

MEMORANDUM OF UNDERSTANDING

This Memorandum Of Understanding (MOU) outlines the cooperation between UNIPRO (Italian Association of Cosmetic Industries) and CAFFCI (The China Association of Fragrance Flavor and Cosmetic Industries), (hereinafter called "the Parties").

Taking into account common interests of the two Parties to establish closer contacts between Italy and China and to expand their business interactions and to enhance the distribution of Italian and Chinese cosmetics, both in Italy and in China, according to the reciprocity principle which inspires the present understanding, they agree to come to the following agreement:

1. The Parties will study and create together the suitable framework in order to understand each other's need or upon requests.
2. The Parties will support the exchange of skilled technicians and experts to share technological knowledge development.
3. The Parties will exchange information on cosmetic sector, market trends and situation, etc.
4. The Parties will facilitate investment opportunities or organization of events, such as factory visits and stages taking place in Italy or in China aiming strengthen mutual interests on trade cooperation.
5. The Parties will meet as and when necessary to share and exchange knowledge in the domains of general management, engineering, business development services, which are beneficial for both sides.

The above provisions do not intend to create obligations legally binding for the Parties, but only establish a collaboration which both Parties consider important, in the mutual interest, for the respective purposes.

The Parties mutually guarantee the best confidentiality about this memorandum and about any and all information and knowledge exchanged in connection with same.

This memorandum will be effective for two years starting from the date of the signature and will be automatically extended year by year unless written termination with previous notice of 60 days.

This memorandum is made in duplicate, a copy of which is to retained by both Parties. The Parties declared that they have thoroughly read, understood and approved the contents contained herein.

In WITNESS WHEREOF, the Parties have hereto affixed their signatures and seals (if any) on the date after mentioned above.

Signed in Milan, Italy on 10th October, 2007



Mr. Fabio Franchina

President
UNIPRO

Witnessed by



Mr. Carlo Baiesi

President of Cosmexport
Italian Cosmetics Industry Promotion
and Export Consortium



Mr. Chen Shaojun

Secretary General
CAFFCI

Witnessed by



Ms. Dong Shufen

Director of Cosmetic Department
CAFFCI