



Eagle Health Holdings Limited

ASX Announcement
31 May 2018

EAGLE HEALTH EXPANDS DIRECT EDUCATION & EXPERIENCE STORES

Eagle Health Holdings Limited (ASX: EHH) (“Eagle Health” or “Company”) is pleased to announce the Company will expand its Eagle Health Education and Experience stores along the affluent East Coast of China following the success of the Company’s current four direct diabetes stores in Xiamen, China.

The Company’s store expansion plans will continue throughout 2018 and 2019 with the initial focus being in the home market of Fujian province. On the basis of further strong customer support and ongoing refinement of the business model and roll out strategy, the Company’s broad vision is to open up to 100 stores across China.

The Company believes this retail footprint would enable access to up to 570 million consumers across China. This retail strategy will also enable Eagle Health to directly sell the Eagle Health’s Hutang One pre-meal shake diabetes product, the Company’s new range of modern Traditional Chinese Medicine (TCM) products and a selected range of health products sourced in Australia.

The planned Education and Experience direct stores will ensure Eagle Health further strengthens its reputable brand and continues to penetrate the Chinese market and provinces by providing consumers with access to a new and unique range of health products.

These direct stores will be planned in locations designed to minimise immediate disruption to the current distributor footprint and distributor range. In addition, Eagle Health will continue to increase its geographic reach in China with its current Pharmacy and Supermarket distributor model.

Eagle Health plans to fund this expansion with existing cash on hand.

Mr Zhang Mingwang, CEO of Eagle Health, said:

“Chinese consumers are changing the way they shop and buy health products. Our Hutang One Education and Experience stores show us that we can reach a wide population and provide greater access to health education, product trial and on-going repeat purchase. We believe our direct-store and multi-channel approach will not only provide consumers the products they want but also ensure our products are more accessible for consumer to buy every day.

“This direct channel approach provides us control over the five key elements of our accelerated growth business plan: 1. Drive greater loyalty for Eagle Health products, 2. Penetrate deeper into high population areas, 3. Improve gross margin, 4. Ensure long term sustained growth by sourcing business from multiple channels and, 5. Provide consumer health education to support China’s Central Government National Health Strategy.”

About Eagle Health Holdings Limited

Eagle Health Holdings Limited is a vertically integrated consumer health and nutritional products business which develops, manufactures and distributes its product range across 26 provinces in China. Eagle Health produces a range of traditional Chinese and Western nutritional and dietary supplements including



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amino acids, protein supplements, lozenges and dendrobium. The Company distributes its products through a broad range of channels, including pharmacies, health food stores, trading companies, supermarkets and online stores.

For more information visit: www.auehh.com.au or www.eaglehealthltd.com/EN/index.aspx

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