

BEAUTYCHINA

ANNUAL REPORT 2008
www.beautychinaholdings.com

the face of
COLOUR ZONE

Angela Chang







CharmingLady is created for the sophisticated modern woman who has great aspirations in life, including high expectations for beauty and aesthetics.

That is why she chooses CharmingLady. Its extensive range of colour cosmetics creates and completes her look every single day. With its long-lasting staying power, smooth texture and multitude of attractive colours, it is sure to satisfy every woman's beauty desires.

Check out our full range at all CharmingLady counters at leading department stores.

BRINGING OUT THE ELEGANCE AND PERFECTION IN YOU

CHARMINGLADY

SMOOTH, FLAWLESS COMPLEXION BEGINS WITH COLOUR ZONE. WITH ITS RANGE OF ADVANCED-FORMULATED COMPACT FOUNDATIONS THAT GLIDES ON SEAMLESSLY WITHOUT CLOGGING PORES, YOUR SKIN LOOKS FRESH FOR HOURS AND HOURS, WITHOUT THE SHINE.

Snow Intelligence Dual Compact

Intelligently formulated to complement Asian skins to perfection, this silky translucent compact defines face contours and diminishes the appearances of blemishes and imperfections.

Wet & Dry Compact Foundation

Super fine powder that stays on skin so naturally and comfortably that you'll not feel you've make-up on! Ideal for applying it dry for a sheer finish or with a wet puff for heavier coverage.



Wet & Dry Compact Foundation

colour zone

Dermatologist Tested. 100% Fragrance-Free.
Formulated for Asian skins.



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ANNUAL REPORT 2008

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Destination: Shanghai



on the cover

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INTENSE EYE COLOUR QUAD

Four dazzling colours.
Smooth delicate textures.

Create your look for all occasions with just one palette. From natural nude lids to mysterious smoky eyes, redefine your look anytime with Colour Zone Intense Eye Colour Quads.

Available in warm brown, cool blue and intense purple.



colour zone

Dermatologist Tested. 100% Fragrance-Free.
Formulated for Asian skins.

BEAUTYCHINA

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ANNUAL REPORT DESIGNER Meta Fusion Pte Ltd

My Spiel

We are pleased to unveil the inaugural issue of Beauty China Annual 2008. In this year's edition, our sixth annual report to shareholders adopts a new brand- new look which, we hope, you will find informative and engaging. Clad in a lifestyle magazine format, this edition hopes to draw you into the world of Beauty China, and offers you a peek into what the Group is all about, and how we have fared during the year in review.

OUR PERFORMANCE IN A NUGGET

During the year in review, Beauty China managed to achieve revenue growth through an ever-expanding retail network. As at 31 December 2008, the Group had a total of 2,249 points-of-sale for both of our brands and this includes 128 points added in the fourth quarter in spite of tougher operating landscape. In FY2009, we are therefore taking a more prudent and cautious approach to our network expansion.

MANUFACTURING BUSINESS GAINING TRACTION

Meanwhile, our OEM/ODM business has been gaining traction, with a gradual rise in average utilisation (based on single shift) from quarter to quarter in FY2008.

In January 2009, the Group inked a three-year agreement with major Japanese cosmetics producer JO Cosmetics Co. Ltd. to manufacture, use and sell certain finished and semi-finished cosmetics products, under the technical expertise and patents owned by JO Cosmetics.



BEAUTY CHINA IS NOW JO COSMETICS' FIRST AND EXCLUSIVE MANUFACTURING AND DISTRIBUTION PARTNER IN THE PRC, AND WE HOPE TO LEVERAGE ON JO COSMETICS' NETWORK TO EXPAND OUR OEM BUSINESS TO MAJOR COSMETICS COMPANIES AND WELL-KNOWN INTERNATIONAL BRANDS AND TO TAP ON ITS R&D EXPERTISE TO IMPROVE THE QUALITY OF OUR OWN BRANDS.

THE WAY AHEAD

Due to the very limited supply of sizable GMP-certified cosmetics production facilities in Mainland China, we feel optimistic of the prospect of the Group's manufacturing business.

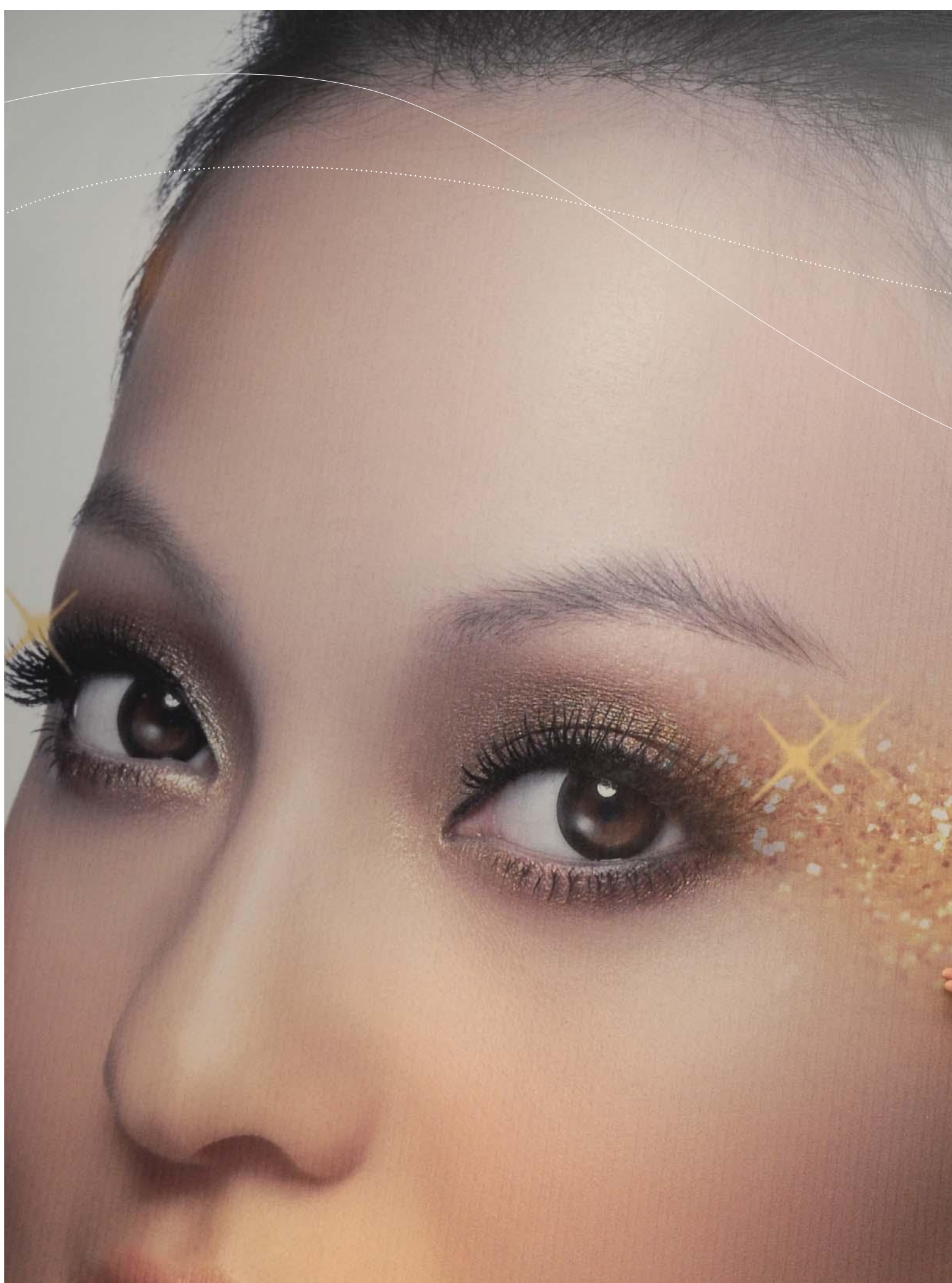
Moving forward, we are confident that the long-term demand for cosmetics and skin-care products in Mainland China will be strong. Even with the economic downturn, our products are still attractive to the mass market given their affordability. In fact, consumers going on an austerity drive may shift from buying high-end international cosmetics brands to affordable local quality products.

Special thanks to our directors on the Board, and to Beauty China's management and staff for their unwavering team spirit in the face of business challenges.

On behalf of the Board, allow me to thank our shareholders for their continued support in these difficult times. We remain wholly committed to increasing the value of the Company.

WONG HON WAI

Chairman & Managing Director

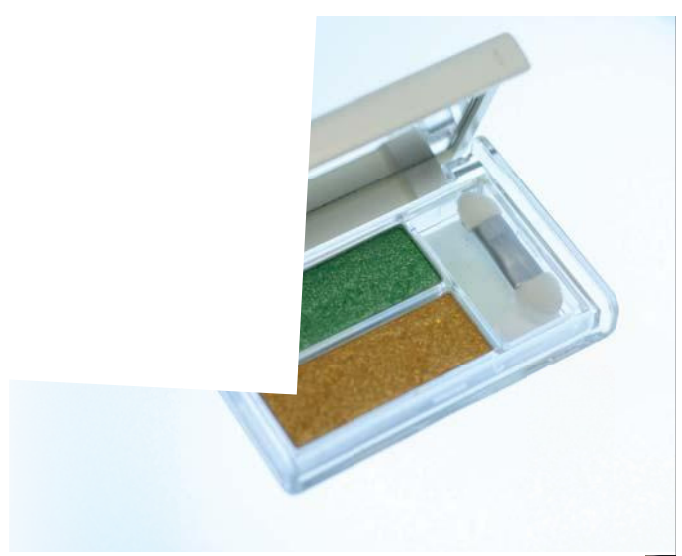
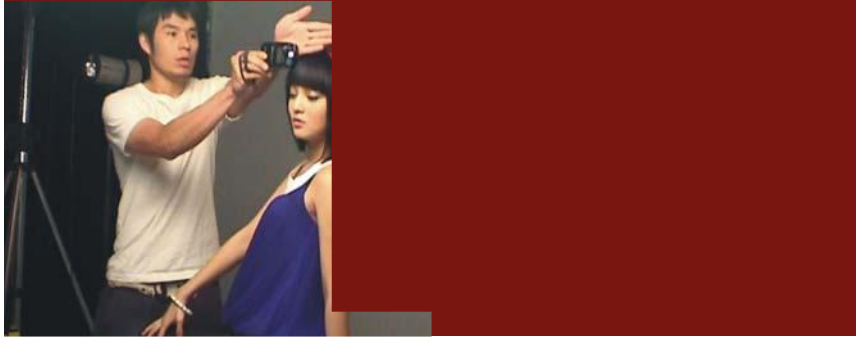


Angela Chang

FROM POP PRINCESS TO GLAMOUR QUEEN

DESPITE A SLOWER
START, THE TAIWANESE
SINGER-ACTRESS' RISE IN
SHOWBIZ WAS NOTHING
SHORT OF PHENOMENAL





Angela Chang first shot to stardom in 2002 as the feisty, petite Tian Yuxi in the hit Taiwanese television drama series, *MVP Valentine*. That lead role was Angela's first foray into acting, and she has never looked back since. Her popularity soared as she starred in subsequent television drama series such as *At the Dolphin Bay* (2003), *Bump Off Lover 17* (2006) and *Romantic Princess* (2007), and launched her singing career at the same time.

Angela's rise to fame was not a walk in the park though. Born in Taiwan, she moved to Canada with her family when she was 12. She was fond of singing from an early age and took part in several singing competitions. She got her first breakthrough when she represented Vancouver and won an international Mandarin singing contest in Taiwan at the age of 15.

However, it was only a couple of years later in 2001 when her talent was recognised and she was signed-on by a music producer in Taiwan. She spent the following year undergoing grueling training – vocal lessons, recording, dancing, running, swimming and other physical exercises.

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