



BEAUTY CHINA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Company Registration No. 118384)

UPDATE ON POTENTIAL SALE OF SHARES BY THE COMPANY'S MAJOR SHAREHOLDER

Further to the Company's various announcements dated 3 March 2009, 4 March 2009, 5 March 2009 and 12 March 2009, relating to the potential sale of shares by the Company's major shareholder Lucky Gain International Limited ("Lucky Gain"), the Board of Directors of Beauty China Holdings Limited (the "Company") wishes to update the market on the latest development.

The Board of Directors has been informed by Mr Wong Hon Wai ("Mr Wong"), Chairman of the Company that the conditions precedent specified in the conditional sale and purchase agreement entered into between Lucky Gain and the potential purchaser on 8 March 2009 (the "Conditional S&P Agreement") were not satisfied by the deadline required by the potential purchaser, at 5 p.m. Hong Kong time, on 13 March 2009 and Mr Wong has not received any notice of waiver of the precedent conditions.

The Board of Directors has been informed by Mr Wong that Lucky Gain has on 17 March 2009 issued a termination notice to the potential purchaser as the sale and purchase was not completed by 5 p.m. Hong Kong time on 13 March 2009, and time was of the essence.

Mr Wong has also been requested by the potential purchaser to ask the Company to correct certain information disclosed in the Company's announcement dated 12 March 2009. The potential purchaser has informed Mr Wong that it is a company associated with the holding company of a company listed on the Hong Kong Exchanges and Clearing Limited ("HKEX") by way of common shareholder only and not a subsidiary of the company listed on HKEX, and that it has at no time indicated that it is prepared to consider waiving any of the conditions precedent under the Conditional S&P Agreement. Mr Wong has clarified to the Board that he was mistaken as to the background of the potential purchaser as the negotiation was with persons who are also concurrently senior management in a company listed on HKEX and due to the similarity in names of the potential purchaser and the company listed on HKEX.

ON BEHALF OF THE DIRECTORS

Wong Hon Wai
Chairman
19 March 2009