

Interim Results

For the six months ended 30 September 2010, the Group's consolidated turnover amounted to HK\$2,099.2 million, representing an increase of 19.0% from HK\$1,764.6 million in the same period last year. Turnover in all markets and business units continued to improve. The Group's profit for the period was HK\$176.3 million, representing an increase of 42.3% from HK\$123.9 million in the same period last year. The overall gross profit margin of our retail and wholesale businesses increased to 45.0% from 43.9% last year.

Basic earnings per share amounted to 12.7 HK cents as compared to 9.0 HK cents for the previous year. The Board resolved to declare an interim dividend of 3.0 HK cents (2009: 3.0 HK cents) per share and a special dividend of 6.0 HK cents (2009: 6.0 HK cents) per share.

中期業績

截至2010年9月30日止6個月，集團綜合營業額為20億9,920萬港元，較去年同期錄得的17億6,460萬港元上升19.0%。各市場及業務單位的營業額均續見提升。集團期內溢利增至1億7,630萬港元，較去年同期的1億2,390萬港元增長42.3%。集團零售及批發業務的整體毛利率由去年的43.9%提升至45.0%。

集團每股基本盈利為12.7港仙，上一財政年度為9.0港仙。董事會經議決派發中期股息每股3.0港仙(2009年度：3.0港仙)與特別股息每股6.0港仙(2009年度：6.0港仙)。

Market Overview

Asia continued to be a major driver of world growth in 2010, supported by the robust performance of Mainland China and many other Asian economies. Hong Kong maintained its broad-based economic recovery in the second and third quarter of 2010, and our strategic markets in Singapore, Malaysia and Taiwan also benefited from the strong growth momentum in the region.

Several factors stimulated the performance of our retail business in Hong Kong. Among these was the weakening of the US dollar, to which the HK dollar is pegged, making our products cheaper for visitors from non-US dollar based countries and Mainland China. Both consumer confidence and the labour market continued to improve against a background of 7.2% overall growth in GDP in the first half of 2010. The robust performance of inbound tourism was also highly supportive of the retail market in Hong Kong. Overall visitor arrivals increased by about 30.0% during the period as compared to the previous year, as did the number of Mainland visitors. Buoyant stock and property markets also helped strengthen consumer sentiment. For the period from 1 January to 30 September 2010, total retail sales in the Hong Kong market increased by 17.9%, and that of cosmetics and medicine increased by 16.2% over the same period in the previous year.

市場概覽

有賴中國大陸以及多個亞洲國家表現穩健，亞洲仍是推動2010年全球經濟增長的主要力量。香港於2010年第二及第三季維持廣泛經濟復甦，集團旗下星馬及台灣地區3個市場亦受惠於區內充沛的增長動力。

多項因素帶動集團香港零售業務的表現，其中包括與港元掛鈎的美元偏軟，令集團貨品價格對來自非美元本位國家的旅客及中國大陸旅客更形低廉。在2010年上半年本地生產總值錄得7.2%整體增長形勢下，消費信心及勞工市場均續見改善。訪港旅客絡繹不絕，亦對本港零售市道大有裨益。期內整體訪港旅客人次較去年同期增加約30.0%，中國大陸旅客人次增長亦然。股市及樓市暢旺亦有助提高消費意欲。2010年1月1日至9月30日期間，本港零售銷售貨值較去年同期上升17.9%，其中藥物及化粧品銷售上升了16.2%。

Operations Review

Retail and Wholesale Business

Hong Kong and Macau

Turnover in Hong Kong and Macau rose by 17.5% to HK\$1,629.4 million for the six months ended 30 September 2010, with same store sales increasing by 9.3%. The increase in turnover was mainly driven by strong revenue growth from Mainland tourists as well as tourists from overseas. Sales to local residents in Hong Kong and Macau also rose. The weakening US dollar made the price of cosmetic products here even more appealing for tourists during this period. Turnover was also driven by growth in both the number of transactions and the average value of each transaction.

New products drove the sales increase of own-branded products. Strong new own-branded products and focused marketing led to an improvement in sales mix, enhancing the gross profit margin of our retail and wholesale business in Hong Kong and Macau, which rose from 43.7% to 45.0%. This enhanced gross profit margin more than offset the increase in rental costs as a percentage of sales. We maintained our improvement in inventory management and added two new “Sasa” stores during the period. As at 30 September 2010, there were 72 “Sasa” stores (including nine in Macau), one Suisse Programme standalone store and one La Colline standalone store.

Mainland China

In Mainland China, we are switching our strategic priority from time to breakeven to that of faster network expansion. Our next stage of development requires more expertise in the Mainland market, more commitment of resources and time, more drive in terms of strategy and more diligence in terms of implementation. These requirements have necessitated certain changes in our business plan, which resulted in short-term under-performance in sales during the period.

業務回顧

零售及批發業務

香港及澳門

截至2010年9月30日止6個月，港澳地區營業額上升17.5%，達16億2,940萬港元，同店營業額則增長9.3%。營業額上升主要由於來自中國大陸旅客及海外旅客的收入大幅增長。港澳居民的銷售額亦見上升。美元偏軟令期內的港澳化粧品價格對旅客而言更具吸引力。營業額增長由交易宗數及平均交易金額均有增長而帶動。

新產品推動專有品牌貨品銷售額上升。新增專有品牌貨品具吸引力，加上市場推廣力度更集中，都令貨品銷售組合有所改善，港澳地區零售及批發業務毛利率由43.7%提升至45.0%。毛利率增加，抵銷了租金開支所佔銷售額百分比上升的影響有餘。期內集團的存貨管理續見改善，並增設2間「莎莎」新店。於2010年9月30日，集團共有72間「莎莎」店舖（其中9間位於澳門），另有1間「瑞士葆麗美」Suisse Programme專門店與1間「科麗妍」La Colline專門店。

中國大陸

中國大陸方面，集團策略的首要重點將從達至收支平衡轉為加快拓展銷售網絡。集團於下一發展階段，必須對中國市場具備更豐富的專業知識，投入更多資源及時間，在策略上有更大推動力，執行方面亦需更積極。集團已就此等需要調整該市場的某些業務計劃，以致期內銷售額於短時期表現略為遜色。

The Group's Mainland China business recorded turnover growth of 42.1% to HK\$60.0 million. The loss continued to be under control. We added two new "Sasa" stores, one in Tianjin and one in Shanghai, and added one Suisse Programme counter to the network.

During the period, we focused on building a stronger platform for future turnover growth and same-store sales growth in areas such as management planning, human resources, information technology, and more efficient store operation. Proactive measures include better store location with higher productivity, broadening the product range, improving the overall product offerings, increasing the number of new products, enhancing inventory management and category management, and strengthening promotions planning.

A new retail ERP and Business Intelligence system will be launched in the second half of the year to provide scalability. The new system operates in a real-time, centralised environment and combines the functions of Point of Sale (POS), merchandising, auto replenishment, customer relationship management and business intelligence. We are also strengthening recruitment and staff training in a more systematic manner, with regional training backed up by central planning and coordination.

As at 30 September 2010, there were 19 "Sasa" stores and 19 Suisse Programme counters in the Mainland market.

期內集團於中國大陸的營業額增長42.1%至6,000萬港元，虧損繼續受控。年內集團網絡增添2間「莎莎」新店（天津及上海各1間），並增設1個「瑞士葆麗美」Suisse Programme專櫃。

期內集團著重於管理規劃、人力資源、資訊科技及提升店舖營運效率等方面建立更穩固基礎，以推動未來營業額增長及同店銷售額增長。積極推行的措施包括挑選銷售效益更高的店址、擴大貨品種類、改善整體貨品組合、增加新產品數目、加強存貨管理及產品類別管理，以及加強市場推廣策劃。

集團將於下半年採用嶄新資源管理及商業智能系統，以提供應付未來業務擴充的平台。新系統實時運作，並由中央管理，將銷售終端機、採購、自動存貨補充、客戶關係管理及商業智能分析功能集於一身。此外，集團正透過中央統籌及部署區域性培訓計劃，以更有系統的方法加強招聘及員工培訓。

於2010年9月30日，集團於中國大陸設有19間「莎莎」店舖及19個「瑞士葆麗美」Suisse Programme專櫃。



Management Discussion & Analysis 管理層討論及分析

Singapore and Malaysia

Our core business strategy for the Singapore and Malaysia market continues to focus on providing enhanced service to Sa Sa's customers, cooperation with beauty brands and strengthening our network. In the first half of the fiscal year, the combined turnover for our Singapore and Malaysia operations was HK\$196.0 million. Both markets achieved steady growth in both turnover and profit.

Boosted by the economic recovery in Singapore, as well as a revival in tourist arrivals and improved consumer confidence, the retail sector enjoyed positive growth from the first quarter of 2010 onwards. Turnover for the Singapore market grew by 23.6% to HK\$93.9 million while same store growth increased to 5.2%. Higher profit contribution was generated than in the same period last year.

We broadened the product range and added new product categories. This helped expand the customer base and increase the number of transactions. We also introduced more frequent and effective new product launches and enhanced the management of our overall product offerings. In particular, we strengthened the relationship with our suppliers to bolster product launch management, the overall product mix and the sales growth potential of our products. As at 30 September 2010, the total number of "Sasa" stores in Singapore was 18.

Turnover of our Malaysia operations rose 27.2% to HK\$102.1 million, and same store growth reached 5.3%. Improvement in product launches, product mix and product management resulted in a rise in profitability. Own-branded products, particularly new products, performed well. As in Singapore, we strengthened our relationships with suppliers and broadened our product offerings to increase their appeal to different customer segments.

新加坡及馬來西亞

集團在星馬市場的核心業務策略仍是著重於向莎莎顧客提供更佳服務，並與各化粧品品牌通力合作及加強店舖網絡。集團於本財政年度上半年的星馬業務綜合營業額為1億9,600萬港元。兩地市場的營業額和溢利均穩步增長。

新加坡經濟復甦，旅客人次回升，消費信心亦見改善，當地整體零售業由2010年第一季起錄得穩健增長。期內莎莎新加坡市場營業額增長23.6%至9,390萬港元，同店銷售額上升至5.2%，溢利貢獻亦較去年同期增加。

期內集團擴大貨品種類，並增添新貨品類別。此舉有助拓展客戶基礎，提高交易宗數。集團並更頻密舉行更有效的新品發佈，加強整體貨品組合管理。集團亦加強與供應商的關係以鞏固新品發佈管理、整體貨品組合與貨品的銷售增長潛力。於2010年9月30日，集團於新加坡共有18間「莎莎」店舖。

期內，馬來西亞市場營業額增加27.2%至1億210萬港元，同店銷售額增長達5.3%。新品發佈、產品組合與產品管理改善，有助提升盈利能力。專有品牌貨品(尤其是新產品)表現不俗。一如新加坡，集團加強與供應商關係，並擴大貨品組合，務求吸引更多不同類型的顧客。

Through continuous efforts to build the profile of “Sa Sa” and its exclusive brands, as well as through strengthened marketing activities, we continued to improve our market status and consumer recognition. Among the many concerted initiatives we undertook, we sponsored various large-scale public relations and marketing events together with influential media in Malaysia. We also increased brand building and advertising efforts for our own-brands, added new elements to our marketing and promotional mechanics such as social networks, and devised more coordinated and integrated marketing campaigns for new product launches. This helped us increase our gross profit margin and our penetration into new market segments.

Three new stores were added to our portfolio. As at 30 September 2010, the number of “Sasa” stores in Malaysia stood at 33.

Taiwan

Turnover in the Group’s Taiwan business increased by 13.1% to HK\$77.0 million during the first six months of the fiscal year, same store sales rose 1.2% and the loss continued to narrow. Against a background of buoyant consumer sentiment, in particular in the second quarter, we enhanced our sales mix, broadened the product range and added new product categories such as beauty supplements. The result was a rise in profitability. We also strengthened our relationship with suppliers and improved our overall product offering.

通過不斷努力建立「莎莎」及其獨家銷售品牌的形象，以及透過加強市場推廣活動，集團繼續提升市場地位及消費者認同。集團推行多項合作計劃包括與馬來西亞具影響力的媒體聯合贊助多項大型公關及市場推廣活動。集團並加強旗下專有品牌的品牌建立與宣傳推廣，為各項市場推廣及促銷渠道注入新元素（例如社交網絡），並為新產品發佈策劃更多綜合性而全面的市場推廣活動。此舉有助提升集團毛利率及於新顧客群的滲透率。

期內集團增設3間新店舖。於2010年9月30日，集團於馬來西亞共有33間「莎莎」店舖。

台灣地區

集團於本財政年度首6個月，台灣地區業務營業額上升13.1%，達7,700萬港元，同店銷售增長為1.2%，虧損持續收窄。期內消費意欲大幅改善（特別是第二季），集團加強銷售組合、擴大貨品種類，並引入新貨品類別（例如美容營養食品），有助提升盈利能力。集團亦通過加強與供應商的關係，改善整體貨品組合。



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The attractiveness and high quality of our new own-branded products helped increase traffic and secure repeat purchases. We enhanced the depth and breath of our marketing activities by employing more marketing channels, making them more cost-effective and maintaining cautious cost controls. In the interests of operation efficiency, we moved our offices and warehouse to a location that could better support our expanding operations. Overall, Sa Sa continued to be the dominant retailer of fragrances in Taiwan.

As at 30 September 2010, there were 15 “Sasa” stores and two Suisse Programme counters in Taiwan.

E-commerce – sasa.com

Turnover for sasa.com amounted to HK\$136.7 million, representing an increase of 22.2% over the corresponding period of the previous fiscal year.

Performance of sasa.com for the period was affected by the changes in the customs regulations for mailed products in the Mainland China market. During the period under review, we worked towards a more diversified market mix. We continued to monitor the lowering of the import duty exemption limit by the Mainland China Customs and its effects on the market. Among new measures being considered are an increase in the sales mix of non-US dollar denominated markets and the opening of an online store in Mainland China.

集團專有品牌的新貨品具吸引力且質素優良，有助加強店鋪人流和吸引顧客重覆惠顧。集團採用更多市場推廣渠道以加強市場推廣活動的深度及接觸面，令該等活動更具成本效益，並維持審慎成本控制。集團為了提升營運效率而將辦事處及倉庫遷往同一地點，為業務拓展提供更佳支援。整體而言，莎莎仍是台灣地區舉足輕重的香水零售商。

於2010年9月30日，集團於台灣地區共有15間「莎莎」店鋪及2個「瑞士葆麗美」Suisse Programme專櫃。

電子商貿 – sasa.com

期內sasa.com營業額為1億3,670萬港元，較上一財政年度同期上升22.2%。

期內sasa.com的表現受到中國大陸市場更改郵寄物品入口規例影響。集團於期內的業務重點是令市場組合更多元化。集團會繼續留意中國大陸海關降低郵寄物品關稅免稅額的措施及其對市場的影響，現正考慮採取的應對措施包括加強非美元貨幣市場的銷售比重，以及在中國大陸當地開設網上商店。

As part of our aim to broaden our e-commerce reach to drive traffic and generate more effective promotional efforts, TVBS, a Taiwanese TV channel, granted us permission to reproduce the content of a popular Beauty TV programme, W Queen (女人我最大). We also obtained permission from W Queen magazine (女人我最大) to use the magazine's materials to enrich the content of our website.

To understand more about our customers' needs and preferences, we continued to improve customer relationship management and devise more targeted and cost-effective marketing initiatives, thereby enhancing customer loyalty and encouraging repeat purchases. sasa.com's enhanced online shopping experience includes refined product searches, improved user interface and enriched content.

During the period under review, orders from repeat customers increased by 14.7% while the number of transactions from new customers increased by 7.4%.

In the "Global Netpreneur Award 2010" jointly organised by the Alibaba Group, China Electronic Commerce Association and Hangzhou Municipal Government in the PRC, sasa.com is among the "Top 30 Best Global Online B2C Retailers 2010", in recognition of its outstanding performance in innovation, credibility, social responsibility and globalization.

為擴大集團電子商貿接觸層面以提升瀏覽率，並加強推廣活動的效益，莎莎獲台灣電視頻道TVBS授權轉載《女人我最大》電視節目的內容。集團亦獲《女人我最大》雜誌授權使用雜誌內容，令網站內容更豐富。

為求更瞭解顧客需要及喜好，集團繼續改善客戶關係管理，設計更多目標明確兼具成本效益的市場推廣活動，從而加強顧客忠誠度，鼓勵顧客重覆惠顧。sasa.com提升網上購物體驗的措施包括更精確的貨品搜尋、優化用戶介面及加強內容。

期內重覆惠顧客戶訂單增加14.7%，來自新客戶的交易宗數則增加7.4%。

sasa.com在阿里巴巴集團、中國電子商務協會及中國杭州市政府合辦的「2010全球網商評選」中，獲選為「2010年全球30佳網商」，表揚sasa.com在創新、公信力、社會責任及全球化方面的傑出表現。



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Brand Management

The Group's sales of own-label and exclusively distributed products increased by 23.9%, contributing 39.4% of the Group's total retail sales as compared to 37.6% for the same period last year. In terms of product development and purchasing, we continued to systematically target different customer segments and offer a variety of product concepts and pricing. In addition, we maintained our close attention to market trends by launching trendy and timely new exclusive products catering to different customers. The good word-of-mouth these new products gained, along with effective marketing, drove the strong sales growth of our exclusive products and increased the gross profit margin. We will continue our diversification strategy in the product categories as well as our emphasis on broadening our appeal to more market segments.

Outlook

The Asian economy continues to strengthen. Asian markets including Hong Kong, Macau and Taiwan, are seeing continuous expansion led by a vigorous Chinese economy. The robust consumption-led growth in Mainland China, the wealth effect resulting from asset appreciation, the broadening of customer segments driven by the rise of the middle class, and the weakening US dollar will benefit the retail market in Hong Kong and Macau.

The Group is well placed to benefit from this improving economic environment. The Hong Kong government forecasts that GDP for 2010 will expand by 6.5% in real terms. We will continue to invest in the expansion of our core markets and those with promising prospects. Barring major unforeseen circumstances, the Group has confidence in Sa Sa's growth prospects for the second half of this fiscal year as well as for the long-term future.

品牌管理

期內集團專有品牌及獨家貨品銷售額增加23.9%，佔集團總零售銷售額39.4%，去年同期則為37.6%。在產品開發及採購方面，集團繼續以有系統方式照顧不同顧客需要，提供多元化的產品概念及不同價位的產品。此外，集團密切留意市場趨勢，為不同類型顧客引入帶領潮流及趨時的獨家新貨品。此等新貨品口碑良好，加上市場推廣卓見成效，推動獨家貨品銷售額增長，提升毛利率。集團將繼續採取貨品類別多元化的策略，著重加強對更多不同顧客群的吸引力。

展望

亞洲經濟繼續壯大。在中國經濟欣欣向榮帶動下，亞洲市場(包括香港、澳門及台灣地區)均持續擴展。中國大陸在強勁的消費帶動下蓬勃增長，資產升值造成財富效應，中產階級崛起推動顧客層面擴大，以及美元疲弱，均有利於港澳地區的零售市道。

集團可受惠於經濟形勢漸入佳境。香港政府預測2010年的實質本地生產總值將會增長6.5%。集團將繼續投資拓展核心市場與前景樂觀的市場。若無重大不可預見的情況，集團對於本財政年度下半年及長遠未來的增長前景同樣充滿信心。

Hong Kong and Macau

We believe that the steady economic growth of Mainland China and the strong growth momentum in Mainland tourist arrivals will continue to bolster the retail market of Hong Kong and Macau in the second half of the fiscal year. That said, the growth rate may be slightly lower than the six months to 30 September, a period that was flattered by a relatively low base in the previous year.

The Group will strive to continue our store opening strategy in order to achieve a more balanced store network in both residential and tourist areas. We will also maintain our focus on improving our exclusive brand portfolio, category management and product mapping of our own-branded products to enhance the sales mix; and therefore the gross profit margin. An improved gross profit margin will help address rental pressure and to ensure that rental costs are kept under control.

Mainland China

Our number one priority in the Mainland China is to accelerate our network expansion. To support this strategy, we will increase the allocation of resources and enhance our product offerings. We will also take a more proactive approach to seek out sites with high traffic and high productivity. So far we have two 'clusters' of sites with separate management teams. We will open more stores in existing cities to increase market penetration, and enter into new cities within the existing 'clusters' of stores. Overall, three more 'clusters' will be added to provide five independent engines of growth.

香港及澳門

集團相信，中國經濟穩步增長和大陸訪港旅客增長動力充沛，均會繼續帶動本財政年度下半年港澳零售市道。雖然如此，由於回顧期內的增長率受去年同期基數相對低企的影響而獲彰顯，增長率於本財政年度下半年或會較上半年低。

有見及此，集團將繼續貫徹其開店策略，令店舖網絡於住宅區與遊客區兩者間有更均衡發展。集團並繼續集中優化獨家品牌組合、產品類別管理及專有品牌貨品的發展路向，以加強銷售組合及毛利率。毛利率提升將有助解決租金壓力，確保租金開支受控。

中國大陸

集團於中國的首要任務是加快拓展網絡。集團將會增撥資源，加強貨品組合，藉以支持此項策略。集團並會以更進取態度去物色人流暢旺兼具高銷售效益的店址。迄今集團擁有2個店舖營運區域，由不同管理團隊管理。集團將於現有城市開設更多店舖以提升市場滲透率，並在現有店舖營運區域內進駐更多新城市。整體而言，集團將增設3個營運區域，以提供5個獨立增長動力來源。



Management Discussion & Analysis 管理層討論及分析

In terms of sourcing, we will tune our product mix in accordance with the climate, culture, customer spending patterns and market trends in different cities. While building our product sourcing and product development capabilities, we will establish separate teams for store management and store expansion, as well as separate teams for multi-brand “Sasa” stores and for department store counters. However, we will also standardise policy, procedures and implementation of systems to enable scalability.

Store sales productivity will be enhanced through improved product offerings, more attractive shop images and product display, higher service standards, and heightened monitoring and management.

We believe that to build a solid platform to facilitate our business expansion, we must focus on managing the shortage of retail management talents. We will strengthen training in terms of scalability and structure, and we will broaden the scope of training to support a large frontline base. We will also reinforce our brand equity by improved use of existing “Sasa” stores as a means of communicating the Sa Sa brand equity to vendors, staff and customers. At the same time, we will intensify our marketing efforts to capture the buoyant Mainland China market.

We have invited Mr Tan Wee Seng to join the Group as a non-executive director and also as a consultant for the strategic review and restructuring of Sa Sa’s business in the Mainland China. Mr Tan is a former chief financial officer and executive director of Li Ning Company Limited and has extensive experience in Mainland China retail business. We are confident that he will help strengthen our understanding of the Mainland market while providing invaluable input to our strategic development plans for this promising market.

採購方面，集團將因應不同城市的氣候、文化、顧客消費模式及市場趨勢來調整貨品組合。在加強貨品採購與產品開發能力外，集團並會為店舖管理及店舖網絡拓展各自設立管理團隊，並分別為銷售多品牌的「莎莎」店舖及百貨公司專櫃設立專責團隊。然而，集團會統一所有政策、程序及系統，以配合未來大規模的發展需要。

集團將會改進貨品組合、加強店舖形象與貨品陳列的吸引力、提高服務水平及加強監控及管理，藉以提升店舖銷售效益。

集團相信，為了建立穩固基礎以加快業務拓展，集團必須著眼於應付零售管理專才短缺的挑戰。集團將加強培訓功能，包括擴展培訓平台及架構，擴大培訓範圍，以支持龐大的前線銷售團隊。集團亦會透過現有的「莎莎」店舖向供應商、員工及顧客加強莎莎的品牌效應。與此同時，集團將會加強市場推廣力度，把握發展蓬勃的中國大陸市場所造就的機會。

集團邀得陳偉成先生加盟，出任非執行董事，並擔任顧問協助莎莎中國大陸業務的策略檢討及重組。陳偉成先生為李寧有限公司前首席財務官及執行董事，於中國大陸零售業務積累豐富經驗。管理層有信心陳氏有助加強集團對中國大陸市場的了解，並為莎莎在此潛力無限的市場的各項策略發展計劃提出寶貴意見。

Other Markets

Barring major disruptions to the economies of our other markets, retail sales are likely to continue to grow for the rest of the year. In Singapore, the massive injection of new retail space that began in 2009 will continue well beyond the current fiscal year. This will not only provide more network expansion opportunities but also make the retail landscape more competitive. We will continue to expand our retail network in the island state to increase market penetration and tap market growth opportunities.

In Malaysia, we will continue to leverage on Sa Sa's increasing market status and strong brand equity to achieve further sales growth and increase market penetration. In Taiwan, we expect consumer sentiment to continue to improve on the back of a stable political climate and the resurgence of Taiwan's economy. We will also closely monitor the development of the Individual Visit Scheme for Mainland tourists in Taiwan, and if appropriate, prepare measures to respond to this potential new demand.

Overall, in these three markets, we aim to enhance the recognition of the "Sa Sa" brand as well as our exclusive brands in order to sharpen our competitiveness. By strengthening marketing initiatives to broaden our customer base, continuing to improve our product mix and working more closely with suppliers, we will continue to build a stable platform to support future growth, which will in turn enhance these markets' contribution to the Group.

In our online business, we will continue our drive for diversification of markets and work more closely with various beauty brands and online partners.

其他市場

倘若集團其他市場的經濟並無出現重大負面事故，於本財政年度下半年的零售銷售額料可繼續增長。新加坡方面，本財政年度仍然會出現自2009年起新零售舖位大增的情況。此種情況不單為集團提供更多店舖網絡拓展機會，但亦會令零售市場競爭變得更激烈。集團將繼續拓展新加坡的零售網絡，以加強市場滲透率，把握市場上的增長良機。

馬來西亞方面，集團將繼續借助莎莎日益提升的市場地位及逐漸強大的品牌認知度，進一步達致銷售額增長及提升市場滲透率。台灣地區方面，在政治情況穩定及台灣經濟復甦支持下，消費意欲料將續見改善。集團會密切留意大陸旅客赴台個人遊計劃的進展，及制訂適當措施以回應此項潛在的新需求。

整體而言，集團銳意在這3個市場加強「莎莎」品牌及旗下獨家銷售品牌的認同，務求提升競爭力。透過加強市場推廣力度以擴大客戶基礎，不斷改進貨品組合，並與供應商更緊密合作，集團將繼續建立穩固基礎以支持未來增長，從而提升這3個市場對集團的貢獻。

網上業務方面，集團將繼續推動市場組合多元化發展，並與各大化粧品品牌及網上夥伴緊密合作。

Conclusion

The buoyant Asian economic environment, the increase in travel and tourism, and the upsurge in consumer confidence, all give us reason to believe that the upcoming period will be favourable for the continuing growth of our business. The soundness of our financial platform, the flexibility and forward vision of our management, and the consistency and resilience of our performance, have enabled us to continue broadening our customer base while developing the potential both of our core Hong Kong and Macau markets, and of our Mainland China and other markets. We are confident that Sa Sa will continue to deliver sustained growth for the rest of the fiscal year and beyond.

Human Resources

As at 30 September 2010, the Group had a total of 3,172 employees. Staff costs for the period under review were HK\$296.7 million. To ensure that the Group is able to attract and retain staff capable of attaining the best performance levels, remuneration packages are reviewed on a regular basis. Performance bonus and share options are then offered to qualified employees. A performance-based element is included in the annual discretionary bonus for all staff as well as in share options for supervisory and managerial staff. The Group places strong emphasis on staff training and development in order to realise the full potential of our employees. In addition to supporting the graduate trainee programme, various staff development initiatives were implemented during the period through in-house and external training programmes. Financial subsidies for further studies in related fields were also provided to qualified employees.

結語

亞洲經濟欣欣向榮，旅客往來及旅遊業發展蓬勃，加上消費信心高漲，都令我們相信下半年集團業務將繼續增長。集團財政基礎穩健，管理層靈活應變並高瞻遠矚，業務表現穩定，抗逆力強，令集團能夠不斷擴大客戶基礎，同時發掘香港及澳門核心市場以及中國大陸與其他市場的潛力來拓展業務。集團有信心莎莎可在本財政年度及以後締造持續增長。

人力資源

於2010年9月30日，集團共聘有3,172名員工。期內的員工成本為2億9,670萬港元。為確保莎莎能夠吸引及保留表現優秀的員工，集團定期檢討員工薪酬及福利，並向所有合資格員工授予表現花紅及購股權。集團在向全體員工發放全年花紅、以及向主管級及管理人員授予購股權時，均會考慮有關人員的表現。集團極之重視員工培訓和發展，務求發揮員工的潛能。除設立大學畢業生見習計劃外，期內集團更推行各種員工發展計劃，包括舉辦內部培訓課程及提供外間培訓課程，並為合資格員工在相關範疇繼續進修而提供資助。

Financial Review

Capital Resources and Liquidity

As at 30 September 2010, the Group's total equity funds were HK\$1,121.5 million including reserves of HK\$981.9 million. The Group continued to maintain a strong financial position with cash and bank balances of HK\$502.7 million. The Group's working capital was HK\$857.0 million. Based on the Group's steady cash inflow from operations and coupled with its existing cash and bank facilities, the Group has adequate financial resources to fund its future expansion.

During the period, the majority of the Group's cash and bank balances was in Hong Kong or U.S. dollars and deposited in leading banks with maturity dates falling within one year. This is in line with the Group's treasury policy to maintain liquidity of its funds and continue to contribute a stable yield to the Group.

Financial Position

Subsequent to the payment of final and special dividends, total funds employed (representing total equity) as at 30 September 2010 were HK\$1,121.5 million, which represented a 5.3% decrease over the total funds employed of HK\$1,184.8 million as at 31 March 2010.

The gearing ratio, defined as the ratio of total loans less cash and bank balances to total assets, was nil as at 30 September 2010 and 31 March 2010.

財務概況

資本及流動資金

於2010年9月30日，本集團權益持有人權益總額為11億2,150萬港元，其中包括9億8,190萬港元之儲備金。本集團繼續維持穩健財務狀況，現金及銀行結存累積達5億270萬港元，本集團營運資金為8億5,700萬港元。基於本集團有穩定的經營業務現金流入，加上現時手持之現金及銀行信貸，本集團掌握充裕財務資源以應付未來發展。

於期內，本集團大部分現金及銀行結存均為港幣或美元，並以一年內到期之存款存放於數間大銀行。此與本集團維持其資金之流動性之庫務政策相符，並將繼續對本集團帶來穩定收益。

財務狀況

於派發末期及特別股息後，2010年9月30日之運用資金總額（等同權益總額）為11億2,150萬港元，較2010年3月31日之11億8,480萬港元運用資金總額下降5.3%。

本集團於2010年9月30日及2010年3月31日之槓桿比率均為零。槓桿比率為總負債減去現金及銀行結存後與總資產之比例。

Treasury Policies

It is the Group's treasury management policy not to engage in any highly leveraged or speculative derivative products. In this respect, the Group continued to adopt a conservative approach to financial risk management with no significant borrowing during the period. Most of the assets, receipts and payments of the Group are denominated either in Hong Kong or U.S. dollars. Due to the volatility of the foreign exchange market and the potential downside exposure arising from the forward foreign exchange contracts, the Group minimised its non U.S. dollar foreign exchange exposure by way of buying against order at spot and maintaining no long position. These hedging policies are regularly reviewed by the Group.

Charge on Group Asset

As at 30 September 2010, no Group asset was under charge to a financial institution.

Contingent Liabilities

The Group had no significant contingent liability as at 30 September 2010.

Capital Commitments

As at 30 September 2010, the Group had total capital commitments in respect of acquisition of property, plant and equipment of HK\$75.5 million.

庫務政策

本集團之理財政策是不參與高風險之投資或投機性衍生工具。期內，本集團於財務風險管理方面繼續維持審慎態度，並無銀行借貸。本集團大部分資產、收款及付款均以港幣或美元計值。由於外匯市場之波幅及遠期外匯合約潛在損失之風險，本集團以即時對沖方式減低其非美元外幣風險，且不維持長倉。本集團會定期檢討對沖政策。

本集團資產之抵押

於2010年9月30日，本集團並無資產於財務機構作抵押。

或然負債

本集團於2010年9月30日並無重大或然負債。

資本承擔

於2010年9月30日，本集團於購買物業、機器及設備有資本承擔合共7,550萬港元。