



sasa
body care

FRESHmint
exhilarating & soothing
sensation

FRESHmint
exhilarating & soothing
sensation

bath &
shower gel



Sasa
body care

FRESHmint

exhilarating & soothing
sensation

hand cream



Sasa
body care

FRESHmint

exhilarating & soothing
sensation

body scrub



We are laying the strategic foundations for our next stage of growth.

集團正為另一階段的增長奠定策略性基礎。



Chairman & CEO, **Simon Kwok**
主席及行政總裁**郭少明**

The fiscal year 2005/06 marked solid progress for the Sa Sa Group. The rise in tourist arrivals continued during the year, albeit slowly in the first half. The addition of four new cities in China to the Individual Visit Scheme in November 2005, along with a noticeable improvement in consumer sentiment and spending in Hong Kong contributed to a quickening in turnover growth in the latter half of the year. We continued with the expansion of our retail network in preparation for the further development of tourism in the region, and there was an improvement in sales growth overseas and in the performance of Sasa.com. Group turnover rose 13.3% to HK\$2,620.6 million, while Group profit decreased 8.4% to HK\$185.2 million mainly due to escalating rental costs and initial expansion costs.

In addition to the interim dividend of 3.0 HK cents and a special dividend of 3.0 HK cents per share, the Board of Directors proposed a final dividend of 5.0 HK cents per share and a special dividend 6.0 HK cents per share, payable on 29th August 2006 to those persons registered as shareholders as of 24th August 2006, making a total dividend of 17.0 HK cents per share for the fiscal year.

Against this background of sales growth, we maintained our focus on building for the future on the foundations that Sa Sa has already laid in terms of attracting both local and overseas customers, developing new and existing markets overseas, enhancing customer loyalty, and strengthening product development.

During the year, the Group devoted considerable resources and efforts to further leveraging on the accumulated goodwill and reputation of the 'Sa Sa' brand. These efforts received widespread recognition. Sa Sa was one of the ten winners at the Hong Kong Top Service Brand Awards, and received the highest votes in The PRC Consumers' Most Favourable Hong Kong Brands voting campaign in 2006. In addition, Sa Sa won the Category Award in the Retail Category for Superbrands 2005/06, Corporate Brand Management Excellence Award (Category Award) in The Best Brand Enterprise Award 2005-2006. The steady accumulation of specific brand awards testifies to the success of our brand building strategy and our leadership in cosmetics retailing in the region.

莎莎集團於二零零五/零六財政年度取得穩健進展。內地及海外訪港旅客持續增長，雖然在上半年的增長略為放緩。內地四個城市於二零零五年十一月獲納入個人遊計劃，加上本港消費意欲及消費顯著改善，都促使財政年度的下半年營業額有較高增長。集團繼續拓展店舖網絡，為區內旅遊業持續增長作出準備，海外市場銷售額增長及Sasa.com網上購物表現亦見提升。集團營業額增加百分之十三點三至二十六億二千零六十萬港元，而集團溢利則下降百分之八點四至一億八千五百二十萬港元，主要由於租金開支上升及發展新市場初期的開支。

除已派發中期股息每股三港仙及特別股息每股三港仙，董事會建議向於二零零六年八月二十四日名列於股東名冊的股東派發末期股息每股五港仙及特別股息每股六港仙，是項股息將於二零零六年八月二十九日派付，全年合共派息每股十七港仙。

在銷售額增長的形勢下，集團繼續在吸引本港及海外顧客、在海外拓展新市場及現有市場、加強客戶忠誠度以及加強產品開發及組合方面已奠定的基礎上開創未來。

年內集團投入大量資源以進一步借助「莎莎」品牌日積月累的商譽和名聲而拓展業務，此等努力廣受認同。莎莎躋身「香港服務名牌」十名得獎者之列，更於二零零六年以最高票數獲「中國消費者最喜愛香港名牌金獎」。此外，莎莎更榮膺二零零五/零六年度「超級品牌 – 零售組別大獎」、「最佳創建品牌企業獎 2005-2006」中榮獲「優秀品牌管理及發展獎」組別大獎。集團不斷榮獲各個品牌獎項，實在是集團的品牌策略成績斐然及集團在區內化粧品零售業首執牛耳的明證。

Chairman's Statement

主席獻辭

In terms of products, we continued to develop our portfolio of private-label and exclusively distributed products and in the second half of the year we launched our own 'Sasa' branded products throughout the region, offering a range of quality and value products that aim to provide total solutions to our customers' beauty needs. We will continue to strengthen both our exclusive brand and own brand portfolios in order to develop more customer loyalty, drive growth and provide solid contributions to our future profits.

The Group remains committed to providing its customers with highly professional and top quality service as well as total beauty solutions. The year saw further integration of our beauty services with our retail business in order to enhance their synergy and provide more comprehensive services to customers. Sasa Beauty⁺ began to offer treatments in dedicated treatment rooms in our new stores in Hong Kong, while Phillip Wain provided treatments at the new flagship store in Singapore. Customer service training and product training were strengthened in all our overseas operations.

Excellent customer service is strongly dependent on efficient operational and IT systems. During the year, we began a significant upgrading of our IT infrastructure in order to increase our business process capability, and inventory and sales management. At the heart of this lay the adoption of the globally recognised SAP's R3 Enterprise Resource Planning ("ERP") system.

貨品方面，集團繼續拓展專有品牌及獨家經銷貨品組合，並於下半年在區內推出「Sasa」品牌貨品，提供一系列優質超值產品，因應顧客的美容需要而提供全面美容解決方案。集團將繼續加強專有及獨家經銷品牌組合，從而提升顧客忠誠度、促進業務增長，並為集團未來溢利提供穩定貢獻。

集團在提供全面美容解決方案的同時，致力提供專業和優質的服務。年內集團進一步整合旗下的零售業務與美容服務，務求加強協同優勢，並向顧客提供更全面的服務。Sasa Beauty⁺開始在香港設有美容護理房間的新店提供護理服務，菲力偉則為設於新加坡的新旗艦店舖提供護理療程。旗下各海外業務亦加強顧客服務與產品方面的培訓。

超卓客戶服務絕對有賴有效率的營運及資訊科技系統。年內集團著手大幅加強資訊科技系統性能，務求提升營運系統功能，以及存貨及銷售管理。當中最主要者乃採用世界知名的SAP企業資源規劃（「ERP」）系統。



The SAP system not only improves productivity and customer relationship management, but it also increases managerial control through the imposing of best business practices and processes. It also supports our ongoing drive to achieve international standards of corporate governance, risk management and transparency. According to an annual survey by CLSA and the Asian Corporate Governance Association, Sa Sa was in the top quartile for corporate governance standards among large-cap and blue-chip companies in 2005.

All these initiatives reflect our determination to strengthen our competitive advantages, efficiency and management effectiveness in the highly competitive cosmetics, health and beauty market of Asia. Fiscal year 2005/06 saw us established on a strategic direction that will allow us to realise our full growth potential, not only in all existing markets but also in new ones.

Against a background of growing tourism and local spending, we will continue to leverage on our competitiveness to realise further growth in Hong Kong and Macau. At the same time, we aim to expand our retail network to operate more than 240 stores in the Asia region by 2011, and to support this expansion through enhanced core functions and organisational structure in Hong Kong. In the long term, Mainland China, which has tremendous growth potential, will provide us with further growth opportunities.

I would like to take this opportunity to thank all our employees for the commitment, drive and resourcefulness they have devoted to making Sa Sa one of the most well known and respected brands in Asia. I would also like to thank all our shareholders for their continuing support and for participating in our vision and strategy for the future. It is our firm belief in the Sa Sa Group that we will be able to repay the confidence of both our employees and shareholders with increased shareholder value in the years to come.



Simon Kwok
郭少明

Chairman and Chief Executive Officer
主席及行政總裁

Hong Kong, 29th June 2006
香港，二零零六年六月二十九日

SAP系統不單可改善工作效率和客戶關係管理，並可以最理想經營守則和管理程序加強管理。此外，該系統提供充分支援予集團，在企業管治、風險管理和透明度各方面達至國際標準。據里昂證券及亞洲企業管治協會於二零零五年進行的年度調查顯示，莎莎的企業管治水平與多間大型及藍籌公司並列於最佳的首百分之二十五獲評選的公司之內。

上述各項措施都反映集團銳意加強在亞洲競爭激烈的化粧品及健美市場上的競爭優勢、效率和管理效益。集團於二零零五/零六年度確定策略發展方向，令其得以在現有市場和新開拓市場上都充分發揮其增長潛力。

隨著旅遊業和本港消費日益興旺，集團將借助雄厚的競爭優勢，使港澳地區的增長更為蓬勃。與此同時，集團將進一步拓展零售網絡，目標是於二零一一年在亞洲地區設有超過二百四十間店舖，並透過加強香港方面的核心職能與組織架構，以作為是項拓展的後盾。長遠而言，增長潛力雄厚的中國內地市場將會為集團提供進一步增長的商機。

本人謹此感謝各位員工全心全意、努力不懈的工作以及其卓越貢獻，令莎莎成為亞洲廣受推崇的知名品牌。本人並感謝各位股東年內對集團的鼎力支持，認同集團對未來發展的抱負和策略。莎莎集團上下定必繼續全力以赴，提升股東回報，以答謝員工和股東對集團的信任，並為莎莎開創更光輝未來。