

## **ASX Announcement**

**28<sup>th</sup> August 2019**

ASX Market Announcements Office  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

**By electronic lodgement**

### **Appendix 4D and Half-year Financial Report**

Eagle Health Holdings Limited (ASX: EHH) lodges the attached Appendix 4D and the half-year Financial Report for the period ended 30 June 2019.

This document contains all the half-year information required by ASX LR 4.2A. The information enclosed should be read in conjunction with the most recent annual financial report.

#### **Eagle Health Holdings Limited Communications and Investor Relations:**

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# Appendix 4D

## 1. Company Details

**Name of Entity:** Eagle Health Holdings Limited

**ABN:** 62 616 382 515

**Half year ended (“current period”):** 30 June 2019

**Half year ended (“previous period”):** 30 June 2018

## 2. Results for announcement to the market

2.1	Revenues from continuing operations	Up	6.70% to	\$44,528,091
2.2	Profit / (Loss) from continuing operations after tax attributable to members	Down	48.19% to	\$2,510,593
2.3	Net Profit / (Loss) for the period attributable to members	Down	48.19% to	\$2,510,593
2.4	Dividends:	N/A		
2.5	Record date for determining entitlements to the dividend:	N/A		
2.6	Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable figures to be understood			

Revenue for the half-year ended 30 June 2019 was \$44.5 million, representing an increase of 6.7% on the comparative period of 2018. The increase in revenue was mainly attributable to the increase in sales of health products following a significant increase in marketing spend. Gross profit margin dropped by 3.2% due to sales support and rental allowance paid/payable to new franchise stores. NPAT decreased by 48.34% on corresponding period of 2018 to \$2.502 million, which was impacted by the impairment of intangible assets associated with the Exclusivity Agreement with Omniblend Innovation Pty Ltd and increased sales and marketing expenses.

## 3. Net tangible assets per security

**30 June 2019:** 14.52 cents

**30 June 2018:** 18.95 cents

#### 4. Details of entities over which control has been gained or lost

##### 4.1 Control gained over entities

N/A

##### 4.2 Control lost over entities:

On 30 May 2019, the Company disposed of its 55% interest in Zhang Lao San (Fujian) Biotechnology Co., Limited. Zhang Lao San (Fujian) Biotechnology Co., Limited was incorporated in PRC on 13 December 2018 as a subsidiary of Enjoyhu International Co., Limited.

#### 5. Dividends

##### Individual dividends per security

	Date dividend is payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
<b>Interim dividend:</b>				
Current year	N/A	N/A	N/A	N/A
Previous year	N/A	N/A	N/A	N/A

#### 6. Dividend reinvestment plans

The dividend or distribution plans shown below are in operation.

EHH issued 4,986,764 fully paid ordinary shares in the company on 30 April 2019 pursuant to a Dividend Reinvestment Plan in connection with the FY18 dividend at an issue price of \$0.28 per share.

**7. Details of associates and joint entities:** N/A

**8. Foreign entities**

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards including AASB 134 *“Interim Financial Reporting”* and other mandatory professional reporting requirements. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with international accounting standards.

Adjustments have been made to the non-Australian entities within the Group to ensure compliance with Australian Accounting Standards.

**9. If the accounts are subject to audit dispute or qualification, details are described below.**

N/A

Sign here:



Date: 28 August 2019

Non-Executive Chairman

Print Name:

Andrew Thomson



**EAGLE HEALTH HOLDINGS LIMITED AND  
ITS CONTROLLED ENTITIES**

**ABN 62 616 382 515**

**HALF YEAR FINANCIAL REPORT**

**FOR THE SIX MONTHS ENDED  
30 JUNE 2019**

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# Corporate Information

Eagle Health Holdings Limited Shares (ASX Code: EHH)

## Directors

Mr Andrew Thomson, Non-Executive Chairman  
Mr Mingwang Zhang, Executive Director and Chief Executive Officer  
Ms Linxiang Chen, Executive Director  
Ms Yuhong Liu, Non-Executive Director  
Mr Andrew Smith, Non-Executive Director  
Mr Rodney Hannington, Non-Executive Director  
Mr Haroon Kalla, Non-Executive Director

## Company Secretary

Mr Kobe Li

## Registered Office

Level 2, 15-17 Queen Street  
Melbourne VIC 3000

## Share Registry

Boardroom Pty Limited  
Level 12, 225 George Street  
Sydney NSW 2000

## Banker

ANZ  
Collins Place  
55 Collins Street  
Melbourne VIC 3000

## Auditor

Grant Thornton Audit Pty Ltd  
Level 3, 170 Frome Street  
Adelaide SA 5000

## Website Address

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

All monetary amounts in this report are in Australian dollars unless stated otherwise.

The financial year begins on 1 January and ends on 31 December each year.



# 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 half-year ended 30 June 2019.

## Director details

The following persons were Directors of EHH during or since the end of the financial half-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	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

### 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	91,201,757
<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	58,926,098
<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 remained 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.

**Other current listed entity Directorships:**

Lifespot Health Limited (ASX: LSH)  
 Tymlez Group Limited (ASX: TYM)

**Interest in shares:**

None

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

None

**Interest in options:**

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.

**Other current listed entity Directorships:**

None

**Interest in shares:**

None

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

None

**Interest in options:**

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 the former 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 4 August 2017)</i>	None

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

Mr. Haroon Kalla is 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 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 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	28,010,644
<b>Previous listed entity Directorships (last 3 years):</b>	<b>Interest in options:</b>
None	None



#### Company secretary

##### **Kobe Li**

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.

#### 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

During the first half of 2019, health food products and nutritional and dietary supplements experienced another round of growth thanks to on-going changes in lifestyle of the Chinese middle class and supportive policies of the Chinese Government.

Revenue for the half-year ended 30 June 2019 was \$44.5 million, representing an increase of 6.7% on the comparative period of 2018. The increase in revenue was mainly attributable to the increase in sales of health products following a significant increase in marketing spend. Gross profit margin dropped by 3.2% due to sales support and rental allowance paid/payable to new franchise stores. NPAT decreased by 48.34% on corresponding period of 2018 to \$2.502 million, which was impacted by the impairment of intangible assets associated with the Exclusivity Agreement with Omniblend Innovation Pty Ltd and increased sales and marketing expenses.

The Group had cash on hand of \$13.7 million as at 30 June 2019.

As of 30<sup>th</sup> June 2019, the Company has 100 stores in 14 provinces in China. The Group is pleased to report that the stores have started generating revenue as it continues its marketing and advertising campaign for the stores and products and believes that the strong distribution channel it is establishing via Zhang Lao San stores will help to promote the brand consequently improve sales through this channel. In a rapidly developing market, Eagle Health will constantly refine Zhang Lao San marketing plans, store promotions, operating efficiencies and closely monitor sales performance.

There are no significant events or transaction during the period under review other item those disclosed in the interim financial statements.

**Eagle Health Holdings Limited and its Controlled Entities**  
**Consolidated Financial Report**  
**For the half-year ended 30 June 2019**



**Auditor's Independence Declaration**

A copy of the Auditor's Independence Declaration as required under s307C of the *Corporations Act 2001* is included on page 8 of this financial report and forms part of this Directors Report.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'Andrew Thomson'.

Andrew Thomson  
Non-Executive Chairman  
28 August 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 review of Eagle Health Holdings Limited for the half-year ended 30 June 2019, 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 review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



D Chau  
Partner – Audit & Assurance

Adelaide, 28 August 2019



# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 30 June 2019

	Note	30 June 2019 \$	30 June 2018 \$
Revenue – sales of goods		44,528,091	41,730,128
Cost of goods sold		(23,423,588)	(20,612,073)
<b>Gross profit</b>		<b>21,104,503</b>	<b>21,118,055</b>
Other revenues		198,914	230,741
Sales and marketing expenses		(9,765,774)	(9,065,052)
Distribution and freight expenses		(1,941,427)	(1,764,531)
Research and development expenses		(1,874,932)	(1,164,973)
Impairment of intangible asset	10	(883,334)	-
Other expenses	8	(1,996,012)	(2,211,459)
Finance costs		(337,948)	(207,622)
Share-based payments expense	18	(66,166)	(47,969)
Gain on disposal of a subsidiary		9,303	-
<b>Profit before income tax</b>		<b>4,447,127</b>	<b>6,887,190</b>
Income tax expense		(1,944,145)	(2,041,753)
<b>Profit for the period</b>		<b>2,502,982</b>	<b>4,845,437</b>
<b>Profit/(loss) for the period attributable to:</b>			
Owners of the parent		2,510,593	4,845,437
Non-controlling interests		(7,611)	-
		<b>2,502,982</b>	<b>4,845,437</b>
Other comprehensive income:			
<i>Items that may subsequently be reclassified to profit or loss:</i>			
Exchange difference on translating foreign operations		433,992	1,898,855
<b>Total comprehensive income for the period</b>		<b>2,936,974</b>	<b>6,744,292</b>
<b>Total comprehensive income for the period attributable to:</b>			
Owners of the parent		2,944,606	6,744,292
Non-controlling interests		(7,632)	-
		<b>2,936,974</b>	<b>6,744,292</b>
<b>Earnings per share on profit attributable to ordinary equity holders</b>			
Basic earnings per share (cents per share)	6	0.79	1.54
Diluted earnings per share (cents per share)	6	0.79	1.54

The accompanying notes form part of these financial statements.



# Consolidated Statement of Financial Position

As at 30 June 2019

	Note	30 June 2019 \$	31 December 2018 \$
<b>Current assets</b>			
Cash and cash equivalents	7	13,694,406	32,687,237
Trade and other receivables		12,821,788	24,588,723
Prepayment		15,010,501	16,760,783
Contract assets	11	8,976,275	-
Right-of-use assets	3	187,844	-
Inventories		3,115,324	3,317,411
<b>Total current assets</b>		<b>53,806,138</b>	<b>77,354,154</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	17,091,451	17,656,307
Right-of-use asset	3	71,145	-
Contract assets	11	23,156,597	-
Land use rights		460,077	463,707
Intangible asset	10	-	916,667
<b>Total non-current assets</b>		<b>40,779,270</b>	<b>19,036,681</b>
<b>Total assets</b>		<b>94,585,408</b>	<b>96,390,835</b>
<b>Current liabilities</b>			
Trade and other payables		5,007,304	8,768,215
Contract liabilities	11	1,215,243	-
Other financial liabilities	12	9,332,460	9,275,760
Current tax liabilities		392,041	2,676,883
Lease liabilities	3	193,955	-
<b>Total current liabilities</b>		<b>16,141,003</b>	<b>20,720,858</b>
<b>Non-current liabilities</b>			
Lease liabilities	3	71,729	-
<b>Total non-current liabilities</b>		<b>71,729</b>	<b>-</b>
<b>Total liabilities</b>		<b>16,212,732</b>	<b>20,720,858</b>
<b>Net assets</b>		<b>78,372,676</b>	<b>75,669,977</b>
<b>Equity</b>			
Issued capital	13	27,874,924	26,418,624
Reserves	14	2,544,289	2,104,110
Retained earnings		47,953,463	47,147,243
<b>Total equity</b>		<b>78,372,676</b>	<b>75,669,977</b>

The accompanying notes form part of these financial statements.



# Consolidated Statement of Changes in Equity

For the half-year ended 30 June 2019

	Attributable to the owners of the parent				Non- controlling interests \$	Total equity \$
	Issued Capital \$	Reserves \$	Retained earnings \$	Total \$		
	<b>Balance at 1 January 2018</b>	24,889,436	145,597	29,975,214		
Profit after income tax	-	-	4,845,437	4,845,437	-	4,845,437
Other comprehensive income	-	1,898,855	-	1,898,855	-	1,898,855
<b>Total comprehensive income for the period</b>	-	<b>1,898,855</b>	<b>4,845,437</b>	<b>6,744,292</b>	-	<b>6,744,292</b>
Dividend paid	-	-	(1,562,742)	(1,562,742)	-	(1,562,742)
Share based payment options	-	47,969	-	47,969	-	47,969
Issuance of share capital, net of related issuance costs	1,529,187	-	-	1,529,187	-	1,529,187
<b>Transaction with owners in their capacity as owners</b>	<b>1,529,187</b>	<b>47,969</b>	<b>(1,562,742)</b>	<b>14,414</b>	-	<b>14,414</b>
<b>Balance at 30 June 2018</b>	<b>26,418,623</b>	<b>2,092,421</b>	<b>33,257,909</b>	<b>61,768,953</b>	-	<b>61,768,953</b>
<b>Balance at 1 January 2019</b>	<b>26,418,624</b>	<b>2,104,110</b>	<b>47,147,243</b>	<b>75,669,977</b>	-	<b>75,669,977</b>
Effect of AASB 16 (Refer to Note 3)	-	-	(112,224)	(112,224)	-	(112,224)
<b>Restated total equity at 1 January 2019</b>	<b>26,418,624</b>	<b>2,104,110</b>	<b>47,035,019</b>	<b>75,557,753</b>	-	<b>75,557,753</b>
Profit/(loss) after income tax	-	-	2,510,593	2,510,593	(7,611)	2,502,982
Other comprehensive income	-	434,013	-	434,013	(21)	433,992
<b>Total comprehensive income for the period</b>	-	<b>434,013</b>	<b>2,510,593</b>	<b>2,944,606</b>	<b>(7,632)</b>	<b>2,936,974</b>
<b>Disposal of a subsidiary</b>	-	-	-	-	7,632	7,632
Dividend paid	-	-	(1,592,149)	(1,592,149)	-	(1,592,149)
Share-based payment options	-	6,166	-	6,166	-	6,166
Issuance of share capital, net of related issuance costs	1,396,300	-	-	1,396,300	-	1,396,300
Issuance of share capital, share-based payment	60,000	-	-	60,000	-	60,000
<b>Transaction with owners in their capacity as owners</b>	<b>1,456,300</b>	<b>6,166</b>	<b>(1,592,149)</b>	<b>(129,683)</b>	-	<b>(129,683)</b>
<b>Balance at 30 June 2019</b>	<b>27,874,924</b>	<b>2,544,289</b>	<b>47,953,463</b>	<b>78,372,676</b>	-	<b>78,372,676</b>

The accompanying notes form part of these financial statements.



# Consolidated Statement of Cash Flows

For the half year ended 30 June 2019

	Note	30 June 2019 \$	30 June 2018 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		31,884,319	53,136,282
Payments to suppliers and employees		(46,882,488)	(43,894,565)
Government grant received		50,461	176,588
Interest received		40,576	54,153
Finance costs		(337,948)	(207,622)
Income tax paid		(4,245,716)	(2,780,648)
<b>Net cash (used in) / provided by operating activities</b>		<b>(19,490,796)</b>	<b>6,484,188</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(1,721)	(5,245,845)
Net cash outflow from disposal of a subsidiary		(2,203)	-
<b>Net cash used in investing activities</b>		<b>(3,924)</b>	<b>(5,245,845)</b>
<b>Cash flows from financing activities</b>			
Dividend paid		(85,829)	(29,884)
Advances from related parties		400,000	-
<b>Net cash provided by financing activities</b>		<b>314,171</b>	<b>(29,884)</b>
Net change in cash held		(19,180,549)	1,208,459
Cash at beginning of the period		32,687,237	34,909,298
Effect of exchange rates on cash holdings in foreign currencies		187,718	1,207,064
<b>Cash and cash equivalents at end of the period</b>	<b>7</b>	<b>13,694,406</b>	<b>37,324,821</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 half-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 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.

There were no other significant changes in the nature of the Group's principal activities during the half-year ended 30 June 2019.

## 2. General information and basis of preparation

The condensed interim consolidated financial statements (the interim financial statements) of the Group are for the six months ended 30 June 2019 and are presented in Australian Dollars (\$AUD), which is the functional currency of the Parent Company. These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2018 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and Corporations Act 2001.

AASB 16 *Leases* became mandatorily effective on 1 January 2019. Accordingly, these standards apply for the first time to this set of financial statements. The nature and effect of changes arising from these standards are summarised in the section below and in Note 3.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 28 August 2019.

## 3. Changes in significant accounting policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 31 December 2018. Note that the changes in accounting policies specified below applied to the current period. The accounting policies included in the Group's last annual financial statements for the year ended 31 December 2018 are the relevant policies for the purposes of comparatives.

AASB 16 *Leases* became effective for periods beginning on or after 1 January 2019. Accordingly, the group has adopted AASB 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

### 3.1 Leases

On adoption of AASB 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5.35%.

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.



Notes to the Consolidated Financial Statements (Cont'd)

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

The recognised right-of-use assets relate to the following types of assets:

	30 June 2019	1 January 2019
	\$	\$
Leased properties	258,989	1,208,503
<b>Total right-of-use assets</b>	<b>258,989</b>	<b>1,208,503</b>

The recognised lease liabilities relate to the following types of assets:

	30 June 2019	1 January 2019
	\$	\$
Leased properties	265,684	1,320,727
<b>Total lease liabilities</b>	<b>265,684</b>	<b>1,320,727</b>

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- Right-of-use assets – increase by \$1,208,503
- Lease liabilities – increase by \$1,320,727
- The net impact on retained earnings on 1 January 2019 was a decrease of \$112,224
- The resulting tax impact was insignificant

The group leases various buildings in China and Australia. Rental contracts are typically made for fixed periods of 3 – 8 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until this financial year, leases of property were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and interest expense. The interest expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities mainly represent the net present value of the fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.



## Notes to the Consolidated Financial Statements (Cont'd)

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

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

### 4. Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 31 December 2018. The only exception is the estimate of the provision for income taxes which is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

### 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. 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 six (6) months period to 30 June 2019:

	30 June 2019	30 June 2018
Profit attributable to owners of the parent used to calculate basic EPS	\$2,510,593	\$4,845,437
Weighted average number of shares used in basic and diluted EPS	319,679,860	314,279,126



Notes to the Consolidated Financial Statements (Cont'd)

7. Cash and cash equivalents

	30 June 2019	31 December 2018
	\$	\$
Cash on hand	18,553	17,545
Cash at bank	13,675,853	32,669,692
<b>Total</b>	<b>13,694,406</b>	<b>32,687,237</b>

Cash at bank and on hand balances as at 30 June 2019 includes Chinese RMB denominated equivalent balances of \$13.64 million (2018: \$32.28 million) which are held with reputable financial institutions in the People's Republic of China in current accounts.

The RMB is not freely convertible into foreign currencies. Under the PRC (People's Republic of China) 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.

8. Other Expenses

	30 June 2019	30 June 2018
	\$	\$
Travelling expenses	77,944	118,601
Hospitality expenses	342,127	325,321
Consultant expenses	95,887	186,616
Other expenses	1,480,054	1,580,921
<b>Total</b>	<b>1,996,012</b>	<b>2,211,459</b>

9. Property, plant and equipment

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 <sup>(1)</sup>	Motor Vehicles	Construction in Progress	Total
	\$	\$	\$	\$	\$
<b>At 31 December 2018</b>					
Cost or fair value	9,554,169	13,645,188	701,523	5,311,259	29,212,139
Accumulated depreciation	(5,722,637)	(5,301,762)	(531,433)	-	(11,555,832)
<b>Net book amount</b>	<b>3,831,532</b>	<b>8,343,426</b>	<b>170,090</b>	<b>5,311,259</b>	<b>17,656,307</b>
<b>1 January 2019</b>	<b>3,831,532</b>	<b>8,343,426</b>	<b>170,090</b>	<b>5,311,259</b>	<b>17,656,307</b>
Additions	1,721	-	-	-	1,721
Depreciation charges	(308,210)	(330,984)	(39,529)	-	(678,723)
Exchange differences	25,328	53,066	1,286	32,466	112,146
<b>30 June 2019</b>	<b>3,550,371</b>	<b>8,065,508</b>	<b>131,847</b>	<b>5,343,725</b>	<b>17,091,451</b>

(1) Buildings owned by the Group are pledged against short term borrowings (Refer to Note 12).



Notes to the Consolidated Financial Statements (Cont'd)

10. Intangible asset

	Intellectual Property \$	Total \$
<b>1 January 2018</b>		
Cost	1,000,000	1,000,000
Accumulated amortisation and impairment	(83,333)	(83,333)
<b>31 December 2018</b>	<b>916,667</b>	<b>916,667</b>
<b>1 January 2019</b>		
Opening net book amount	916,667	916,667
Amortisation charges	(33,333)	(33,333)
Impairment loss	(883,334)	(883,334)
<b>30 June 2019</b>	<b>-</b>	<b>-</b>

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.

The Exclusivity License was terminated early by the third-party licensor in June 2019. The carrying value of the intangible asset was substantially attributable to the exclusive nature of the License. Based on the impairment assessment of the Group, Management considers that the carrying amount of the intangible asset is higher than its recoverable amount and an impairment loss of \$883,334 was recognised in respect of intangible asset in the statement of profit or loss for the half-year ended 30 June 2019.

11. Contract assets and liabilities

	30 June 2019 \$	31 December 2018 \$
Contract assets – current	8,976,275	-
Contract assets – non-current	23,156,597	-
<b>Total</b>	<b>32,132,872</b>	<b>-</b>

Contract assets are recognised when the Company has transferred goods or services to the customer but where the Company is yet to establish an unconditional right to consideration. Contract assets relate to sales support allowances for Eagle Health’s “Zhang Lao San” health experience stores in the People’s Republic of China.

	30 June 2019 \$	31 December 2018 \$
Contract liabilities – current	1,215,243	-
<b>Total</b>	<b>1,215,243</b>	<b>-</b>

Contract liabilities relate to rental support allowances for Eagle Health’s “Zhang Lao San” health experience stores in the People’s Republic of China.



## Notes to the Consolidated Financial Statements (Cont'd)

### 12. Other financial liabilities

The financial liabilities of the Group include the following:

	30 June 2019	31 December 2018
	\$	\$
<b>Current</b>		
Short term borrowings	9,332,460	9,275,760
<b>Total</b>	<b>9,332,460</b>	<b>9,275,760</b>

- (1) Short term borrowings are secured by buildings owned by the Group (Refer Note 9). Personal guarantees are also provided by Mr. Mingwang Zhang and Ms. Linxiang Chen (Shareholders/Directors of the Group) and also by a non-related party entity.
- (2) Interest is payable on rates between 6.8% per annum for the current financial period (2018: 6.8% p.a.).

### 13. Issued capital

	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	No. of shares	No. of shares	\$	\$
<u>Fully paid ordinary shares</u> <sup>(1)</sup>				
Balance at beginning of the period/incorporation	318,429,836	312,548,397	26,418,624	24,889,436
Shares issue, net of related issuance expenses <sup>(2)</sup>	200,000	-	60,000	-
Shares issued through dividend reinvestment plan <sup>(3)</sup>	4,986,764	5,881,439	1,396,300	1,529,188
<b>End of the period</b>	<b>323,616,600</b>	<b>318,429,836</b>	<b>27,874,924</b>	<b>26,418,624</b>

- (1) Fully paid ordinary shares carry one vote per share and carry the right to dividends.
- (2) On May 2019, Eagle Health Holdings Limited issued 200,000 ordinary shares at an issue price of \$0.30 per share to Crestbridge Capital Pty Ltd for corporate advisory services subject to a 6 months voluntary escrow period from the date of the issue along with 200,000 options with an exercise price of \$0.45 expiring 31 January 2020.
- (3) Eagle Health Holdings Limited issued 4,986,764 fully paid ordinary shares on 30 April 2019 pursuant to the Company's Dividend Reinvestment Plan in connection with the FY18 dividend.

### 14. Reserves

	30 June 2019	31 December 2018
	\$	\$
Statutory reserve	999,500	999,500
Share option reserve	6,166	-
Foreign currency translation reserve	1,538,623	1,104,610
<b>Total</b>	<b>2,544,289</b>	<b>2,104,110</b>

#### *Foreign Currency Translation Reserve*

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

#### *Share Option Reserve*

200,000 options attached with the 200,000 shares were issued to Crestbridge Capital Pty Ltd each to acquire one fully paid ordinary share exercisable at \$0.45 each expiring 31 January 2020. Refer to Note 18 for details of the services.

#### *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.



Notes to the Consolidated Financial Statements (Cont'd)

15. Related party transactions

a) Transaction with related parties

The following is a summary of related party transactions during the period carried out in the normal course of the Group's business:

	30 June 2019	30 June 2018
	\$	\$
<b>Mingwang Zhang (Executive Director)</b>		
Cash advanced from the related party	40,000	40,000
<b>Polaroid Pty Ltd <sup>(1)</sup></b>		
Sales made to the related party	-	47,464
<b>Xiamen Eagledon Ecological Agricultural Development Co., Ltd <sup>(2)</sup></b>		
Purchase from the related party	188,721	517,889
Waive of rental income from related party	55,662	54,332
<b>Yu Zhang <sup>(3)</sup></b>		
Cash advanced from the related party	360,000	-

b) Related party balances

Amounts receivable from and (payable) to related parties at reporting date arising are as follows:

	30 June 2019	31 December 2018
	\$	\$
Mingwang Zhang (Executive Director)	(40,000)	-
Yu Zhang	(360,000)	-

The amounts due to related parties are unsecured, non-interest bearing and repayable on demand.

(1) Mr. Mingwang Zhang, Executive Director, is a major shareholder of Polaroid Pty Ltd.

(2) The controlling shareholder of Xiamen Eagledon Ecological Agricultural Development Co., Ltd is a close family member of the Executive Directors of the Company.

(3) Yu Zhang is a close family member of the Executive Directors of the Company.

16. Dividends

On 5 March 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 \$1,592,150 including total cash payment of \$101,679 and total reinvestment of \$1,490,471.

The Board does not recommend the payment of any dividend for the half year ended 30 June 2019.



**Notes to the Consolidated Financial Statements (Cont'd)**

**17. Contingent liabilities**

As at 30 June 2019, the Group is not aware of any other contingent assets or liabilities that should be disclosed in accordance with AASB 137.

**18. Share-based payments**

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. Volatility is calculated as the average historical volatility of the Company share price for the period of the option life.

No other features of options granted were incorporated into the measurement of fair value.

On 9 May 2019, as part of the service mandate with Crestbridge Capital Pty Ltd as a Corporate Advisor to Eagle Health Holdings Limited, 200,000 ordinary shares were issued at a price of \$0.30 per share pursuant to Crestbridge subject to 6 months voluntary escrow from the date of the issue along with 200,000 options each exercisable at \$0.45 each expiring 31 January 2020.

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

**19. Controlled Entities**

Details of subsidiaries controlled by the Company as at 30 June 2019 are as follows:

	Country of Incorporation	Percentage Owned (%) <sup>(1)</sup>	
		30 June 2019	31 December 2018
<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 Ltd <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., Ltd	People's Republic of China	100%	100%
Zhang Lao San (Fujian) Biotechnology Co., Ltd	People's Republic of China	-	55%

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

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

(3) Australia Ecological Valley Pty 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., Ltd. It is the intermediate parent entity of Xiamen Eagle Don Pharmaceuticals Co., Limited.

(5) On 30 May 2019, the Company disposed its 55% interest in Zhang Lao San (Fujian) Biotechnology Co., Limited. Zhang Lao San (Fujian) Biotechnology Co., Limited was incorporated in PRC on 13 December 2018 as a subsidiary of Enjoyhu International Co., Limited.



Notes to the Consolidated Financial Statements (Cont'd)

20. Commitments

The Group had commitments under various agreements as follows:

	30 June 2019	31 December 2018
	\$	\$
Purchase of raw materials	16,863,236	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
Project fees to Xiamen University Medical School for R&D activities	518,470	-
<b>Total</b>	<b>17,381,706</b>	<b>19,399,221</b>

21. Events after the reporting date

There are no other matters or circumstances that have arisen since the end of the period 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.



## Directors' Declaration

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 30 June 2019 and of its performance for the half-year ended on that date; and
  - ii.** Complying with Accounting Standard AASB 134 *Interim Financial Reporting*; and
- b.** There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

A handwritten signature in black ink, appearing to read 'Andrew Thomson', written over a horizontal dotted line.

Non-Executive Chairman  
Andrew Thomson

Dated on 28 August 2019

# Independent Auditor's Review Report

## To the Members of Eagle Health Holdings Limited

### Report on the review of the half year financial report

#### Conclusion

We have reviewed the accompanying half year financial report of Eagle Health Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, and 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 half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Eagle Health Holdings Limited does not give a true and fair view of the financial position of the Group as at 30 June 2019, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

#### Directors' responsibility for the half year financial report

The Directors of the Company are responsible for the preparation of the half year 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 half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2019 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Eagle Health Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



D Chau  
Partner – Audit & Assurance

Adelaide, 28 August 2019