

South Africa's Amka takes stake in Eagle Health

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China's Eagle Health is adding some African grunt and \$10m to its strategy. **zorazhuang**

by **Simon Evans**

A South African cosmetics, toiletries and nutrition products group, Amka Holdings, is stumping up \$10 million to become a cornerstone investor in the ASX float of Chinese nutrition and supplements firm [Eagle Health](#).

Eagle Health, which intends raising between \$25 million to \$30 million in fresh capital by issuing new shares at 40¢ each, will have a market capitalisation of \$125 million upon listing.

It aims to capitalise on the distribution leverage of Amka, which sells its cosmetics and health products across 45 countries in Africa, in a new geographic expansion strategy on top of its existing business selling into 23 provinces of China.

Eagle Health makes a range of products including protein powder, throat lozenges, vitamins, herbal teas and edible bird's nests and is chaired by former Federal Sports and Tourism Minister Andrew Thomson.

It also aims to add a string of Australian products to its range to try and capitalise on the "clean and green" theme which has been an important driver of growth in China from [Australian vitamins firms Blackmores](#) and Swisse.

Haroon Kalla, one of the senior directors of privately-owned Amka, said the South African-based firm had built up a strong business over the past 60 years with a product range that included many leading consumer goods products.

He said Eagle Health and Amka would be able to leverage the intellectual property they had both built up across "distribution super highways" through Africa and China where there was a combined population of 2.5 billion people.

Eagle Health chief executive officer Zhang Mingwang said the \$10 million investment "further validates our business model".

The offer is being handled by lead manager Beer & Co and is scheduled to close on June 9, with a listing date on the ASX earmarked for late June.

The prospectus for Eagle Health states the company generated net profit after tax of \$15.9 million in calendar 2016, up from \$14.0 million in 2015.

<http://www.afr.com/business/health/south-africas-amka-takes-stake-in-eagle-health-20170605-gwl4vp>