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Within the constraints imposed by the economic situation across 2002-2003, the Group has taken a number of steps to move this diversification strategy forward. To begin with, it has continued to aggressively roll out its \sim H₂O₊ retail outlets in the PRC. These outlets now number 44, nearly double the 23 in existence at the same time last year. Operating in some 20 major cities across the PRC, \sim H₂O₊ retail outlets have quickly established themselves as an important addition to PRC's competitive skincare market. The Group

has accompanied its roll-out programme with a wide range of advertising and public relation activities to promote brand awareness and build up brand loyalty. Besides using local celebrities to provide the "faces" for its $\sim\!$ H $_2\!$ O+ products, the Group has conducted public relation events and advertised in local media, as well as conducting targeted direct mailings.



From just 4 Oasis Beauty Centres at last fiscal year end, the Group NOW operates 10. These include a Unique New Venture into skincare treatment for Men, called "Oasis Beauty Homme".



Also as part of its product diversification strategy, the Group has continued expanding

its Hong Kong network of Oasis Beauty centres, encouraged by the strong performance of these centres even in recent tough economic conditions. From just 4 Oasis Beauty Centres at last fiscal year end, the Group now operates 10. These include a unique new venture into skincare treatment for men, called "Oasis Beauty Homme", designed to capitalise on increased interest amongst today's men in health and appearance.

