



Eagle Health edges closer to IPO with extra \$10m from South African nutritions group

By *Small Caps* - June 6, 2017



Eagle Health Holdings (soon to be ASX: EHH) has received a cornerstone investment commitment for \$10 million from major South Africa Nutritions group, Amka Holdings, taking the total binding commitments to over \$20 million, and positions Eagle Health to be on track to reach the minimum subscription requirement for its proposed listing on the Australian Securities Exchange (ASX).

Eagle Health's prospectus offers 62.5 million shares at an issue price of \$0.40 per share to raise the minimum of \$25 million before costs, with provision for oversubscription of up to an additional 12.5 million shares to raise a further \$5 million. Following a successful capital raising and on listing, Eagle Health is likely to have a market capitalisation in the range of \$125 million to \$130 million.

The Offer is being handled by Melbourne based Lead Manager, Beer & Co., and is anticipated to close on Friday, 9th June 2017. IDC is the Chinese Corporate Advisor. The minimum subscription is close to being reached following the \$10 million cornerstone investment commitment by Amka. Amka was founded in South Africa in 1956 and now sells its wide range of leading nutritions and general health products in 45 countries in Africa and has created a very solid ground supply channel throughout Africa.

In commenting on the \$10 million investment, Mr Haroon Kalla, one of the major shareholders and Senior Directors of Amka, said:

"Amka has, over the past 60 years, developed a very strong business with a product range that includes many leading products in Africa. We see similarities with Eagle Health's business.

“Coupled with Eagle Health’s great strength in the huge China market, their listing in Australia where Intellectual Property in the wide nutrition space is as good as anywhere in the world, means that together Eagle Health and Amka will be able to leverage this IP across the distribution super highways, which they manage throughout Africa and China with a combined population of 2.5 billion people.”

Founded in 2001, Eagle Health is a nutritional products business based in Xiamen, China. The company is involved in the development, manufacture, marketing and distribution of health food and nutritional products, and currently sells into 23 provinces in China, with customers including supermarkets, pharmacies, trading companies, and health food stores.

Eagle Health has a proven Research and Development (R&D) record, with an in-house research team and research arrangements with key universities and institutions, such as Xiamen University. The company also has been developing R&D relationships with a range of Australian universities and institutions, including an MoU with Monash University. Eagle Health currently has 18 patents in China, including 4 invention patents.

It is anticipated that Eagle Health’s Australian operations will largely focus on sourcing ingredients, sourcing Australian manufactured health food and nutritional products for sale in China to leverage established sales channels, outsourcing manufacturing to independent third parties, and new product development with concepts native to, or popular in, Australia.

In further commentary on the \$10 million investment, Mr Zhang Mingwang, the founder and Chief Executive Officer of Eagle Health, said:

“We are excited about Amka being a cornerstone investor through Eagle Health’s IPO on ASX. The \$10 million investment from Amka further validates our business model, and should see strong support for Eagle Health once listed on the ASX and provide further growth opportunities for the company”.

In commenting on edging towards the minimum subscription, Rodney Hannington, Director of Eagle Health, said:

“We are very pleased to be in the process of transitioning into a listed company, and we continue to work with enthusiasm and dedication in order to reach this key company milestone.”

“Nutrition, health and wellness industries have a huge growth potential in China, and we are planning to list on the ASX as Australia is well advanced in the health food and nutritional products sector.”

“Australian investors understand the growth opportunities of China’s health food and nutritional products industry through the success of companies like Blackmores and Swisse Vitamins.”

“As a consequence, Eagle Health is seeking out Australian sourced products due to the “clean and green” image of Australia for Chinese consumers and our entry into the Australian nutrition and supplement sector will be via strategic joint venture arrangements where possible.”

About Eagle Health Holdings

Eagle Health Holdings Limited is a vertically integrated nutritional products business that aims to help people live healthier lives by developing, manufacturing, marketing and distributing a range of health food products and nutritional and dietary supplements under its own brand in

China.

The company distributes its products through a broad range of channels, including pharmacies, health food stores, trading companies, supermarkets and online channels, covering 23 provinces and autonomous regions throughout China.

Eagle Health has issued a prospectus for the offer of securities. The prospectus is available and can be obtained from [their website](#). A person should consider the Prospectus in deciding whether to acquire the securities. Any person who wants to acquire the securities will need to complete the application form that accompanies the prospectus.

 Share

 Tweet

 Share

 Email
