

ASX Announcement

2 October 2019

Market Update

- **The final stage of the Ian's Health Lounge (E-Commerce/Online platform) acquisition by Mediland Pharm has been completed**

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 retail presence within Australia with successful operational E-commerce platforms. 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 included Ian's Health Lounge's China-based retail operation. On 3rd September, the Company had 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 were signed between the China-based employees and Mediland.

The third and final stage of the acquisition related to transfer of and ownership of "Taobao shop". The cost of this stage of the transaction was \$80,000, which was paid by Mediland on October 1st. This concludes the staged transaction of Ian's Health Lounge.

As announced earlier, Ian's Health Lounge's flagship store premises has been leased in the Sydney CBD and is currently being fitted out to deliver a memorable retail experience in line with Mediland's focus on customer service. Management anticipates this flagship shop will be a "hub" for its online business and "a way to connect" with customers in Australia and China. The Company expects to open the flagship store by the end of November this year.

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.

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