

MEDILAND

Pharm Limited

MEDILAND PHARM LIMITED (ABN 83 628 420 824)

SUPPLEMENTARY PROSPECTUS

1. Important information

This is a supplementary prospectus ("**Supplementary Prospectus**") to the Prospectus dated 23 November 2018 ("**Prospectus**") issued by Mediland Pharm Limited ("**Company**") in respect to an offer of up to 75,000,000 Shares at \$0.20 each to raise a minimum of \$12,500,000 with up to \$2,500,000 of oversubscriptions.

This Supplementary Prospectus is dated 11 January 2019 and was lodged with ASIC on that day. Neither ASIC nor ASX takes any responsibility as to the contents of this Supplementary Prospectus.

This Supplementary Prospectus must be read in conjunction with the Prospectus. To the extent of any inconsistency between this Supplementary Prospectus and the Prospectus, the provisions of this Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined and used in the Prospectus have the same meaning in this Supplementary Prospectus.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus and may be accessed on the Company's website at <https://medilandIPO.thereachagency.com>.

This Supplementary Prospectus and the Prospectus are important documents that should be read in their entirety. If you have any questions about the Shares being offered under the Prospectus or any other matter, you should consult your professional advisers.

2. Effect of this Supplementary Prospectus

This Supplementary Prospectus has been prepared to extend the indicative Closing Date of the Offer to 11 February 2019 and to disclose new circumstances which have arisen in the period since the lodgement of the Prospectus.

The Company made an application for admission to the Official List of the ASX on 28 November 2018. If the Company is not admitted to the Official List and the Shares are not admitted to quotation within three (3) months from the date of the Prospectus dated 23 November 2018, or any subsequent refresh disclosure document, all Application Monies will be refunded, without interest.

3. Action required by investors

3.1 Investors who have not previously made any Application

All new Applications for Shares can only be accepted on the Application Form attached to or accompanying this Supplementary Prospectus. The Application Form should be completed in accordance with the instructions set out on the back of the form or available online at <https://medilandIPO.thereachagency.com>. Applications must not be made on the Application Form attached to or accompanying the Prospectus.

3.2 Investors who have lodged an Application Form

Applicants who have already applied for New Shares under the Replacement Prospectus are not required to re-submit an Application Form unless they wish to apply for additional New Shares.

4. Content supplemented

The Prospectus is supplemented by making the following amendments.

4.1 Key dates

This Supplementary Prospectus has been prepared to extend the indicative Closing Date of the Offer to 11 February 2019. Accordingly, references to the Closing Date in the Prospectus are amended and the timetable to the Offer set out in the Prospectus is replaced with the following table:

Key dates

Events	Date
Prospectus Date	23 November 2018
Lodgement of ASX listing application	28 November 2018
Offer opens	3 December 2018
Supplementary Prospectus Date	11 January 2019
Offer closes and Applications due	11 February 2019
Settlement of the Offer	15 February 2019
Issue of Shares under the Offer (Completion of the Offer)	18 February 2019
Expected dispatch of Holding Statements	19 February 2019
Shares expected to begin trading on ASX	22 February 2019

These dates are indicative only and may change. The Company reserves the right to vary the dates and times set out above subject to Corporations Act and other applicable laws. In particular, the Company reserves the right to shorten or close the Offer early or extend the Closing Date without notice. You are encouraged to submit your Applications as soon as possible after the Opening Date.

4.2 Long Term Incentive Plan

Section 5.4.3 “Long term incentive plan” in the Prospectus is amended to disclose additional Performance Rights offered to additional two management personnel, Xue Mei Dowd and Feng Wang. The amended Section 5.4.3 is as follows:

Based on the EIP, the Company has also established a Long Term Incentive Plan (**LTIP**) to encourage the high performance of its key management personnel and senior management personnel in order to promote the long-term success of the Company. The LTIP is an equity-based plan which is delivered in the form of Performance Rights. These Performance Rights have a three year vesting period and will only vest if performance targets are met at the end of this period.

The table below sets out a summary of the terms and conditions of the Performance Rights that has been offered to its key management personnel and senior management personnel as at the date of this Prospectus.

Terms	Description
Issue Date	On Completion of the Offer
Participants	11 senior management personnel determined by the Board.

Terms	Description											
Number or Performance Rights issued	No.	Name	Position	Number of Performance Rights to be issued								
	1.	Yeshween Mudaliar	Managing Director	2,500,000								
	2.	Meliza Perez	Finance Manager	1,500,000								
	3.	Jing Huang	Store Manager	1,250,000								
	4.	Hongwei Chen	Store Manager	1,250,000								
	5.	Jonathan Liu	Store Manager	1,250,000								
	6.	Ting Li	Store Manager	1,250,000								
	7.	Chenlu Bian	Operations Manager	1,250,000								
	8.	Yi Liu	Operations Manager	1,250,000								
	9.	Jessie Tao	CFO	500,000								
	10.	Xue Mei Dowd	Assistant Manager	1,250,000								
	11.	Feng Wang	Operations Assistant	50,000								
	Total		13,300,000									
Entitlements	Each Performance Right that vests entitles the Participants to subscribe for one fully paid ordinary share in the capital of the Company.											
Quotation	Performance Rights granted under the LTIP will not be quoted on the ASX. The Company will make application to the ASX for official quotation of Shares issued on Performance Rights becoming vested and being exercised.											
Performance Rights Restrictions	The Participants will not be entitled to sell, transfer, mortgage, pledge, charge, grant security over or otherwise dispose of any Performance Rights, or agree to do any of those things, unless the Board determines otherwise, during the Restriction Period.											
Restriction Period	None											
Issue price per Performance Right	Nil											
Exercise Price	Nil											
Vesting Conditions	<p>The Performance Rights will be vested based on the following table provided that the Participants remain employees of any member entity in the Group as at the relevant Vesting Date. The Vesting Dates are set out as below:</p> <table border="1"> <thead> <tr> <th>Vesting Date</th> <th>Percentage of the total offered Performance Rights to be vested</th> </tr> </thead> <tbody> <tr> <td>9 January 2020</td> <td>33.33%</td> </tr> <tr> <td>9 January 2021</td> <td>33.33%</td> </tr> <tr> <td>9 January 2022</td> <td>33.33%</td> </tr> </tbody> </table> <p>While the vesting condition applies to the Performance Rights, they are Unvested Performance Rights. If the vesting condition is not met, the relevant Unvested Performance Rights will be forfeited.</p>				Vesting Date	Percentage of the total offered Performance Rights to be vested	9 January 2020	33.33%	9 January 2021	33.33%	9 January 2022	33.33%
Vesting Date	Percentage of the total offered Performance Rights to be vested											
9 January 2020	33.33%											
9 January 2021	33.33%											
9 January 2022	33.33%											

Terms	Description
Ceasing to be an employee	In the event that the Participant resign or voluntarily cease to be an employee of the Group, or where the employment the Participant is terminated by the Group in accordance with his/her employment contract any Unvested Performance Rights at that time will be forfeited. In the event that the Participant cease to be an employee of the Group for reasons other than resignation, voluntary termination or termination by the Company or Mediland Pharm in accordance with his/her employment contract Unvested Performance Rights will automatically vest.

4.3 Use of proceeds

Table 7.1 in Section 7.1.1 "Purpose of the Offer and use of proceeds" in the Prospectus is amended to make sure the Company meets the "commitment test" under Listing Rule 1.3.2(b): The amended Table 7.1 is as follows:

Table 7.1: Sources and uses of Offer proceeds

Sources	Minimum Subscription (\$m)	Maximum Subscription (\$m)	Uses	Minimum Subscription (\$m)	Maximum Subscription (\$m)	Minimum Subscription (%)	Maximum Subscription (%)
Cash proceeds received from the issue of Shares under the Offer	12.5	15.0	Relocation to a larger site in Gold Coast and associated fit out cost	1.0	1.1	7.3%	6.8%
Expected cash position as at 31 January 2019	1.2	1.2	Establishment of two new stores in key locations for Chinese tourists within Australia and New Zealand	2.0	3.0	14.6%	18.5%
			Expanding retail network through acquisitions of direct retail stores in key markets and locations	3.0	4.0	21.9%	24.7%
			Developing online sales and marketing platform to capture incremental revenue	3.5	3.7	25.5%	22.8%
			Working capital	2.7	2.7	19.7%	16.7%
			Costs of the offer (current estimate) ¹	1.5	1.7	10.9%	10.5%
Total sources	13.7	16.2	Total uses	13.7	16.2	100.0%	100.0%

1. Refer to Section 9.9 for more information about the costs of the Offer.

4.4 Working Capital Statement

A paragraph as follows is added after the last paragraph of Section 7.1.1 "Purpose of the Offer and use of proceeds" in the Prospectus:

The Board believe that, on Completion of the Offer, the Company will have sufficient funds available from the proceeds of the Offer and its operations to fulfil the purposes of the Offer and carry out its stated business objectives.

5. Directors' authorisation

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

The Directors believe that the Prospectus, when read together with this Supplementary Prospectus, contains all the information that would be required by sections 710 and 711 of the Corporations Act and does not contain any material statement that is misleading or deceptive. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with ASIC and has not withdrawn that consent prior to lodgement.

Signed for and on behalf of Mediland Pharm Limited

Dated: 11 January 2019



Peter French
Chairman