

## **Water Oasis Joins Hand with Johnson & Johnson**

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### ***Distributes Neutrogena Products Exclusively in Mainland China Department Stores***

(Hong Kong, May 15, 2006) --- **Water Oasis Group Limited** (“Water Oasis” / the “Group”) today announced the cooperation with **Johnson & Johnson China Ltd.** (“Johnson & Johnson”) to exploit the tremendous skin care product market in China. Water Oasis will distribute Neutrogena products for Johnson & Johnson exclusively in department stores in Mainland China.

Recognising that department stores are the choice of shopping destinations for most consumers in Mainland China, Johnson & Johnson decided to partner with Water Oasis to distribute Neutrogena products in Mainland department stores. Consumers can look forward to professional personalized service at dedicated Neutrogena counters in the stores. The cooperative agreement grants Water Oasis a 3-year exclusive right, renewable for another three years thereafter, to operate Neutrogena counters and render related value-added services, such as direct mail promotion, VIP programme and product trials, while Johnson & Johnson will be responsible for marketing and promotion in the territory.

**Ms. C. Yu, CEO and Executive Director of Water Oasis**, said, “We are pleased to have the opportunity to work with Johnson & Johnson in distributing Neutrogena products in Mainland department stores. With a strengthened brand portfolio – Neutrogena products targeting the mass market and ~H<sub>2</sub>O+ products the medium to high-end markets, our customer base is expected to broaden, which will in turn enhance our competitiveness and profitability. Currently, we have 8 Neutrogena counters in Beijing, Shanghai, Guangdong, Hubei and Liaoning. We plan to set up a total of 40 points of sale in the first year, mainly in department stores in first and second tiers cities.”

**Ms. Cindy Lau, Managing Director of Johnson & Johnson China Ltd.**, said, “With strong sales experience and business presence in the PRC, Water Oasis will no doubt be able to quickly establish a comprehensive sales network in the territory. By putting up dedicated Neutrogena sales counters in department stores, we will be able to better understand the needs of our customers and at the same time provide them with all-round personalized service. We are considering replicating this sales model in other Southeast Asian markets in the future.”

Neutrogena is the brand recommended by dermatologists. It targets well-educated female aged between 18 and 35 with high disposable income. There are around 20 products under the Neutrogena brand in China market priced between RMB15 to RMB120. The average retail price is around RMB100. According to 2005 market statistics, Neutrogena Deep Clean Cream Cleanser (100g) boasted top position among the facial cleansing products in Guangzhou and ranked third in the Shanghai market. Neutrogena's mask product (5 pieces) is also one of the five most popular mask products in Shanghai.

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#### About Water Oasis Group Limited

Water Oasis Group is principally engaged in the retail sales of ~H<sub>2</sub>O+ skincare products in Hong Kong, Macau, Taiwan, Singapore and the PRC, as well as spa and beauty businesses under the brand names "Oasis Spa", "Oasis Beauty", "Oasis Homme" and "Aqua Beauty". At present, Water Oasis has 15 retail outlets in Hong Kong, 15 in Taiwan, 2 in Macau, 4 in Singapore carrying the ~H<sub>2</sub>O+ brand, as well as 2 "Oasis Spa", 12 "Oasis Beauty / Oasis Homme" and 4 "Aqua Beauty" in Hong Kong. In the PRC, Water Oasis has over 110 self-managed or franchised outlets. Water Oasis was listed on the Main Board of the Stock Exchange of Hong Kong in March 2002.

#### About Johnson & Johnson China Ltd

Johnson & Johnson China Ltd. was established in 1992 and is the first foreign-owned subsidiary of Johnson & Johnson Group in Mainland China. The China headquarter is located in Min Hang Economy Development Zone in Shanghai and has a registered capital of over US\$ 100 million. Since its presence, Johnson & Johnson China has been dedicating to producing and promoting superior self-care hygiene products, which is also expected to speed up the development of health care industry in China.

Johnson & Johnson China main product lines include: Baby care products (Johnson's baby bath, powder and etc), Woman's health care products (Stayfree napkin/Carefree pantyliner and O.B tampon), Adult skin care products (Clean&Clear and Neutrogena) and Wound care products (Band-aid bandage).

After getting into China's market since 1992, Johnson & Johnson China has been growing fast both in sales revenue and profit. Johnson & Johnson China is determined to become the most reliable health care consumer goods company and to offer Chinese consumers both superior products and service by fulfilling not only their physical needs but emotional desires as well.

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