

ASX Announcement

21 September 2020

## Business Update

Eagle Health Holdings Limited (ASX: EHH) ("Eagle Health" or "Company") wishes to provide its shareholders an update on its China operations and the impact COVID-19 has had on segments of the business.

### 1. EHH Business Environment

#### Sales of traditional products

The Covid-19 pandemic has seriously impacted the Chinese economy in general and China's health supplements market. Pharmacies, supermarkets and other retail stores have all experienced significant falls in sales and customer traffic during the first six months of 2020 due to the nationwide lockdown.

As a consequence, the Eagle Health's China operations management by its wholly own subsidiary Xiamen Eagledon Pharmaceuticals Co Ltd ("Eagledon") have been adversely affected by the pandemic. Sales stagnated, supply chains and logistics slowed down, production scaled back, therefore the marketing campaigns suspended and outlet expansion postponed.

In the first half of 2020, sales of health supplements decreased significantly by 61% (unaudited) compared to the same period of 2019.

#### New market opportunity

In an effort to mitigate against this adverse impact on its traditional sales channels, the Company has identified a new market opportunity in the production and sale of personal protective products and has made a strategic move to manufacture and sell face masks from its existing production facility in Xiamen, China by Eagledon.

Leveraging the company's experience in the health supplements market and the existing GMP certified manufacturing facilities, the Company commenced trial production of face masks in late February, after the production approval was granted by National Medical Products Administration NMPA (formerly CFDA) .

Eagledon now has 20 face mask production lines in operation including a capability to produce N95 face masks.

Eagledon has received accreditation from the following bodies in respect of its face mask business (copies of certificate attached to this announcement):

- Australian TGA- Medical Device Class 1 (Annexure A)
- US FDA- Medical Device listing (Annexure B)
- China- Medical Device Registration Certificate of the People's Republic of China. (Annexure C)

Eagledon has identified and engaged below opportunities so far:

- Demand from China local government and authorities
- Demand from China based large organisations i.e. China Oil
- Demand from China based large pharmaceutical companies i.e Hainan Yiling Medical
- Eagledon has also signed a 12 month supply agreement with a Hong Kong based supply chain in May 2020 for its international market
- Eagledon also supplied to Australian based pharmaceutical company

# Eagle Health Holdings Limited



A summary of Eagledon's face mask supply (unaudited):

Customer category	Orders by 30 June 2020		Delivered by 30 June 2020	
	quantity in '000	revenue RMB in '000	quantity in '000	revenue RMB in '000
Local government and authority	114	205	114	205
China based large organisations	7,900	11,815	6,662	8,100
China based large pharmaceuticals	26,009	52,633	29,009	52,633
International market other than Australia	8,627	15,828	8,627	9,200
Australia market	1,750	2,990	1,750	2,990

Until 30 June 2020 Eagledon has manufactured and supplied face masks of approx. 56 million in quantity and recognised RMB74 million in revenue (unaudited). With cash receipts of \$50 million RMB by 30 June 2020 and 73.56 million RMB by 31 August 2020 (unaudited).

The Company expects that the face masks market will continue to grow in China and internationally, and the health supplements market in China will slowly recover. The Company will therefore focus on this growing face mask opportunity whilst at the same time seek to recover lost sales in health supplements.

Where opportunities are identified, the Company intends to expand its presence in this personal protective product category.

## 2. Audit Status

The 2019 annual audit is still not complete. The Board had resumed conversation with the Company's external auditor Grant Thornton in terms of pending matters and completion time. The Board will advise the shareholder as soon as we receive any confirmation from Grant Thornton.

## 3. Annual General Meeting

Because the Company has been unable to present audited accounts to shareholders, the Board has decided to defer convening an Annual General Meeting until such accounts are available. In the meantime, the Board is considering to hold an investors call session once the 2019 annual audit is close to completion.

**Approved for release by the Board of Directors.**

**-ENDS-**

### Contact:

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### About Eagle Health Holdings Limited

Eagle is an ASX listed vertically integrated health and nutritional products business which develops, manufactures and distributes products into 26 provinces in China. Eagle has collectively more than 300 Zhang Lao San exclusive product stores and franchised stores throughout China, with a further 271 distribution partners placing Eagle's branded products into more than 30,000 outlets across the country. Eagle produces a range of traditional Chinese Medicine and Western nutritional products including amino acids, protein supplements, lozenges and dendrobium oil. Eagle 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 has a corporate and sales office in Melbourne, Australia. Eagle has a stated strategy of acquiring or partnering with quality Australian products for distribution into China.

For more information visit: [www.aeuhh.com.au](http://www.aeuhh.com.au) or [www.eaglehealthltd.com/EN/index.aspx](http://www.eaglehealthltd.com/EN/index.aspx)

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Australian Government  
Department of Health  
Therapeutic Goods Administration

## Australian Register of Therapeutic Goods Certificate

Issued to

**Eagle Health Holdings Limited**

for approval to supply

**Eagle Health Holdings Limited - Mask, surgical, single use**

**ARTG Identifier** 333737  
**ARTG Start Date** 8/04/2020  
**Product Category** Medical Device Included Class 1  
**GMDN** 35177  
**GMDN Term** Mask, surgical, single use  
**Intended Purpose** A disposable device made from fabric or other material placed over the nose and mouth by medical personnel to prevent the transmission of airborne organisms while surgery is being performed.

Manufacturer Details	Address	Certificate number(s)
Xiamen Eagledon Pharmaceuticals Co Ltd	No 220-228 Meihe Third Road Xike Light Industrial Park Tongan District , Xiamen , 36 1100 China	

### ARTG Standard Conditions

The above Medical Device Included Class 1 has been entered on the Register subject to the following conditions:

- The inclusion of the kind of device in the ARTG is subject to compliance with all conditions placed or imposed on the ARTG entry. Refer Part 4-5, Division 2 (Conditions) of the Therapeutic Goods Act 1989 and Part 5, Division 5.2 (Conditions) of the Therapeutic Goods (Medical Devices) Regulations 2002 for relevant information.
- Breaching conditions of the inclusion related to the device of the kind may lead to suspension or cancellation of the ARTG entry; may be a criminal offence; and civil penalties may apply.

### Products Covered by This Entry

#### 1. Mask, surgical, single use

### Product Specific Conditions

No specific conditions have been recorded against this entry.

Therapeutic Goods Administration  
PO Box 100, Woden ACT 2606 Australia  
Phone: 1800 020 653  
Email: info@tga.gov.au

ARTG Identifier: 333737  
ARTG Start Date: 8/04/2020

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## Establishment Registration & Device Listing

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<b>Proprietary Name:</b>	Eagledon Disposable Medical Masks; Eagledon Disposable Protective Masks; Eagledon Disposable Surgical Mask, KN95, N95
<b>Classification Name:</b>	RESPIRATOR, SURGICAL
<b>Product Code:</b>	<a href="#">MSH</a>
<b>Device Class:</b>	2
<b>Regulation Number:</b>	<a href="#">878.4040</a>
<b>Medical Specialty:</b>	General & Plastic Surgery
<b>Registered Establishment Name:</b>	<a href="#">XIAMEN EAGLEDON PHARMACEUTICAL CO., LTD</a>
<b>Registered Establishment Number:</b>	3014553036
<b>Owner/Operator:</b>	<a href="#">Xiamen Eagledon Pharmaceutical Co., Ltd</a>
<b>Owner/Operator Number:</b>	10064001
<b>Establishment Operations:</b>	Manufacturer

U.S. Department of Health & Human Services

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## Establishment Registration & Device Listing

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<b>Proprietary Name:</b>	Disposable Medical Masks
<b>Classification Name:</b>	FACE MASK (EXCEPT N95 RESPIRATOR) FOR GENERAL PUBLIC/HEALTHCARE PERSONNEL PER IIE GUIDANCE
<b>Product Code:</b>	<a href="#">QKR</a>
<b>Device Class:</b>	Not Classified
<b>Registered Establishment Name:</b>	<a href="#">XIAMEN EAGLEDON PHARMACEUTICAL CO., LTD</a>
<b>Registered Establishment Number:</b>	3014553036
<b>Owner/Operator:</b>	<a href="#">Xiamen Eagledon Pharmaceutical Co., Ltd</a>
<b>Owner/Operator Number:</b>	10064001
<b>Establishment Operations:</b>	Manufacturer

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Original document:

Medical Device Registration

Certificate of the People's Republic of China

## 中华人民共和国医疗器械注册证

注册证编号：闽械注准 20202140406

注册人名称	厦门鹰君药业有限公司
注册人住所	厦门市同安区西柯轻工食品园美禾三路 220-228 号
生产地址	厦门市同安区西柯轻工食品园美禾三路 220-228 号 2#楼二 层、四层
代理人名称	不适用
代理人住所	不适用
产品名称	一次性使用医用口罩
型号、规格	型号：非无菌型平面耳挂式 规格：17.5cm×9.5cm
结构及组成	由口罩体、鼻夹、口罩带组成。其中口罩体由内外层纺粘无 纺布、中间层熔喷无纺布构成，共三层。产品为非无菌型。
适用范围	供临床各类人员在非有创操作过程中佩戴，覆盖住使用者的 口、鼻及下颌，为防止病原体微生物、颗粒物等的直接透过 提供一定的物理屏障。
附件	产品技术要求
其他内容	
备注	申请人上市后应继续进行产品包装研究，在 6 个月内完成研 究工作并按要求提交验证报告。

审批部门：福建省药品监督管理局

批准日期：2020 年 08 月 18 日

有效期至：2025 年 08 月 17 日





Translated document:

## Medical Device Registration

### Certificate of the People's Republic of China

Registration Certificate No.: Fujian Medical Instruments Note 20202140406

Registrant name	Xiamen Eagle Don Pharmaceutical Co.,Ltd
Registrant's Address	No. 220-228 Mei He 3 Road, Food Industrial Park, Tong An, Xiamen
Production Address	Level 2, No. 220-228 Mei He 3 Road, Food Industrial Park, Tong An, Xiamen
Agent name	Not applicable
Agent Address	Not applicable
Product name	Disposable medical mask
Model, specifications	Model: Non-sterile flat earhook Specification: 17.5cm × 9.5cm
Structure and composition	It consists of mask body, nose clip and mask band. The mask body is composed of inner and outer layers of nonwoven fabric and middle layer of meltblown nonwoven fabric, with a total of three layers. The product is non-sterile.
Application range	It can be worn by clinical personnel during non-invasive procedures, covering the user's mouth, nose and jaw, and provides a certain physical barrier to prevent the direct transmission of pathogenic microorganisms, particles, etc.
Annex	Product technical requirements
Other content	
Note	After the applicant is listed, who should continue to conduct product packaging research, complete the research within 6 months, and submit a verification report as required

Approval department: Fujian Province Medical Products Administration

Approval date: 18<sup>th</sup> August, 2020

Validity: 17<sup>th</sup> August 2025

(Approval department Stamp)

Fujian Province Medical Products Administration

Fujian Province Medical Products Administration Stamp