



Eagle Health Holdings Limited

10th February 2020

Company Update - Coronavirus

Eagle Health Holdings Limited (ASX: EHH) ("Eagle Health" or "Company") wishes to provide its shareholders an update on its China operations and the impact that the Government imposed protocols surrounding the coronavirus epidemic has had on segments of the business.

The Company's Xiamen production facility was closed for 10 days for the annual Spring Festival from 20 to 30 January 2020. In order to comply with the Chinese Government imposed regulations and restrictions to the coronavirus epidemic, the Company's employees must maintain quarantine principles for 14 days after arriving in Xiamen in accordance with the mandatory infection control protocols. In order to adhere to these regulations, the Company plans to resume normal operation after 1 March 2020.

The current in-country infection control protocols have allowed for very limited public movement in all areas of the country, which has caused a wide spread impact to the country's economy as well as specific business segments, including and not limited to logistic outages between manufacturers and distributors, and to the retail outlets and shopping malls.

Eagle Health has more than 300 Zhang Lao San exclusive product and franchised stores which have been affected in some capacity by the current disruptions in daily operations. Because of the stores being temporarily closed at this stage, the Company anticipates a temporary adverse effect on sales during this period.

The Board of Directors has commenced plans to mitigate and reduce the further potential impact on sales, including and not limited to strengthening its alternate sales channels and focusing on both existing and new products which are deemed to have higher consumer demand and priority in conventional and functional health, driven by the current environment.

Local authorities have suggested that people with low immunity may be more susceptible to infection with the new coronavirus. The Company's current range of products holds many formulations and ingredients which are known to be supportive for immunity, including its American ginseng series products, vitamin series products, Dendrobium series products, and amino acid oral solutions - all of which are approved by the National Authority as supportive health products for their respective representations.

Additionally, as an immediate plan, the Company has expanded the range of its products made available through its current television marketing campaigns, and is implementing in parallel new media channels such as TikTok and Kuaishou. The Company expects these actions will generate long term benefit in its marketing and sales effectiveness, as well as mitigating the immediate challenges in its retail environment as a direct result of the coronavirus protocols.

-ENDS-

Approved for release by the Board of Directors



Eagle Health Holdings Limited

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About Eagle Health Holdings Limited

Eagle Health is an ASX listed vertically integrated health and nutritional products business which develops, manufactures and distributes products into 26 provinces in China. Eagle Health produces a range of traditional Chinese Medicine and Western nutritional products including amino acids, protein supplements, lozenges and dendrobium oil. Eagle Health has a GMP certified manufacturing facility and a Head Office in Xiamen, China, acting as a central hub for distribution into Chinese pharmacies, health food stores, trading companies and supermarkets. Eagle Health has a corporate and sales office in Melbourne, Australia. Eagle Health has a stated strategy of acquiring or partnering with quality Australian products for distribution into China.

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

