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CHAIRMAN & CEO SIMON KWOK
主席兼行政總裁 郭少明

A weak global economy prevailed during the 2002 fiscal year, and this presented many challenges for businesses in every sector. Sa Sa was no exception, but thanks to our strong financial background and our prudent strategies of consolidation and building for the future, we managed to emerge from the year with some significant achievements. Based on the stability and strengths of our core business, the Board proposes to maintain a dividend at the same level as last year of HK\$5 cents per share. We look forward with growing confidence and efficiency to increased profitability and greater returns for our stakeholders.



The Group's core retailing business considerably outperformed the general economic sentiment, reflecting Sa Sa's sound fundamentals. Apart from the one-off costs and provisions, the Group's retail business remained stable and robust. Our retail operations in Hong Kong again recorded profit and growth.

Strategic measures were also taken to consolidate and rationalize the Group's operations, reflecting Sa Sa's ongoing efforts to constantly improve its business. Non-performing shops were closed in Taiwan and the inventory management of Sa Sa's entire retail network was significantly enhanced. Excess fat has been trimmed from the Group's business, paving the way for increased profitability and growth in the near future.

During the year, we undertook a critical review of Phillip Wain's operations, which led to some important adjustments and restructuring initiatives that will significantly benefit the business in the long term. We believe that Phillip Wain is now better positioned for future growth. **In the 2003 fiscal year, we will continue to review and recalibrate our operations wherever necessary to enhance the performance of all newly acquired businesses.**



於二零零二年度內，全球經濟疲弱，各行各業均面對許多挑戰，莎莎亦不例外。但有賴集團穩健的財務狀況及審慎的整固策略，使集團仍能在業務上取得一些顯著成績。由於集團核心業務穩健，董事會建議派付股息每股五港仙，與去年持平。我們預期未來集團將能更有效提升盈利能力及為股東帶來更大的回報。

集團的核心零售業務表現遠較整體經濟環境為佳，充分反映莎莎的實力。撇除一次性的撥備及費用，集團整體零售業務仍維持穩健。香港的零售業務更再次錄得增長及盈利。

年內集團進行策略性整固及改組業務，顯示了集團不斷改進其業務的努力。我們關閉了台灣表現欠佳的店舖，並顯著提升了莎莎整體零售業務的存貨管理。集團經精簡業務後，更有助提升集團未來的盈利能力及業務增長。

此外，集團對菲力偉的營運情況作出非常嚴謹的審度，並進行重要的調整及重組，有利菲力偉長線的發展。我們深信菲力偉現處於更有利位置以提升未來的增長。於二零零三年度內，我們將繼續檢討及整固營運情況，以進一步提升各項新購業務的表現。





The Group has a clear vision for the future, namely to **become Asia's dominant provider of beauty and health products and services**. This commitment remain sunwaving. To achieve this, the Group will continue to leverage its unique competitive strengths - including strong brand equity, extensive industry experience, excellent management skills, a sound financial position and a huge and loyal region-wide customer base - to diversify our base of products and services around the core business concept of 'beauty + health'.

Cosmetic retailing, one of the Group's key business strengths, will remain an essential and vibrant aspect of our future strategies. In addition to strengthening our marketing promotions and continuing to enhance the layout and interiors of our stores, we aim to increase our customer base by targeting the needs of the increased flow of tourists from mainland China following on Hong Kong's relaxation of its PRC tourist quota. To more effectively capture this fast-growing market segment, Sa Sa will continue to adjust its merchandise offerings as appropriate.

Our range of product offerings will be broadened by securing more exclusive distribution rights from international brands, in order to meet the demands of our huge and diversified customer base. By increasing the number of exclusive distribution rights, we can exert further control on the promotion and pricing of products, thereby increasing our profit margin and narrowing competition in the market place. Meanwhile, **we will also extend the channels through which our products are available and increase the scope for revenue generation**. For example, in addition to Sa Sa retail stores, our products can also be found in our Phillip Wain and Sa Sa Beauty+ outlets.



集團的目標堅定，銳意成為亞洲區內最具領導地位的美容及健康產品服務供應商。為實踐這個目標，集團將繼續充分利用其特有的競爭優勢，包括家喻戶曉的「莎莎」品牌知名度、豐富的業內經驗及知識、優良的管理、雄厚的財務實力及亞洲區龐大忠實的客戶基礎等，以集團業務核心概念「美 + 健」為中心，發展多元化業務。

展望未來，莎莎最蓬勃強大的業務仍然是集團基礎業務 - 化妝品零售。除了加強市場推廣及陸續更新店面設計外，我們計劃針對隨著香港放寬內地旅客入境限制而出現的新增內地旅客的需要，擴大客戶基礎。為吸納這急速增長的顧客層，莎莎將繼續不斷在商品組合上作出調整。

集團將洽商獨家代理更多國際品牌產品以增加銷售產品系列，進一步滿足集團龐大及廣闊的客戶層。憑藉增加獨家代理品牌的數量，我們可加強產品市場推廣及在產品定價上有更大的自主權，從而改善集團的邊際毛利及減低市場的競爭。同時，我們將開拓化妝品分銷渠道，提高銷售額。現時集團的產品除在莎莎化妝品零售店外，更會透過菲力偉女子健美中心及Sa Sa Beauty+美容中心銷售。

莎莎首家 Sa Sa Beauty+ 美容及纖體中心最近於香港成立，旨在為莎莎的忠實顧客及新的顧客提供一站式化妝、美容及纖體服務。通過Sa Sa Beauty+及菲力偉，集團可把其美容服務擴大至更廣泛的顧客層及不同的市場。



In this context, we are delighted to celebrate the recent opening of our first Sa Sa Beauty+ beauty and slimming centre in Hong Kong. This initiative aims to provide one-stop cosmetics, beauty and slimming services to Sa Sa's loyal customers and, indeed, new ones too. The launch of Sa Sa Beauty+ will complement the beauty and health services already offered by Phillip Wain, and enable Sa Sa to target the needs of a broader market base.

As we seek to be the dominant health and beauty services provider in the region, **the Group will also continue to strive for enhanced sales and geographical expansion across the region.** Sa Sa Ebeca is the Group's first step into the China market and provides us with valuable market insight, as well as helping us to build a significant platform for exploiting this tremendous market opportunity. Using Sa Sa Ebeca's retail network, we plan to launch several exclusive fragrances nationwide in the upcoming months. We are also confident that a number of other exclusive skin care products can be successfully launched in the year ahead. Even more significantly, Sa Sa aims to set up standalone Sa Sa cosmetic stores in the PRC in the coming year.

By implementing strategic measures to rationalize our operations, we have built a firm foundation for future growth. As the retail sector in Asia starts its path to recovery, we will be poised to benefit from our robust network and extensive coverage in the region.

I would now like to take this opportunity to thank each of our employees for their dedication and commitment to realising Sa Sa's goal of becoming the dominant beauty and health services provider in Asia. To our shareholders, I would like to extend my gratitude for their support and confidence in the Group and its vision of the future. Each of us in the Sa Sa Group remains committed to repaying that confidence with increased shareholder value long into the future.



Simon Kwok 郭少明

Chairman and Chief Executive Officer 主席兼行政總裁

Hong Kong, 19th July 2002 香港，二零零二年七月十九日



在我們積極爭取成為區內具領導地位的健康和美容產品服務供應商的同時，集團仍繼續在區內致力提升銷售及進行地域上的擴展。莎莎依貝佳是集團進軍中國市場的第一步，令集團對中國大陸市場有更深認識，並協助集團為未來進軍龐大國內市場作好準備。我們計劃在未來數月內於依貝佳的全國銷售網絡推出數個獨家品牌香水，並有信心在來年能夠於中國內地推出其他獨家品牌的護膚產品。而最重要的是，集團計劃於來年在中國內地市場開設獨立的莎莎化妝品專門店。

通過策略性整固集團業務，集團已為未來的增長奠定穩固基礎。由於亞洲的零售業務開始復甦，莎莎將受惠於集團在區內強大的網絡及業務覆蓋範圍。

本人現謹此感謝所有員工，為集團實現莎莎成為亞洲區內最具領導地位的美容及健康產品服務供應商這目標所付出的努力，並衷心感謝股東對集團及其未來發展投下的支持和信心。莎莎集團全人將繼續努力，為股東爭取更豐盛的回報。





Exclusive brand fragrances for which Sa Sa is sole agent
莎莎為圖中香水的獨家代理

“Beauty needs no definition.
Beauty speaks for itself.”

