

Managing Director's Message 董事總經理報告



“ We will continue striving to identify and capitalize on lucrative business opportunities that can create synergies with our existing core retailing activities. Our ultimate objective is to reinforce our position as a leading lifestyle business operator in the Greater China Region. 我們將繼續努力物色及善用有利商機，為我們現有核心零售業務帶來協同效應，以鞏固本集團作為大中華區領先的生活時尚業務營運商的翹楚。 ”

LAU Luen-hung, Thomas

Managing Director

劉鑾鴻

董事總經理

The year 2004 saw the Group make encouraging progress on all fronts. For the year ended 31st December, 2004, the Group had achieved respective increases of 21.5%, 23.4% and 60.7% in sales proceeds, turnover and net profits as measured against the previous financial year.

In order to share the benefits of these fruitful results with shareholders, the Board has recommended the payment of a final dividend of HK cents 20.7 (including a special dividend of HK cents 8.6).

A Year of Impressive Growth and Achievement

The Group enjoyed impressive growth during the year under review. The continuing recovery of Hong Kong's economy during 2004 was a major factor leading to the significant improvement of both our sales and market share. The growing influx of newly affluent tourists from Mainland China following the Chinese Government's relaxation of travel restrictions further enhanced the Group's year-on-year profitability.

In addition to last April's successful IPO, the year just ended was notable for several key developments. They included the 29th September, 2004 Grand Opening of Jiu Guang in Shanghai and the 10th December, 2004 soft opening of the SOGO CLUB and SOGO BOOK CLUB in Causeway Bay, Hong Kong.

A Success Built on Proven Growth Strategies and Drivers

The Group's solid performance during the year 2004, yet again underlined the success of the Group's unique hybrid of Hong Kong and Japanese entrepreneurial flair. An unwavering focus on constantly upgrading customer choices and service quality, supported by strong sales and creative marketing initiatives will remain our operational bedrock for the foreseeable future.

本集團於二零零四年在各方面均錄得令人鼓舞的增長。截至二零零四年十二月三十一日止年度，本集團於銷售所得款、營業額及純利各方面均分別較上一個財政年度增長21.5%、23.4%及60.7%。

為與股東分享此等佳績，董事局建議派付末期股息20.7港仙（當中包括特別股息8.6港仙）。

增長可觀與成績卓著的一年

於回顧年度，本集團均錄得可觀增長。於二零零四年，香港經濟持續復甦，此乃導致本集團銷售額與市場佔有率有著顯著改善之主要因素。自中國政府放寬旅遊限制後，來自中國內地的新增富裕旅客數目與日俱增，進一步令本集團盈利能力較去年提高。

除於去年四月成功上市外，回顧年內本集團於多方面均取得重要進展，包括久光於二零零四年九月二十九日於上海正式隆重開業以及位於香港銅鑼灣之SOGO CLUB及SOGO BOOK CLUB於二零零四年十二月十日起試營業。

成功有賴行之有效之發展策略與動力

本集團於二零零四年之理想表現再度展示本集團成功地結合香港與日本企業精粹之獨特業務模式。堅持不斷增加顧客選擇、提升服務質素以配合強大的銷售及創新市場推廣構思，將繼續成為本集團可見將來的營運基礎。

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Last December's soft opening of the SOGO CLUB and SOGO BOOK CLUB reiterated once again the Group's ability to stay one step ahead of the Hong Kong retail industry curve. Early results are extremely encouraging, with strong response for member registration carrying over into the early months of 2005.

Paving the Way for Medium- to Long-term Growth

The coming year will see the Group strives to further enhance its market share by maintaining its proven policy of steadily introducing to customers of new products from renowned local to international brands. Our purchasing and marketing teams will continue to enhance their successful practice of working closely with suppliers to maximize customer awareness and their purchase patterns.

In the year ahead, the Group intends to accelerate its department store expansion plan in major Mainland cities, including Macau SAR. We will continue striving to identify and capitalize on lucrative business opportunities that can create synergies with our existing core retailing activities. Our ultimate objective is to reinforce our position as a leading lifestyle business operator in the Greater China Region.

Facing the Future with Growing Confidence

The Board anticipates that SOGO Hong Kong will continue to benefit from growing consumer confidence resulting from the expected improvement of the Territory's economy during the coming year.

In February 2005, the Company announced its plan to open in September 2005 a new 115,000 square feet SOGO "Lifestyle" store located at 12 Salisbury Road, Tsim Sha Tsui, Kowloon. The board believes the new store will prove to be a very lucrative source of revenue in the coming years.

SOGO CLUB及SOGO BOOK CLUB於去年十二月試營業，此舉再次印證本集團帶領香港零售業發展的能力。由開幕至二零零五年頭幾個月，會員登記反應熱烈，初期成績相當令人鼓舞。

邁向中長期增長

本集團於來年將秉承其成功政策，繼續為顧客引入本地及國際著名品牌的新產品，以進一步擴大其市場佔有率。本集團之採購及市場推廣隊伍將繼續與供應商保持緊密合作，盡力滿足顧客的購物需要。

於未來一年，本集團擬加快其於主要內地城市（包括澳門特別行政區）之百貨店擴展計劃。本集團將繼續努力物色及善用有利商機，為其現有核心零售業務帶來協同效益，以鞏固本集團作為大中華區領先的生活時尚業務營運商的翹楚。

充滿信心迎接未來

董事局預期本港經濟在來年將有所改善，消費者信心將因而加強，崇光香港將繼續受惠。

本公司於二零零五年二月公布其將於二零零五年九月在九龍尖沙咀梳士巴利道12號開設面積達115,000平方呎崇光「生活時尚」新店之計劃。董事局相信，新店將會在未來數年帶來非常可觀的收入來源。



While still in its early stages, the Company's decision to export the proven SOGO "Lifestyle" shopping concept to Mainland China already looks to be a shrewd and timely one. China of the early 21st Century is currently the world's fastest growing economy with consumer purchasing power growing steadily. The initial indications are that Jiu Guang is already proving to be as popular in Shanghai as our flagship Causeway Bay store in Hong Kong.

The Board will continue to monitor our business in Shanghai closely and will follow a proactive approach to any possible future strengthening of the already firm foothold the Group has achieved on the Mainland.

In closing, I would like to thank my fellow Board members and our valued shareholders for their strong support during the year just ended. I would also like to salute our management, staff, business partners and customers for the invaluable contribution they have made to our success during 2004.

LAU Luen-hung, Thomas
Managing Director
 1st March, 2005

儘管內地業務仍處於營運初期，本公司於中國內地引入崇光「生活時尚」百貨概念之決定實在是明智而及時。二十一世紀初之中國為全球經濟增長最迅速之地區，顧客購買力持續穩定增長。初步跡象顯示，久光與本集團香港銅鑼灣艦旗店一樣，備受上海之顧客歡迎。

董事局將繼續緊密注視上海業務，並將積極探討可行商機，致令本集團於內地已建立之穩固根基上進一步發展。

最後，本人謹此感謝董事局成員及本公司股東於過去一年的鼎力支持，並對本公司管理層、員工、業務夥伴及顧客於二零零四年對本公司所作出之寶貴貢獻致以謝意。

董事總經理
劉鑾鴻
 二零零五年三月一日