



THE MARKET

Eagle's American Ginseng is a leading player in the ginseng market — as well as being China's oldest health product supplier of American ginseng. Set up in the 1970's, Eagle's American Ginseng has been in existence for over thirty years. It is a well-known brand in China, East Asia, and in the ethnic Chinese community around the world, and is, moreover, the leading supplier of health products in terms of value for money.

The "Eagle's" brand name was launched in the Mainland Chinese market in 1990, and the Eagle's name began to circulate at a rapid pace soon after this, quickly spreading to encompass the whole of the China ginseng market. The "Eagle's" brand has thus become a household name in China, and today is a byword for high-end quality American ginseng.

And added to this, Eagle's American Ginseng has established itself over the past two years as the company with the highest growth indexes in the ginseng market for traditional nutritious health products, thus establishing itself as a new name in the prestigious brand name list. According to market statistics supplied by the China Ministry of Trade Business Information Center, Eagle's American Ginseng's share of the market increased from just 5 percent in 2002 to reach 20 percent in the year 2004, and moreover Eagle's was the driving force behind the revival in the ginseng products market.

Eagle's brand image as a supplier with an uncompromising attitude towards delivering "the real thing" has penetrated deep into the hearts of consumers. And Eagle's also has the distinction of being the company that most relied on utilizing its brand name to gain market share, and in this way represented a change in the usual strategies adopted in the ginseng market of "point of sales war and price wars."

ACHIEVEMENTS

The Year 2000: The Chinese Manufacturers' Association of Hong Kong bestowed on Eagle's the title of "Hong Kong top ten brand".

The Year 2000: In a high quality survey Eagle's was awarded the title of the year's top company of its industry type.

The Year 2000: Eagle's was listed one of the top ten companies among tens of thousands of manufacturers and brands in over 100 cities in China.

The Year 2002: Eagle's was invited to become a member of the American Wisconsin Ginseng

Growers Association as well as receiving the honor of being designated as "a supplier of genuine American ginseng products".

The Year 2003: Eagle's series of products were recommended by the Chinese Society of Healthcare Science and Technology as being a SARS resistant product.

The Year 2004: Eagle's products were recognized as being a supplier of products to military personnel.



HISTORY



Eagle's American Ginseng was established in 1973. In 1979 Eagle's recorded a world's first with the launch of its Eagle's American Ginseng Tea (water soluble granule). In doing so the company had arrived at a solution to what had been a long-standing problem in the area of traditional steaming techniques; namely how to effectively extract impurities and other non-desirable elements from active ingredients. Eagle's high-cost solution made use of cold immersion techniques as a means of extraction, and guaranteed the preservation of natural and nutritious elements in the American Ginseng extraction process. The solution effectively changed the traditional approach to this problem, an approach involving techniques such as a "stewing and boiling" process, and in doing so produced a genuine and pure product that quickly spread throughout the entire world, thus opening up new horizons for Eagle's American Ginseng.

Over the past thirty years Eagle's has worked with consistent effort to produce technologically leading products, a list of product lines that

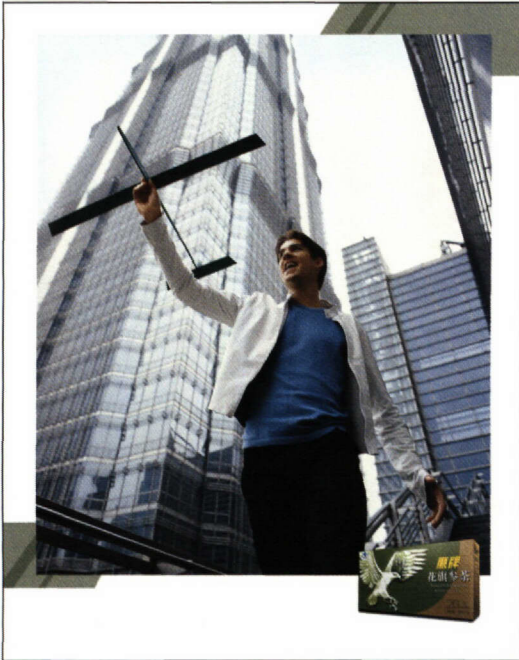
includes, American ginseng, Ganoderma deer antler essence and vitamins, and which has enabled the company to win widespread public recognition. In the year 2002 Eagle's was acquired by market leader Joicare Pharmaceutical Group Industry Co., Ltd. (at that time named Shenzhen Taitai Pharmaceutical Company Limited), and this acquisition provided the impetus for Eagle's second spurt of growth.

THE PRODUCT

Following Eagle's acquisition by consortium Joicare, new possibilities were opened up in respect to the development of the company's product line. As well as helping to bolster its competitiveness, this development also helped to realize the company's aim of centralizing its main line of daily health care products; the number of products offered by the company at this time dropped from 256 to just 15. This major decrease helped to reduce costs as well as increase sales effectiveness.

Of these 15 products, the one that stands out as being particularly innovative is Eagle's American Ginseng water soluble granule, a product that has been able to compete extremely successfully against equivalent names in the market. It is produced with a range of raw ingredients that include North American ginseng,





amino acid, vitamins, micro elements and stringently proportioned imported lactose into water soluble granules. Eagle's made use of extremely strict procedures in assessing the relative amounts of imported lactose used in this product. In so doing they produced a product with a full, rich and unique taste.

Because the active ingredients in American ginseng lacked solubility when immersed in large amounts of water, Eagle's obliged to import high quality alcohol for the processing that involved a considerable amount of expense. The company then made use of its scientific and technical expertise to extract a number of active ingredients, such as Ginsenoside, and a number of microelements. Although the costs were considerable, this move was of key importance in establishing the company as a producer of quality products.

Besides Eagle's Ginseng Tea, one other ginseng product that has shown itself to be especially competitive is the mountain-grown American Ginseng Lozenges. This success can be attributed to three main factors. The first is related to the first-rate quality of mountain grown ginseng, a factor that has been very helpful to Eagle's in terms of publicity and promotion. Secondly, Eagle's American Ginseng Lozenges is sugar-free, making it an ideal choice for the affluent, healthy lifestyle set, and at the same time appealing to diabetes sufferers, as well as other groups restricted to a sugar-free diet. The third reason for this success relates to the extremely high level of quality of the raw ingredients as well the advanced level of technology used in the production of the final

product; Eagle's ginseng is rich and pure in flavor with the unique taste of American Ginseng, and has won a large number of people as its loyal customers.

RECENT DEVELOPMENTS

Research shows that the market for American ginseng — in so far as it is classified as a "health product" — is a limited one. Newer and hotter health products are gradually acting to erode this market. Eagle's has prepared the assets and foundation necessary for the development of future products, and will be focusing on and further researching products aimed at the high-tech male health products sector. Additionally, the company, in an effort to escape the limitations of the health product market, plans to carve a niche for itself in the health food market, a market with



considerable potential for growth. And with its dual strengths in health and the tea/beverage sectors, as well as its current line of superbly differentiated products, Eagle's is equipped with a considerable potential for growth.

PROMOTION

According to the assessments of industry insiders, Eagle's rapid ascent was the force driving the revitalization of the American ginseng market. And this is not an exaggeration. At a time when the entire health product sector was mired in sluggish growth, Eagle's was able to break free from the constraining effects of this slow down; in order to win the adherence of the better-off elements in society it began directing its promotion efforts at this group, creating an image in the minds of this success orientated group of Eagle's as a company concerned with health and self-improvement, an image that combined fashionable elegance and energetic spirit into a single concept. And with this success Eagle's

came to be seen as younger, as chocked full of energy, as fashionable, as something completely new, and as a modern company that had emerged from the fire with a new identity. At the same time it clearly demarcated Eagle's from its competitors, competitors who now came to be seen as old fashioned and lacking in sophistication.

At a time when the traditional health and nutrition market had reached a terminal point, a point where each company had to fight for its survival, Eagle's American Ginseng began energetically advertising its products, doing this by both communicating with and stimulating potential markets. Eagle's thus responded to the slowdown with an ingenious marketing campaign, a campaign that involved a high profile, all-inclusive and aggressive promotional effort.

The advertising channels made use of included movies, the Internet, tennis, and large-scale discussion programs. Eagle's worked to fully develop the "healthy living" sector, directing its advertising efforts at this group, utilizing its brand name products as a core strategy, and targeting it at the lifestyles of its potential customers, as well as responding flexibly to other variable factors.

The Eagle's American Ginseng Tennis Open has established itself as a China-wide tradition in the arena of amateur open tennis championships. Held in both Beijing and Shanghai, the championship attracted both the attention of local media and the interest of a wide section of the public. Moreover, a large number of foreign tennis fans attended matches in both Shanghai and Beijing. In the midst of this large gathering of enthusiasts, of health-orientated people, people who were both new and old Eagle's customers, Eagle's provided a platform able to facilitate the intermingling of these customers, winning for itself customer loyalty and a good name.

BRAND VALUES

Eagle's American Ginseng promotes fashion, health, and active lifestyles, as well as working unceasingly to protect the health of the consumer. Additionally, Eagle's has one even higher aspiration — and this is to set up a large-scale discussion group, a discussion group that would act to facilitate an exchange between affluent income groups from around the world and industry leaders. In 2004 Eagle's sponsored the Jack Welch China Enterprise Leader Forum, an event which created a sensation, and which provided Eagle's with an opportunity to demonstrate to the public the spirit of disdaining petty rivalry that guides its policies, thus further brightening the company's image in the eyes of the consumer.

THINGS YOU DIDN'T KNOW ABOUT EAGLE'S

- The Year 2003: Eagle's line of products was evaluated by Chinese Society of Healthcare Science and Technology as being effective in resisting against SARS
- The Year 1979: Eagle's American Ginseng successfully launched the Eagle's American Ginseng Tea (soluble grain) onto the market

