



**EAGLE HEALTH HOLDINGS LIMITED**  
**ANNUAL REPORT 2018**



Growing  
together

# About Eagle Health

Eagle Health is a 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 products are manufactured at its GMP certified manufacturing facility in Xiamen, China.

Eagle Health is Australian listed with a corporate office in Melbourne and head office and manufacturing in Xiamen, China.





# Chairman's letter



**Andrew Thomson**  
Non-Executive  
Chairman

As chairman of the board of directors of Eagle Health Holdings Limited, I write to inform shareholders of the company's progress over the past year. The board's key priorities have been to emphasise good corporate governance, keep the market properly informed of the company's activities, and encourage management to maintain a strong sales effort in both the Chinese market and in Australia while making forward-looking investments in distribution capability.

It is plain that economic growth in China has slowed in 2018 and 2019, yet the company's performance in such circumstances has been praiseworthy. The 2018 full year financial results were excellent in the context of a slowing economy in China and reflect well on the management team. In summary operational highlights included:

- Launch of 50 new Traditional Chinese Medicine products in China.
- Preparation for the rollout of the new Education and Experience Stores, which was subsequently launched under the new "Zhang Lao San" brand. The brand "Zhang Lao San" is considered to have stronger historical and cultural links in China than "Eagle".
- Eagle Health signs new distribution agreements to accelerate geographic expansion and market penetration.
- Upgrade of the high-speed line in the Hutang 1 production facility.

In January 2019, the company announced the launch of a new brand, Zhang Lao San. The company is committed to its plan to open 100 Education and Experience stores across China, and management believes that the 100 stores strategy will be better executed through the promotion of the new Zhang Lao San brand. Eagle Health will sell its Zhang Lao San branded products through its stores and through its online platform and WeChat channel. Zhang Lao San is an exciting new brand designed to offer an additional category of products to complement the existing Eagle branded traditional health products. This strategy will allow the Company to increase its market presence and expand on its existing sales channels to cover the over-the-counter market in the regions the company intends to penetrate.

Above all, management regularly emphasises to the board that the consumer market in China is one that changes rapidly. Therefore, a successful company is one which is able to adapt to such changes quickly with new brands, new products, and new distribution strategies. To this end on 23 January 2019 the company announced that as of 18 January 2019 a total of 50 stores have been opened across 14 provinces in China. There is meaningful significance behind the store name and concept of "Health and Experience." These two words emphasise both health as the company's primary mission and the ability of consumers to experience the products in the stores before purchase. At present the stores sell mainly Zhang Lao San health patches, but the company plans to sell more categories of products through these stores in future, including Eagle branded products, Hutang 1 products and Australian Ecological Valley product.

## Likely development, business strategies and prospects

- Modify business model to combine existing distribution, new "bricks and mortar" retail, online and "micro-business channel".
- Continue with the roll out of the "Zhang Lao San" Education and Experience stores across selected high growth regions in China and compliment this with a strategy to develop a national franchise network under "Zhang Lao San".
- Continue research, investigation and evaluation of appropriate M&A target companies and businesses with reputable brand names in Australia.

Yours sincerely,



**Andrew Thomson**  
Non-Executive Chairman

# Chief Executive Officer's report

Eagle Health Holdings has a diverse health portfolio, which includes Traditional Chinese Medicine, Health supplements and Zhang Lao San health patches (launched at the end of 2018), which we strongly believe will achieve strong shareholder returns in the future. At Eagle Health, we believe that this platform has set a bright future for us.

Eagle Health was established 15 years ago. China's changing prospects are noteworthy as we look towards the future. The Chinese Central Government has adopted the "Healthy China Program 2030" national strategy to ensure the health and well-being of Chinese people are looked after. As a result of the implementation of this strategy, the government has further developed policies and guidelines that focus on the development of nutritional supplements and health foods. For example, the National Development and Reform Commission and the Ministry of Industry and Information Technology issued "Guidance on Promoting the Healthy Development of the Food Industry", emphasising the research and development of nutritional supplements. The State Council of China has launched the National Nutrition Program (2017-2030)", which calls for more attention to the development of healthy foods and nutrition. Eagle Health has a unique opportunity to take advantage of these policies and provide a range of health products to Chinese consumers.



## China Business

The launch of the new product, Zhang Lao San health patch, which is made from Traditional Chinese Medicine. The product delivers effective joint relief through the skin, ensuring the treatment is delivered directly to the source of pain. The packaging is made of thick aluminum foil bag, which has a good sealing ensuring the product quality is maintained under all conditions. The internal paste is integrated into medical non-woven fabric, which has good air permeability and is gentle to the skin. In addition, the Zhang Lao San cream has a large area, a thick paste, a large dose with an economical benefit. We expect the market potential for this product to be very strong.

**Zhang Mingwang**  
Executive Director  
& Chief Executive Officer

Eagle Health will continue its '100 stores' roll-out. To date, 50 stores have been opened. The Company will accelerate the expansion of the national franchise chain of Zhang Lao San products. At the same time, Eagle health will also be expanding its network marketing and WeChat marketing to establish online marketing channels. Meanwhile, Eagle Health is expanding its traditional distribution channel while additional distribution agreements were put in place to accelerate geographical expansion. In 2018, Eagle Health launched 50 varieties of Traditional Chinese Medicine products. This launch is an important milestone for Eagle Health because it has been approved by Fujian Provincial Food and Drug Administration. Eagle Health's Chinese Herbal Pieces products are made from naturally grown raw materials that are dried, formulated and packaged at the Eagle Food Health Certification Center (CFDA-certified factory) in Xiamen, China. The Chinese government continues to support the development of Chinese medicine, and the release of our new product line is in line with the Chinese national strategy.

## Australian Business

The Eagle Health lozenges have arrived in Melbourne and are scheduled to be available in Australian pharmacy chains during 2019. Eagle Health is now registered with the Australian Cosmetic Regulatory Body, 'NICNAS' and has made the necessary modifications to the label of the Orchid Oil to meet regulatory requirements. Regarding Australian target acquisitions, it is reported that there are more than 2,500 enterprises in China's health food production industry, more than 15,000 product approvals, and more than 5,000 health products on the market. In addition to local production, Australian mergers & acquisitions have also become an important way for health-care companies to expand their market share and we will continue to assess the potential for these transactions. The Company will look to develop products in Australia, through the Australian local pharmacies, supermarkets, purchasing and other channels to create brand awareness and build a tourist destination with a "health" theme in Australia.

A handwritten signature in black ink, appearing to read 'Zhang Mingwang' in a stylized cursive script.

**Zhang Mingwang**  
Executive Director  
& Chief Executive Officer

**EAGLE HEALTH HOLDINGS LIMITED**

**ABN 62 616 382 515**



Financial Report  
for the year ended  
31 December 2018

# Directors' Report

The Directors of Eagle Health Holdings Limited (EHH or the Company) present their Report together with the financial statements of the Consolidated Entity, being EHH and its Controlled Entities ("the Group") for the year ended 31 December 2018.

## Director details

The following persons were Directors of EHH during or since the end of the financial year:

Directors	Appointment Date
Mr Andrew Thomson, Non-Executive Chairman	31 January 2017
Mr Mingwang Zhang, Executive Director	9 December 2016
Ms Linxiang Chen, Executive Director	31 January 2017
Mr Rodney Hannington, Non-Executive Director <sup>(1)</sup>	31 January 2017
Ms Yuhong Liu, Non-Executive Director	31 January 2017
Mr Andrew Smith, Non-Executive Director	9 December 2016
Mr Haroon Kalla, Non-Executive Director	16 May 2018

(1) Mr Hannington was appointed to the Board on 31 January 2017 as a Non-Executive Director, appointed as an Executive director on 1 September 2017 and resigned as an Executive Director on 31 August 2018.

### Andrew Thomson Non-Executive Chairman

The Hon. Andrew Thomson was appointed to the Board on 31 January 2017 as a Non-Executive Director. The Hon. Andrew Thomson is a special counsel for Lander & Rogers Lawyers and advisor to D1 Chemical Co. Ltd, a company headquartered in Japan. Holding a Bachelor of Arts and Bachelor of Laws from the University of Melbourne and a Master of Laws from Georgetown University, he commenced his career as a solicitor at Mallesons before holding the position of Investment Manager at GT Management (Japan) Ltd and Assistant Vice President at Credit Suisse First Boston (Japan Ltd).

The Hon. Andrew Thomson has also held positions as a Member (House of Representatives) in the Australian Parliament, Parliamentary Secretary for Foreign Affairs, the Minister for Sport, Tourism and Sydney Olympic Games, and Chairman of the Joint Committee on Treaties for the Australian Parliament, and was previously a member of the New York Bar and California Bar.

He is currently a director of Australia-Japan Energy Developments Pty Ltd and Pie Face Japan GK. He has previously been a Chairman of Athena Resources Ltd (ASX:AHN), Citadel Resource Group Ltd, Celamin Holdings NL (ASX:CNL) and is fluent in Japanese and Mandarin.

The Hon. Andrew Thomson's experience in public company governance, commercial law and financial services and investment management is an asset to the Company.

#### Other current listed entity Directorships:

None

#### Interest in shares:

None

#### Previous listed entity Directorships (last 3 years):

Winha Commerce and Trade International Limited  
(ASX:WQW) (Resigned 23 August 2017)

#### Interest in options:

None

**Mingwang Zhang**  
**Executive Director**

Mr Zhang, the founder of the Eagle Group, was appointed to the Board on 9 December 2016 as an Executive Director. He is primarily responsible for the Group's strategic development. From 1980 to 1985, he was the technical expert at the Agricultural Bureau of Cangnan County (Wenzhou). Subsequently, he founded Shenli Ginseng Co., Ltd to manufacture and sell Ginseng health products. From 1995 to 2000, Mr Zhang became the Chairman of Changbaishan City Ginseng Co., Ltd. He has more than 30 years of experience in the health food and nutritional supplements industry.

Mr Zhang is also well connected socially and politically. He has:

- since 2007 consecutively served as a member of the National Committee of Chinese Political Party Consultative Conference in Tong'an District;
- acted as the vice chairman of the Tong'an Chamber of Commerce;
- acted as the standing deputy chairman of the Xiamen Health Food and Cosmetics Association;
- acted as the standing vice chairman of Industry and Commerce Association, Tong'an District, Xiamen;
- acted as the Chairman of Tong'an Chamber of Food Business;
- acted as the Standing Chair of the World Chinese Entrepreneur Association;
- acted as the research fellow of the Chinese People's Political Consultative Conference Xiamen Committee; and
- acted as the standing deputy chairman of Wenzhou Commerce Association in Fujian Province.

Mr Zhang was awarded an EMBA degree from Xiamen University and Kellogg Business College, Northwest University, USA.

<b>Other current listed entity Directorships:</b>	<b>Interest in shares:</b>
None	122,307,692
<b>Previous listed entity Directorships (last 3 years):</b>	<b>Interest in options:</b>
None	None

**Linxiang Chen**  
**Executive Director**

Ms Chen, the co-founder of the Eagle Group, was appointed to the Board on 31 January 2017 as an Executive Director. Since August 2001, Ms Chen has served as the vice general manager of Xiamen Eagle Don, and is responsible for procurement and logistics. Ms Chen has nearly 30 years of enterprise management experience in the health food industry. She was the co-founder, and vice chairman of Shenli Ginseng Co., Ltd, and was the vice general manager between 1995 and 2000 at the Changbaishan City Ginseng Co., Ltd.

Ms Chen graduated from Xiamen University with a certificate in Financial Management.

<b>Other current listed entity Directorships:</b>	<b>Interest in shares:</b>
None	57,892,307
<b>Previous listed entity Directorships (last 3 years):</b>	<b>Interest in options:</b>
None	None

**Rodney Hannington**  
**Non-Executive Director**

Mr Hannington was appointed to the Board on 31 January 2017 as a Non-Executive Director and appointed as an Executive Director on 1 September 2017. Mr Hannington resigned as an Executive Director on 31 August 2018 but remains on the Board as a Non-Executive Director. Rodney has been working in marketing and strategy services in consumer health and fast moving consumer goods in Asia Pacific for over 15 years. He has valuable international experience in Australia, China, Japan, South Korea and South East Asia, Middle East, Africa, Russia and Ukraine markets.

Working and consulting with Mondelez, Novartis and Asia Pacific Consulting Agencies, living in Australia, China and Singapore, he has developed extensive experience with a strong network in the health and food industries.

He is a strategic and innovative consumer health marketer with deep experience in China and Australia. He has led and been a part of several significant company acquisitions and new product launches in China and Australia as a board member, consultant and employee. He has strong interpersonal skills with broad cultural experience dealing with diverse cross-functional teams.

After two decades of overseas living and travel Rodney is now located in Australia and looking forward to bringing both his Asia Pacific experience and Australian knowledge and expertise to the board.

Mr Hannington graduated from Monash University with a Bachelor's Degree in Marketing and has been a member of the Monash University Department of Marketing Industry Advisory Board since 2013.

<b>Other current listed entity Directorships:</b>	<b>Interest in shares:</b>
Lifespot Health Limited (ASX:LSH)	None
Tymlez Group Limited (ASX:TYM)	

<b>Previous listed entity Directorships (last 3 years):</b>	<b>Interest in options:</b>
None	None

**Yuhong Liu**  
**Non-Executive Director**

Ms Liu was appointed to the Board on 31 January 2017 as a Non-Executive Director.

Ms Liu had worked at the Industrial Bank Co.,Ltd, Tong'an Branch, and since April 2002, has been the Chairwomen of Xiamen Panjin Group. Ms Liu has significant experience in business management, and will be able to bring her management experience to assist the Company in developing its business strategy. Currently, Ms Liu is the vice chairman of Industry and Commerce Association, Tong'an District, vice chairman of Chamber of Commerce, Tong'an District, and a member of the National People's Congress, Tong'an District. Ms Liu has received many awards and recognitions from various government authorities including May 1st Labour Day Award in 2015.

Ms Liu graduated with a diploma in Economic Management major from the Central Communist Party Academy.

<b>Other current listed entity Directorships:</b>	<b>Interest in shares:</b>
None	None

<b>Previous listed entity Directorships (last 3 years):</b>	<b>Interest in options:</b>
None	None



**Andrew Smith**  
**Non-Executive Director**

Mr Smith was appointed to the Board on 9 December 2016 as a Non-Executive Director.

Andrew's business career has focused on finance and the financial markets in the Asia Pacific and the United Kingdom. Utilising the experience gained in his working career, he now holds a number of non-executive and consulting positions.

In addition to this position, Andrew is a Director of Gyrostat Capital Management Pty Limited, a funds management company; Responsible Manager and Chairman of the Project Control Group of Goal Property Group Pty Limited; and Responsible Manager of Dennis AFSL Pty Limited.

He was formerly the Managing Director and Chief Executive of the Stockbroking and Corporate Finance group Intersuisse Limited (now Phillip Capital) between 2000 to 2010. Prior to that, Andrew was Chairman of the Sedgwick Group in the Asia Pacific between 1995 to 2000 and a member of the Group Executive Committee in London.

Andrew was also Chairman of XPD Soccer Gear Group Limited (ASX: XPD) and on the Boards of Elk Ortho Biologics Limited, Zheng He Global Capital Limited and on the Board of Advice of Aon Risk Services.

<b>Other current listed entity Directorships:</b>	<b>Interest in shares:</b>
None	None
<b>Previous listed entity Directorships (last 3 years):</b>	<b>Interest in options:</b>
XPD Soccer Gear Group Limited (ASX: XPD) <i>(Resigned 27 July 2017)</i>	None

**Mr Haroon Kalla**  
**Non-Executive Director**

Mr. Haroon Kalla has been a Non-Executive Director of Eagle Health Holdings Ltd since 16 May 2018. He serves as Director of Liberty Lane Trading at Assessment College of South Africa (Pty) Ltd. Mr. Kalla serves as the Marketing Director of AMKA Products. He helped to build the AMKA family business into the largest privately owned cosmetic and toiletry company in South Africa.

Mr. Kalla is also a Director of a major South Africa Nutritions group, Amka Holdings (Amka). He is a highly experienced and successful businessman in the beauty and nutritional products market. As a senior director of the family business, Amka, he is actively involved in product and new market development. He is qualified as a Chartered Marketer and is a member of the Marketing Federation of South Africa as well as a member of the Institute of Directors, South Africa. Mr. Kalla previously worked at the Norwich Hospital in the UK where he set up the Poisons Centre at the New Hospital. In addition to many of his business successes, he formulated one of the world's bestselling antibiotic creams "Bactroban".

<b>Other current listed entity Directorships:</b>	<b>Interest in shares:</b>
None	27,519,230
<b>Previous listed entity Directorships (last 3 years):</b>	<b>Interest in options:</b>
None	None

## Joint Company secretaries

### **Kobe Li (appointed on 30 November 2018)**

Kobe has held the role of Company Secretary since November 2018. He has served and currently serves as company secretary for several ASX listed entities. Prior to becoming a Company Secretary, Kobe worked at the Australian Securities Exchange (ASX) Listings Compliance team as a Senior Adviser. Kobe is a member of the Governance Institute of Australia.

### **Justyn Stedwell (appointed on 8 February 2017, resigned on 30 November 2018)**

Justyn Stedwell is a professional Company Secretary consultant with over eleven years' experience as a Company Secretary of ASX listed companies in a wide range of industries. His qualifications include a Bachelor of Commerce (Management and Economics) from Monash University, a Graduate Diploma of Accounting from Deakin University and a Graduate Diploma in Applied Corporate Governance at the Governance Institute of Australia. He is currently the Company Secretary of several ASX listed companies.

### **Michael Beer (appointed on 21 April 2017, resigned on 17 May 2018)**

Michael is a Chartered Accountant and Chartered Company Secretary with initial experience at Price Waterhouse. Since 2013, Michael has been joint owner of Beer and Co Pty Limited, a Corporate Advisory firm, acting as Lead Manager for a number of Chinese companies listing on ASX.

## Principal activities

The Company is principally engaged in developing, manufacturing, marketing and distributing health food products and nutritional and dietary supplements in China.

## Review of operations and financial results

### **Highlights – Operational**

- Launch of 50 new TCM (Traditional Chinese Medicine) products in China.
- Planning, renovation and refit ahead of the rollout of “Zhang Lao San” Education and Experience Stores, which opened progressively from mid January 2019.
- Eagle Health signs two new distribution agreements with Luyan Pharmaceuticals and Lianfutang Pharmaceuticals to accelerate geographic expansion and market penetration.
- Upgrade of the high-speed line in the Hutang 1 production facility.

### **Key points – Financial & Corporate**

- Revenue of \$111 million in FY18, up 24% from FY17 and up 19% in RMB terms (RMB 548.1 million in FY18 vs. RMB 462 million in FY17).
- Gross profit margin 51%.
- Closing cash balance of \$32.7 million.
- Earnings per share of 5.92 cents.
- Final dividend declared of 0.5 cents per share – total FY18 dividend of 0.5 cents (unfranked).
- Appointment of Mr Haroon Kalla to the Board as a Non-Executive Director on 16 May 2018.
- Resignation of Mr Michael Beer and Mr Justyn Stedwell as company secretaries on 17 May 2018 and 30 November 2018 respectively and the appointment of Mr Kobe Li as the company secretary on 30 November 2018.

### Likely development, business strategies and prospects

- Modify existing business model to combine existing distribution, new “bricks and mortar” retail, online and “micro-business channel”.
- Continue with the roll out of the “Zhang Lao San” Education and Experience stores across selected high growth regions in China and compliment this with a strategy to develop a national franchise network under “Zhang Lao San”.
- Continue research, investigation and evaluation of appropriate M&A target companies and businesses with reputable brand names in Australia.

### Meeting of Directors

The number of Directors Meetings (including meetings of Committees of Directors) held during the year, and the number of meetings attended by each Director is as follows:

Directors' Name	Board Meetings		Audit and Risk Committee		Nomination and Remuneration Committee	
	A	B	A	B	A	B
Andrew Thomson	5	5	2	2	1	1
Mingwang Zhang	5	5	-	-	-	-
Linxiang Chen	5	5	-	-	-	-
Rodney Hannington	5	5	2	2	-	-
Yuhong Liu	5	4	-	-	-	-
Andrew Smith	5	5	2	2	1	1
Haroon Kalla	3	2	-	-	-	-

- **Column A** is the number of meetings the Director was entitled to attend
- **Column B** is the number of meetings the Director attended.

### Dividends

Dividends paid during the financial year were as follows:

Final dividend for the year ended 31 December 2017 of 0.5 cents per ordinary share, paid 30 April 2018.

On 26 February 2019, the directors declared a fully unfranked final dividend for the year ended 31 December 2018 of 0.5 cents per ordinary share with payment date of 30 April 2019 to eligible shareholders on the register as at 29 March 2019. This equates to a total distribution of \$1,592,149 based on the number of ordinary shares on issue as at 31 December 2018. The financial effect of dividends declared after the reporting date is not reflected in the 31 December 2018 financial statements and will be recognised in subsequent financial reports.

### Significant changes in the state of affairs

There were no other significant changes in the state of affairs of the Group during the financial year.

### Shares options

On 8 June 2018, Rodney Hannington (Executive Director) was issued 1,000,000 unlisted options with an exercise price of \$0.50 expiring 30 September 2019. The options were issued in accordance with Resolution 8 as approved by shareholders at the Group's Annual General Meeting held on 16 May 2018. Options issued during the period to Rodney Hannington were forfeited on 31 August 2018 upon resignation of Rodney Hannington as an Executive Director.

There are no other options granted by the Company during the period or exist at the date of this report.

## Remuneration report *(audited)*

The Directors of Eagle Health Holdings Limited and its controlled entities ('the Group') present the Remuneration Report for Non-Executive Directors, Executive Directors and other Key Management Personnel, prepared in accordance with the Corporations Act 2001 and the Corporations Regulations 2001.

The Remuneration Report is set out under the following main headings:

- A. Principles used to determine the nature and amount of remuneration
- B. Details of remuneration
- C. Interest in shares and options
- D. Service agreements
- E. Share-based remuneration; and
- F. Transaction with Key Management Personnel (KMP) and related parties

### **A. Principles used to determine the nature and amount of remuneration**

The principles of the Group's executive strategy and supporting incentive programs and frameworks are:

- to align rewards to business outcomes that deliver value to shareholders;
- to drive a high performance culture by setting challenging objectives and rewarding high performing individuals; and
- to ensure remuneration is competitive in the relevant employment market place to support the attraction, motivation and retention of executive talent.

The Group has structured a remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The Board has established a Nomination and Remuneration Committee which operates in accordance with its Charter as approved by the Board and is responsible for determining and reviewing compensation arrangements for the Directors and the Executive Team.

The Committee may engage independent remuneration consultants to provide any necessary information to assist in the discharge of its responsibilities as required. The remuneration structure that has been adopted by the Group consists of the following components:

#### ***(1) Fixed remuneration being annual salary***

The Nomination and Remuneration Committee assess the appropriateness of the nature and amount of remuneration on a periodic basis by reference to recent employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and Executive Team.

#### ***(2) Annual bonus***

The Group pays out bonuses annually at the Director's discretion to all staff, including executive Key Management Personnel, employed at Xiamen Eagle Don Pharmaceuticals Co., Limited the Group's operating subsidiary in China. The payment is not contractual and is dependent on the Group's performance, there are no specific KPI's involved.



## A. Principles used to determine the nature and amount of remuneration (Cont'd)

### *Use of remuneration consultants*

No remuneration consultants have been engaged by the Group during the financial year.

### *Voting and comments made at the Company's last Annual General Meeting*

The Company received 99.95% of 'yes' votes on its Remuneration Report for the financial year ending 31 December 2017. The Company received no specific feedback on its Remuneration Report at the Annual General Meeting.

### *Consequences of performance on shareholder wealth*

In considering the Group's performance and benefits for shareholder wealth, the Board have regard to the following indices in respect of the current financial year:

Item	2018	2017	2016
EPS (cents)	5.92	5.18	7.12
Dividends (cents per share)	0.5	1.0	-
Net profit/(loss) (\$'000)	18,735	13,195	15,854
Share price (\$) <sup>(a)</sup>	0.160	0.345	- <sup>(b)</sup>

(a) Share price as at 31 December of each annual period.

(b) The Company was admitted to the official list on the Australian Securities Exchange ('ASX') on the 3 July 2017 and as a result no share price is available for the period ending 31 December 2016.

## B. Details of remuneration

<i>Director and other Key Management Personnel remuneration</i>										
	Year	Short term employee benefits			Post-employment benefits	Long-term benefits	Termination benefits	Share-based payments	Total (\$)	Performance based percentage of remuneration
		Cash salary & fees (\$)	Annual bonus (\$)	Non-monetary benefits (\$)	Superannuation/ Social Insurance (\$)	Long service leave (\$)	Termination payments (\$)	Options (\$)		
<b>Executive Directors</b>										
Mr Mingwang Zhang <i>(Appointment date 9 December 2016)</i> Executive Director	2018	145,810	26,975	-	756				173,541	-
	2017	139,265	23,172	-	480	-	-	-	162,917	-
Ms Linxiang Chen <i>(Appointment date 31 January 2017)</i> Executive Director	2018	121,508	21,507	-	756				143,771	-
	2017	116,093	19,310	-	480	-	-	-	135,883	-
<b>Non-Executive Directors</b>										
Mr Rodney Hannington <sup>(1)</sup> <i>(Appointment date 31 January 2017)</i> Non-Executive Director	2018	119,720	39,420	-	-	-	-	-	159,140	33%
	2017	59,860	-	-	-	-	-	-	59,860	-
Mr Andrew Thomson <i>(Appointment date 31 January 2017)</i> Non-Executive Director and Chairman of the Board	2018	80,000	-	-	-	-	-	-	80,000	-
	2017	39,996	-	-	-	-	-	-	39,996	-
Mr Andrew Smith <i>(Appointment date 9 December 2016)</i> Non-Executive Director and Chairman of the Audit and Risk Management Committee and the Remuneration and Nominations Committee	2018	52,964	-	-	-	-	-	-	52,964	-
	2017	24,411	-	-	-	-	-	-	24,411	-
Mr Haroon Kalla <i>(Appointment date 16 May 2018)</i> Non-Executive Director	2018	-	-	-	-	-	-	-	-	-
	2017	-	-	-	-	-	-	-	-	-
Ms Yuhong Liu <i>(Appointment date 31 January 2017)</i> Non-Executive Director	2018	36,072	-	-	-	-	-	-	36,072	-
	2017	-	-	-	-	-	-	-	-	-

## B. Details of remuneration (Cont'd)

Key Management Personnel										
Mr Yandeng Que <i>(Appointment date 12 October 2018)</i> Chief Financial Officer	2018	36,453	6,318	-	413	-	-	-	43,184	-
	2017	-	-	-	-	-	-	-	-	-
Mr Shengqi Huang <i>(Appointment date 1 January 2014 and resigned on 12 October 2018)</i> Chief Financial Officer	2018	60,754	203	-	413	-	-	-	61,370	-
	2017	69,748	11,586	-	290	-	-	-	81,625	-
<b>2018 Total</b>	<b>2018</b>	<b>653,281</b>	<b>94,423</b>	<b>-</b>	<b>2,338</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>750,042</b>	<b>5.26%</b>
<b>2017 Total</b>	<b>2017</b>	<b>449,373</b>	<b>54,068</b>	<b>-</b>	<b>1,250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>504,691</b>	<b>-</b>

(1) Mr Hannington was appointed to the Board on 31 January 2017 as a Non-Executive Director, appointed as an Executive director on 1 September 2017 and resigned as an Executive Director on 31 August 2018 but remains on the Board as a Non-Executive Director.

### C. Interest in shares and options

The table below shows the shareholdings of each director in number and percentage as at 31 December 2018.

	Opening balance	Received as compensation	Options exercised	Net Change Other	Closing Balance	% of Total Shares on Issue
<b>Executive Directors</b>						
Mr Mingwang Zhang <sup>(a)</sup> Executive Director and Chief Executive Officer	120,000,000	-	-	2,307,692	122,307,692	38.41%
Ms Linxiang Chen <sup>(b)</sup> Executive Director	56,800,000	-	-	1,092,307	57,892,307	18.18%
<b>Non-Executive Directors</b>						
Mr Rodney Hannington <sup>(c)</sup> Non-Executive Director	-	-	-	-	-	-
Mr Andrew Thomson Non-Executive Director and Chairman of the Board	-	-	-	-	-	-
Mr Andrew Smith Non-Executive Director and Chairman of the Audit and Risk Management Committee	-	-	-	-	-	-
Ms Yuhong Liu Non-Executive Director	-	-	-	-	-	-
Mr Haroon Kalla Non-Executive Director	27,000,000	-	-	519,230	27,519,230	8.64%
<b>Key Management Personnel</b>						
Mr Yandeng Que Chief Financial Officer	12,500	-	-	240	12,740	0.00%
Mr Shengqi Huang <sup>(d)</sup> Chief Financial Officer	5,000,000	-	-	(5,000,000)	-	-
<b>Total</b>	<b>208,812,500</b>	<b>-</b>	<b>-</b>	<b>(1,080,531)</b>	<b>207,731,969</b>	<b>65.23%</b>

- (a) Shares held in Creator Global Holdings Limited which is controlled by Executive Director, Mr Mingwang Zhang.
- (b) Shares held in Wangwang Fortune Co., Limited which is controlled by Executive Director, Ms Linxiang Chen.
- (c) On 8 June 2018, Rodney Hannington (Executive Director) was issued 1,000,000 unlisted options with an exercise price of \$0.50 expiring 30 September 2019. The options were issued in accordance with Resolution 8 as approved by shareholders at the Group's Annual General Meeting held on 16 May 2018. Options issued during the period to Rodney Hannington were forfeited on 31 August 2018 upon resignation of Rodney Hannington as an Executive Director.
- (d) Mr Huang resigned as Chief Financial Officer on 12 October 2018.



#### D. Service agreements

Remuneration and other terms of employment for the Executive Directors and other Key Management Personnel are formalised in a Service Agreement. The major provisions of the agreements relating to remuneration are set out below:

Name	Base salary \$	Term of agreement	Notice period
Mr Mingwang Zhang Executive Director and Chief Executive Officer	145,810 p.a. (RMB720,000)	4 years	30 days
Ms Linxiang Chen Executive Director	121,508 p.a. (RMB600,000)	4 years	30 days
Mr Yandeng Que Chief Financial Officer	36,453 p.a. (RMB180,000)	3 years	30 days

#### E. Share-based remuneration

On 8 June 2018, Rodney Hannington (Executive Director) was issued 1,000,000 unlisted options with an exercise price of \$0.50 expiring 30 September 2019. The options were issued in accordance with Resolution 8 as approved by shareholders at the Group's Annual General Meeting held on 16 May 2018. Options issued during the period to Rodney Hannington were forfeited on 31 August 2018 upon resignation of Rodney Hannington as an Executive Director.

Other than the above, no options were granted by the Company during the period.

#### F. Transaction with Key Management Personnel (KMP) and related parties

##### a) Transaction with related parties and key management personnel

The following comprises transactions with entities in which the Directors have an interest

	31 December 2018	31 December 2017
	\$	\$
<b>Mingwang Zhang (Executive Director)</b>		
Cash advanced from the related party	40,000	50,768
Cash advance to the related party	(40,000)	(93,768)
<b>Linxiang Chen (Executive Director)</b>		
Cash advanced from the related party	-	966
Cash advance to the related party	-	(966)
<b>Mr Michael Beer (Company Secretary)</b>		
Payments for services as the Lead Manager of the IPO	-	1,959,271
Payments for consulting services	-	5,581
<b>Polaroid Pty Ltd<sup>(1)</sup></b>		
Sales made to the related party	47,464	-
<b>Xiamen Eagledon Health Product Co., Ltd<sup>(2)</sup></b>		
Sales made to the related party	83,638	-

(1) Polaroid Pty Ltd is a related entity of Director Mr Mingwang Zhang where Mr Zhang holds a 40% direct shareholding interest.

(2) Xiamen Eagledon Health Product Co., Ltd is a related entity of Director Mr Zhang and Mrs Linxiang Chen in China that distribute product Hutang 1.

## b) Related party balances

Amounts receivable from and (payable) to key management personnel and their related entities at reporting date arising are as follows:

	31 December 2018	31 December 2017
	\$	\$
Mingwang Zhang (Executive Director)	-	40,000
Xiamen Eagledon Health Product Co., Ltd	10,893	-

Related party balances comprise trade receivable arisen from normal course of business and related party loans, no specific terms and conditions have been attached to the above transactions.

### *End of audited Remuneration Report*

#### Environmental legislation

The Group's operations are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory in Australia or in the People's Republic of China.

#### Indemnities given to, and insurance premiums paid for, auditors and officers

During the year, the Group paid a premium to insure officers of the Group. The officers of the Group covered by the insurance policy include all directors. No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor of the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred as such by an officer or auditor.

#### Proceedings on behalf of the Group

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

### Non-audit services

Details of the amounts paid to the auditors of the Group, Grant Thornton, and its related practices for audit and non-audit services provided during the year are set out in Note 26 to the Financial Statements.

The Board has considered the non-audit services provided during the year by the auditor and, in accordance with written advice provided by resolution of the Audit and Risk Committee, is satisfied that the provision of those non-audit services during the year is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit and Risk Committee to ensure they do not impact upon the impartiality and objectivity of the auditor; and
- the non-audit services do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Signed in accordance with a resolution of the Directors.



Andrew Thomson  
Non-Executive Chairman  
28 February 2019

## Auditor's Independence Declaration

### To the Directors of Eagle Health Holdings Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Eagle Health Holdings Limited for the year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



D Chau  
Partner – Audit & Assurance

Adelaide, 28 February 2019



# Corporate Governance Statement

Eagle Health Holdings Limited is committed to the implementation and maintenance of good corporate governance practices. The Statement sets out the extent to which Eagle Health Holdings Limited Board has followed the best practice recommendations set by the ASX Corporate Governance Council (the Principles and Recommendations) since listing (3 July 2017) to 31 December 2018.

The Statement is accurate and up to date as at 28 February 2019. The disclosures in this Statement respond to the ASX Corporate Governance Council's Third Edition of its Corporate Governance Principles and Recommendations.

The statement and corporate governance policy, which includes below, are posted on the Eagle Health Group website: [www.eaglehealthltd.com](http://www.eaglehealthltd.com)

- General
- Board Charter
- Board Committees
- Risk Management
- Code of Conduct
- Dealings in Eagle securities by directors and employees
- Remuneration and Nomination Committee Charter
- Continuous Disclosure Shareholder Communications
- Diversity
- Publication

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2018

	Note	31 December 2018 \$	31 December 2017 \$
Sales revenue	6	111,013,582	89,217,715
Cost of goods sold		(54,237,589)	(42,780,977)
<b>Gross profit</b>		<b>56,775,993</b>	<b>46,436,738</b>
Other revenues	6	293,274	54,975
Sales and marketing expenses		(19,256,055)	(16,464,747)
Distribution and freight expenses		(4,700,250)	(3,603,940)
Research and development expenses		(2,858,270)	(3,003,884)
Other expenses	7	(4,981,895)	(4,761,264)
Foreign exchange gains / (losses)		848,134	(118,673)
Finance costs	8	(494,953)	(365,437)
<b>Profit before income tax</b>		<b>25,625,978</b>	<b>18,173,768</b>
Income tax expense	9	(6,891,207)	(4,977,921)
<b>Profit for the year attributable to members of the parent</b>		<b>18,734,771</b>	<b>13,195,847</b>
Other comprehensive income:			
<i>Items that may subsequently be reclassified to profit or loss:</i>			
Exchange difference on translating foreign operations		1,958,513	237,909
<b>Total comprehensive income for the year attributable to the members of the parent</b>		<b>20,693,284</b>	<b>13,433,756</b>

## Earnings per share on profit attributable to ordinary equity holders

Basic earnings per share (cents per share)	31	5.92	5.18
Diluted earnings per share (cents per share)	31	5.92	5.18

*The accompanying notes form part of these financial statements.*

# Consolidated Statement of Financial Position

As at 31 December 2018

	Note	31 December 2018 \$	31 December 2017 \$
<b>Current assets</b>			
Cash and cash equivalents	10	32,687,237	34,909,298
Trade and other receivables	11	24,588,723	18,272,892
Inventories	12	3,317,411	2,325,473
Other assets	13	16,760,783	-
<b>Total current assets</b>		<b>77,354,154</b>	<b>55,507,663</b>
<b>Non-current assets</b>			
Property, plant and equipment	14	17,656,307	12,541,717
Land use rights	15	463,707	455,147
Intangible assets	16	916,667	983,333
<b>Total non-current assets</b>		<b>19,036,681</b>	<b>13,980,197</b>
<b>Total assets</b>		<b>96,390,835</b>	<b>69,487,860</b>
<b>Current liabilities</b>			
Trade and other payables	17	8,768,215	7,277,784
Borrowings	18	9,275,760	5,787,890
Current income tax liabilities		2,676,883	1,411,939
<b>Total current liabilities</b>		<b>20,720,858</b>	<b>14,477,613</b>
<b>Total liabilities</b>		<b>20,720,858</b>	<b>14,477,613</b>
<b>Net assets</b>		<b>75,669,977</b>	<b>55,010,247</b>
<b>Equity</b>			
Issued capital	20	26,418,624	24,889,436
Reserves	21	2,104,110	145,597
Retained earnings		47,147,243	29,975,214
<b>Total equity</b>		<b>75,669,977</b>	<b>55,010,247</b>

The accompanying notes form part of these financial statements.

# Consolidated Statement of Changes in Equity

For the year ended 31 December 2018

	Issued Capital \$	Reserves \$	Retained earnings \$	Total \$
<b>Balance at 1 January 2017</b>	<b>1,999,001</b>	<b>(92,312)</b>	<b>18,342,024</b>	<b>20,248,713</b>
Profit after income tax for the year	-	-	13,195,847	<b>13,195,847</b>
Other comprehensive income for the year	-	237,909	-	<b>237,909</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>237,909</b>	<b>13,195,847</b>	<b>13,433,756</b>
Issuance of share capital, net of related issuance costs	22,890,435	-	-	<b>22,890,435</b>
Dividend paid (Pre-business reconstruction)	-	-	(1,562,657)	<b>(1,562,657)</b>
<b>Transaction with owners in their capacity as owners</b>	<b>22,890,435</b>	<b>-</b>	<b>(1,562,657)</b>	<b>21,327,778</b>
<b>Balance at 31 December 2017</b>	<b>24,889,436</b>	<b>145,597</b>	<b>29,975,214</b>	<b>55,010,247</b>
<b>Balance at 1 January 2018</b>	<b>24,889,436</b>	<b>145,597</b>	<b>29,975,214</b>	<b>55,010,247</b>
Profit after income tax for the year	-	-	18,734,771	<b>18,734,771</b>
Other comprehensive income for the year	-	1,958,513	-	<b>1,958,513</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>1,958,513</b>	<b>18,734,771</b>	<b>20,693,284</b>
Issuance of share capital, net of related issuance costs	1,529,188	-	-	<b>1,529,188</b>
Dividend paid	-	-	(1,562,742)	<b>(1,562,742)</b>
<b>Transaction with owners in their capacity as owners</b>	<b>1,529,188</b>	<b>-</b>	<b>(1,562,742)</b>	<b>(33,554)</b>
<b>Balance at 31 December 2018</b>	<b>26,418,624</b>	<b>2,104,110</b>	<b>47,147,243</b>	<b>75,669,977</b>

*The accompanying notes form part of these financial statements.*

# Consolidated Statement of Cash Flows

For the year ended 31 December 2018

	Note	31 December 2018 \$	31 December 2017 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		124,522,809	100,908,250
Payments to suppliers and employees		(119,993,634)	(83,816,037)
Government grant received		82,403	-
Interest received		117,714	54,588
Finance costs		(494,953)	(365,437)
Income tax paid		(5,692,682)	(5,244,213)
<b>Net cash provided by operating activities</b>	<b>30</b>	<b>(1,458,343)</b>	<b>11,537,151</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(5,721,087)	(2,429,230)
Purchase of intangibles		-	(1,000,000)
<b>Net cash used in investing activities</b>		<b>(5,721,087)</b>	<b>(3,429,230)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		9,113,130	5,677,199
Repayment of borrowings		(5,953,912)	(5,290,995)
Proceeds from issuance of shares		-	25,012,609
Payment of costs relating to issuance of shares		-	(2,522,649)
Dividend paid		(29,884)	(1,556,904)
Cash advanced to related parties		-	(39,614)
<b>Net cash provided by financing activities</b>		<b>3,129,334</b>	<b>21,279,646</b>
Net change in cash held		(4,050,096)	29,387,567
Cash at beginning of the year		34,909,298	5,186,518
Effect of exchange rates on cash holdings in foreign currencies		1,828,035	335,213
<b>Cash and cash equivalents at end of the year</b>	<b>10</b>	<b>32,687,237</b>	<b>34,909,298</b>

*The accompanying notes form part of these financial statements.*

# Notes to the Consolidated Financial Statements

## 1. General Information

Eagle Health Holdings Limited (the Company) is a for-profit public company listed on the Australian Securities Exchange (ASX: EHH), incorporated in Australia on 9 December 2016.

The principal activities of the Company and its subsidiaries (the Group) during the course of year were developing, manufacturing, marketing and distributing health food products and nutritional and dietary supplements in China.

The Group operates in one segment being the manufacturing and distribution of health food products and nutritional and dietary supplements via its main operating subsidiary, Xiamen Eagle Don Pharmaceutical Co., Limited. The Group operates predominately in one geographical area where sales revenue is generated and non-current assets are located, being the People's Republic of China.

There were no other significant changes in the nature of the Group's principal activities during the year of 2018.

## 2. General information and basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 February 2019.

## 3. Changes in significant accounting policies

### 3.1 New standards adopted as at 1 January 2018

#### **AASB 15 Revenue from Contracts with Customers**

AASB 15 replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts* and several revenue-related Interpretations. The new Standard has been applied as at 1 January 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 January 2018 and comparatives are not restated.

The Group's business model is straight forward and its contracts with customers for the sale of health food products include only single performance obligation. The Group has concluded that revenue from sale should be recognised at the point in time when a customer obtains control of goods which is the point where the Group satisfies its performance obligations. The Group has concluded that the initial application of AASB 15 does not have an impact on the Group's revenue recognition.

#### **AASB 9 Financial Instruments**

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement*. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

For trade receivables and contract assets under AASB 15 the Group applies a simplified approach of recognising lifetime expected credit losses as these items do not have a significant financing component.

When adopting AASB 9, the Group has applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised in opening retained earnings as at 1 January 2018.

Based on the assessment by the Group, there is no cumulative effect of the initial application of AASB 9 at 1 January 2018 in accordance with the transition requirement.

### 3. Changes in significant accounting policies (Cont'd)

#### Reconciliation of financial instruments of adoption of AASB 9

The table below shows the classification of each class of financial asset and financial liability under AASB 139 and AASB 9 as at 1 January 2018:

	AASB 139 classification	AASB 9 classification	AASB 139 Carrying amount \$	AASB 9 Carrying amount \$
<b>Financial assets</b>				
Trade and other receivables	Loans and Receivables	Amortised cost	18,272,892	18,272,892
<b>Financial liabilities</b>				
Borrowings <sup>(i)</sup>	Amortised cost	Amortised cost	5,787,890	5,787,890
Trade and other payables <sup>(i)</sup>	Amortised cost	Amortised cost	7,277,784	7,277,784

<sup>(i)</sup> Borrowings and Trade and other payable classified as amortised cost under AASB 139. They are continued to be accounted for at amortised cost under AASB 9.

The Group did not designate or de-designate any financial asset or financial liability at FVTPL at 1 January 2018.

#### 3.2 Other amended standard adopted by the Group which do not have a material impact on the financial statements

- AASB 2017-1 *Amendments to Australian Accounting Standards – Transfers to Investment Property, Annual Improvements 2017-2016 Cycle and other Amendments*
- AASB 2016-5 *Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions*
- Interpretation 22 *Foreign Currency Transactions and Advance Consideration*

#### 3.3 Accounting Standards issued but not yet effective and not been adopted early by the Group

A number of new standards and amendments to standards are not yet effective for the year ending 31 December 2018 and have not been adopted by the Group in preparing the annual financial report.

The Group is in the process of making an assessment of what the impact of those amendments and new standards is expected to be in the period of initial application. So far the Group has identified some aspects of the new standard which may have impact on the consolidated financial statements.

#### AASB 16 Leases

AASB 16 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted for entities that adopt AASB 16 at or before the date of the initial adoption of AASB 16.

AASB 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard.

As at 31 December 2018, the Group has non-cancellable operating lease commitments of \$1,492,410, see Note 32(b). On 1 January 2019, the Group expects to recognise right-of-use assets of approximately \$1.2 million and lease liabilities of approximately \$1.3 million, leading to approximately a \$0.1 million decrease in net asset value. The Group expects that the impact on net profit after tax will be insignificant for the year ending 31 December 2019 as a result of adopting the new rules.

The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).



#### 4. Significant accounting policies

##### a. Overall considerations

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

##### b. Principle of Consolidation

The Group financial statements consolidate those of Eagle Health Holdings Limited and all of its subsidiaries as of 31 December 2018. Eagle Health Holdings Limited controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 31 December.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

A list of controlled entities is contained in Note 29 to the financial statements. All controlled entities have a December financial year end.

##### ***Business Combination***

Eagle Health Holdings Limited (“EHH”) was incorporated in Australia on 9 December 2016 to act as the ultimate holding company of the Group. Pursuant to a share swap agreement on 10 February 2017, EHH acquired 100% of shares in Enjoyhu International Co., Limited and its controlled entities (“Enjoyhu Group”).

Eagle Health Holdings Limited (EHH), Enjoyhu International Co, Limited (Enjoyhu), Xiamen Olibo Trading Co., Limited (Olibo) and Xiamen Eagledon Pharmaceutical Co., Limited (Eagledon) were owned and controlled by the same shareholders before and after the business reconstruction. Through this transaction effective control of Enjoyhu Group passed to the shareholders of EHH. The transaction is the one referred to in *AASB 3 Business Combinations* as common control transaction, as the nature and substance of this transaction is a group restructure where following the restructure EHH took control of Enjoyhu Group with no change in underlying control.

Business combinations involving entities under common control is scoped out under *AASB 3 Business Combination*. AASB provides no guidance on the accounting for these types of transactions; however requires an entity to develop an accounting policy. The two most common methods utilised are the purchase method and the pooling of interest-type method (predecessor value method).

Management determined the pooling of interest-type method to be the most appropriate. The pooling of interest-type method requires the financial statements to be prepared using the predecessor book value without any step up to fair value. The difference between any consideration given and aggregate book value of the assets and liabilities of the acquired entity are recorded as an adjustment to equity. This may be recorded in retained earnings/reserve and no additional goodwill is created by the transaction. The comparatives have been presented as if the combination had occurred from the date when the combining entities first came under the control of the controlling process.

All transaction costs incurred in relation to the business reconstruction were expensed to profit and loss. The business combination was performed and completed during 2017.

##### ***Comparative Financial Statement Presentation***

The consolidated financial statements can be presented using one of two methods. The first method, being the consolidated financial statements can incorporate the acquired entity’s results as if both entities (acquirer and acquire) had always been combined. Alternatively the consolidated financial statements can incorporate acquired entity’s results only from the date on which the transaction occurred. Management has determined to use option one – reporting comparatives as if the Group had always been combined.

#### 4. Significant accounting policies (Cont'd)

##### c. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (benefit).

###### *Current tax*

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Eagle Health Holdings Limited and its wholly-owned Australian controlled entities have elected to form an income tax consolidated group effective 14 December 2016. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

###### *Deferred tax*

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

##### d. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

#### 4. Significant accounting policies (Cont'd)

##### ***Depreciation***

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leased assets are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the assets.

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>	<b>Residual Value</b>	<b>Depreciation Basis</b>
Office equipment	3 – 5 years	5%	Straight line
Manufacturing equipment	5 – 20 years	5%	Straight line
Motor vehicle	4 – 10 years	5%	Straight line
Buildings	20 years	5%	Straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the profit and loss.

##### **e. Intangible assets**

###### *Intellectual Property*

Intellectual property represents payments made by the Company to acquire an exclusivity agreement to access intellectual property relating to the manufacture, marketing and distribute a pre-meal shake product in the People's Republic of China (including Hong Kong and Macau) (Refer to Note 16). The intellectual property is recognised at cost at the date of acquisition and to be subsequently amortised on a straight-line basis over the length of exclusivity.

###### *Subsequent measurement*

Intellectual property is accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over the length of the exclusivity. Where there is a loss of the licence or exclusivity, the remaining carrying value is recognised in profit or loss within other expenses.

##### **f. Research and development (R&D)**

Expenditure associated with the research and development of products are recognised an expense as incurred. R&D expenditures are recognised as intangible assets when they are directly attributable to the design and testing of an identifiable and unique product.

R&D expenditures have not been recognised as an intangible asset during the current period as expenditures are not directly attributable to the design and testing of an identifiable and unique product.

##### **g. Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis on normal operating capacity. Costs are assigned on the basis of weighted average costs.

#### 4. Significant accounting policies (Cont'd)

##### h. Leases

###### *Operating lease*

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

###### *Leases of land – land use rights*

Land use rights represent up-front payments to relevant government authorities for long-term interests for usage of land. Land use rights have a finite useful life and are carried at cost less accumulated amortisation and impairment losses.

Amortisation of land-use rights is calculated using the straight line method to allocate the cost of land use-rights over its estimated useful life. Land use rights have been presented separately within 'Land-use rights' in the statement of financial position.

##### i. Financial Instruments

###### ***Recognition, initial measurement and derecognition***

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

###### ***Classification and subsequent measurement of financial assets***

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, the Group classifies its trade and other receivables as financial assets at amortised cost upon initial recognition.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items.

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

###### ***Subsequent measurement financial assets***

###### ***Financial assets at amortised cost***

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

#### 4. Significant accounting policies (Cont'd)

##### ***Impairment of Financial assets***

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses – the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under

AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

##### ***Trade and other receivables and contract assets***

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due. Refer to Note 23 for details of credit risk analysis of the Group.

##### ***Classification and measurement of financial liabilities***

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Group's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Group's financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

#### 4. Significant accounting policies (Cont'd)

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

##### **Accounting policy applicable to comparative period (31 December 2017)**

###### ***Initial recognition and measurement***

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires. Financial instruments are classified and measured as set out below.

###### *Effective interest rate method*

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

###### ***Classification and subsequent measurement***

###### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

###### *Financial liabilities*

The Group's financial liabilities include trade and other payables and short-term borrowings. Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

###### *Fair value*

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

#### 4. Significant accounting policies (Cont'd)

##### *Impairment of financial assets*

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in the financial assets reserve in other comprehensive income.

##### **j. Impairment of Non-Financial Assets**

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

Impairment testing is performed annually for intangible assets with indefinite lives and intangible assets not yet available for use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

##### **k. Employee Benefits**

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cash flows.

##### **l. Cash and Cash Equivalents**

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



#### 4. Significant accounting policies (Cont'd)

##### m. Revenue

Revenue arises mainly from the sale of health food products and nutritional and dietary supplements to wholesalers in China.

To determine whether to recognise revenue, the Group follows a 5-step process:

- 1 Identifying the contract with a customer
- 2 Identifying the performance obligations
- 3 Determining the transaction price
- 4 Allocating the transaction price to the performance obligations
- 5 Recognising revenue when/as performance obligation(s) are satisfied.

Revenue from sale of goods is recognised when control of the products has transferred, being when the wholesalers take undisputed delivery of the products, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Therefore, revenue is recognised at a point in time when the Group satisfies performance obligations by transferring the promised goods to its customers.

Revenue from sale of goods is recognised based on the price specified in the contract, net of the estimated volume discounts and rebates. Accumulated experience is used to estimate and provide for the discounts and rebates, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

##### Accounting policy applicable to comparative period (31 December 2017)

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Revenue from sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

All revenue is stated net of the amount of value added tax (VAT) and goods and services tax (GST).

##### n. Government Grant

Government grants and subsidies are recognised upon receipt from the government.

##### o. Borrowing Costs

Borrowing costs can include interest, amortisation of discounts or premiums relating to borrowings, ancillary costs incurred in connection with arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the statement of profit or loss and other comprehensive income in the period in which they are incurred.

##### p. Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid according to term.

#### 4. Significant accounting policies (Cont'd)

##### q. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

##### r. Value Added Tax (VAT) / Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of VAT and GST, except where the amount of VAT and GST incurred is not recoverable from the local taxation office. In these circumstances, the VAT and GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of VAT and GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the VAT and GST components of investing and financing activities, which are disclosed as operating cash flows.

##### s. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

##### t. Foreign Currency Transactions and Balances

###### *Functional and presentation currency*

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

###### *Transaction and balances*

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in profit or loss.

###### *Group Companies*

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed.

##### u. Earnings per share

###### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

#### 4. Significant accounting policies (Cont'd)

##### *Diluted earnings per share*

Diluted earnings per share adjust the figures used to determine basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

#### v. Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

##### *Key estimates — Impairment of non-financial assets*

The Group assesses impairment at each reporting date by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

##### *Key estimates — Estimation of useful lives and residual value of assets*

The Group determine the estimated useful lives, residual values and related depreciation and amortisation charges for its land use rights and property, plant and equipment. The useful life and residual values could change significantly as a result of technical innovations or some other events. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

##### *Key judgement — Land use rights*

The Group have assessed and classified the land use rights of the Group as finance leases based on the extent to which risks and rewards incidental to ownership of the land resides with the Group arising from the land right term. The directors have classified the unamortised upfront payment for the land use rights as finance leases in accordance with *AASB 117 Leases*. Land use rights have been presented within 'land-use rights' in the statement of financial position.

##### *Key judgement — Accounting of Business Combination*

The Group assesses the accounting implication of business combination (Refer Note 4b) using *AASB 3 Business Combinations*. Management have determined that the pooling of interest-type method to be the most appropriate method to account for the business combination.

#### 5. Segment Reporting

The Board has considered the requirements of *AASB 8 Operating Segments* and the internal reports that are reviewed by the CODM in allocating resources and have concluded at this that there are no separately identifiable segments as there is currently no discrete financial information by the chief operation decision maker.

The Group operates in one segment being the manufacturing and distribution of nutritional products via its main operating subsidiary, Xiamen Eagle Don Pharmaceutical Co., Limited.

The Group operates predominately in one geographical area where sales revenue is generated and non-current assets are located, being the People's Republic of China. The Group assets and liabilities are not specifically allocated to operating segments.

## 6. Revenue

	31 December 2018	31 December 2017
<b>Operating activities</b>	<b>\$</b>	<b>\$</b>
Sales of goods <sup>(1)</sup>	111,013,582	89,217,715
<b>Total sales revenue</b>	<b>111,013,582</b>	<b>89,217,715</b>
<b>Non-operating activities</b>		
Interest received	117,715	54,588
Government grants received	82,403	-
Other non-operating income	93,156	387
<b>Total other revenue</b>	<b>293,274</b>	<b>54,975</b>

(1) Revenue from sales of goods is recognised at point in time.

## 7. Other expenses

	31 December 2018	31 December 2017
	<b>\$</b>	<b>\$</b>
Consultant expenses	600,551	703,856
Depreciation expenses	271,424	149,808
Hospitality expenses	730,084	661,565
Rental expenses	342,724	237,286
Travelling expenses	299,716	332,038
Wages and salaries expenses	1,488,678	1,392,894
Welfare expenses	657,807	359,120
Other expenses	590,911	924,697
<b>Total other expenses</b>	<b>4,981,895</b>	<b>4,761,264</b>

## 8. Finance costs

	31 December 2018	31 December 2017
	<b>\$</b>	<b>\$</b>
Interest expenses	489,947	354,725
Other expenses	5,006	10,712
<b>Total finance costs</b>	<b>494,953</b>	<b>365,437</b>

## 9. Income tax

	31 December 2018	31 December 2017
	\$	\$
<b>The components of tax expense comprise:</b>		
Current tax	6,891,207	4,977,921
<b>Total income tax expense</b>	<b>6,891,207</b>	<b>4,977,921</b>
<b>Reconciliation of tax expense</b>		
Profit before income tax	25,625,978	18,173,768
Prima facie tax payable on profit before income tax at 30% (2017: 30%)	7,687,793	5,452,130
Adjustment to income tax expense due to:		
Differences in taxation rates in foreign subsidiaries	(1,315,540)	(984,789)
Adjustment for tax-exempt income	(272,151)	-
Foreign losses not recognised (Hong Kong/China)	904	37,348
Losses in the parent entity not recognised (Australia)	457,625	419,264
Over/under accrual in prior periods	332,576	53,968
<b>Income tax attributable to the Group</b>	<b>6,891,207</b>	<b>4,977,921</b>
The applicable weighted average effective tax rate are as follows:	27%	27%

The Group has no deferred tax asset/liability as there is no material temporary differences between the carrying amount of assets or liabilities in the balance sheet and its tax base.

Eagle Health Holdings Limited and Australian Ecological Valley Pty Limited are subject to the income tax law of Australia and the tax year end is 30 June. As at 31 December 2018, Eagle Health Holdings Limited (parent entity) had an estimated available tax losses of \$3.93 million (2017:\$1.80 million). Tax losses in the parent entity have not been recognised as it is unlikely that they will be utilised due to its nature as a holding company. Tax losses in subsidiaries based in Hong Kong and China, Enjoyhu International Co., Limited and Xiamen Olibo Trading Co., Ltd respectively are not recognised for the same reasons as above.

Enjoyhu International Co., Limited is subject to the income tax law of Hong Kong (16.5%). Xiamen Olibo Trade Co., Limited and Xiamen Eagle Don Pharmaceuticals Co., Limited are subject to the income tax law of People's Republic of China (PRC) (25%).

## 10. Cash and cash equivalents

	31 December 2018	31 December 2017
	\$	\$
Cash on hand	17,545	20,224
Cash at bank	32,669,692	34,889,074
<b>Total cash and cash equivalents</b>	<b>32,687,237</b>	<b>34,909,298</b>

Cash at bank and on hand balances as at 31 December 2018 includes Chinese Renminbi ('RMB') denominated equivalent balances of \$32.28 million (31 December 2017: \$33.33 million) which are held with reputable financial institutions in the People's Republic of China in current accounts.

Included in cash at bank is \$32,208 (2017: \$32,208) guarantee in relation to the leased premises in Melbourne, Australia (Refer Note 32).

The Chinese RMB is not freely convertible into foreign currencies. Under the People's Republic of China ('PRC') Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

The exchange rate of RMB is determined by the government of the PRC and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the government of the PRC.

## 11. Trade and other receivables

	31 December 2018	31 December 2017
	\$	\$
Trade receivables	24,383,180	18,014,377
Other receivables	205,543	258,515
<b>Total trade and other receivables</b>	<b>24,588,723</b>	<b>18,272,892</b>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements. The Group does not hold any collateral as security over any receivable balances, nor does it hold any restrictions of title.

The average credit period on sales of goods is 60 days. Extended credit terms may be provided through negotiation with customers. No interest is charged on the trade receivables.

Some of the unimpaired trade receivables are past due as at reporting date. These relate to customers who have a good credit history with the Group and are expected to be recovered in full.

An analysis of unimpaired trade receivables that are past due is given in credit risk analysis Note 23.

## 12. Inventories

	31 December 2018	31 December 2017
	\$	\$
Raw materials	1,197,254	530,386
Work in progress	490,212	1,436,544
Finished goods	1,629,945	358,543
<b>Total inventories</b>	<b>3,317,411</b>	<b>2,325,473</b>

Inventory has been determined to be valued at the lower of cost and net realisable value at reporting date. There has been no provision for obsolete stock raised in the current financial period.

## 13. Other assets

	31 December 2018	31 December 2017
	\$	\$
Prepayment	16,760,783	-
<b>Total other assets</b>	<b>16,760,783</b>	<b>-</b>

Prepayment relates to payments to suppliers to secure pricing on the future supply of raw materials. In November and December 2018, the Company entered into supply contracts to secure long term pricing to ensure margins are maintained for core products in the portfolio. Two ginseng contracts have been secured to ensure fixed pricing supply for one year, and three dendrobium supply contracts have been secured to ensure fixed pricing supply for two years.

#### 14. Property, plant and equipment

	31 December 2018	31 December 2017
	\$	\$
<b>Machinery and Office Equipment</b>		
At cost	9,554,169	8,621,284
Accumulated depreciation	(5,722,637)	(4,924,395)
Total Machinery and Office Equipment	<u>3,831,532</u>	<u>3,696,889</u>
<b>Buildings</b>		
At cost	13,645,188	13,032,131
Accumulated depreciation	(5,301,762)	(4,439,096)
Total Buildings	<u>8,343,426</u>	<u>8,593,035</u>
<b>Motor Vehicles</b>		
At cost	701,523	670,005
Accumulated depreciation	(531,433)	(432,977)
Total Motor Vehicles	<u>170,090</u>	<u>237,028</u>
<b>Construction in Progress</b>		
At cost	5,311,259	14,765
Accumulated depreciation	-	-
Total Construction in Progress	<u>5,311,259</u>	<u>14,765</u>
<b>Total property, plant and equipment</b>	<u><b>17,656,307</b></u>	<u><b>12,541,717</b></u>

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial period is as follows:

	Machinery and Office Equipment	Buildings	Motor Vehicles	Construction in Progress	Total
	\$	\$	\$	\$	\$
<b>1 January 2017</b>	<b>4,331,278</b>	<b>7,067,190</b>	<b>319,412</b>	-	<b>11,717,880</b>
Additions	279,966	2,134,327	454	14,765	2,429,512
Disposals	-	-	-	-	-
Depreciation charges	(837,740)	(532,486)	(76,509)	-	(1,446,735)
Exchange differences	(76,615)	(75,996)	(6,329)	-	(158,940)
<b>31 December 2017</b>	<b><u>3,696,889</u></b>	<b><u>8,593,035</u></b>	<b><u>237,028</u></b>	<b><u>14,765</u></b>	<b><u>12,541,717</u></b>
<b>1 January 2018</b>	<b>3,696,889</b>	<b>8,593,035</b>	<b>237,028</b>	<b>14,765</b>	<b>12,541,717</b>
Additions	518,174	-	-	5,202,949	5,721,123
Disposals	-	-	-	-	-
Depreciation charges	(556,670)	(642,379)	(76,719)	-	(1,275,768)
Exchange differences	173,139	392,770	9,781	93,545	669,235
<b>31 December 2018</b>	<b><u>3,831,532</u></b>	<b><u>8,343,426</u></b>	<b><u>170,090</u></b>	<b><u>5,311,259</u></b>	<b><u>17,656,307</u></b>

Buildings owned by the Group are pledged against short-term borrowings (Refer Note 18).



## 15. Land use rights

Movement in the carrying amounts for land use right between the beginning and the end of the current financial year:

	<b>Land use rights</b>	<b>Total</b>
	\$	\$
<b>Balance at 1 January 2017</b>	<b>474,622</b>	<b>474,622</b>
Amortisation expense	(12,039)	(12,039)
Net exchange differences	(7,436)	(7,436)
<b>Balance at 31 December 2017</b>	<b>455,147</b>	<b>455,147</b>
Amortisation expense	(12,626)	(12,626)
Net exchange differences	21,186	21,186
<b>Balance at 31 December 2018</b>	<b>463,707</b>	<b>463,707</b>
	<b>2018</b>	<b>2017</b>
	\$	\$
Cost	674,294	643,999
Accumulated amortisation	(210,587)	(188,852)
<b>Total land use rights</b>	<b>463,707</b>	<b>455,147</b>

Land use rights relate to the following:

<b>Location</b>	<b>Use of property</b>	<b>Land area (sq.metres)</b>	<b>Tenure</b>
Land Registration – Xiamen			
Xiamen, Tong An, Mei He (Third) Road, #220-228	Industrial	15,934	50 years (valid until 3 February 2055)

## 16. Intangible assets

	Manufacturing Licence <sup>(a)</sup>	Total
	\$	\$
<b>Gross carrying amount</b>		
<b>Balance at 1 January 2017</b>	-	-
Addition	1,000,000	1,000,000
<b>Balance at 31 December 2017</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>Accumulated Amortisation</b>		
<b>Balance at 1 January 2017</b>	-	-
Amortisation	(16,667)	(16,667)
<b>Balance at 31 December 2017</b>	<b>(16,667)</b>	<b>(16,667)</b>
<b>Carrying amount 31 December 2017</b>	<b>983,333</b>	<b>983,333</b>
	Manufacturing Licence <sup>(a)</sup>	Total
	\$	\$
<b>Gross carrying amount</b>		
<b>Balance at 1 January 2018</b>	1,000,000	1,000,000
Addition	-	-
<b>Balance at 31 December 2018</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>Accumulated Amortisation</b>		
<b>Balance at 1 January 2018</b>	(16,667)	(16,667)
Amortisation	(66,666)	(66,666)
<b>Balance at 31 December 2018</b>	<b>(83,333)</b>	<b>(83,333)</b>
<b>Carrying amount 31 December 2018</b>	<b>916,667</b>	<b>916,667</b>

- (a) On 20 September 2017, the Group signed an Exclusivity Agreement with a third party for the manufacture, marketing and distribution of a pre-meal shake product for Type 2 diabetes and Pre-Type 2 diabetes in China (including Hong Kong and Macau) for a period of 15 years (“Exclusivity Licence”). Total consideration of \$1.5 million, of which \$500,000 is contingent on obtaining approval from National Medical Products Administration (“NMPA”), formerly known as China Food and Drug Administration (“CFDA”), in the ‘Food for Special Medical Purposes’ category, amount is payable within 14 days of receiving this approval. Refer Note 19.

## 17. Trade and other payables

	31 December 2018	31 December 2017
	\$	\$
Trade payables	5,478,676	4,107,581
Other taxes payable	910,492	928,579
Wage and salaries payable	2,122,540	1,695,445
Other payables	256,507	546,179
<b>Total trade and other payables</b>	<b>8,768,215</b>	<b>7,277,784</b>

All amounts are short-term. The carrying values of trade payables and other payables are considered to be a reasonable approximation of fair value.

## 18. Borrowings

The borrowings of the Group include the following:

	31 December 2018	31 December 2017
	\$	\$
<b>Current</b>		
Short term borrowings	9,275,760	5,787,890
<b>Total borrowings</b>	<b>9,275,760</b>	<b>5,787,890</b>

Bank loans of \$9,275,760 (2017: \$5,787,890) are secured by buildings owned by the Group (Refer Note 14). Personal guarantees are also provided by Mr. Mingwang Zhang (Executive Director), Ms. Linxiang Chen (Executive Director) and by other non-related entities.

The bank loans bear variable interest rate at an average of 5.68% (2017: 6.80%). The carrying amount of the bank loans is considered to be a reasonable approximation of the fair value.

## 19. Contingent liabilities

As at 31 December 2017 and 2018, consideration of \$500,000 related to the Exclusivity Licence (Note 16) is contingent on NMPA approval in 'Food for Special Medical Purposes' category.

As at 31 December 2018, the Group is not aware of any other contingent assets or liabilities that should be disclosed in accordance with AASB 137.

## 20. Issued capital

### Ordinary Shares

	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	No. of shares	No. of shares	\$ <sup>(5)</sup>	\$ <sup>(5)</sup>
<b>Fully paid ordinary shares <sup>(1)</sup></b>				
Balance at beginning of the period <sup>(2)</sup>	312,548,397	1	24,889,436	1
Acquisition of Enjoyhu International <sup>(2)</sup>	-	249,999,999	-	1,999,000
Shares issued, net of related issuance expenses <sup>(3)</sup>	-	62,531,500	-	22,884,683
Shares issued through dividend reinvestment plan <sup>(4)</sup>	5,881,439	16,897	1,529,188	5,752
<b>End of the year</b>	<b>318,429,836</b>	<b>312,548,397</b>	<b>26,418,624</b>	<b>24,889,436</b>

<sup>(1)</sup> Fully paid ordinary shares carry one vote per share and carry the right to dividends.

<sup>(2)</sup> Eagle Health Holdings Limited was incorporated on 9 December 2016 with 1 ordinary share. Pursuant to a share swap agreement on 10 February 2017, Eagle Health Holdings Limited issued additional 249,999,999 ordinary shares to the existing shareholders of Enjoyhu International as purchase consideration for 100% of the share capital of Enjoyhu International.

<sup>(3)</sup> The issue of 62,531,500 ordinary shares at an issue price of \$0.40 per share pursuant to a public offer on the ASX net of related issuance expenses of \$2,127,917.

<sup>(4)</sup> On 29 August 2017, the Group introduced a dividend reinvestment plan to allow eligible shareholders to reinvest dividend on their shareholding to acquire additional shares in the Group ("Dividend Reinvestment Plan"). The Group issued 1,587,211 ordinary shares on 30 April 2018 and 4,294,228 ordinary shares on 11 May 2018 pursuant to the Dividend Reinvestment Plan (16,897 shares on 29 August 2017).

<sup>(5)</sup> Note represents movement in the legal parent company's issued capital.

### Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

	31 December 2018	31 December 2017
	\$	\$
Total liabilities	20,720,858	14,477,613
Less: cash and cash equivalents	(32,687,237)	(34,909,298)
<b>Net liabilities / (Net cash and cash equivalents)</b>	<b>(11,966,379)</b>	<b>(20,431,685)</b>
<b>Total equity</b>	<b>75,669,977</b>	<b>55,010,247</b>
<b>Net liabilities / (Net cash and cash equivalents) to equity ratio</b>	<b>(16%)</b>	<b>(37%)</b>

## 21. Reserves

	31 December 2018	31 December 2017
	\$	\$
Statutory reserve	999,500	999,500
Foreign currency translation reserve	1,104,611	(853,903)
<b>Total reserves</b>	<b>2,104,111</b>	<b>145,597</b>

### *Statutory Reserve*

Pursuant to the current People's Republic of China Company Law, the Company is required to transfer between 5% to 10% of its profit after taxation to a statutory reserve until the surplus reserve balance reaches a minimal of 50% of the registered capital. For the purposes of calculating the transfer to this reserve, the profit after taxation shall be the amount determined under the People's Republic of China accounting standards. The transfer to this reserve must be made before the distribution of dividends to the shareholders.

### *Foreign Currency Translation Reserve*

The foreign currency translation reserve represents exchange differences arising from translation of the subsidiaries' functional currency (Chinese RMB and Hong Kong Dollars) into presentational currency of the Group (Australian Dollars).

## 22. Dividends

On 26 February 2019, the directors declared a fully unfranked final dividend for the year ended 31 December 2018 of 0.5 cents per ordinary share with payment date of 30 April 2019 to eligible shareholders on the register as at 29 March 2019. This equates to a total distribution of \$1,592,149 based on the number of ordinary shares on issue as at 31 December 2018. The financial effect of dividends declared after the reporting date is not reflected in the 31 December 2018 financial statements and will be recognised in subsequent financial reports.

## 23. Financial instruments

### *Risk management objectives and policies*

The Group is exposed to a variety of financial risks through its use of financial instruments.

### *Financial instruments used*

The principal categories of financial instrument used by the Group:

- Trade and other receivables
- Cash at bank
- Trade and other payables
- Borrowings

The main types of risks are market risk, credit risk and liquidity risk.

This note discloses the Group's objectives, policies and processes for managing and measuring these risks.

The Group's risk management is coordinated at its headquarters, in close cooperation with the Board of Directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

### *Market risk analysis*

The Group is exposed to market risk through its use of financial instruments and specifically to interest rate risk, customer concentration risk, and certain other price risks, which result from both its operating and investing activities

### *Financial instrument composition and maturity analysis*

The table below reflect the undiscounted contractual settlement terms for financial instruments of a fixed year of maturity, as well as management's expectations of the settlement period for all other financial instruments.

## 23. Financial instruments (Cont'd)

### *Financial instrument composition and maturity analysis*

	Weighted Average Effective Interest Rate		Interest Bearing Maturing within 1 Year		Interest Bearing Maturing within 2 Years		Non-Interest Bearing Maturing within 1 Year		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>										
- Cash and Cash Equivalents (Variable interest rate)			-	-	-	-	32,687,237	34,909,298	32,687,237	34,909,298
- Trade and other receivables			-	-	-	-	24,588,723	18,272,892	24,588,723	18,272,892
<b>Total Financial Assets</b>			-	-	-	-	<b>57,275,960</b>	<b>53,182,190</b>	<b>57,275,960</b>	<b>53,182,190</b>
<b>Financial Liabilities</b>										
- Trade and other payables			-	-	-	-	(8,768,215)	(7,277,784)	(8,768,215)	(7,277,784)
- Borrowings	5.68 % p.a.	6.80% p.a.	(9,275,760)	(5,787,890)	-	-	-	-	(9,275,760)	(5,787,890)
<b>Total Financial Liabilities</b>			<b>(9,275,760)</b>	<b>(5,787,890)</b>	-	-	<b>(8,768,215)</b>	<b>(7,277,784)</b>	<b>(18,043,975)</b>	<b>(13,065,674)</b>
<b>Net Financial Assets</b>			<b>(9,275,760)</b>	<b>(5,787,890)</b>	-	-	<b>48,507,745</b>	<b>45,904,406</b>	<b>39,231,985</b>	<b>40,116,516</b>

### *Interest rate risk sensitivity*

Exposure to interest rate risk arises on financial assets and liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group's borrowings are within 1 year, and hence are subject to minimal fair value changes.

### *Customer concentration risk*

The Group's exposure to customer concentration risk relates to its dependence on major customers. The Group's top 10 customers in 2018 generated 33.96% (\$37,470,189) (2017: 36.25% \$32,341,421) of the Group's revenues during the financial year.



## 23. Financial instruments (Cont'd)

### *Risk management objectives and policies*

#### *Liquidity risk*

Liquidity risk arises from the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt serving payments for financial liabilities as well as forecast cash inflows and outflows due in day-to-day business.

#### *Remaining contractual maturities*

The following table details the Group's remaining contractual maturity for its financial instrument liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted Average Effective Interest Rate		Maturing within 1 Year		Maturing within 2 Years		Maturing within 5 Years		Total remaining contractual maturities	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
<b>Non-Interest bearing</b>										
- Trade and other payables			9,113,709	7,277,784	-	-	-	-	9,113,709	7,277,784
<b>Total Non-interest bearing</b>			<b>9,113,709</b>	<b>7,277,784</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,113,709</b>	<b>7,277,784</b>
<b>Interest bearing</b>										
- Borrowings	5.68% p.a.	6.80% p.a.	9,591,499	5,890,383	-	-	-	-	9,591,499	5,890,383
<b>Total Interest Bearing</b>			<b>9,591,499</b>	<b>5,890,383</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,591,499</b>	<b>5,890,383</b>
<b>Total</b>			<b>18,705,208</b>	<b>13,168,167</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,705,208</b>	<b>13,168,167</b>

## 23. Financial instruments (Cont'd)

### *Risk management objectives and policies*

#### *Price risk*

The Group's financial instruments are not exposed to price risk.

#### *Credit risk analysis*

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

The Group adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from default. The utilisation of credit limits by customers is regularly monitored by line management. For significant transactions, customers are required to make sufficient prepayments in order to reduce the credit risk to an acceptable level.

The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date, as summarised below:

	31 December 2018	31 December 2017
	\$	\$
<b>Classes of financial assets</b>		
Carrying amounts:		
Cash and cash equivalents	32,687,237	34,909,298
Trade and other receivables (Note (i))	24,588,723	18,272,892
<b>Total</b>	<b>57,275,960</b>	<b>53,182,190</b>

The Group's management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due. None of the Group's financial assets are secured by collateral or other credit enhancements.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

#### **(i) Trade receivables**

The Group applies the AASB 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers.

The expected loss rates are based on the payment profile for sales over the past 48 months before 31 December 2018 and 1 January respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The Group has identified gross domestic product (GDP) and unemployment rates of China in which the customers are domiciled to be the most relevant factors and according adjusts historical loss rates for expected changes in these factors. However given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 365 days from the due date and failure to engage with the Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

### 23. Financial instruments (Cont'd)

On the above basis the expected credit loss for trade receivables as at 31 December 2018 and 1 January 2018 (on adoption of AASB 9) was determined as follows:

	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
<b>31 December 2018</b>	\$	\$	\$	\$	\$
Expected credit loss rate	0%	0%	0%	0%	0%
Gross carrying amount	24,349,070	34,110	-	-	24,383,180
Lifetime expected credit loss	-	-	-	-	-
	Current	More than 30 days past due	More than 60 days	More than 120 days past due	Total
<b>1 January 2018</b>	\$	\$	\$	\$	\$
Expected credit loss rate	0%	0%	0%	0%	0%
Gross carrying amount	17,919,865	89,642	4,190	-	18,014,377
Lifetime expected credit loss	-	-	-	-	-

The Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various industries and geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

### 24. Fair value measurement

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade and other receivables and trade and other payables approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

#### *Accounting policy for fair value measurement*

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

## 25. Related party transactions

### a) Details of key management personnel during the year as follows

#### Executive Directors

Mr Mingwang Zhang	Executive Director ( <i>Appointment date 9 December 2016</i> )
Ms Linxiang Chen	Executive Director ( <i>Appointment date 31 January 2017</i> )

#### Non-Executive Directors

Mr Andrew Thomson	Non-Executive Director and Chairman of the Board ( <i>Appointment date 31 January 2017</i> )
Mr Andrew Smith	Non-Executive Director and Chairman of the Audit and Risk Management Committee ( <i>Appointment date 9 December 2016</i> )
Ms Yuhong Liu	Non-Executive Director ( <i>Appointment date 31 January 2017</i> )
Mr Rodney Hannington	Non-Executive Director ( <i>Appointment date 31 January 2017</i> )

#### Other Key Management Personnel

Mr Yandeng Que	Chief Financial Officer ( <i>Appointment date 12 October 2018</i> )
Mr Shengqi Huang	Chief Financial Officer ( <i>Appointment date 1 January 2014 and resigned on 12 October 2018</i> )

### b) Aggregate compensation made to Key Management Personnel

	31 December 2018	31 December 2017
	\$	\$
Short-term employee benefits	747,704	503,441
Post-employment benefits	2,338	1,250
Long-term employment benefits	-	-
Share-based payments	-	-
Total compensation to Key Management Personnel	750,042	504,691

Further details of the remuneration of Key Management Personnel is disclosed in the Remuneration Report contained in the Director's Report.

### c) Transaction with related parties and key management personnel

The following comprises transactions with entities in which the Directors have an interest

	31 December 2018	31 December 2017
	\$	\$
<b>Mingwang Zhang (Executive Director)</b>		
Cash advanced from the related party	40,000	50,768
Cash advance to the related party	(40,000)	(93,768)
<b>Linxiang Chen (Executive Director)</b>		
Cash advanced from the related party	-	966
Cash advance to the related party	-	(966)
<b>Mr Michael Beer (Company Secretary)</b>		
Payments for services as the Lead Manager of the IPO	-	1,959,271
Payments for consulting services	-	5,581
<b>Polaroid Pty Ltd<sup>(1)</sup></b>		
Sales made to the related party	47,464	-
<b>Xiamen Eagledon Health Product Co., Ltd<sup>(2)</sup></b>		
Sales made to the related party	83,638	-

(1) Polaroid Pty Ltd is a related entity of Director Mr Mingwang Zhang where Mr Zhang holds a 40% direct shareholding interest.

(2) Xiamen Eagledon Health Product Co., Ltd is a related entity of Director Mr Zhang and Mrs Linxiang Chen in China that distribute product Hutang 1.

## 25. Related party transactions (Cont'd)

### d) Related party balances

Amounts receivable from and (payable) to key management personnel and their related entities at reporting date arising are as follows:

	31 December 2018	31 December 2017
	\$	\$
<b>Mingwang Zhang (Executive Director)</b>	-	40,000
<b>Xiamen Eagledon Health Product Co., Ltd</b>	10,893	-

Related party balances comprise trade receivable arisen from normal course of business and related party loans, no specific terms and conditions have been attached to the above transactions.

## 26. Remuneration of auditors

	31 December 2018	31 December 2017
	\$	\$
Remuneration of the auditor of the Company		
- auditing or reviewing the financial report	177,000	147,000
- investigating accountant's report	-	45,000
<b>Total audit services</b>	<b>177,000</b>	<b>192,000</b>
Non-audit services		
- taxation services	4,000	9,000
<b>Total non-audit services</b>	<b>4,000</b>	<b>9,000</b>
<b>Total auditor's remuneration</b>	<b>181,000</b>	<b>201,000</b>

## 27. Parent entity information

Statement of Financial Position	31 December 2018	31 December 2017
	\$	\$
<b>Assets</b>		
Current assets	409,720	1,815,926
Non-current assets	41,805,166	40,295,863
<b>Total assets</b>	<b>42,214,886</b>	<b>42,111,789</b>
<b>Liabilities</b>		
Current liabilities	469,477	370,188
Non-current liabilities	-	-
<b>Total liabilities</b>	<b>469,477</b>	<b>370,188</b>
<b>Net assets</b>	<b>41,745,409</b>	<b>41,741,601</b>
<b>Equity</b>		
Issued capital	44,668,336	43,139,149
Retained earnings	(2,922,927)	(1,397,548)
<b>Total equity</b>	<b>41,745,409</b>	<b>41,741,601</b>

## 27. Parent entity information (Cont'd)

	31 December 2018	31 December 2017
	\$	\$
<b>Statement of Profit or Loss and Other Comprehensive Income</b>		
<b>Total profit (loss)</b>	<b>37,327</b>	<b>165,109</b>
<b>Total comprehensive income</b>	<b>37,327</b>	<b>165,109</b>

The parent entity had contingent liabilities associated with the Exclusivity Agreement signed with a third party as at 31 December 2017 and 2018 (Refer Note 19).

The parent entity has commitments in relation to a lease premise in Melbourne, Australia as at 31 December 2017 and 2018 (Refer Note 32).

## 28. Share-based payments

During the year, 1,000,000 (2017: nil) share options were issued to Rodney Hannington (Executive Director) with an exercise price of \$0.50 expiring 30 September 2019. The options were issued in accordance with resolution 8 as approved by shareholders at the Group's Annual General Meeting held on 16 May 2018. Options issued during the period to Rodney Hannington was forfeited on 31 August 2018 upon resignation of Rodney Hannington as an Executive Director.

Other than the above, no options were granted by the Company during the period.

## 29. Controlled entities

Details of subsidiaries controlled by the Company as at 31 December 2018 are as follows:

	Country of Incorporation	Percentage Owned (%) <sup>(1)</sup>	
		31 December 2018	31 December 2017
<b>Eagle Health Holdings Limited</b>	Australia		
<b>Subsidiaries of Eagle Health Holdings Limited</b>			
Enjoyhu International Co., Limited <sup>(2)</sup>	Hong Kong	100%	100%
Australian Ecological Valley Pty Limited <sup>(3)</sup>	Australia	100%	100%
Xiamen Olibo Trade Co., Limited <sup>(4)</sup>	People's Republic of China	100%	100%
Xiamen Eagle Don Pharmaceuticals Co., Limited	People's Republic of China	100%	100%
Zhang Lao San (Fujian) Biotechnology Co., Limited <sup>(5)</sup>	People's Republic of China	55%	-

(1) Percentage of voting power is in proportion to ownership.

(2) Enjoyhu International Co., Limited was incorporated 9 November 2016 in Hong Kong. It is the intermediate parent entity of Xiamen Olibo Trade Co., Limited and its controlled entities.

(3) Australia Ecological Valley Pty Limited is a wholly owned subsidiary of Eagle Health Holdings Limited incorporated in Australia on 14 December 2016.

(4) Xiamen Olibo Trading Co., Limited was incorporated and registered on the 11 November 2016 as a wholly owned subsidiary of Enjoyhu International Co., Limited. It is the intermediate parent entity of Xiamen Eagle Don Pharmaceuticals Co., Limited. Pursuant to a Share Transfer Agreement on 15 November 2016, Xiamen Olibo Trade Co., Limited acquired 100% of share capital in Xiamen Eagle Don Pharmaceuticals Co., Limited.

(5) Zhang Lao San (Fujian) Biotechnology Co., Limited was incorporated in PRC on 13 December 2018 as a subsidiary company of Enjoyhu International Co., Limited. The amount of paid-up capital is nil as has not started operations as at 31 December 2018 and as a result non-controlling interest has not been recognised.

### 30. Reconciliation of profit after income tax to net cash from operating activities

	31 December 2018	31 December 2017
	\$	\$
<b>Operating profit/(loss) after income tax</b>	<b>18,734,772</b>	<b>13,195,847</b>
<b>Non-cash flows in operating surplus/(deficit)</b>		
Depreciation/amortisation	1,355,285	1,458,774
Foreign exchange (gains) / losses	(848,134)	118,673
<b>Changes in assets and liabilities</b>		
(Increase)/Decrease in trade receivables	(5,456,239)	(3,476,862)
(Increase)/Decrease in prepayments	(16,760,783)	-
(Increase)/Decrease in inventory	(882,543)	(341,551)
(Increase)/Decrease in trade payables and accruals	1,200,775	848,562
Increase/(Decrease) in income tax payable	1,198,524	(266,292)
<b>Cash flows from operations</b>	<b>(1,458,343)</b>	<b>11,537,151</b>

### 31. Earnings per share

Both the basic earnings per share have been calculated using the profit attributable to shareholders of the Company as the numerator, i.e. no adjustments to profits were necessary during the 12 months period to 31 December 2018:

	31 December 2018	31 December 2017
Profit used to calculate basic EPS	\$18,734,771	\$13,195,847
Weighted average number of shares used in basic and diluted EPS	316,377,287	254,985,166

In accordance with *AASB 133 Earnings per Share*, as potential ordinary shares may only result in a situation where their conversion results in an increase in loss per share or decrease in profit per share from continuing operations, no dilutive effect has been taken into account for year ending 31 December 2018 and 31 December 2017.

### 32. Commitments

#### (a) Capital commitments

Significant capital commitment contracted for at the year end but not recognised as liabilities is as follows:

	31 December 2018	31 December 2017
	\$	\$
Property, plant and equipment	4,064,294	3,136,091

Capital commitment mainly relates to the construction of a new production line to facilitate production of Hutang-1.

### 32. Commitments (Cont'd)

#### (b) Operating Commitments

The following operating commitments exist as at 31 December 2018.

	31 December 2018	31 December 2017
	\$	\$
Not later than 12 months	355,619	288,532
Between 12 months and 5 years	1,136,791	1,365,605
Greater than 5 years	-	-
<b>Total</b>	<b>1,492,410</b>	<b>1,654,137</b>

Operating commitment relates to the lease of offices in Australia and China:

- Melbourne, Victoria, Australia – Lease term of 3 years commencing in October 2017
- Xiamen, Fujian Province, People's Republic of China – Lease term of 6 years commencing in May 2018

#### (c) Other Commitments

The Group had other commitments under various agreements as follows:

	31 December 2018	31 December 2017
	\$	\$
Purchase of raw materials	16,760,783	-
Allowances to distributors for sales and marketing activities	1,607,798	-
Capital contribution to a non-wholly owned subsidiary - Zhang Lao San (Fujian) Biotechnology Co., Limited	1,030,640	-
<b>Total</b>	<b>19,399,221</b>	<b>-</b>

### 33. Events after the reporting date

There are no matters or circumstances that have arisen since the end of the year that have significantly affected or may significantly affect either:

- the entity's operations in future financial years;
- the results of those operations in future financial years; or
- the entity's state of affairs in future financial year.

### 34. Cross guarantee

The parent entity has not entered into a deed of cross guarantee in relation to the debts of its subsidiaries as at 31 December 2018 (2017: None).

### 35. Company details

#### Registered office

Level 2, 15-17 Queen Street  
Melbourne VIC 3000

#### Principal place of business

No.220-228, Meihe 3rd Road, Xike Light Industrial Park, Tongan  
Xiamen City, Fujian Province  
People's Republic of China



# Directors' Declaration

1. In the opinion of the Directors of Eagle Health Holdings Limited:
  - a. The consolidated financial statements and notes of Eagle Health Holdings Limited are in accordance with the Corporations Act 2001, including:
    - i. Giving a true and fair view of its financial position as at 31 December 2018 and of its performance for the financial year ended on that date; and
    - ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
  - b. There are reasonable grounds to believe that Eagle Health Holdings Limited will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 31 December 2018.
3. Note 2 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors



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Non-Executive Chairman  
Andrew Thomson

Dated on 28 February 2019

# Independent Auditor's Report

## To the Members of Eagle Health Holdings Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Eagle Health Holdings Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue Recognition – Note 3, 4(m) and 6</b></p> <p>Sales revenue totalled \$111,013,582 for the 2018 financial year. Sales revenue is generated from the sales of health food products and dietary supplements.</p> <p>The Group’s management focuses on sales revenue as a key driver by which the performance of the Group is measured.</p> <p>This area is a key audit matter due to the volume of transactions and the total balance of sales revenue.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Documenting the processes and assessing the internal controls for design effectiveness relating to the sales revenue processing and recognition;</li> <li>• Assessing the revenue recognition policy for compliance with AASB15 Revenue from Contracts with Customers;</li> <li>• Reviewing a sample of sales revenue transactions to supporting documentation;</li> <li>• Performing analytical procedures to understand movements and trends in sales revenue for comparisons against our expectations; and</li> <li>• Assessing the adequacy of the Group’s revenue disclosures within the financial statements.</li> </ul>

## Information other than the financial report and auditor’s report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group’s financial report for the year ended 31 December 2018, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf). This description forms part of our auditor's report.

### Report on the remuneration report

#### Opinion on the remuneration report

We have audited the Remuneration Report included the Directors' report for the year ended 31 December 2018.

In our opinion, the Remuneration Report of Eagle Health Holdings Limited, for the year ended 31 December 2018 complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



D Chau  
Partner – Audit & Assurance

Adelaide, 28 February 2019

# Shareholder Information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. The information is effective as at 18 March 2019.

## Substantial shareholders

Name of Shareholder	No of Shares	% Held of Issued Ordinary Capital
CREATOR GLOBAL HOLDINGS LIMITED	122,307,692	38.410%
WANGWANG FORTUNE CO LTD	57,892,307	18.181%
HOLISTIC REMEDIES PTY LTD	27,519,230	8.642%
MR LIN CHEN	25,480,769	8.002%

## Top 20 Shareholders

Name of Shareholder	No of Shares	% Held of Issued Ordinary Capital
CREATOR GLOBAL HOLDINGS LIMITED	122,307,692	38.410%
WANGWANG FORTUNE CO LTD	57,892,307	18.181%
CITICORP NOMINEES PTY LIMITED	27,643,316	8.681%
MR LIN CHEN	25,480,769	8.002%
MS YIXUAN WEI	11,189,500	3.200%
MISS YU ZHANG	9,200,000	2.889%
HUANG QIANXU	8,102,884	2.545%
FUCHENG UNITED FINANCE CO LTD	7,389,422	2.321%
MR ZIHENG CHEN	4,223,886	1.326%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	3,082,855	0.968%
MR BINGKUN KE	2,548,377	0.800%
MR HAITANG CHEN	2,222,468	0.698%
MR FANGMING XIAO	2,155,999	0.677%
LANYING WEI	2,024,447	0.636%
MISS KUN ZHANG	1,890,000	0.594%
LIN YUAN XUE	1,477,884	0.464%
MR XIAOJUN YE	1,273,938	0.400%
MR ZONGPAO HUANG	1,203,909	0.378%
KD HEALTH FOOD AUSTRALIA PTY LTD	1,005,680	0.316%
MR ZONGWEI LIU	972,091	0.305%

## Range of Shareholders

Range	Total holders	Units	% of Issued Capital
1 – 1,000	23	3,072	0.001
1,001 – 5,000	107	367,176	0.115
5,001 – 10,000	77	598,673	0.188
10,001 – 100,000	182	6,235,932	1.958
100,001 and Over	89	311,224,983	97.737
Total	478	318,429,836	100.000

## Less than marketable parcels of ordinary shares (UMP shares)

The number of holders less than a marketable parcel of ordinary shares based on closing price as at 18 March 2019 is as follows:

Total number of shares	UMP shares (number)	UMP holders (number)	% of issued shares held by UMP holders
318,429,836	33,148	43	0.01

## Unquoted Securities

N/A.

### **On-market Buy-back**

The Company doesn't currently have an on-market buy-back.

### **Voting Rights**

The voting rights attached to ordinary shares are set out below:

#### **Ordinary shares**

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

### **Restricted Securities**

N/A.

# Corporate Directory

## **Eagle Health Holdings Limited**

ACN 616 382 515

[www.auehh.com.au](http://www.auehh.com.au)

### **Directors**

The Hon Andrew Thomson	Non-Executive Chairman
Mr Zhang Ming Wang	Executive Director
Ms Chen Linxiang	Executive Director
Mr Andrew Smith	Non-Executive Director
Mr Rodney Hannington	Non-Executive Director
Ms Liu Yuhong	Non-Executive Director
Mr Haroon Kalla	Non-Executive Director

### **Company Secretary**

Mr Kobe Li

### **Registered Office**

Eagle Health Holdings Limited  
Level 2, 15 Queen Street  
Melbourne VIC 3000  
T: +61 3 8593 7378

### **Share Registry**

BoardRoom Pty Ltd  
Grosvenor Place  
Level 12, 225 George Street  
Sydney NSW 2000

### **Bankers**

ANZ Bank  
Collins Place, 55 Collins Street  
Melbourne VIC 3000

### **Auditors**

Grant Thornton Audit Pty Ltd  
Level 3, 170 Frome Street  
Adelaide SA 5000  
T: +61 8 8372 6666

### **Stock Exchange**

Australian Securities Exchange (ASX) ASX Code: EHH



**EAGLE HEALTH HOLDINGS LIMITED**

**China**

No.220-228, Meihe 3rd Road,  
(Xike Light Industrial Park)  
Tongan, Xiamen

**Australia**

Level 2, 15 Queen Street  
Melbourne Victoria 3000

**Email**

admin@aeuhh.com.au

**Company Website**

[eaglehealthltd.com](http://eaglehealthltd.com)

**Investor Website**

[aeuhh.com.au](http://aeuhh.com.au)