

# Eagle Health tackles China's diabetes problem

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Opening ceremony for Eagle Health's Education and Experience store in Xiamen, China.

Nutritional products distributor [Eagle Health Holdings](#) (ASX: EHH) launched its clinically-tested 'Hutang 1' product to combat Type 2 diabetes and blood glucoses imbalances late last year and has updated the market with regards to its recent activities.

Eagle Health already produces a range of traditional Chinese medicine and Western nutritional products including amino

acids, protein supplements, lozenges and dendrobium oil which it distributes to 26 provinces across China. Hutang 1 has now been added to its product range and being sold in pharmacies, supermarkets and online merchants in China.

Hutang 1 is being licensed from ASX-listed technology investment company [EVE Investments](#) (ASX: EVE) under a licensing agreement. EVE Investments holds an estimated 40% stake in Omni Innovation, a medical nutrition company that originally developed the Type 2 diabetes product — and now under license to Eagle Health.

Eagle Health has exclusive rights to manufacture, market and distribute the Hutang 1 diabetes product throughout mainland China via a network of pharmacies and retail outlets.

To further boost its ability to reach out to customers and raise awareness of both its products, Eagle Health opened four specialised walk-in centres that assist diabetes sufferers in Xiamen, China.

In addition to its 4 store openings in December, Eagle Health's says it has provided diabetes counselling services to over 3,600 patients in Xiamen and says it has been "investing in large-scale outdoor advertising, television and newspapers," as part of its marketing campaign to supplement the launch of Hutang 1.

**Once upon a time in Xiamen**

Xiamen became the ninth city in the world to launch the Change Diabetes Project, to study the current incidence of diabetes in Xiamen, raise awareness amongst urban residents and assist communities to cope better with the challenges of diabetes.

According to researchers, China's ageing and growing population and growing rates of obesity across the country are particularly acute in urban areas; which is partly why Xiamen was chosen as a participant in the Change Diabetes Project.

Eagle Health hopes to collaborate with this existing local project and to expand its efforts nationwide in the coming months on the back of a strong reception of its nutritional products.

In a market update to shareholders, Eagle Health said that its stores are visited by an average of 280 diabetes patients each day and that it expects to see demand for its Hutang 1 product (as well as other supplementary counselling services offered by Eagle Health) to grow over the coming years in the face of a mushrooming diabetes problem in China.

According to the 8<sup>th</sup> edition of the IDF Diabetes Atlas, China has 114 million diabetes sufferers in 2017, with this number projected to rise to 150 million by 2045 — a 30% increase. It is further estimated there were an additional 111 million people with impaired glucose tolerance, considered to be a strong indicator of the onset of diabetes.

## **The health issue in China**

In what Eagle Health calls “a national health issue,” China’s growing rate of diabetes has created a growing market for nutritional products which the company wants to commercialise by offering Australian clinically-tested products to Chinese customers and “supporting them[diabetes sufferers] in their lifestyle intervention.”

“We know that Chinese consumers and their Healthcare practitioners recognise Hutang 1’s clinical effectiveness and this high-quality Australian-developed product, which is now being produced by the trusted Eagle Health Brand,” said Mr Zhang Mingwang, Managing Director of Eagle Health.

“Xiamen is Eagle Health’s home city and with the local government’s focus on diabetes, it means Xiamen is the perfect place for us to launch our product Hutang 1. With our new high-speed production line now fully operational we are well poised to deliver the sales targets we expect in 2018 and continue to roll-out to our distribution network immediately after the Chinese New Year holiday,” he added.

Following the launch and early business update from Eagle Health in recent weeks, Eagle Health intends to expand its own commercial activities in parallel to the planned expansion of the Change Diabetes Project across China.

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