmaceutical company that develops, markets, and distributes a broad portfolio of pharmaceutical products across a wide range of therapeutic categories which are distributed across all major pharmaceutical distribution channels: over the counter, prescription, and hospital. AFT Pharmaceutical's product portfolio comprises both proprietary and inlicensed products, and includes patented, branded, and generic drugs.