

Fragrances



For the year ended 31st March 2004, the Group's consolidated turnover amounted to HK\$1,883.3 million, representing an increase of 14.7% from HK\$1,641.4 million in the previous fiscal year. On a comparable basis ("Comparable Basis") the consolidated turnover represents a 17.3% increase after Ebeca business is excluded from the turnover for last fiscal year. The Group disposed of Ebeca in March 2003. The Group's consolidated profit attributable to shareholders showed a further significant improvement and rose to HK\$151.1 million from HK\$68.2 million, an increase of 121.4%.

A number of factors contributed to this satisfactory performance. Our retail business in the Hong Kong market registered strong growth from the second quarter of the fiscal year onwards, stimulated by the relaxing of travel restrictions for PRC tourists visiting Hong Kong. There was a marked improvement in the performance of our beauty services business, and we continued to implement a policy of prudent and effective cost control measures.

Highlights of the Group's achievements for the year ended 31st March 2004 are:

- Group turnover increased by 17.3% to HK\$1,883.3 million on a Comparable Basis
- The Group's retail and wholesale business recorded turnover of HK\$1,716.1 million, representing a 17.9% increase on a Comparable Basis
- Sa Sa's retail and wholesale business in Hong Kong and Macau registered an 18.7% increase for the full year, and a year-on-year 29.3% increase for the second half of the fiscal year
- Sa Sa's retail and wholesale turnover increased by 23.8% for the Singapore and Malaysia markets
- The Group recorded a significant improvement in the performance of our beauty services
- Profit attributable to shareholders rose by 121.4%, from HK\$68.2 million to HK\$151.1 million
- Diluted earnings per share increased by 122.6%, from 5.3 HK cents to 11.8 HK cents

截至二零零四年三月三十一日止年度，集團的綜合營業額為十八億八千三百三十萬港元，較上一財政年度的十六億四千一百四十萬港元上升百分之十四點七。若以不將依貝佳業務計入去年同期營業額的相若基準（「相若基準」）計算，綜合營業額的增長則為百分之十七點三。依貝佳已於二零零三年三月出售。集團的股東應佔綜合溢利進一步大幅上升，由六千八百二十萬港元激增至一億五千一百一十萬港元，上升百分之二十一點四。

表現理想有賴數項因素。由本財政年度第二季起，香港零售業務受到中國放寬旅客來港政策刺激而錄得蓬勃增長。集團的美容服務業務表現大為改善，而集團亦持續採取穩健有效的成本控制措施。

集團截至二零零四年三月三十一日止年度的業績摘要如下：

- 集團營業額上升百分之十七點三，增至十八億八千三百三十萬港元（以相若基準計算）
- 集團零售及批發業務營業額增至十七億一千六百一十萬港元，增長百分之十七點九（以相若基準計算）
- 莎莎港澳地區的零售及批發業務營業額全年增長百分之十八點七，本財政年度下半年亦較去年同期增長百分之二十九點三
- 莎莎星馬市場的零售及批發業務營業額上升百分之二十三點八
- 集團美容服務業務表現大為提升
- 股東應佔溢利由六千八百二十萬港元增至一億五千一百一十萬港元，上升百分之二十一點四
- 每股攤薄盈利上升百分之二十二點六，由五點三港仙增至十一點八港仙



Retail and Wholesale Business

During the fiscal year 2003/04, the Group's retail and wholesale business saw growth in turnover of 17.9% on a Comparable Basis, reaching HK\$1,716.1 million. Turnover growth for the second half of the year was a significant 28.4%. However, the gross profit margin of our retail and wholesale business was adversely affected due to changes in our product mix during the period of the SARS outbreak and due to the appreciation of the Euro, which affected the cost of our purchases. In terms of profitability, the increase in turnover more than offset the decrease in gross profit margin, thus leading to a positive growth in net profit.

Our inventory turnover days were 90 days for the year ended 31st March 2004. We also officially launched our new store image in Hong Kong in February 2004. The trendy, contemporary store design provides a more spacious and comfortable shopping environment. It allows cosmetics brands to project their image better, broadens the customer base to younger customers, and generally enhances the shopping experience. As of 31st March 2004, there were 15 new image stores in the region. Other stores will be converted gradually to the new look.

In December 2003, the Group appointed a new Chief Operating Officer to strengthen the management of our retail and wholesale business.

Hong Kong and Macau

With the ongoing relaxation of travel policy restrictions for PRC tourists visiting Hong Kong, the economic and retail environment has shown a marked improvement. Although business in the first quarter of the fiscal year was affected by the SARS outbreak, Sa Sa's core retail business in Hong Kong and Macau still managed to achieve a good performance. Turnover in Hong Kong and Macau increased by 18.7% to HK\$1,532.4 million for the year ended 31st March 2004, with a year-on-year increase of 29.3% for the second half of the fiscal year.

零售及批發業務

於二零零三 / 零四財政年度，以相若基準計算，集團的零售及批發業務營業額達十七億一千六百一十萬港元，增加百分之十七點九，下半年的營業額與去年同期比較更大幅增長百分之二十八點四。然而，由於非典型肺炎爆發導致期內貨品組合有所改變，加上歐元升值影響集團的採購成本，集團的零售及批發業務毛利率因而受壓。就盈利能力而言，營業額增長足以抵消毛利率下降的影響有餘，使去年純利錄得正面增長。

截至二零零四年三月三十一日，集團的存貨週轉期為九十天。集團的全新店舖形象亦於二零零四年二月正式在香港揭幕。新店舖設計充滿時尚氣息，為顧客提供寬敞舒適的購物環境，更可讓各化粧品品牌充分展示其獨特形象，並將顧客基礎擴展至較年輕階層，及令顧客獲得更佳購物享受。於二零零四年三月三十一日，港澳地區的新形象店舖共有十五間，其他店舖亦會陸續換上新裝。

集團於二零零三年十二月新增委任首席營運總監，以進一步加強集團的零售及批發業務管理。

香港及澳門

香港經濟及零售業環境隨著中國持續放寬旅客來港政策而顯著改善。本財政年度第一季的業務雖曾受到非典型肺炎肆虐影響，莎莎在港澳地區的核心零售業務表現依然不俗。截至二零零四年三月三十一日止財政年度港澳地區營業額增至十五億三千二百四十萬港元，上升百分之十八點七，財政年度下半年與去年同期比較則上升百分之二十九點三。



Increased spending by both PRC tourists and local consumers contributed to this healthy performance. Growth was recorded in both the average value per transaction (increased 4.0% to HK\$207) and the total number of transactions (increased 14.2% to 7.1 million). Sa Sa opened seven new stores during the year. As of 31st March 2004, there are 41 Sa Sa stores, plus one La Colline specialty store and one Elizabeth Arden counter.

Singapore and Malaysia

Turnover increased by a significant 23.8% to reach HK\$105.3 million for the Singapore and Malaysian markets.

As a result of the adoption of a more aggressive strategy to increase market share, strategic measures were taken such as adjustment in the merchandise mix, increased marketing promotions, store expansions, closure of some stores and relocation of stores to higher traffic and better quality locations. The costs associated with store relocation and adjustment in merchandise mix temporarily affected our performance; therefore, a small loss was recorded.

As of 31st March 2004, the number of stores in Singapore remained at nine (due to strategic adjustment in the retail network, three new stores opened while three stores closed during the year) and increased to ten for Malaysia with two new stores opened during the year.

Taiwan

Turnover in the Group's Taiwan business decreased during the year by 15.4% as a result of the slow recovery after the SARS outbreak and the temporary closure of one store for relocation. Nevertheless, our operations in this market still managed to break even. A third store was re-opened in July 2003 as the only beauty products tenant in a Japanese Department store in Hsinchu. As a

如此穩健表現實有賴內地旅客及本港顧客消費上升。每宗交易平均金額及總交易次數均錄得增長，前者上升百份之四增至二百零七港元，後者則上升百份之十四點二，增至七百一十萬宗。年內莎莎共增設七間新店舖。於二零零四年三月三十一日，集團共有四十一間莎莎化粧品店舖，另有一間La Colline專門店及一個伊利莎伯雅頓專櫃。

新加坡及馬來西亞

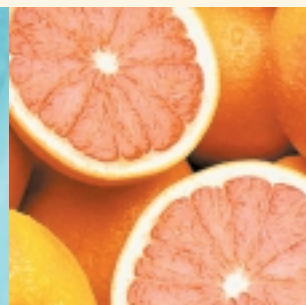
年內星馬市場營業額增加百份之二十三點八，達一億零五百三十萬港元。

期內集團採取較進取策略以增加市場佔有率，包括調整貨品組合、加強市場推廣、擴充店舖、結束部份店舖，並將店舖遷往人流較旺盛及質素較佳的地點等。店舖搬遷及調整貨品組合所涉及的開支令業務表現暫時受到影響，因而錄得輕微虧損。

於二零零四年三月三十一日，新加坡方面的店舖數目維持在九間（由於集團對零售網絡作出策略性調節，年內開設三間店舖，並有三間店舖結業），馬來西亞方面的店舖數目則因年內開設兩間店舖而增至十間。

台灣

受到非典型肺炎爆發後復甦步伐緩慢及一間店舖因搬遷而暫時休業影響，年內台灣業務營業額下降百份之十五點四。雖然如此，該市場的業務仍能達到收支平衡。第三間店舖已於二零零三年七月份重新開業，乃新竹市一間日資百貨公司內唯一售賣美容產品的租戶。集團已於二零零三年





sign of our confidence in the potential for future growth and our commitment to the market, the Group appointed a new head for the country team in October 2003.

E-commerce - Sasa.com

Turnover for Sasa.com amounted to HK\$21.2 million, representing an increase of 69.1% over the corresponding period of last fiscal year. The performance of Sasa.com was substantially improved through such measures as strategic marketing activities, adjustments in the product mix, expansion of the product range and introduction of cost-effective delivery arrangements.

Leveraging on the strong brand name and goodwill of Sa Sa, Sasa.com has built a diverse customer base. Apart from the major markets of the USA, South Korea and Hong Kong, we also have customers from other parts of the world such as Europe and Australasia, totalling over 45 countries. This in turn has helped us to enhance Sa Sa's brand name worldwide. The registered members for Sasa.com increased from approximately 50,000 to approximately 90,000, while active customers for the International web site recorded an increase of over 300%. The number of orders for the International site increased by 260%.

In terms of regional recognition, Sasa.com was awarded the 2003 "e-Korea & CEO Award" in the category of Specialised Cosmetics Shopping Site. This prize was given by Good Day newspaper, one of South Korea's most popular newspapers with a daily circulation

十月委任台灣地區的新主管，足證集團對未來增長潛力充滿信心並決意繼續發展該市場。

電子商貿 - Sasa.com

Sasa.com於年內的營業額為二千一百二十萬港元，較去年同期增加百分之六十九點一。透過各種策略性市場推廣活動、調整貨品組合、增加貨品種類及引進成本效益較佳的付運安排等措施，Sasa.com的表現大為提升。

憑藉莎莎實力雄厚的品牌知名度和優良商譽，Sasa.com已建立廣泛的客戶基礎。除美國、南韓及香港三個主要市場外，Sasa.com的客戶亦遍及歐洲和澳紐等逾四十五個國家；這更有助進一步加強莎莎品牌在全球的知名度。年內Sasa.com的登記會員由大約五萬名增至約九萬名，而該國際性網站的常客則增加逾百分之三百，訂單則增加百分之二百六十。

Sasa.com備受區內消費者認同，榮獲南韓報章Good Day頒授二零零三年「e-Korea & CEO大賞」（化粧品網上專門店組別）。Good Day乃南韓最暢銷報章之一，每日發

Turnover Breakdown of Sa Sa's Retail and Wholesale 莎莎零售及批發營業額按產品類別分佈

Private-label and exclusively distributed products
專有品牌及獨家分銷產品

27.1%

Total 合共：
HK\$1,716.1M 百萬港元



of 800,000 copies. Winning this award shows that Sasa.com has an established foothold in the Korean cosmetics market. Indeed, Sasa.com has already become one of South Korea's most favoured on-line cosmetics shopping sites.

Brand Management

Sa Sa's sales of private-label and exclusively distributed products increased by 18.2% and contributed 27.1% to the Group's total retail and wholesale sales for the year ended 31st March 2004. New brands secured for our exclusive distributorship included such fragrances as Feraud and Cabotine. Our reputation for brand management capabilities was further enhanced when Suisse Programme, a private label, and La Colline, an exclusive brand, were awarded the title of "Luxury Superbrand" in Hong Kong and Mainland China alongside other world-renowned international brands. Elizabeth Arden, a brand that Sa Sa carries as sole agent in Hong Kong and Macau, achieved impressive sales performance during the year.

Overall, we continue to place a special emphasis on our brand management business. During the year, we further developed close working relationships with our vendors, giving them market feedback on pricing and competition, introducing new products and product launch activities, boosting the awareness of our exclusive brands, and executing joint promotions with other distribution channels including department stores.

行量多達八十萬份。此項殊榮充分顯示 Sasa.com 已在南韓化粧品市場上建立穩固基礎，並已成為南韓其中一個最受歡迎的化粧品購物網站。

品牌管理

截至二零零四年三月三十一日止年度，莎莎的專有品牌及獨家經銷貨品銷售額增加百份之十八點二，並佔集團零售及批發總營業額百份之二十七點一。年內取得獨家經銷權的新品牌包括Feraud及Cabotine等香水。集團的專有品牌Suisse Programme及獨家經銷品牌La Colline獲頒授為中港兩地「豪華超級品牌」，與其他舉世知名的國際品牌分庭抗禮，足證集團的品牌管理能力更為雄厚。由莎莎擔任港澳總代理的國際品牌伊利莎伯雅頓年內銷售額亦表現驕人。

整體而言，集團會繼續重點發展品牌管理業務。年內集團進一步與供應商建立緊密合作關係，向其反映市場對訂價及競爭的意見，引進新產品及舉行產品發佈活動，提高獨家銷售品牌的知名度，並與百貨公司等其他銷售渠道同步舉辦促銷活動。

"What are Sa Sa's main strengths?"

We have built a great brand that everyone knows, and we have an unmatched range of products for our huge, loyal and region-wide customer base. Our relationship with our vendors is excellent, our sales professionals give quality service, and we have a long-established network of more than 60 retail outlets in prime Asian locations, along with an attractive on-line presence.

In addition, we have extensive industry experience and a clear business focus on beauty, supported by well thought-out corporate strategies, a robust balance sheet and a strong management team.

莎莎的優勢在哪裡？

莎莎品牌家喻戶曉，產品種類繁多，更有區內龐大而忠實的顧客基礎作支持。我們與各地供應商享有良好的合作關係，專業售貨員服務出色；我們並擁有龐大的亞洲區銷售網絡，在亞洲各主要地區設有逾六十間零售店，以及卓越的電子商務網站。

此外，我們還具有豐富的業內經驗，明確的業務方向，周全的企業策略，穩健的財務表現及經驗豐富的管理層。

Q&A





Beauty Services

Despite the impact of SARS, turnover for beauty services was HK\$167.2 million, an increase of 11.8%, on a Comparable Basis. This was mainly due to the improved performance of Phillip Wain beauty and health clubs and the opening of a second Sa Sa Beauty+ beauty and slimming centre.

Phillip Wain

Phillip Wain offers premium beauty and health ladies' clubs that cater for the discerning customer. During the year ended 31st March 2004, Phillip Wain's performance significantly improved due to enhanced service standards based on strengthened staff training, as well as to an improved cost structure that included rental reductions. We introduced new treatments and facilities, such as photo-facial treatments, and other exclusive beauty equipments and treatments by renowned brands such as Dibi Body and Olos from Italy, and Alessandro from Germany. Phillip Wain was also the first in Asia to launch "Huber" equipment, an avant-garde interactive game-exercise device. These new and exclusive products and treatments helped to drive the growth of our business. In addition, we strengthened Phillip Wain's marketing promotions, including the launch of a new TV commercial and the appointment of an additional new image woman, to increase market awareness.

Sa Sa Beauty +

The establishment of Sa Sa Beauty+ is intended primarily to complement our retail business development, providing all-round cosmetics and beauty services to Sa Sa customers. During the year the second new store of Sa Sa Beauty+ was opened in Kowloon, thereby extending our beauty services and enhancing the competitiveness of our retail offering. We introduced a number of new beauty treatments and facilities including photo-facial, as well as exclusive treatments and equipment such as La Colline Eye Ology and Slim Tech treatments. We also broadened the customer base to male customers by providing facial treatments and photo-facial treatments specifically for men.

美容服務

儘管受到非典型肺炎爆發影響，美容服務的營業額仍達一億六千七百二十萬港元，增加百分之十一點八（以相若基準計算），主要是由於菲力偉健美會所業務表現大幅改善及集團增設第二間Sa Sa Beauty+美容及纖體中心所致。

菲力偉

菲力偉為品味高尚的女士提供尊貴的美容及健身會所服務。於截至二零零四年三月三十一日止年度，透過加強員工培訓以提升服務水準，再配合改善成本架構，包括成功調低租金等，使菲力偉的表現大為改善。集團引進嶄新的光子螢肌護理等療程及設施，以及意大利的Dibi Body及Olos和德國的Alessandro等著名品牌的獨家美容護理設備及產品。菲力偉更在亞洲率先引入採用嶄新互動遊戲概念的Huber智能運動儀器。此等獨家產品及療程有助推動集團業務的增長。此外，集團亦加強了菲力偉的市場推廣，包括推出全新電視廣告及委任新形象大使以加強品牌認知度。

Sa Sa Beauty +

設立Sa Sa Beauty+ 的目的主要是與集團零售業務的發展相輔相成，為莎莎顧客提供全面的化粧品及美容服務。年內集團於九龍區開設第二間Sa Sa Beauty+ 美容中心，藉此擴展旗下美容服務及提升零售業務的競爭力。中心引進嶄新的光子螢肌護理及La Colline Eye Ology及Slim Tech等多項獨家美容護理療程及設備，並提供專為男士而設的面部護理及光子螢肌療程，將顧客基礎拓展至男士。



The time lag between opening the second Sa Sa Beauty+ and building its customer base had some effect on the overall performance of our Beauty Services, but we continue to regard Sa Sa Beauty+ as a further opportunity for cross-selling our retail products.

Strong Brand Recognition of "Sa Sa"

The Sa Sa brand is gaining increasing recognition in the region. Sa Sa ranked number 9 of the Top 10 retailers in Hong Kong (the only cosmetics specialty store) in the Retail Asia-Pacific Top 500 ranked by KPMG and Retail Asia magazine in 2004. The excellence of our service was recognized when the award for the Specialty Store category of the "Service and Courtesy Award 2003" administered by Hong Kong Retail Management Association went to a Sa Sa employee. World-renowned Internet company Yahoo gave Sa Sa its "Yahoo! Emotive Brand Award 2003-04" - health and fitness category. Sa Sa store, with its trend-setting new store image, was named as "The Cool Store" for the Year 2004 by 8 Days magazine, one of the most popular magazines in Singapore. Sa Sa was the only cosmetics chain store named "Superbrand" for 2002-03 in Hong Kong and we repeated our success again in 2004. Phillip Wain also became a "Superbrand" in Hong Kong in 2004.

Sa Sa's rapid progress towards becoming a household name in Mainland China was marked in November 2003 when a survey conducted by an international financial institution, CLSA, identified Sa Sa as the most popular retail outlet in Hong Kong for PRC tourists. Its similar survey in May 2004 continued to name Sa Sa as the most popular cosmetics specialty store for PRC tourists. The Guangzhou Daily, one of the most popular dailies in the PRC, also awarded the Group "The Hong Kong Merchants of Integrity Award 2003/04" in the personal care and cosmetics category.

由於第二間Sa Sa Beauty+ 美容中心開業至建立相當的顧客基礎這過程需時，令集團美容服務的整體表現受到影響，然而集團認為Sa Sa Beauty+ 提供聯合推廣商機，有助拓展零售貨品銷售。

「莎莎」品牌聲譽日隆

「莎莎」品牌在區內日益廣受認同。在畢馬域會計師行及Retail Asia雜誌於二零零四年聯合編制的亞太區首五百家零售商中，莎莎在香港區排名第九，並是唯一名列香港十大零售商的化粧品連鎖專門店。此外，在香港零售管理協會舉辦的「二零零三年傑出服務獎」，莎莎的美容顧問在專門店組別取得獎項，足證莎莎服務質素傲視同儕。另外，全球知名的互聯網公司雅虎亦向莎莎頒授「二零零三 / 零四年度Yahoo!感情品牌」獎項（健康及健美組別）。莎莎更憑著全新的店舖形象，被新加坡最暢銷雜誌之一8 Days選為二零零四年「最“酷”商店」。此外，莎莎繼於二零零二 / 零三年度成為唯一榮獲香港「超級品牌」的化粧品連鎖專門店，於二零零四年更續獲此項殊榮。菲力偉亦於二零零四年躋身香港「超級品牌」之列。

莎莎在中國內地迅速發展為家喻戶曉的品牌，根據國際金融機構里昂證券於二零零三年十二月進行的調查，莎莎乃最受中國旅客歡迎的香港零售店，而在其二零零四年五月的同類調查，莎莎繼續成為最受中國旅客歡迎的化粧品專門店。國內最暢銷日報之一廣州日報亦向集團頒授「香港優質誠信商號二零零三 / 零四」獎項（個人護理及化粧品組別）。





Outlook

Sa Sa remains deeply committed to its vision for the future: to be the dominant cosmetic retailing and beauty services group in Asia. Looking forward, our approach to achieving this goal is based on the following strategic imperatives.

1. Cosmetic Retail Specialist

Firstly, we aim to strengthen the market positioning of our retail business so that we are seen as a Cosmetic Retail Specialist. Our strategies include the provision of increasingly professional services, strengthening the retail brand recognition of Sa Sa and the overall awareness of our exclusive cosmetic brands in both existing and new markets, gradually converting existing stores to our new and appealing "younger customer" store format, and projecting a clear quality image and reputation for reliability to our customers. As part of this drive, a new TV commercial to promote our updated retail image was launched in May 2004. The Group has also committed to sponsor the Miss Hong Kong Pageant 2004 and Sa Sa stores will be the pageant's official cosmetics specialty store while Sa Sa Beauty+ will act as the official beauty salon.

2. Strong Brand Management

Secondly, Sa Sa aims to strengthen brand management by continuing to introduce a wide variety of brands, promoting continuous improvement of our product mix to support growth, developing closer relationships with our suppliers and further expanding our exclusive distributorship business. We will devote more resources towards the marketing of exclusive brands in order to boost their image and attract and retain more customers. With the assistance of our upgraded operational systems, we can provide our suppliers with more market and sales analysis and therefore more understanding of the market. This will inevitably result in more effective pricing, as well as a better product and marketing mix, subsequently increasing brand awareness and sales. Our new

展望

莎莎對未來發展所訂定下的目標非常明確——銳意成為亞洲地區首要的化粧品零售及美容服務集團。展望未來，集團將會採取下列策略措施，務求達致此目標。

1. 化粧品零售專家

首先，集團銳意加強零售業務的市場定位，成為顧客心目中的化粧品零售專家。集團的策略包括提供日益專業化的服務，加強莎莎的零售品牌知名度以及獨家代理品牌在現有市場及新市場上的整體知名度，逐步將現有店舖換上更吸引年輕顧客的嶄新形象，以及向顧客展示品質至上、穩健可靠的形象。為此，集團亦於二零零四年五月推出全新電視廣告片，推廣旗下零售店舖的全新形象。此外，集團贊助二零零四年香港小姐競選活動，莎莎化粧品店更成為大會指定化粧品專門店，Sa Sa Beauty+則成為大會指定美容護理服務。

2. 優越的品牌管理

第二，莎莎將繼續引進不同種類的品牌，改進貨品組合以促進增長，與供應商建立更緊密關係及進一步拓展獨家經銷業務，藉此加強品牌管理。集團會投入更多資源以加強獨家代理品牌的市場推廣，以提升品牌的形象，招徠及吸引更多顧客。在營運系統提升的協助下，集團能夠向供應商提供更全面的市場和銷售分析，助他們更深入了解市場，因而在訂價方面更為有效，貨品組合與市場推廣亦更為完善，令品牌知名度和銷量獲得提升。新店舖設計概念有助突出個別品牌的形象，有助集團



2004年度香港小姐競選
大會指定專用化粧品專門店
大會指定專用美容護膚服務



store design will help individual brand images to stand out, thereby enhancing the Group's capability to secure more exclusive brands. The Group may also consider acquiring an international brand with a complementary brand positioning and distribution network to strengthen our brand portfolio and forming partnership with other brands to develop the Asian market together.

3. Operational Management and Customer Service

Another of our priorities for the future is the strengthening of our existing operation management systems, including the introduction of a business intelligence system, and an upgrading of the POS system and Customer Relations Management system. Our objective is to improve data analysis as well as operational efficiency and effectiveness, thereby increasing the sales and profitability of stores and e-commerce. We aim to further improve the level of our customer service through more robust operational systems, enhanced training of sales staff and upgraded service monitoring systems.

爭取更多獨家代理品牌。集團並考慮收購品牌定位及分銷網絡對集團有互補作用的國際品牌，藉以加強集團的品牌組合，並與其他品牌結盟，聯合發展亞洲市場。

3. 營運管理及顧客服務

另一項重點是加強集團現有的營運管理系統，包括引進營商資訊系統，並提升銷售點系統及顧客關係管理系統。集團的目標是改進數據分析、營運效率及效益，從而加強店舖及電子商貿的銷售和盈利能力。集團會透過採用更精密的營運系統、更完善的員工培訓和更嚴謹的服務監察系統，進一步提升顧客服務水平。

"How does Sa Sa manage to sell quality products at such competitive prices?"

Sa Sa applies its global sourcing and purchasing capabilities to obtaining the best value products, buying in bulk to increase its bargaining power. A further factor is our excellent long-term relationships with vendors. While we pride ourselves on our ability to offer generous discounts, we also take exceptional care to ensure that everything we sell is genuine and in tip-top condition.

莎莎為什麼能以這樣相宜的價錢，出售如此優質的產品？

莎莎憑藉環球採購專長，得以精選最物有所值的產品，並透過大量購貨而提高議價能力；而我們與供應商保持長期良好關係也是箇中關鍵。我們的優勢不僅是為顧客提供豐厚的折扣優惠，更竭盡所能確保所售的商品皆是正貨，品質上乘。

Q&A





4. Beauty Services

Sa Sa's overall vision is that of a Beauty Specialist serving the all-round beauty needs of our customers by offering comprehensive beauty products and services. To realize this vision, we will continue to strengthen the operational management of our beauty services in order to enhance the level of service as well as business performance. We will introduce more exclusive treatments and equipment to increase our competitiveness, and we will broaden the customer base of Phillip Wain to include male customers.

5. Geographical Expansion

The Group's application for a wholly owned retail license in the PRC (allowed under CEPA rules) is in progress. Such a license will give Sa Sa much greater flexibility in entering the China market. We are now making all the necessary preparatory arrangements and planning for the establishment of future operations in China. Our aim is to foster close working relations with our suppliers in the PRC and to offer alternative channels to department stores, which are now the only distribution channel for most cosmetic brands. As a specialist alternative, Sa Sa has more flexibility in the choice of store locations because of our smaller store size requirements. In the long term, we expect to provide better sales network coverage than any of our competitors. As a first step, we intend to open one or two directly managed prototype stores in major cities of the PRC in 2004.

6. Further Market Share

Finally, we are focusing on gaining further market share in all existing markets.

Hong Kong

Hong Kong is a major beneficiary of the burgeoning Chinese consumer market. The relaxed travel policy for PRC tourists visiting Hong Kong will be further extended in 2004. In addition to the residents of Guangdong province, Shanghai and Beijing, the inhabitants from nine cities of three provinces, Jiangsu, Zhejiang

4. 美容業務

莎莎的整體目標是成為化粧品及美容專家，提供全面的美容產品及服務，迎合顧客各方面的美容需要。為達成此項目標，集團會不斷加強美容護理業務的營運管理，務求提升服務水平及業務表現。集團會引進更多獨家療程及設備以加強競爭力，並會擴大菲力偉的顧客基礎至男士層面。

5. 地域拓展

集團正依據「更緊密經貿安排」所定而申請在中國經營全資零售業務的營業執照。這牌照將可使莎莎在進軍內地市場方面採取更靈活方針。集團現正就日後於國內營業而進行一切所需籌備安排及規劃。集團的目標是與國內供應商建立密切的關係，並提供百貨公司以外的渠道（對大部份化粧品品牌而言，目前百貨公司乃唯一銷售渠道）。作為化粧品專門店，莎莎在店鋪地點選擇方面享有更高靈活性，原因是所需店鋪面積較小。長遠而言，預計集團的銷售網絡覆蓋範圍比任何競爭對手更為廣泛。集團擬於二零零四年內在國內主要城市開設一至兩間直接管理的試點店鋪，作為進軍國內市場的起步。

6. 增加市場佔有率

此外，集團並著眼於增加在各現有市場的佔有率。

香港

香港乃中國消費市場日益壯大的主要受惠者。放寬內地旅客來港政策的範疇將於二零零四年進一步擴大。由二零零四年七月一日起，除廣東省、上海及北京居民外，



and Fujian (altogether a population of 43 million people), will be allowed to travel to Hong Kong from 1st July 2004. In total, 150 million PRC residents will enjoy easier access to Hong Kong under the "Individual Visit Scheme". According to the Hong Kong Tourism Board (HKTB), over eight million PRC tourists have visited Hong Kong since the inception of the "Individual Visit Scheme" policy in July 2003. The HKTB expects PRC tourists to exceed 20 million for the whole of the year 2004.

The projected benefits for retail stores such as Sa Sa are not only in terms of higher numbers. The independent PRC travelers now allowed to enter Hong Kong tend to have higher spending power than group travelers. The acceptance of RMB-denominated credit and debit cards in Hong Kong since 18th January 2004 is also helping to stimulate PRC tourist consumption. The appearance of several more tourist attractions on the horizon over the coming years, including Disneyland, the ASEAN Games, and new casinos in Macau will undoubtedly attract yet more visitors to Hong Kong.

In order to tap this rapidly expanding tourist market, particularly from the PRC, Sa Sa already has 21 stores located in high tourist traffic areas and will continue to open more stores and increase the store size of selected existing stores. We will open two more new stores in tourist areas, one in Mongkok and the other in Causeway Bay, by December 2004. The store in Causeway Bay, with a retail floor area of approximately 5,000 sq. ft., will become the Group's flagship store and the largest cosmetics specialty store in Hong Kong. With the addition of these new stores and the planned expansion of some existing stores, our total retail area in Hong Kong will increase at least 14% by December 2004. We aim to further adjust our product mix to appeal to tourists' needs and to launch effective marketing campaigns and promotions to attract tourists. The Mandarin training of our sales staff and the quality of our customer service will be further enhanced.

江蘇、浙江、福建三省九市（總人口達四千三百萬）的居民亦可來港旅遊。屆時，因「自由行」政策而可獲准來港的內地居民將合共多達一億五千萬。據香港旅遊發展局資料顯示，自二零零三年七月實施「自由行」政策至二零零四年六月，訪港內地旅客已超過八百萬人次。旅遊發展局預計二零零四年全年的內地訪港旅客人數將逾二千萬人次。

對莎莎等零售店而言，上述政策預計帶來的裨益並不限於顧客數目的增長。現時以個人身份來港的內地旅客的消費力一般較團體旅客為高。香港自二零零四年一月十八日起接納人民幣信用卡及扣賬卡，亦有助刺激內地旅客消費。未來數年，隨著區內新增更多旅遊點及大型活動包括迪士尼樂園、東亞運動會及澳門新賭場等，相信將可吸引更多旅客來港。

為了迎合此迅速增長的旅客（特別是中國內地旅客）市場需要，莎莎不單已在旅客眾多的地區設有二十一間店舖，並會增設更多店舖和擴充部份現有店舖的面積。集團將於二零零四年年底前在旅遊區增設兩間新店，一間位於旺角，另一間則在銅鑼灣。銅鑼灣分店面積超過五千平方呎，將成為集團的旗艦店，亦是香港最大化粧品專門店。增設此等新店及擴充部份現有店舖面積的計劃完成後，集團於二零零四年十二月在香港的總零售面積將最少增加百分之十四。集團並將進一步調整貨品組合以迎合旅客需要，並推出具效益的市場推廣和促銷活動以吸引旅客。集團更進一步加強銷售人員的普通話培訓和提升顧客服務質素。



Operations Review

業務回顧



Singapore & Malaysia

Sa Sa's objective in Singapore and Malaysia is to increase market share. We aim to convert more existing stores to the new look to broaden our customer base and strengthen our retail image. We will expand the product range, introduce more exclusive brands, enhance the merchandise mix and bolster our marketing and promotion efforts. We will also continue to adjust the existing store sizes and locations and to build closer relationships with our suppliers.

Taiwan

In Taiwan, we are moving in the same direction. We will focus on strengthening our market positioning and boosting Sa Sa's brand image as well as introducing our new store design, strengthening the product mix and working closer with suppliers. As part of our expansion of the retail network, Sa Sa opened a fourth store in May 2004 in Tao Yuan.

Sasa.com

The Group will continue to increase awareness of Sasa.com and to strengthen marketing in order to further increase penetration in overseas markets and broaden the customer base. Going forward, we will upgrade the operating platform so that it is able to absorb a higher volume of orders, provide greater flexibility and capabilities to cater for a wider variety of customers' preferences and needs. This in turn will enhance customer loyalty and improve sales. In addition, we aim to improve the user-friendliness of the site in order to make the on-line shopping experience more enjoyable.

Employees

As at 31 March 2004, the Group had a total of 1,825 employees. Staff costs for the period under review were HK\$299.5 million. To ensure that the Group is able to attract and retain staff with good performance, remuneration packages are reviewed on a regular basis and performance bonus and share options are offered to

新加坡及馬來西亞

莎莎在星馬地區的目標是提高市場佔有率。集團旗下更多現有店舖將會採用嶄新店舖設計，藉以擴大客戶基礎和提升莎莎的形象。集團將擴大貨品種類，引進更多獨家代理品牌，加強貨品組合以至市場推廣及促銷活動。集團會繼續調整改善現有店舖面積及地點，並與供應商建立更緊密的關係。

台灣

台灣方面亦朝著相同的目標發展。集團將專注於加強莎莎在台灣的市场定位，提升莎莎的品牌形象，同時採用嶄新店舖設計，加強貨品組合，與供應商更緊密合作。為拓展零售網絡，莎莎已於二零零四年五月份在桃園開設第四間店舖。

Sasa.com

集團將不斷提高Sasa.com的知名度和加強推廣，務求提升網站在海外市場的滲透率和擴闊客戶基礎。展望未來，集團將提升網站的運作平台，冀能吸納更多訂單，以便更靈活和迅速迎合不同顧客的喜好和需要，使莎莎更受顧客擁戴和提高銷售額。此外，集團銳意改善網站，使其更方便易用，讓顧客享受更稱心滿意的網上購物服務。

員工

於二零零四年三月三十一日，集團共聘有一千八百二十五名員工，期內的員工成本為二億九千九百五十萬港元。為確保莎莎能夠吸引及挽留表現優秀的員工，集團會定期檢討員工薪酬及福利，並會向所有合



qualified employees. Staff development initiatives were implemented during the year through in-house training programmes and the provision of financial subsidies for external training courses.

資格員工授出表現花紅及購股權。在員工發展方面，集團亦於年內舉辦多項內部培訓課程及資助員工報讀其他外間培訓課程。



"How can Sa Sa achieve such a high standard of customer service?"

為什麼莎莎能提供優質的客戶服務？

• By Creating a Strong Training Team

Our training team is specialized in different training programs. These include product knowledge (with different trainers specialized in skin care, fragrance, make-up products and beauty treatments); skin analysis; make-up training; Mandarin speaking; selling skills; supervisory skills; customer service skills and general management skills.

• 優秀的培訓隊伍

莎莎的培訓隊伍涵蓋專才，負責各方面的培訓課程：包括產品知識（護膚品、香水、化粧品及美容護理等均由不同專業培訓人員負責）；皮膚分析、化粧品技巧、普通話會話、銷售技巧、管理下屬技巧、客戶服務、以及一般管理知識等等。

• Intensive Training

A new beauty consultant receives more than 150 training hours before she becomes a qualified beauty consultant (BC). We also provide continuous training to existing BCs to update their skills and knowledge in all the above categories. Good training is vital for cosmetics retailing because it improves sales and service, enhances the corporate image, professionalism of staff, and the sense of belonging of our employees.

• 培訓嚴謹

在莎莎剛入職的銷售員工，必須接受一百五十小時以上的培訓才可成為正式的美容顧問。而在職的美容顧問也須經常接受培訓，以提升她們各方面的技巧及知識。良好的培訓對化粧品零售業尤為重要，不僅有助改善銷售及服務表現，更可提升企業形象，提高員工專業水平及培養員工對公司的歸屬感。

• Knowledge of the Market and Customer

The cosmetic retailing industry changes very rapidly, always catching up with new trends and the evolving needs of customers. Therefore, our staff need to be updated frequently. In addition, our sales staff act as personal consultants to customers for their beauty needs. They require an in-depth knowledge of both products and customer requirements in order to provide tailor-made beauty advice.

• 了解市場及顧客的需要

化粧品零售業瞬息萬變，除了要緊貼潮流外，亦要迎合顧客各式各樣的需要。因此集團的員工必須擁有最新有關的知識及才能。莎莎旗下的專業售貨員都是顧客的私人美容顧問，因此對每樣貨品都必須非常熟悉，明瞭顧客的需要，從而提供最切合個人需要的美容建議。

• Building Loyalty

We aim at providing a service to customers, not only at selling products. Our mission is to convert more and more buyers of our products and services into loyal customers. We therefore monitor our services very closely and strengthen our service-oriented culture through various internal programmes and through participation in external monitoring schemes such as mystery shoppers programmes.

• 建立穩健客戶基礎

我們致力為顧客提供完善的服務，不會單以售賣貨品為目的。莎莎的經營理念是令更多使用莎莎產品及服務的客人成為我們的忠實顧客。因此，我們一直密切監察我們的服務水平，並通過各種內部培訓及參與外間的服務監察計劃，例如「神秘顧客」計劃等，積極鞏固以服務為本的企業文化及提升服務水平。

• Gaining Recognition

Sa Sa stores as well as La Colline specialty store have been awarded the "Quality Tourism Services" certificate by the Hong Kong Tourism Board. This scheme honours tourism service providers judged to have achieved excellent quality in the areas of environment, products, processes, people and systems.

• 贏取業界認同

莎莎化粧品及La Colline專門店皆榮獲香港旅遊發展局頒發「優質旅遊服務」認證，標誌著我們作為旅遊服務業的成員，在環境、產品、工作流程、人才及系統方面皆表現卓越。

Q&A

