

China's cosmetics market

June 2015

Fung Business Intelligence Centre



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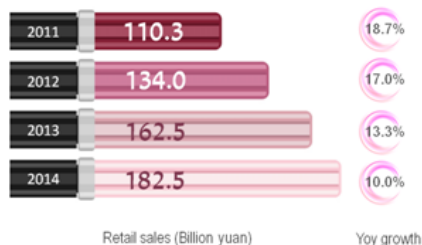
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EXECUTIVE SUMMARY

OVERVIEW

Cosmetics retail sales growth moderated in 2014, with slower growth against 2013. But the cosmetics market still has plenty of room for growth.

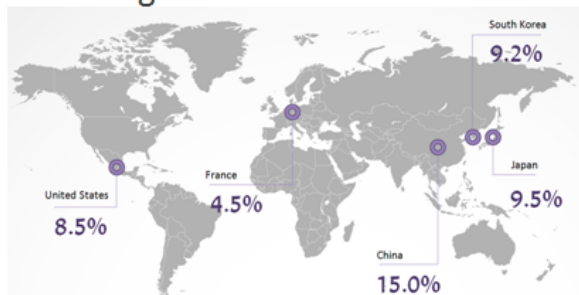


Retail value of cosmetics by wholesale and retail enterprises above designated size, 2011-2014

Skin care and hair care products take up over half of the market share.



Grocery retailers and department stores are shrinking in market share, while online retailing continues to grow.



Market share of online channel for cosmetics products distributed in selected countries, 2013

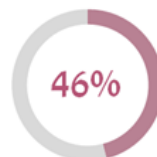
TRENDS

⇒ Tariff cuts for imported skin care products



⇒ Social media becomes an indispensable tool

The Fung Business Intelligence Center has monitored **173** selected brands in 2014 and 2015.



All of these companies have already set up their account on Sina Weibo in 2014.

⇒ Cross-border e-commerce platforms increasingly become a key channel



⇒ Premiumisation remains a key trend

⇒ M&A and IPO activities are active

⇒ Cosmetics players explore O2O initiatives

⇒ Strong demand for Korean cosmetics products

⇒ Product safety remains a major issue



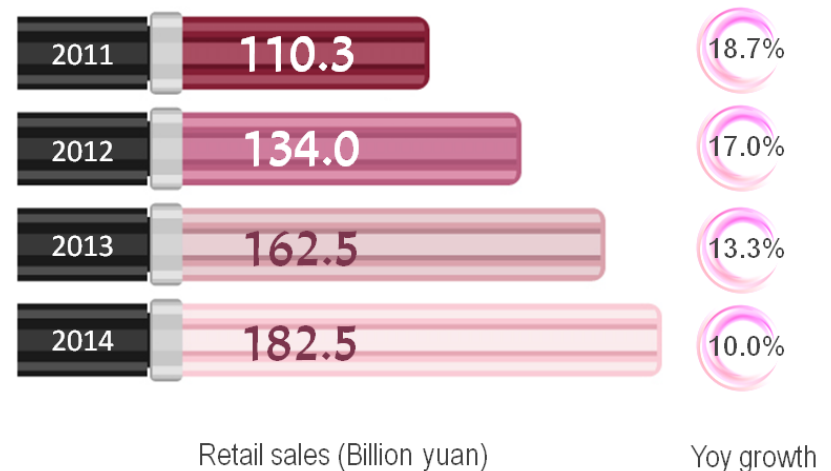
01

Industry overview

COSMETICS RETAIL SALES GROWTH MODERATED IN 2014, WITH SLOWER GROWTH AGAINST 2013

- ❖ China was the world's second largest cosmetics consumer market in 2014*.
- ❖ China's cosmetics market has delivered sustained growth over the past few years. According to the National Bureau of Statistics of China (NBS), retail sales of cosmetics of enterprises above designated size** reached 182.5 billion yuan, up by 10.0% year-on-year (yoy) in 2014.
- ❖ However, China's cosmetics market has demonstrated slightly weakened growth as opposed to 13.3% yoy in 2013.

Exhibit 1: Retail value of cosmetics by wholesale and retail enterprises above designated size, 2011-2014**

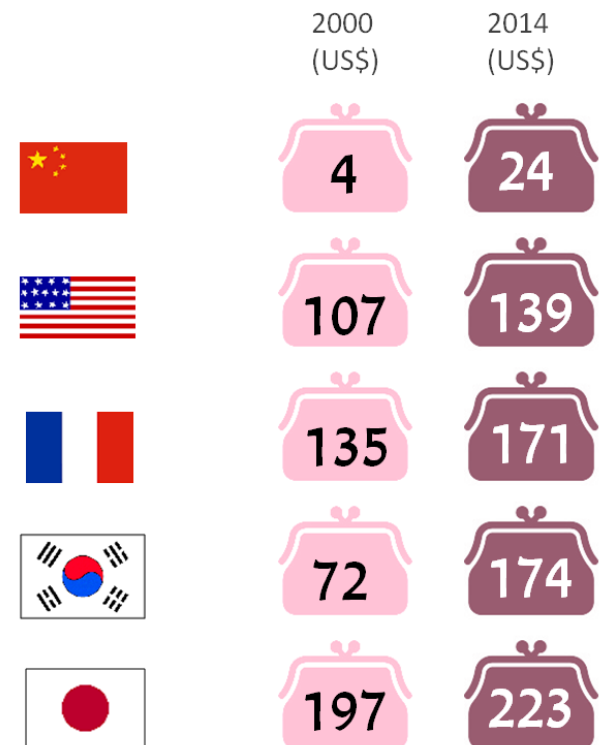


Source: National Bureau of Statistics of China;
compiled by Fung Business Intelligence Centre

CHINA'S COSMETICS MARKET STILL HAS PLENTY OF ROOM FOR GROWTH

- ❖ Despite its relatively large market size, merely 10% of the population using cosmetics regularly*.
- ❖ Meanwhile, despite the significant growth of cosmetics consumption in China in the past decade, the cosmetics consumption per capita in China only amounted to US\$24 in 2014, remarkably lower than other developed countries such as the U.S., France, South Korea and Japan.
- ❖ The low penetration and cosmetics consumption per capita suggest that China's cosmetics market has plenty of room for growth.

Exhibit 2: Cosmetics consumption per capita, 2000 and 2014



Source: Euromonitor International, Nomura research;
compiled by Fung Business Intelligence Centre

THE 20s-30s AGE GROUP BECOMES THE KEY CONSUMER GROUP

- ❖ The 20s-30s age group has been the key consumer group and growth driver for China's cosmetics market*.
- ❖ The younger generation born after 1980 under the one-child policy is more willing to splurge on beauty and cosmetics products, making it one of the most important consumer groups in China.

WORD-OF-MOUTH IS A STRONG MARKETING TOOL

- ❖ Social connection is important in Chinese culture as Chinese consumers are highly relationship-oriented. They incline to pay more attention to the recommendation from friends. Word of mouth therefore heavily affect the brand preference and buying decision of Chinese consumers*.
- ❖ A survey by Korea International Trade Association and Nomura demonstrated that recommendations from friends are more important source of information than other means of advertisements.

Exhibit 3: Source of information for cosmetics purchase (%), April 2014



Friends

69%



Internet

63%



TV

55%



Outdoor ads

27%



Image ads

22%



Radio

11%

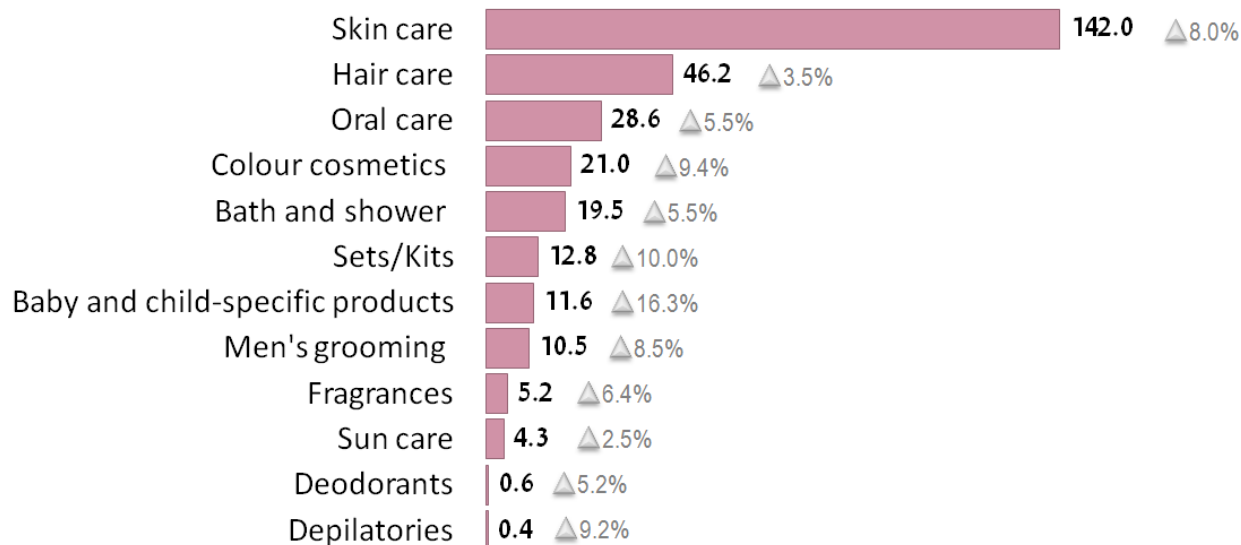
Source: Korea International Trade Association, Nomura research; compiled by Fung Business Intelligence Centre

SKIN CARE AND HAIR CARE PRODUCTS TAKE UP OVER HALF OF THE MARKET SHARE

- ❖ According to Euromonitor International, skin care and hair care products accounted for more than half of the market share in 2014.
- ❖ Baby and child-specific products registered robust growth in 2014 according to Euromonitor International. Sales of baby and child-specific products expanded by 16.3% yoy in 2014, registering the strongest growth among all categories.

Exhibit 4: Sales and yoy growth of beauty and personal care by category, 2014

2014 (Sales in billion yuan, yoy growth)



GROCERY RETAILERS AND DEPARTMENT STORES ARE SHRINKING IN MARKET SHARE, WHILE ONLINE RETAILING CONTINUES TO GROW

- ❖ Hypermarkets, department stores and health and beauty retailers remained the three most popular sales channels for beauty and personal care products in 2014*.

- ❖ It is noteworthy that the market share of grocery retailers and department stores has been dwindling over recent years – grocery retailer's market share was 31.1% in 2014, down from 37.8% in 2011, while department store's market share was 20.9% in 2014, down by 6.5 percentage points when compared to 2011.

Exhibit 5: Market Share (Retail Sales) by Distribution Channels for Beauty and Personal Care in China, 2013 and 2014

% retail value	2011	2012	2013	2014
Store-Based Retailing	81.7	76.8	73.4	70.2
-Grocery Retailers	37.8	36.5	33.9	31.1
--Small Grocery Retailers	2.8	2.3	1.6	1.2
--Convenience Stores	1.0	0.9	0.7	0.6
--Hypermarkets	25.5	25.1	23.9	22.4
--Supermarkets	8.6	8.3	7.6	6.8
-Non-Grocery Retailers	16.5	16.9	17.3	18.2
--Health and Beauty Retailers	15.6	16.0	16.3	16.7
---Beauty Specialist Retailers	8.1	8.3	8.5	8.8
---Chemists/Pharmacies	0.5	0.5	0.5	0.5
---Parapharmacies/Drugstores	6.9	7.1	7.2	7.5
--Department stores	27.4	23.4	22.1	20.9
--Other Non-Grocery Retailers	0.9	1.0	1.1	1.4
Non-Store Retailing	18.2	23.1	26.5	29.7
-Direct Selling	12.3	12.0	12.4	13.5
-Internet Retailing	5.3	10.5	13.5	15.5
-Homeshopping	0.6	0.6	0.6	0.7
Non-retail channels	0.1	0.1	0.1	0.1
Total	100	100	100	100

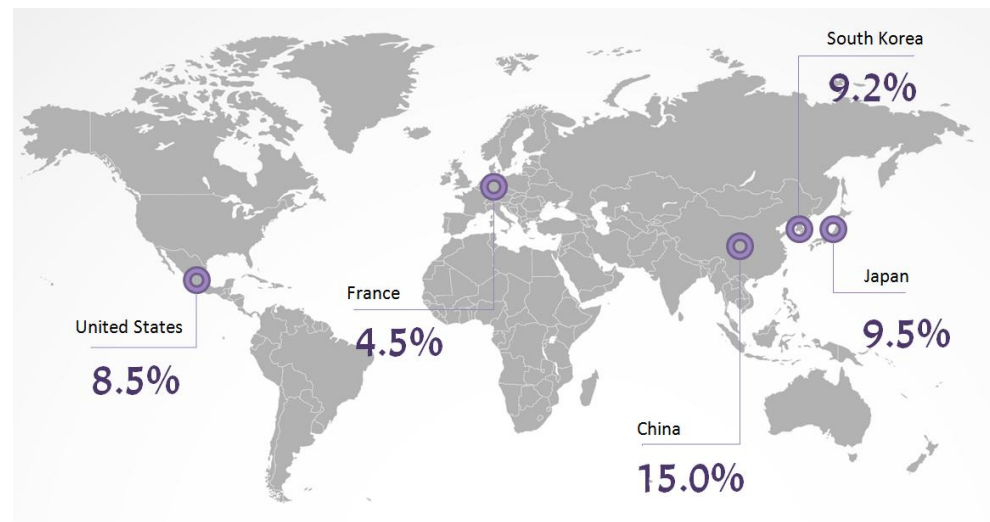
Source: Euromonitor International; compiled by Fung Business Intelligence Centre

GROCERY RETAILERS AND DEPARTMENT STORES ARE SHRINKING IN MARKET SHARE, WHILE ONLINE RETAILING CONTINUES TO GROW (CONT'D)

- ❖ By contrast, online retailing has been expanding rapidly. It accounted for 15.5% of the market share in 2014, up from only 5.3% in 2011 (see Exhibit 5) and 0.1% in 2001*.
- ❖ Online retailing has registered the fastest growth among all distribution channels over recent years**. It overtook direct selling as the fourth most important distribution channel for beauty and personal care in China in 2014, attributing to its convenient home delivery services, competitive pricing and retailers' active engagement in this emerging channel.

- ❖ Exhibit 6 shows the market share of online channel for cosmetics distributed in selected countries.
- ❖ The market share of online retailing in China exceeded that in South Korea, Japan, U.S. and France.

Exhibit 6: Market share of online channel for cosmetics products distributed in selected countries, 2013



Source: Euromonitor International, Nomura research; compiled by Fung Business Intelligence Centre

*Nomura Global Market Research-“K-Beauty names best plays on China cosmetics”, 26 January, 2015

** Euromonitor International – “Beauty and Personal Care in China”, May 2014

FEATURES AND CHARACTERISTICS OF SELECTED DISTRIBUTION CHANNELS

Exhibit 7: Selected distribution channels and their respective features and characteristics

Retail format	Features and characteristics
Department stores	<ul style="list-style-type: none"> ❖ Offer a wide range of merchandises and provide one-stop shopping experiences to consumers. ❖ Play an important role in brand building. ❖ Competition for counter spaces is fierce, brands with lackluster sales are forced to phase out.
Supermarkets/hypermarkets	<ul style="list-style-type: none"> ❖ Important channels particularly for low- to mid-range cosmetics products or products with lower unit prices (e.g. shampoo, facial cleanser).
Professional stores	<ul style="list-style-type: none"> ❖ Consumers can buy cosmetics and accessories at different quality and price tiers in the same store. ❖ Examples: <ul style="list-style-type: none"> ◆ Hong Kong-based Watsons and Sasa; ◆ France-based Sephora; ◆ China-based Gialen (嬌蘭佳人) and Cosmart (歌詩瑪). ❖ Some professional chains have launched online websites and transactional platforms. <ul style="list-style-type: none"> ◆ Watsons launched its website http://www.watsons.com.cn in March 2013.

FEATURES AND CHARACTERISTICS OF SELECTED DISTRIBUTION CHANNELS

(CONT'D)

Exhibit 7: Selected distribution channels and their respective features and characteristics (cont'd)

Retail format	Features and characteristics
Specialty stores	<ul style="list-style-type: none"> ❖ Cosmetics brand owners can achieve autonomy over store operation through operating specialty stores. Specialty stores help promote brand image, ensure standardised prices and services. ❖ In recent years, many Korean cosmetics brands such as Etude House and Innisfree are especially interested in setting up their own specialty stores to sell their products, in addition to distributing their products via other channels, such as department stores.
Online retailing	<ul style="list-style-type: none"> ❖ There are generally three major types of online retailing platforms for cosmetics in China: <ul style="list-style-type: none"> ◆ Self-operated online platforms; ◆ Online stores on integrated third-party e-commerce platforms such as Tmall, JD.com and Amazon ◆ Third-party cosmetics online platforms such as Watsons (http://www.watsons.com.cn), Sephora (http://www.sephora.cn), SaSa (http://www.sasa.com) and Jumei (http://www.jumei.com). ◆ Cross-border e-commerce platforms such as Tmall Global, JD Worldwide and Jumei Global.

Source: Fung Business Intelligence Centre



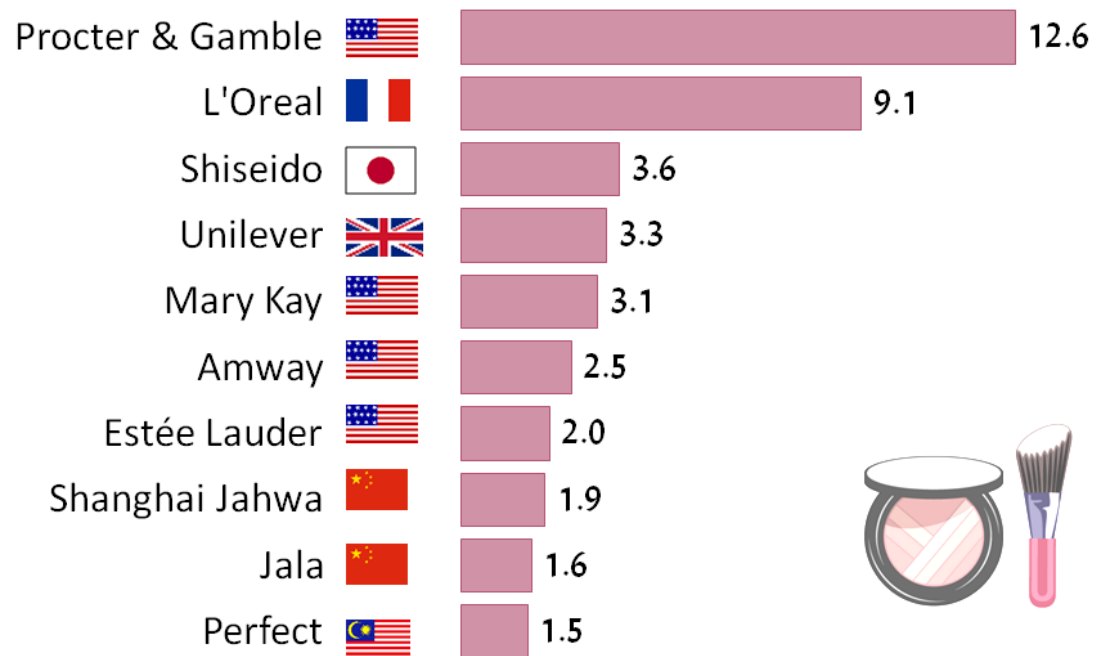
02

Competitive landscape

FOREIGN COSMETICS REMAIN THE MAINSTREAM

- ❖ Multinational players continue to dominate the cosmetics market in China, with nine out of the top 10 players being foreign companies. The top three players, Procter & Gamble (P&G), L'Oreal and Shiseido, took up 25.3% of the overall value sales in 2014*.

Exhibit 8: Beauty and personal care NBO company shares by value, 2014



Note: "NBO" refers to "National brand owner", i.e. producer (company's own brand or licensing brand) or distributor of brand.

Source: Euromonitor International; compiled by Fung Business Intelligence Centre

SOME FOREIGN PLAYERS INCREASE RESOURCES IN CHINA TO BOOST SALES

- ❖ In view of the fiercer competition in China's cosmetics market, some foreign cosmetics players have increased their resources in China to capture larger market share and reach out to more consumers in the domestic market.
 - ◆ In October 2014, AmorePacific invested 750 million yuan to set up its largest overseas manufacturing base and logistics centre in China, hoping to have a ten-fold increase in production capacity. The company also aims to increase the proportion of sales in China from the current 10% to 28% by 2020*.
 - ◆ AmorePacific has also announced it plans to introduce another sought-after cosmetics brand IOPE to China in June 2015 to capture more market share*.
 - ◆ L'Oreal has planned to extend its reach into rural areas. It will further expand its mid-to high-end cosmetics brands, such as Lancôme, into tier-5 and tier-6 cities in China**.
- ❖ Selected foreign cosmetics groups and their major brands in China are shown in Appendix 1.

[>> Appendix 1](#)

*C2CC.CN- <http://news.c2cc.cn/rhx/data/201503/673590.htm>

**C2CC.CN- <http://news.c2cc.cn/rhx/data/201504/675550.htm>

DOMESTIC COSMETICS ENTERPRISES ACCELERATE OVERSEAS EXPANSION

- ❖ To offset the stiff competition in the home market and explore overseas sales, some domestic cosmetics has been expediting their overseas expansion.
 - ◆ In April 2015, China-based Herborist set up its flagship store in Paris, France*.
 - ◆ In the first half of 2014, China-based Tong Ren Tang sped up expansion overseas. As of Apr 2015, the company operated 110 overseas stores across over 70 countries worldwide**. It has also planned vast expansion in the U.S. and Europe***.
- ❖ Selected domestic cosmetics groups and their major brands in China are shown in Appendix 2.

[>> Appendix 2](#)

*PRNewswire – <http://www.telegraphindia.com/pressrelease/prnw/en83093.html#.VTWxQtyUf9I>

** Jinghua - http://epaper.jinghua.cn/html/2015-04/03/content_186600.htm

***Brandz - Top 100 Most Valuable Chinese Brands, January 2015



03

Latest developments

1

TARIFF CUTS FOR IMPORTED COSMETICS GOODS

- ❖ To encourage domestic consumption, the Chinese government has cut the import taxes on skin care products from 5% to 2% starting 1 June 2015.
- ❖ Major foreign cosmetics players, including L'Oréal of France, Estée Lauder of the U.S., Shiseido of Japan and Amorepacific of South Korea, have planned to lower the prices of its imported products in China in response to the government's move to boost local spending*.
- ❖ However, since import tariff only takes up about 5% of retail prices of imported skin care products, the import tax cuts appears to have limited impact on the retail price of foreign skin care products and does not make a big difference for shoppers.
- ❖ Moreover, if the skin care products are made and sold in China, they cannot benefit from the tariff cut.
 - ◆ For example, majority of Beiersdorf AG's Nivea products sold in China are also produced in China. The tariff cuts thereby barely have any impact on the brand**.

*SCMP - <http://www.scmp.com/news/china/economy/article/1814665/chinas-tariff-cuts-imported-goods-will-have-little-effect-experts>

**Reuters- <http://www.reuters.com/article/2015/06/01/china-consumers-idUSL3N0YJ21L20150601>

2

PREMIUMISATION REMAINS A KEY TREND

- ❖ Rising disposable incomes and increasing consumers' awareness of quality products continue to fuel the growth of premium cosmetics.
 - ◆ According to Euromonitor International*, retail sales of premium cosmetics products increased from 52.2 billion yuan in 2013 to 56.8 billion yuan in 2014, up 8.7% yoy; in particular, sales of premium baby and child-specific products during the same period surged by 20% yoy to 1,415 million yuan.
 - ◆ Premium cosmetics market is expected to post a 9.5% compound annual growth rate (CAGR) between 2014 and 2019, higher than the overall beauty and personal care market's CAGR of 7.6%.

2

PREMIUMISATION REMAINS A KEY TREND (CONT'D)

- ❖ To satisfy the growing demand for higher-end cosmetics products, a number of international and domestic brands have put more focus in the premium segment.

GUCCI


Gucci, the Italian luxury brand which previously focused merely on fragrances in the beauty area, rolled out its new skin care and color cosmetics collection in September 2014*.

CHANEL

French luxury brand Chanel introduced the De Chanel series in 2014 in China, including three types of skin care products, namely Le Jour, La Nuit De Chanel and Le Weekend to cash in on China's buoyant premium cosmetics market**.

*Bain & Company – “2014 China Luxury Market Study”, 20 January ,2015

**Euromonitor International – “Super Premium Beauty and Personal Care in China”, January 2015

3 M&A AND IPO ACTIVITIES ARE ACTIVE IN THE COSMETICS MARKET

- ❖ Significant consolidation has taken place in China's cosmetics sector over recent years. Some examples include:



Jumei, the largest cosmetics online retailer in China, acquired a minority stake in South Korea's cosmetics brand It's Skin in June 2015*. Jumei also successfully raised US\$ 245 million via its U.S. IPO in May 2014**.



H and B Cosmetics Corporation Canton. Ltd., a domestic cosmetics brand based in Guangzhou city of Guangdong province, was listed on China's over-the-counter equities market, named the National Equities Exchange and Quotations (NEEQ, or New Third Board) in August 2014***.



Yunnan Baiyao, a domestic pharmaceutical manufacturer and retailer, continued its expansion into cosmeceuticals via acquisition of domestic feminine hygiene brand Qingyitang (清逸堂) in 2014****.



Vipshop, a flash sales online platform operator, also announced the takeover of a 23% share in Ovation Entertainment (東方風行), a domestic media company focused on cosmetics brands and products, for US\$ 55.8 million in February 2014*****.



L'Oreal, the world's leading cosmetics company, acquired all the issued shares of China's leading facial mask producer Magic Holding International Ltd., for HK\$6.54 billion in April 2014*****.

*Jumei.com- <http://jumei.investorroom.com/2015-06-02-Jumei-Acquires-Minority-Stake-in-Korean-Cosmetics-Brand-ItS-SKIN>

**The Wall Street Journal - <http://www.wsj.com/articles/SB10001424052702303908804579565481486176534>

*** Sina - <http://finance.sina.com.cn/stock/thirdmarket/20140808/024919947600.shtml>

****Brandz - Top 100 Most Valuable Chinese Brands, January 2015

***** VIP's official website - <http://ir.vip.com/phoenix.zhtml?c=250900&p=irol-newsArticle&ID=1902230&highlight>

*****Jingtian & Gongcheng's official website- <http://www.jingtian.com/eng/node/1032>

4

O2O INITIATIVES: COSMETICS PLAYERS EXPAND TO DIFFERENT RETAIL CHANNELS

- ❖ Cosmetics players leverage on third-party online platforms for growth.

LANCÔME
PARIS

In January 2015, Lancôme launched its exclusive online store in China on Tmall.com*.

SEPHORA

Sephora opened a flagship store on JD.com in May 2015 to bring in beauty and cosmetics brands**.

Domestic players showed stellar performance on Alibaba's Singles' Day shopping festival in 2014.

- Afu, a local natural skin care brand, was ranked first with 60.8 million yuan in online sales, subsequently followed by Mgmask and Pechoin.
- Other local cosmetics brands such as Yunifang, Chando, Kans, Mask Family 1908 and Marubi were also among the top ten cosmetics brands achieving robust sales during the promotion event***.

*Alizila.com - <http://www.alizila.com/lancome-latest-cosmetics-brand-join-tmallcom-infographic#>

**Ebrun- <http://www.ebrun.com/20150507/133325.shtml>

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4

O2O INITIATIVES: COSMETICS PLAYERS EXPAND TO DIFFERENT RETAIL CHANNELS (CONT'D)

- ❖ Foreign cosmetics e-commerce platforms launched Chinese websites to cater the need of Chinese consumers.



Gmarket, South Korea's leading e-commerce marketplace, has set up a Chinese website to facilitate Chinese consumers to buy Korean cosmetics product on its website*.

- ❖ Cosmetics e-commerce platforms and brands increasingly engage in mobile channels.



Jumei reported that 60% of its sales was generated from its mobile platform in 4Q14**.

*Korea Investment – “Cosmetics : Korea, China and the world”, 19 March 2015.

** Jumei Annual Report 2014

4

O2O INITIATIVES: COSMETICS PLAYERS EXPAND TO DIFFERENT RETAIL CHANNELS (CONT'D)

- ❖ While many cosmetics brands have been expanding into online retailing in recent years, some brands that originally sold only through online platforms are starting to break into store-based retailing to grab more market share.

Traditional retailers opening online store



Tong Ren Tang set up an online store in 2014, selling Tong Ren Tong cosmetics and over-the-counter medicines*.

Online platforms setting up physical store



Jumei opened its second offline flagship store in Beijing in March 2015, following the rollout of its debut store in Beijing in December 2013**.

*Brandz - Top 100 Most Valuable Chinese Brands, January 2015

**Linkshop - <http://www.linkshop.com.cn/web/archives/2015/319626.shtml>

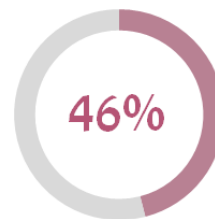
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SOCIAL MEDIA BECOMES AN INDISPENSABLE TOOL

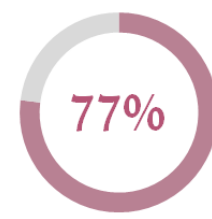
- ❖ With the rapid growth of online shopping and accelerating penetration of mobile devices, social media has become an important marketing tool for cosmetic brands to promote their products and interact with their customers.
- ❖ To stay connected with Chinese customers, an increasing number of foreign and domestic cosmetic brands have established services accounts in WeChat and/or Sina Weibo.

- ❖ Among 173 brands the Fung Business Intelligence Center have monitored in 2014 and 2015, about 77% of them have set up WeChat accounts to engage their customers in 2015, surging from only 46% in 2014; and all of them have already set up their account on Sina Weibo in 2014.

The Fung Business Intelligence Center has monitored **173** selected brands in 2014 and 2015.



2014



2015



All of these companies have already set up their account on Sina Weibo in 2014.

[>> Appendix 3](#)

6

STRONG DEMAND FOR KOREAN INNOVATIVE COSMETICS PRODUCTS

- ❖ Korean cosmetics brands are renowned for their ability to innovate. Some popular items such as air cushion foundation, color correcting cream (CC cream) and snail essence face packs were introduced by Korean cosmetics companies and have become very popular in Asia.
 - ◆ Air cushion foundation, which was first introduced by South Korean cosmetics brand IOPE, provides sun protection, fair coverage, flawless complexion and nourishing functions, all in one convenient pack. It is popular among Chinese consumers and other cosmetics players are also trying to emulate air cushion products*.
 - ◆ CC cream has also achieved a great success in the China cosmetics market. Originated from South Korea, the cosmetics product features air brush technology, which helps retain moisture with skin, and serves multiple purposes such as spot eraser, tone corrector and UV protector.
- ❖ China's growing demand for South Korea's cosmetics products can be reflected in the explosive growth of Korea's exports to China.
 - ◆ Between 2011 and 2014, South Korea's total cosmetics exports to China increased at a CAGR of 41%, as compared to a CAGR of 29% in other overseas markets*.

7

CROSS-BORDER E-COMMERCE PLATFORMS INCREASINGLY BECOME A KEY CHANNEL

- ❖ In recent years, the Chinese government has rolled out a number of favourable policies to better regulate the market for imported goods in China via cross-border e-commerce. For instance, the government has established pilot zones for cross-border e-commerce import services, now seven pilot cities are approved. Imported goods are regarded as personal consumption items, and personal postal articles taxes are begin levied (see Exhibit 9). The price is generally cheaper than goods imported under general tax.
- ❖ Since then, various online players have tapped into the cross-border e-commerce businesses, either through “direct mail” model* or “bonded area import” model**. Many of them also offer overseas cosmetics products. Consumers can buy overseas cosmetics products in a quicker and cheaper way.
- ❖ *Examples of cross-border e-commerce platforms : Jumei Global, Tmall Global, JD Worldwide, KJT.com*

聚美 | 极速免税店
GLOBAL STORE

天猫国际



JD.COM 海外购

KJT.COM 跨境通

聚美 | 极速免税店
GLOBAL STORE

Jumei launched its Jumei Global e-commerce platform in September 2014, selling overseas cosmetics products and baby products. The e-commerce platform personal postal articles taxes for the imported cosmetics products, instead of import tariffs, consumption taxes and value-added taxes. Jumei stored all its inventories in Zhengzhou bonded area. It only takes around three days to deliver the goods to consumers.

* “Direct mail” model: Goods are shipped by direct mail to customers, via pilot cities under the supervision of Chinese Customs after customers place orders online.

** “Bonded area import” model: goods are shipped and stored in bonded warehouse in pilot cities before consumers place orders online.

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CROSS-BORDER E-COMMERCE PLATFORMS INCREASINGLY BECOME A KEY CHANNEL (CONT'D)

Exhibit 9: China's taxes on cosmetics products

	Tax rate for general imported goods				Personal postal articles tax
	Import tax rate		Consumption tax	VAT	
	Preferential	Regular			
Perfume	10%	150%	30%	17%	50%
Lipsticks	10%	150%	30%	17%	50%
Cosmetics for eyes	10%	150%	30%	17%	50%
Nail polish	15%	150%	30%	17%	50%
Cosmetic powder	10%	150%	30%	17%	50%
Skin care products	6.5%	150%	0%	17%	50%
Other skin care and makeup	6.5%	150%	30%	17%	50%
Shampoo	6.5%	150%	30%	17%	50%

Source: China Customs, QGTONG, State Council of the PRC

8

PRODUCT SAFETY REMAINS A MAJOR ISSUE

- ❖ Product safety is a major concern in China's cosmetics market.
 - ◆ Over the past few years, even famous foreign brands have embroiled in scandals of defective cosmetics products. For instance, Wenzhou Industrial and Commercial Administration stated in its Annual Quality Test Report that some Lancôme and Sisley products failed the quality test three times since 2006 due to excessive mercury found in the products*.
- ❖ According to China e-Business Research Centre's Whitepaper on "Chinese Online Cosmetic Shopper", 84% of complaints from online cosmetic shoppers were about quality issues of cosmetics, significantly denting consumers' confidence in online shopping**.
- ❖ Some retailers have beefed up efforts to ensure the authenticity of their products:
 - ◆ To assure the authenticity of products on its platform, JD.com teamed up with China Pacific Insurance Group (CPIC) in February 2015 to provide authenticity insurance for consumers who made cosmetic purchases during the promotion in March 2015. If buyers have doubt on the authenticity of the products purchased from JD.com, they can send the products to State Administration for Industry and Commerce (SAIC) or authorized institutions for product tests. If counterfeit products are found, buyers will receive a refund equivalent to three times of the product price they paid or up to 20,000 yuan for the counterfeit products purchased from JD.com***.

*Euromonitor International – "Beauty and Personal Care in China", April 2013

** 6ec.cn - <http://home.6ec.cn/viewnews-316789.html>

*** CCFA - <http://www.ccfa.org.cn/portal/cn/view.jsp?lt=2&id=418503>

8

PRODUCT SAFETY REMAINS A MAJOR ISSUE (CONT'D)

- ❖ As Chinese consumers are now more discerning, product safety is expected to gain more attention in the future. More regulations are expected to be launched by the government to better regulate the cosmetics industry.

Exhibit 10: Major government policies related to China's cosmetics sector, 2014-2015

Publication Date	Name of government policy	Launched by	Details
8 November 2014	Regulations concerning the Supervision and Administration of Cosmetics Products (Consultation Draft)* 《化妝品監督管理條例（徵求意見稿意見）》	The China Food and Drug Administration	The revised Regulations sets out clear provisions for cosmetics manufactures, distributors and imports regarding the production of cosmetics products, the filling/ registration of cosmetic products and ingredients, labelling and advertising rules, online sales of cosmetics products.
17 March 2015	Guidelines for Cosmetics Production License (for Trial Implementation)** 《化妝品生產許可工作指南（暫行）》	The China Food and Drug Administration	The Guidelines set sight on standardization of cosmetics manufacturing and licensing procedure.
17 March 2015	Highlights for the Inspection of Cosmetics Production License (for Trial Implementation)*** 《化妝品生產許可檢查要點（暫行）》	The China Food and Drug Administration	The Highlights require cosmetics enterprises to set up management systems with full traceability to cover the whole manufacturing process to assure the product traceability****.

Source:
 *The China Food and Drug Administration - <http://www.sda.gov.cn/WS01/CL0781/108920.html>
 **The China Food and Drug Administration - <http://www.sda.gov.cn/WS01/CL0781/115740.html>
 *** The China Food and Drug Administration - <http://www.sda.gov.cn/WS01/CL0781/115740.html>
 **** Lawinfochina.com - <http://www.lawinfochina.com/Search/DisplayInfo.aspx?lib=news&id=13785>



04

Snapshots of sub-sector performance

BACKGROUND*

In this section, performance of five sub-sectors is examined:

Shampoos and conditioners

Other hair care products

Skincare products

Colour cosmetics

Fragrances

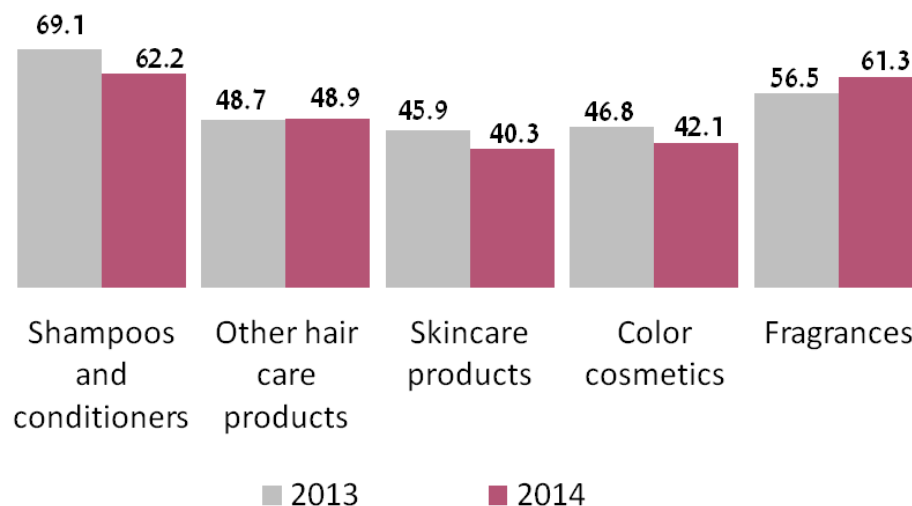


*The China National Commercial Information Centre (CNCIC) conducts monthly survey to around 200 major department stores in China to study the performance of different cosmetics sub-sectors. It is noteworthy that the CNCIC data covers sales in major department stores only. For cosmetics and skincare products, professional stores, specialty stores, hypermarkets and supermarkets are also important sales channels. Hence, the actual overall market share of the brands may deviate from the CNCIC survey.

CHINA'S COSMETICS MARKET IN 2014 WAS GENERALLY LESS CONCENTRATED THAN THE PREVIOUS YEAR

- ❖ The top 10 players in the five major sub-sectors accounted for 40% of the market share* in major department stores in 2014.
- ❖ The top 10 players in the shampoos and conditioners sub-sector achieved the highest market share among other sub-sectors, reaching 62.2% in 2014. The top 10 players in the skincare products sub-sector had a share of 40.3% in 2014.

Exhibit 11: Market share (%) of the Top 10 Brands of Selected Sectors, 2013-2014



Source: China National Commercial Information Centre (CNCIC) ;
compiled by Fung Business Intelligence Centre

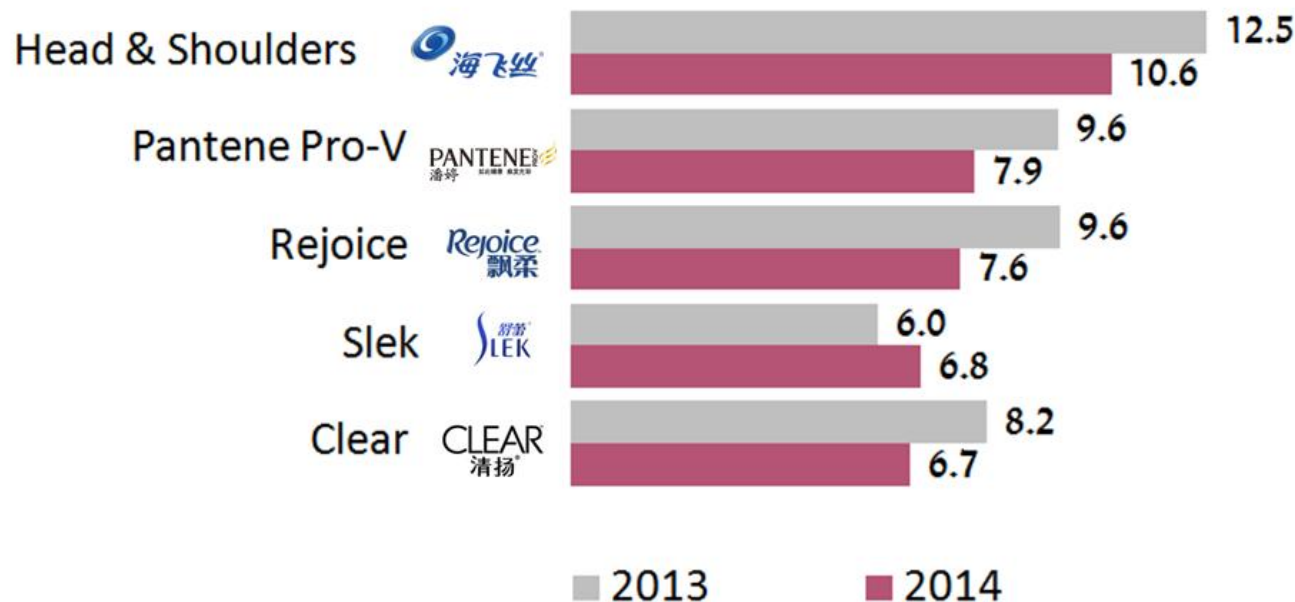
Note: It is noteworthy that the CNCIC data covers sales in major department stores only. The actual overall market share of the brands may deviate from the CNCIC data.

*The market share is calculated based on the weighted mean of the market share and the market coverage, indicating the overall market share of the brands in China with regard to varying weights in different regions.

PERFORMANCE OF SELECTED PRODUCT SECTORS

- SHAMPOOS, CONDITIONERS AND 2-IN-1 CONDITIONING SHAMPOOS

**Exhibit 12: Shampoos, Conditioners and 2-in-1 Conditioning Shampoo:
Share of Total Sales Value (%), 2013-2014**



Source: China National Commercial Information Centre (CNCIC) ; compiled by Fung Business Intelligence Centre

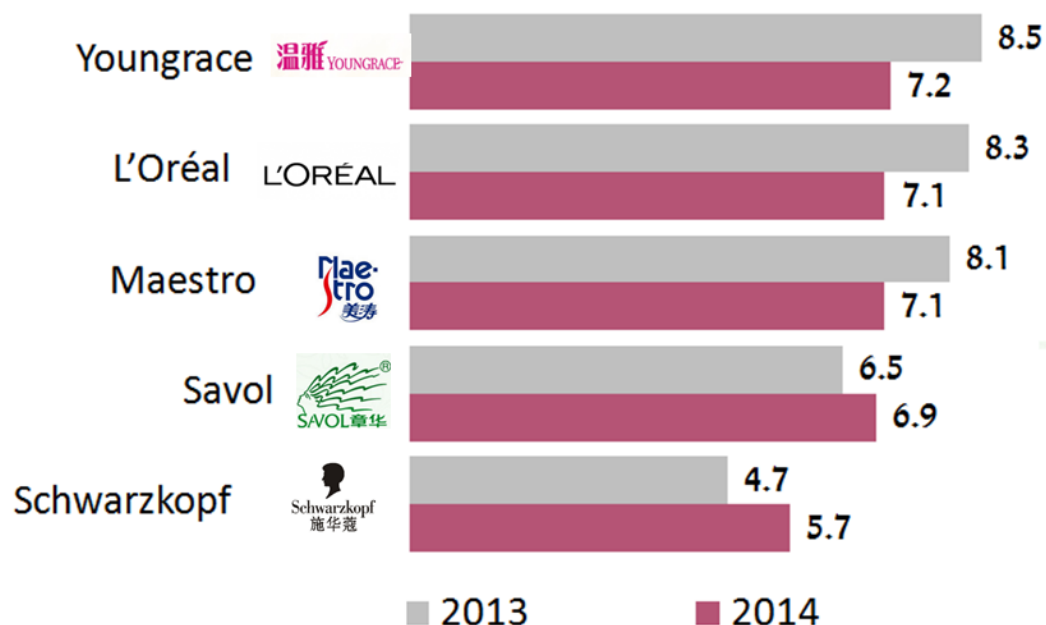
Note: It is noteworthy that the CNCIC data covers sales in major department stores only. The actual overall market share of the brands may deviate from the CNCIC data.

*The market share is calculated based on the weighted mean of the market share and the market coverage, indicating the overall market share of the brands in China with regard to varying weights in different regions.

PERFORMANCE OF SELECTED PRODUCT SECTORS

- OTHER HAIR CARE PRODUCTS

**Exhibit 13: Other Hair Care Products (Colorants, Hair Mask & Styling Agents):
Share of Total Sales Value (%), 2013-2014**



Source: China National Commercial Information Centre (CNCIC) ; compiled by Fung Business Intelligence Centre

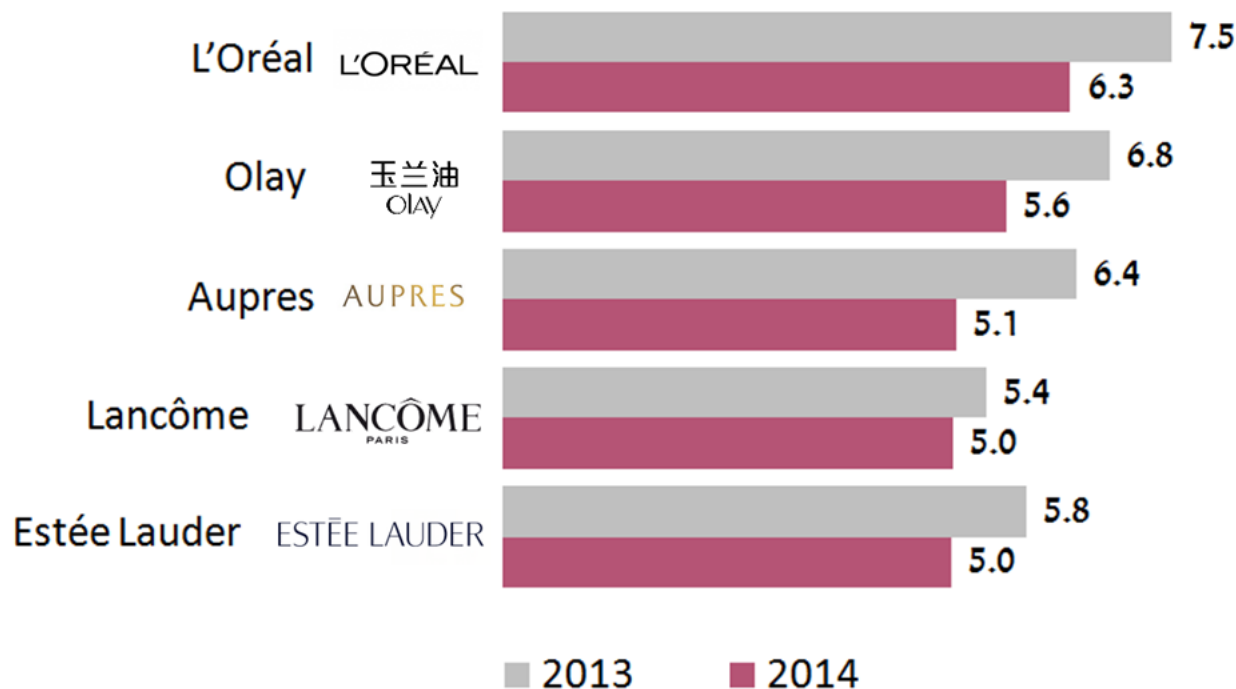
Note: It is noteworthy that the CNCIC data covers sales in major department stores only. The actual overall market share of the brands may deviate from the CNCIC data.

*The market share is calculated based on the weighted mean of the market share and the market coverage, indicating the overall market share of the brands in China with regard to varying weights in different regions.

PERFORMANCE OF SELECTED PRODUCT SECTORS

- SKIN CARE PRODUCTS

**Exhibit 14: Skin Care Products:
Share of Total Sales Value (%), 2013-2014**



Source: China National Commercial Information Centre (CNCIC) ; compiled by Fung Business Intelligence Centre

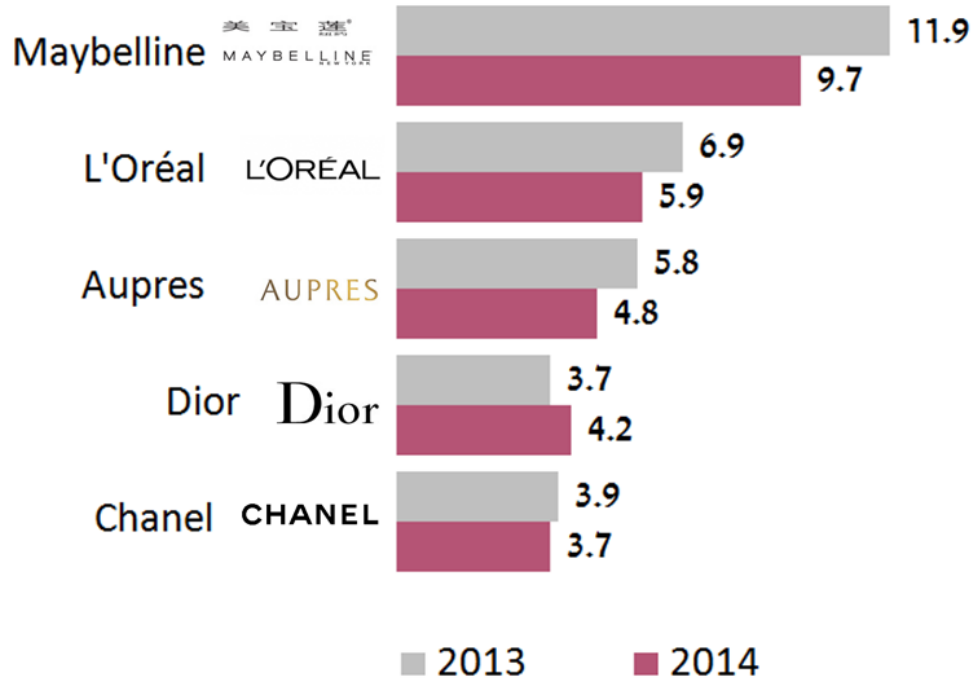
Note: It is noteworthy that the CNCIC data covers sales in major department stores only. The actual overall market share of the brands may deviate from the CNCIC data.

*The market share is calculated based on the weighted mean of the market share and the market coverage, indicating the overall market share of the brands in China with regard to varying weights in different regions.

PERFORMANCE OF SELECTED PRODUCT SECTORS

- COLOUR COSMETICS

**Exhibit 15: Colour Cosmetics:
Share of Total Sales Value (%), 2013-2014**



Source: China National Commercial Information Centre (CNCIC) ; compiled by Fung Business Intelligence Centre

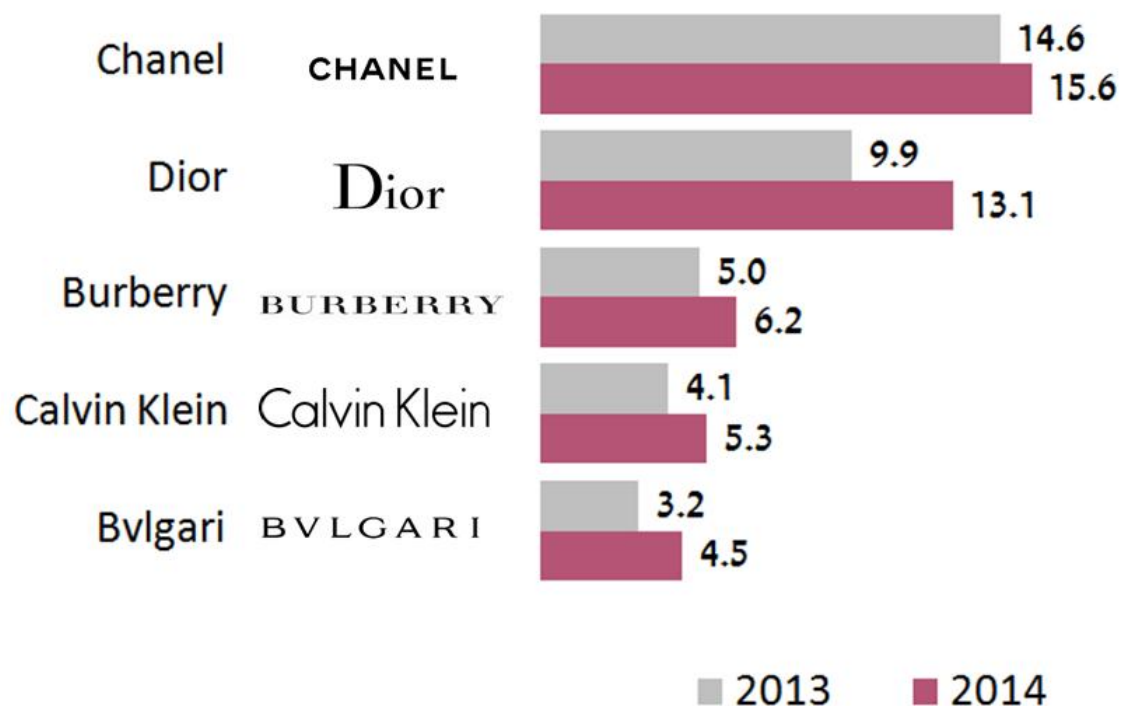
Note: It is noteworthy that the CNCIC data covers sales in major department stores only. The actual overall market share of the brands may deviate from the CNCIC data.

*The market share is calculated based on the weighted mean of the market share and the market coverage, indicating the overall market share of the brands in China with regard to varying weights in different regions.

PERFORMANCE OF SELECTED PRODUCT SECTORS

- FRAGRANCES

**Exhibit 16: Fragrances:
Share of Total Sales Value (%), 2013-2014**



Source: China National Commercial Information Centre (CNCIC) ; compiled by Fung Business Intelligence Centre

Note: It is noteworthy that the CNCIC data covers sales in major department stores only. The actual overall market share of the brands may deviate from the CNCIC data.

*The market share is calculated based on the weighted mean of the market share and the market coverage, indicating the overall market share of the brands in China with regard to varying weights in different regions.



05

Appendix

APPENDIX 1: SELECTED FOREIGN COSMETICS COMPANIES AND THEIR MAJOR BRANDS IN CHINA

Company	Brand	Skin care	Colour cosmetics	Cosmeceutical cosmetics	Green cosmetics	Fragrance	Bath and shower	Hair Care	Baby and child-specific products	Men's grooming
L'Oréal 歐萊雅	Biotherm 碧歐泉	√	√							
	Giorgio Armani 喬治 阿瑪尼	√	√			√				√
	Helena Rubinstein HR 赫蓮娜	√	√							
	Kérastase 卡詩							√		√
	Kiehl's 科顏氏	√		√	√	√	√	√		√
	L'Oréal Paris 巴黎歐萊雅	√	√					√		√
	L'Oréal Professional 巴黎歐萊雅沙龍專屬							√		
	LA ROCHE-POSAY 理膚泉	√		√			√			
	Lancôme 蘭蔻	√	√			√				√
	Matrix 美奇絲							√		
	Maybelline New York 美寶蓮紐約	√	√							
	shu uemura 植村秀	√	√							
	Skinceuticals 修麗可	√		√						
	Vichy 薇姿	√	√	√			√			√
	Magic 美即	√								
	Yue Sai 羽西	√	√		√		√			

APPENDIX 1: SELECTED FOREIGN COSMETICS COMPANIES AND THEIR MAJOR BRANDS IN CHINA (CONT'D)

Company	Brand	Skin care	Colour cosmetics	Cosmeceutical cosmetics	Green cosmetics	Fragrance	Bath and shower	Hair Care	Baby and child-specific products	Men's grooming
P&G 寶潔	Camay 卡玫爾						√			
	Clairol Herbal Essences 伊卡璐							√		
	Clairol Professional 伊卡璐絲煥							√		
	Gillette 吉列									√
	Head & Shoulders 海飛絲							√		√
	Oceana 海肌源	√	√				√			
	Olay Bodywash 玉蘭油沐浴						√			
	Olay 玉蘭油	√	√							√
	Pantene 潘婷							√		
	Rejoice Proferies 飄柔倍瑞絲							√		
	Rejoice 飄柔							√		
	Safeguard 舒膚佳						√			
	Sebastian 塞巴斯汀							√		
	SK-II	√								√
	Vidal Sasson 沙宣							√		√
	Wella 威娜							√		

APPENDIX 1: SELECTED FOREIGN COSMETICS COMPANIES AND THEIR MAJOR BRANDS IN CHINA (CONT'D)

Company	Brand	Skin care	Colour cosmetics	Cosmeceutical cosmetics	Green cosmetics	Fragrance	Bath and shower	Hair Care	Baby and child-specific products	Men's grooming
Shiseido 資生堂	Anessa 安熱沙	√								
	Aqua Label 水之印	√								
	Aquair 水之密語	√					√	√		
	Aupres 歐珀萊	√	√							√
	Be 彼嘉	√	√							
	Clé de peau beauté 珂麗柏蒂	√	√							
	Dicila 蒂思嵐	√	√							
	DQ 蒂珂	√	√	√	√					
	Elixir Supérieur 怡麗絲爾優悅活顏	√	√							
	Elixir White 怡麗絲爾 純肌淨白	√								
	Hand Cream 美潤護	√								
	Handasui 肌水	√								
	IPSA 茵芙莎	√	√							
	Joico 嘉珂							√		
	Kuyura 可悠然						√			
	Melanreduce 臻白無瑕	√								
	Perfect 洗顏專科	√								
	PF-COVER 無瑕修顏		√							
	Pure & Mild 泊美	√	√		√					
	Pure & Mild Soi 泊美舒亞	√					√			
	Shiseido Eudermine 紅色蜜露	√								
	Shiseido Professional 資生堂專業美髮							√		√
	Shiseido 資生堂	√	√				√			√
	Super Mild 惠潤						√	√		
	Tsubaki 絲蓓綺							√		
	UNO 吾諾									√
	Urara 悠萊	√	√					√		
	Za 姬芮	√	√							

APPENDIX 1: SELECTED FOREIGN COSMETICS COMPANIES AND THEIR MAJOR BRANDS IN CHINA (CONT'D)

Company	Brand	Skin care	Colour cosmetics	Cosmeceutical cosmetics	Green cosmetics	Fragrance	Bath and shower	Hair Care	Baby and child-specific products	Men's grooming
Unilever 聯合利華	Clear 清揚							√		√
	Dove 多芬	√					√	√		√
	Hazeline 夏士蓮						√	√		
	Lux 力士						√			
	LYNX 凌仕									√
	Pond's 旁氏	√								√
	Rexona 舒耐	√								√
	Vaseline 凡士林	√								
Johnson & Johnson 強生	Clean & Clear 可伶可俐	√								
	Dabao 大寶	√					√			
	Elsker 嘜呵	√					√		√	
	Johnson's Baby 強生嬰兒						√		√	
	Johnson's Body Care 強生美肌						√			
	Neutrogena 露得清	√								√

APPENDIX 1: SELECTED FOREIGN COSMETICS COMPANIES AND THEIR MAJOR BRANDS IN CHINA (CONT'D)

Company	Brand	Skin care	Colour cosmetics	Cosmeceutical cosmetics	Green cosmetics	Fragrance	Bath and shower	Hair Care	Baby and child-specific products	Men's grooming
Estée Lauder 雅詩蘭黛	Aramis 雅男士					√				
	Bobbi Brown 芭比波朗	√	√							
	Clinique 倩碧	√	√			√				√
	Donna Karan Cosmetics 唐娜凱倫					√				
	Estée Lauder 雅詩蘭黛	√	√			√				√
	Good Skin Labs	√	√							
	Jo Malone London 祖瑪瓏					√				
	La Mer 海藍之謎	√	√				√			
	M.A.C. 魅可	√	√			√				
	Origins 悅木之源	√	√				√			
	Osiao	√								
	Tommy Hilfiger 唐美希緋格					√				
Beiersdorf 拜爾斯道夫	Costyle 珂絲美							√		
	Eucerin 優色林	√		√			√		√	
	Hairsong 順爽				√			√		
	Herbexpert 草本優萃				√			√		
	iSPA Home 悅美芳達							√		
	La Prairie 萊珀妮	√								
	Maestro 美濤							√		√
	NIVEA Body						√			
	Nivea for men					√				√
	NIVEA Visage	√								
	NIVEA 妮維雅	√				√				
	Sdew 風影							√		√
	Slek 舒雷							√		

APPENDIX 1: SELECTED FOREIGN COSMETICS COMPANIES AND THEIR MAJOR BRANDS IN CHINA (CONT'D)

Company	Brand	Skin care	Colour cosmetics	Cosmeceutical cosmetics	Green cosmetics	Fragrance	Bath and shower	Hair Care	Baby and child-specific products	Men's grooming
Kanebo 佳麗寶	Aqua Lunash 潤希	√	√							
	Aqua Sprina 雅呵雅絲睿	√	√							
	Aqua 雅呵雅	√	√							
	Blanchir Superior 馥蘭哲兒極致系列	√								
	Coffret D'or 金炫光燦		√							
	Dew Superior 潤活極致系列	√								
	Freeplus 芙麗芳絲	√	√							
	Impress 印象之美	√	√							
	Kate		√							
	Lunasol 日月晶采	√	√							
	Sui sai 水之璨	√								
Coty Inc. 科蒂集團	TJOY for men 丁家宜男士									√
	TJOY 丁家宜	√	√		√		√			
Kao 花王	Asience 亞羨姿							√		
	Bioré 碧柔	√								
	Curél 珂潤	√					√	√	√	
	Feather 花王飛逸							√		
	Kao 花王						√			
	Liese 莉婕							√		
	Men's Bioré 碧柔男士									√
	Sifoné 詩芬							√		
	Sofina 蘇菲娜	√	√							

APPENDIX 1: SELECTED FOREIGN COSMETICS COMPANIES AND THEIR MAJOR BRANDS IN CHINA (CONT'D)

Company	Brand	Skin care	Colour cosmetics	Cosmeceutical cosmetics	Green cosmetics	Fragrance	Bath and shower	Hair Care	Baby and child-specific products	Men's grooming
Kosé 高絲	Astalution	√								
	Avenir 艾文莉	√	√							
	Bizenist 美膳媛	√	√		√					
	Cosme Decorte 黛珂	√	√							
	Esprique 綺絲碧		√							
	Happy Bath Day Precious Rose					√	√	√		
	Infinity	√								
	Junkisei 潤肌精	√								
	Junkisui 純肌粹	√								
	Moisture Skin Repair	√								
	Nature & Co 娜蔻	√	√				√			
	Prédia 貝締雅	√	√							
	Recipe-O 蘭哲歐	√								
	Refine 萊菲	√	√							
	Seikisho 清肌晶	√								
	Sekkisei Supreme 雪肌精純怡	√	√							
	Sekkisei 雪肌精	√	√							
	Shirosumi 白澄	√								
	White St 妍哲	√								
Avon Products, Inc. 美國雅芳產品有限公司	Avon	√	√			√	√			√

APPENDIX 1: SELECTED FOREIGN COSMETICS COMPANIES AND THEIR MAJOR BRANDS IN CHINA (CONT'D)

Company	Brand	Skin care	Colour cosmetics	Cosmeceutical cosmetics	Green cosmetics	Fragrance	Bath and shower	Hair Care	Baby and child-specific products	Men's grooming
Amore Pacific Corp	Etude House 伊蒂之屋	√	√							
愛茉莉太平洋集團	Innisfree 悅詩風吟	√	√				√			√
	Laneige 蘭芝	√	√							√
	Lirikos 儷瑞恩	√	√				√			√
	Mamonde 夢妝	√	√							√
	Primera 芙莉美娜	√			√		√			√
	RYO 呂						√			
	Sulwhasoo 雪花秀	√	√		√					√
LG Corp 樂金集團	Carezone 蔻瑞哲	√								
	Hercyna 海皙藍	√	√							√
	Lacvert 拉格貝爾	√	√							
	Minerva Silky 曼麗妃絲柔	√								
	O Hui 歐蕙	√	√							√
	Reen 睿嫣							√		
	Sooryehan 秀雅韓	√	√							√
	The Face Shop 菲詩小舖	√	√				√			√
	Whoo 后	√	√							√
Able C&C	Missha 謎尚	√	√							√
Nu Skin Enterprise Inc. 如新集團	Nu Skin 如新	√	√				√	√		

APPENDIX 1: SELECTED FOREIGN COSMETICS COMPANIES AND THEIR MAJOR BRANDS IN CHINA (CONT'D)

Company	Brand	Skin care	Colour cosmetics	Cosmeceutical cosmetics	Green cosmetics	Fragrance	Bath and shower	Hair Care	Baby and child-specific products	Men's grooming
LVMH Group	Benefit 貝玲妃	√	√			√				
	Fresh 馥蕾詩	√				√	√			√
	Guerlain 嬌蘭	√	√			√				
	Make Up For Ever		√							
The L'OCCITANE Group 歐舒丹集團	L'occitane 歐舒丹	√				√	√		√	√
	Melvita 蜜葳特	√					√	√	√	√
Pola Orbis Holdings Inc. 寶麗奧蜜思控股公司	H2O plus 水芝澳	√					√	√		
	Jurlique	√			√		√	√	√	
	Orbis 奧蜜思	√	√				√	√		√
	Orlane Paris 法國幽蘭	√				√	√			
	Pola 寶麗	√	√							
Rohto 樂敦	Body Ice 樂碧	√								√
	Hada Labo 肌研	√								
	Lip Pure 天然植物潤唇膏	√	√						√	√
	Mentholatum Acnes 曼秀雷敦樂膚潔	√								
	Mentholatum Botanics 曼秀雷 敦天然植物潔面系列	√								
	Mentholatum Oc Hy Po 曼秀雷 敦男士									√
	Oxy 歐治									√
	Sunplay Skin Aqua 新碧日用防曬	√							√	

APPENDIX 1: SELECTED FOREIGN COSMETICS COMPANIES AND THEIR MAJOR BRANDS IN CHINA (CONT'D)

Company	Brand	Skin care	Colour cosmetics	Cosmeceutical cosmetics	Green cosmetics	Fragrance	Bath and shower	Hair Care	Baby and child-specific products	Men's grooming
Nippon Menard Cosmetic Co.,Ltd. 日本美伊娜多化粧品	Menard 美伊娜多	√								
	Divum 締凡	√	√							
	Reliever 蕊莉芙	√								
MTM Group	MTM	√	√							
DHC Corp	DHC	√	√				√	√		√
Fancl Corp	Fancl	√					√	√		
Skin Food 思親膚	Skin Food 思親膚	√	√				√	√	√	√
F&F	Banila co. 芭妮蘭	√	√							
Charmzone 嬋真	Charmzone 嬋真	√								√

Source: Respective company websites, compiled by Fung Business Intelligence Centre

APPENDIX 2: SELECTED DOMESTIC COSMETICS COMPANIES AND THEIR MAJOR BRANDS IN CHINA

Company	Brand	Skin care	Colour cosmetics	Cosmeceutical cosmetics	Green cosmetics	Fragrance	Bath and shower	Hair Care	Baby and child-specific products	Men's grooming
Shanghai Jahwa Co., Ltd. 上海家化集團	Dr. Yu 玉澤	√		√						
	Gf 高夫									√
	Giving 啟初								√	
	Herborist 佰草集	√	√			√	√	√		
	Liushen 六神					√	√		√	
	Maxam 美加淨	√					√	√		
	ShanghaiVive 雙妹	√	√			√	√			
	Soft Sense 恆妍	√	√							
	Tea Beauty 茶顏	√			√					

APPENDIX 2: SELECTED DOMESTIC COSMETICS COMPANIES AND THEIR MAJOR BRANDS IN CHINA (CONT'D)

Company	Brand	Skin care	Colour cosmetics	Cosmeceutical cosmetics	Green cosmetics	Fragrance	Bath and shower	Hair Care	Baby and child-specific products	Men's grooming
Sichuan Jahwa Cortry Cosmetics Co. Ltd 四川家化可采化妝品股份有限公司	Cortry 可采	√								
	LiveliCutee 伶采	√								
	Evergreen 雅臻	√	√							√
	Fruity 果木肌密	√								√
Jiangsu Longliqi Group Co., Ltd. 江蘇隆力奇集團	Longliqi 隆力奇	√	√			√	√	√	√	√
	Longrich	√					√	√		
	So' Bio 詩蓓歐	√						√		
	Ulti mate 桃樂思									
Arche Cosmetics Co., Ltd 廣東雅倩化妝品有限公司	Ariar 清逸							√		
	BNS 繽麗							√		
	Cathy 佳雪	√								√
	Effi 玉麗	√	√							
	Eveae 維鮮	√				√		√		

APPENDIX 2: SELECTED DOMESTIC COSMETICS COMPANIES AND THEIR MAJOR BRANDS IN CHINA (CONT'D)

Company	Brand	Skin care	Colour cosmetics	Cosmeceutical cosmetics	Green cosmetics	Fragrance	Bath and shower	Hair Care	Baby and child-specific products	Men's grooming
Zhuhai Sunrana Cosmetics Co., Ltd. 珠海珊拉娜化妝品有限公司	Sunrana 珊拉娜	√			√		√			
	Snoopy 史努比								√	
Bawang International 霸王國際集團	Bawang 霸王							√		√
	Herborn 本草堂	√								
	Litao 麗濤						√	√		
	Royal Wind 追風						√	√		√
	Smerry 雪美人	√	√							
Shanghai Huayin Commodity Co., Ltd. 上海華銀日用品有限公司	Bee & Flower 蜂花				√		√	√		

APPENDIX 2: SELECTED DOMESTIC COSMETICS COMPANIES AND THEIR MAJOR BRANDS IN CHINA (CONT'D)

Company	Brand	Skin care	Colour cosmetics	Cosmeceutical cosmetics	Green cosmetics	Fragrance	Bath and shower	Hair Care	Baby and child-specific products	Men's grooming
Lafang Group 拉芳集團	Bétrue 繽純	√	√		√					
	Duo Zi 多姿						√			√
	Lafang 拉芳						√	√		
	Mese 美多絲						√	√		
	Raclen 雨潔							√		√
Guangzhou Tobaby Cosmetics Co., Ltd. 廣州丹芭碧化妝 品有限公司	Tobaby 丹芭碧	√					√	√	√	√
Huaya Group Co., Ltd. 環亞化妝品科技 有限公司	Franic 法蘭琳卡	√				√				
	Leilla 蕾菴							√		
	Meifubao 美膚寶	√	√							
	See Young 滋源							√		
	Youya 幽雅	√								

APPENDIX 2: SELECTED DOMESTIC COSMETICS COMPANIES AND THEIR MAJOR BRANDS IN CHINA (CONT'D)

Company	Brand	Skin care	Colour cosmetics	Cosmeceutical cosmetics	Green cosmetics	Fragrance	Bath and shower	Hair Care	Baby and child-specific products	Men's grooming
Guangzhou Houdy Cosmetics Co., Ltd. 廣州市好迪化妝品有限公司	Houdy 好迪							√		
	Tongle 童樂								√	
	Vesna 維斯娜	√								
Decolor Cosmetics Co., Ltd. 廣州市迪彩化妝品有限公司	Crystal 晶彩						√	√		
	Decolor 迪彩						√	√		
	Enevous 伊儂華	√								
	Flowery 花露詩雨	√					√			
	Lotuses 千蓮薈						√	√		
	Luxe-Lotus 蓮尚							√		
	Nenuph 藍蓮花							√		
	Shancaoji 善草紀	√					√	√		

APPENDIX 2: SELECTED DOMESTIC COSMETICS COMPANIES AND THEIR MAJOR BRANDS IN CHINA (CONT'D)

Company	Brand	Skin care	Colour cosmetics	Cosmeceutical cosmetics	Green cosmetics	Fragrance	Bath and shower	Hair Care	Baby and child-specific products	Men's grooming
Jala (Group) Co., Ltd. 伽藍(集團)股份有限公司	Batanical Wisdom 植物智慧	√								
	Chcedo 自然堂	√	√							√
	Insea 醫婷	√		√						
	Maysu 美素	√	√							
Proya Cosmetics Co., Ltd. 杭州珀萊雅化妝品有限公司	Proya 珀萊雅	√	√							
Shanghai Inoherb Cosmetics Co., Ltd. 上海相宜本草化妝品股份有限公司	Inoherb 相宜本草	√	√		√					√
Softto Co., Ltd. 索芙特股份有限公司	Softto 索芙特	√	√				√	√		√

APPENDIX 2: SELECTED DOMESTIC COSMETICS COMPANIES AND THEIR MAJOR BRANDS IN CHINA (CONT'D)

Company	Brand	Skin care	Colour cosmetics	Cosmeceutical cosmetics	Green cosmetics	Fragrance	Bath and shower	Hair Care	Baby and child-specific products	Men's grooming
Foshan Shunde Modern Health Care Products Co., Ltd. 佛山市順德現代保健用品有限公司	Syqu 思青							√		
	Xian Dai 現代	√						√		√
Shanghai Savol Health & Cosmetics Co., Ltd. 浙江章華保健美髮實業有限公司	Color Easy 輕鬆染							√		
	Deep Sea 深海植物派							√		
	Herb Extract 百草晶							√		
	Savol Ecologic 章華生態							√		
	Savol Hair Care Exper 章華護髮專家							√		
	Savol Herb 章華漢草						√	√		
	Sikin 絲精							√		
	Tianfeng 天峰橄欖							√		
	Yimo 一抹							√		

APPENDIX 2: SELECTED DOMESTIC COSMETICS COMPANIES AND THEIR MAJOR BRANDS IN CHINA (CONT'D)

Company	Brand	Skin care	Colour cosmetics	Cosmeceutical cosmetics	Green cosmetics	Fragrance	Bath and shower	Hair Care	Baby and child-specific products	Men's grooming
Youngrace Cosmetic International Group Limited 溫雅化妝品國際集團有限公司	Youngrace 溫雅							√		
Shanghai Kans Cosmetic Co., Ltd. 上海韓束化妝品有限公司	Kans 韓束	√	√							√
Pechoin 百雀羚	Pechoin 百雀羚	√								√
Marubi 丸美	Marubi 丸美	√	√							√
上海悅目化妝品有限公司	Mask Family 膜法世家1908	√								

APPENDIX 2: SELECTED DOMESTIC COSMETICS COMPANIES AND THEIR MAJOR BRANDS IN CHINA (CONT'D)

Company	Brand	Skin care	Colour cosmetics	Cosmeceutical cosmetics	Green cosmetics	Fragrance	Bath and shower	Hair Care	Baby and child-specific products	Men's grooming
Danz 丹姿集團	Carde 卡迪那							√		
	Carefor Star 呵護星						√		√	
	Tenor 他能量									√
	Wetcode 水密碼	√								
	悅植粹	√								
Osmun Group 歐詩曼集團	Inshe 櫻尚	√	√							
	Osmun 歐詩曼	√	√							√

Source: Respective company websites, compiled by Fung Business Intelligence Centre

APPENDIX 3: SELECTED COSMETIC BRANDS WITH SERVICE ACCOUNTS IN WECHAT AND/ OR SINA WEIBO

Group	Brand	WeChat	Weibo
L'Oréal 歐萊雅	Biotherm 碧歐泉	√	√
	Giorgio Armani 喬治 阿瑪尼	√	√
	Helena Rubinstein HR 赫蓮娜	√	√
	Kérastase 卡詩	√	√
	Kiehl's 科顏氏	√	√
	L'Oréal Paris 巴黎歐萊雅	√	√
	L'Oréal Professional 巴黎歐萊雅沙龍專屬	√	√
	LA ROCHE-POSAY 理膚泉	√	√
	Lancôme 蘭蔻	√	√
	Matrix 美奇絲	√	√
	Maybelline New York 美寶蓮紐約	√	√
	shu uemura 植村秀	√	√
	Skinceuticals 修麗可	√	√
	Vichy 薇姿	√	√
	Magic 美即	√	√
	Yue Sai 羽西	√	√

APPENDIX 3: SELECTED COSMETIC BRANDS WITH SERVICE ACCOUNTS IN WECHAT AND/ OR SINA WEIBO (CONT'D)

Group	Brand	WeChat	Weibo
P&G 寶潔	Camay 卡玫爾		√
	Clairol Herbal Essences 伊卡璐	√	√
	Clairol Professional 伊卡璐絲煥		√
	Gillette 吉列	√	√
	Head & Shoulders 海飛絲	√	√
	Oceana 海肌源		√
	Olay 玉蘭油	√	√
	Pantene 潘婷	√	√
	Rejoice Proferies 飄柔倍瑞絲	√	√
	Rejoice 飄柔	√	√
	Safeguard 舒膚佳	√	√
	Sebastian 塞巴斯汀	√	√
	SK-II	√	√
	Vidal Sasson 沙宣	√	√
	Wella 威娜	√	√

APPENDIX 3: SELECTED COSMETIC BRANDS WITH SERVICE ACCOUNTS IN WECHAT AND/ OR SINA WEIBO (CONT'D)

Group	Brand	WeChat	Weibo
Shiseido 資生堂	Aqua Label 水之印		√
	Aquair 水之密語	√	√
	Aupres 歐珀萊	√	√
	IPSA 茵芙莎	√	√
	Perfect 洗顏專科	√	√
	Pure & Mild 泊美	√	√
	Pure & Mile Soi 泊美舒亞		√
	Shiseido 資生堂	√	√
	Tsubaki 絲蓓綺	√	√
	UNO 吾諾		√
	Urara 悠萊	√	√
	Za 姬芮	√	√

APPENDIX 3: SELECTED COSMETIC BRANDS WITH SERVICE ACCOUNTS IN WECHAT AND/ OR SINA WEIBO (CONT'D)

Group	Brand	WeChat	Weibo
Unilever 聯合利華	Clear 清揚	√	√
	Dove 多芬	√	√
	Hazeline 夏士蓮		√
	Lux 力士	√	√
	LYNX 凌仕		√
	Pond's 旁氏	√	√
	Rexona 舒耐	√	√
Johnson & Johnson 強生	Clean & Clear 可伶可俐		√
	Dabao 大寶		√
	Elsker 嘜呵	√	√
	Johnson's Baby 強生嬰兒	√	√
	Johnson's Body Care 強生美肌		√
	Neutrogena 露得清	√	√

APPENDIX 3: SELECTED COSMETIC BRANDS WITH SERVICE ACCOUNTS IN WECHAT AND/ OR SINA WEIBO (CONT'D)

Group	Brand	Wechat	Weibo
Estée Lauder 雅詩蘭黛	Bobbi Brown 芭比波朗	√	√
	Clinique 倩碧	√	√
	Estée Lauder 雅詩蘭黛	√	√
	Good Skin Labs		√
	Jo Malone London 祖瑪瓏		√
	La Mer 海藍之謎	√	√
	M.A.C. 魅可	√	√
	Origins 悅木之源	√	√
Beiersdorf 拜爾斯道夫	Herbexpert 草本優萃		√
	La Prairie 萊珀妮	√	√
	Maestro 美濤	√	√
	Nivea for men	√	√
	NIVEA 妮維雅	√	√

APPENDIX 3: SELECTED COSMETIC BRANDS WITH SERVICE ACCOUNTS IN WECHAT AND/ OR SINA WEIBO (CONT'D)

Group	Brand	WeChat	Weibo
Kanebo 佳麗寶	Aqua Sprina 雅呵雅絲睿		√
	Freeplus 芙麗芳絲	√	√
	Impress 印象之美		√
	Kate	√	√
	Lunasol 日月晶采		√
Coty Inc. 科蒂集團	TJOY 丁家宜		√
Kao 花王	Asience 亞羨姿		√
	Bioré 碧柔	√	√
	Curél 珂潤	√	√
	Liese 莉婕	√	√
	Sofina 蘇菲娜	√	√
Kosé 高絲	Avenir 艾文莉		√
	Bizenist 美膳媛	√	√
	Esprique 綺絲碧		√
	Junkisei 潤肌精	√	√
	Nature & Co 娜蔻		√
	Prédia 貝締雅	√	√
	Sekkisei 雪肌精	√	√

APPENDIX 3: SELECTED COSMETIC BRANDS WITH SERVICE ACCOUNTS IN WECHAT AND/ OR SINA WEIBO (CONT'D)

Group	Brand	WeChat	Weibo
Avon Products, Inc. 美國雅芳產品有限公司	Avon	√	√
Amore Pacific Corp 愛茉莉太平洋集團	Etude House 伊蒂之屋	√	√
	Innisfree 悅詩風吟	√	√
	Laneige 蘭芝	√	√
	Lirikos 儷瑞恩		√
	Mamode 夢妝	√	√
	Primera 芙莉美娜	√	√
	Sulwhasoo 雪花秀	√	√
LG Corp 樂金集團	O Hui 歐蕙		√
	Sooryehan 秀雅韓	√	√
	The Face Shop 菲詩小舖	√	√
	Whoo 后	√	√
Able C&C	Missha 謎尚	√	√
Nu Skin Enterprise Inc. 如新集團	Nu Skin 如新	√	√
LVMH Group	Benefit 貝玲妃		√
	Fresh 馥蕾詩	√	√
	Guerlain 嬌蘭	√	√
	Make Up For Ever	√	√

APPENDIX 3: SELECTED COSMETIC BRANDS WITH SERVICE ACCOUNTS IN WECHAT AND/ OR SINA WEIBO (CONT'D)

Group	Brand	WeChat	Weibo
The L'OCCITANE Group 歐舒丹集團	L'occitane 歐舒丹	√	√
	Melvita 蜜葳特	√	√
Pola Orbis Holdings Inc. 寶麗奧蜜思控股公司	H2O plus 水芝澳	√	√
	Jurlique	√	√
	Orbis 奧蜜思	√	√
	Orlane Paris 法國幽蘭	√	√
Rohto 樂敦	Lip Pure 天然植物潤唇膏	√	√
	Mentholatum Acnes 曼秀雷敦樂膚潔	√	√
	Mentholatum Botanics 曼秀雷敦天然植物潔面系列	√	√
	Mentholatum Oc Hy Po 曼秀雷敦男士	√	√
	Sunplay Skin Aqua 新碧日用防曬	√	√
Nippon Menard Cosmetic Co.,Ltd. 日本美伊娜多化粧品	Menard 美伊娜多	√	√
MTM Group	MTM	√	√
DHC Corp	DHC	√	√
Skin Food 思親膚	Skin Food 思親膚		√
F&F	Banila 芭妮蘭	√	√
Charmzone 嬋真	Charmzone 嬋真		√
	Skyman 藍天紳士		√

APPENDIX 3: SELECTED COSMETIC BRANDS WITH SERVICE ACCOUNTS IN WECHAT AND/ OR SINA WEIBO (CONT'D)

Group	Brand	WeChat	Weibo
Shanghai Jahwa Co., Ltd. 上海家化集團	Gf 高夫	√	√
	Giving 啟初	√	√
	Herborist 佰草集	√	√
	Liushen 六神	√	√
	Maxam 美加淨	√	√
	ShanghaiVive 雙妹	√	√
	Soft Sense 恆妍		√
	Tea Beauty 茶顏	√	√
Jiangsu Longliqi Group Co., Ltd. 江蘇隆力奇集團	Longliqi 隆力奇	√	√
Arche Cosmetics Co., Ltd 廣東雅倩化妝品有限公司	BNS 繽麗		√
	Cathy 佳雪	√	√
	Effi 玉麗	√	√
Zhuhai Sunrana Cosmetics Co., Ltd. 珠海珊拉娜化妝品有限公司	Sunrana 珊拉娜	√	√
Bawang International 霸王國際集團	Bawang 霸王	√	√
	Herborn 本草堂	√	√
	Litao 麗濤	√	√
	Royal Wind 追風	√	√
	Smerry 雪美人		√

APPENDIX 3: SELECTED COSMETIC BRANDS WITH SERVICE ACCOUNTS IN WECHAT AND/ OR SINA WEIBO (CONT'D)

Group	Brand	WeChat	Weibo
Decolor Cosmetics Co., Ltd. 廣州市迪彩化妝品有限公司	Decolor 迪彩	√	√
	Flowery 花露詩雨		√
	Shancaoji 善草紀	√	√
Lafang Group 拉芳集團	Lafang 拉芳	√	√
	Raclen 雨潔	√	√
Huaya Group Co., Ltd. 環亞化妝品科技有限公司	Franic 法蘭琳卡	√	√
	Meifubao 美膚寶	√	√
	See Young 滋源	√	√
Jala (Group) Co., Ltd. 伽藍(集團)股份有限公司	Aglaia 雅格麗白	√	√
	Chcedo 自然堂	√	√
	Insea 醫婷	√	√
	Maysu 美素	√	√
Proya Cosmetics Co., Ltd. 杭州珀萊雅化妝品有限公司	Proya 珀萊雅	√	√
Shanghai Inoherb Cosmetics Co., Ltd. 上海相宜本草化妝品股份有限公司	Inoherb 相宜本草	√	√
Softto Co., Ltd. 索芙特股份有限公司	Softto 索芙特	√	√

APPENDIX 3: SELECTED COSMETIC BRANDS WITH SERVICE ACCOUNTS IN WECHAT AND/ OR SINA WEIBO (CONT'D)

Group	Brand	WeChat	Weibo
Shanghai Savol Health & Cosmetics Co., Ltd. 浙江章華保健美髮實業有限公司	Color Easy 輕鬆染		√
	Deep Sea 深海植物派		√
	Herb Extract 百草晶		√
	Savol Ecologic 章華生態		√
	Savol Hair Care Exper 章華護髮專家		√
	Savol Herb 章華漢草	√	√
	Sikin 絲精		√
	Tianfeng 天峰橄欖		√
	Yimo 一抹		√
Youngrace Cosmetic International Group Ltd. 溫雅化妝品國際集團有限公司	Youngrace 溫雅	√	√
Shanghai Kans Cosmetic Co., Ltd. 上海韓束化妝品有限公司	Kans 韓束	√	√
Pechoin 百雀羚	Pechoin 百雀羚	√	√
Marubi 丸美	Marubi 丸美	√	√
Shanghai Yue Mu 上海悅目化妝品有限公司	Mask Family 膜法世家1908	√	√
Danz 丹姿集團	Wetcode 水密碼	√	√
	Inshe 櫻尚	√	√
Osmun Group 歐詩曼集團	Osmun 歐詩曼	√	√

Source: Respective company websites, compiled by Fung Business Intelligence Centre

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