



SUISSE
PROGRAMME

DAILY FACIAL
CLEANSING GEL

GEL NETTOYANT
QUOTIDIEN VISAGE

FOR MEN



SUISSE
PROGRAMME

MOISTURIZING
EYE GEL

HYDRATATION
CONTOUR DES YEUX
FOR MEN



SUISSE
PROGRAMME

ANTI-AGING
EMULSION

EMULSION
ANTI-AGE

FOR MEN



SUISSE
PROGRAMME

PURIFYING MASK
MASQUE PURIFIANT

FOR MEN

Management Discussion and Analysis

管理層討論及分析

For the year ended 31st March 2006, the Group's consolidated turnover amounted to HK\$2,620.6 million, representing an increase of 13.3% from HK\$2,313.7 million in the previous fiscal year. The Group's consolidated profit attributable to equity holders of the Company was HK\$185.2 million, a decrease of 8.4% from the HK\$202.1 million, as restated, recorded last fiscal year. The basic earnings per share amounted to 13.9 HK cents.

A number of factors affected the Group's performance. Higher rentals and operational costs, particularly in Hong Kong, partially offset the improved turnover growth and gross profit. The expansion of the Group's retail network led to increased initial costs while sales growth, although showing marked improvement in the second half, was lower than expected. There were start-up losses incurred for entry into the Mainland China market and a one-off adjustment in revenue recognition for exercise memberships in the beauty services business. Purchase of Euro forward contracts and Euro holdings resulted in exchange losses due to fluctuation of the currency. These losses were partially offset by property revaluation and a one-off compensation payment for early termination of a lease.

Retail & Wholesale Business

During the fiscal year 2005/06, the Group's retail and wholesale business saw growth in turnover of 14.3%, reaching HK\$2,425.3 million. The overall gross profit margin grew due to our enhanced product mix.

截至二零零六年三月三十一日止年度，集團的綜合營業額為二十六億二千零六十萬港元，較上一財政年度的二十三億一千三百七十萬港元上升百分之十三點三。集團的股東應佔綜合溢利則為一億八千五百二十萬港元，較上一財政年度經重新列示之股東應佔溢利二億零二百一十萬港元下降百分之八點四。每股基本盈利為十三點九港仙。

數項因素影響集團表現。營業額增長及毛利率提升的利好作用因租金與經營成本上升（香港尤甚）而未能完全反映出來。集團年內積極擴展零售網絡意味著初期開支有所增加，而下半年銷售額增長相當顯著，但仍遜於預期。中國內地市場業務成立初期帶來虧損。而美容業務運動會籍收入的入賬亦須作出一次性調整。由於歐元幣值波動，集團持有之遠期歐元合約及歐元導致匯兌虧損，但由物業重估及一項租約提前終止所獲支付的一次過賠償已抵銷部份匯兌虧損。

零售及批發業務

於二零零五/零六財政年度，集團的零售及批發業務營業額達二十四億二千五百三十萬港元，增長百分之十四點三。整體毛利率因加強銷售貨品組合而獲提升。





2006 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



Our inventory turnover days were 89 days for the year ended 31st March 2006, as opposed to 101 days for the previous fiscal year. The Group continued to expand its store network in view of expected tourism growth, driven by various tourism projects in the region in coming years. In view of escalating rentals, the Group started to negotiate for first floor and basement floor areas in order to lower rental costs.

New value-added features were added to our retail services, such as complimentary facial treatment in our stores, and we continued to strengthen brand-building efforts for “Sa Sa” and the “beauty specialist” image of Sa Sa in the region. These initiatives included sponsorship of the Miss Hong Kong Pageant 2005 and the Federation Internationale De Volleyball World Grand Prix 2005, as well as the first title sponsorship of the Hong Kong Jockey Club’s Sa Sa Ladies’ Purse Day in October 2005, one of the most popular racing days in Hong Kong. The race day sponsorship, including outdoor, TV and print adverts, and a series of public relations and joint promotion activities, generated considerable publicity for Sa Sa, its exclusive brands and beauty centres. Overseas markets saw an improvement in sales growth while the sales of Sasa.com also rose significantly.

Hong Kong and Macau

Increased spending by tourists, both from Mainland China and other parts of the world, as well as a pick up in local spending contributed to an increase in turnover of 11.2% in Hong Kong and Macau to HK\$2,131.3 million. The year-on-year monthly retail sales growth increased from 8.2% in October 2005, being the lowest point of the year, to 16.5% in March 2006. Monthly same store growth also increased from -14.3% in October 2005 to 5.2% in March 2006. Full year same store sales saw a decline of 4.0%. The overall improvement in the second half of the fiscal year was mainly due to the addition of four new cities in China to the central government’s Individual Visit Scheme in November 2005, which led to an increase in the sales contribution from PRC tourists from 33.0% in October to 38.0% in December 2005. This confirmed the management’s view of the likely impact of the Individual Visit Scheme to the Group.

集團於截至二零零六年三月三十一日止年度的存貨週轉期由上一財政年度的一百零一天縮短至八十九天。集團繼續拓展店舖網絡，為區內旅遊業持續增長作出準備，而旅遊業增長乃受到未來數年間多個旅遊項目所推動。面對租金壓力加劇，集團已開始物色樓上及地庫店面以降低平均租金開支。

集團零售服務更增添新特色，例如在店內提供免費面部護理療程等增值服務。集團並繼續加強「莎莎」品牌的知名度及作為區內「化粧品及美容專家」的形象。此等措施包括贊助二零零五年香港小姐選舉及二零零五年世界女排大獎賽—香港站賽事，並於二零零五年十月份成為首家冠名贊助香港賽馬會最受歡迎賽馬日之一《莎莎婦女銀袋日》的企業。賽馬日贊助計劃包括戶外、電視和平面廣告，以及一系列公關及聯合推廣活動，令莎莎、其獨家代理品牌及美容中心的知名度均大幅提升。海外市場銷售額增長提升，Sasa.com網上銷售亦大幅增加。

香港及澳門

中國內地及其他地區訪港旅客整體消費上升，加上本港消費市道復甦，年內港澳地區營業額遂增至二十一億三千一百三十萬港元，上升百分之十一點二。每月銷售額按年增長由二零零五年十月的全年低位百分之八點二增加至二零零六年三月的百分之十六點五。每月相同店舖營業額增長亦由二零零五年十月的負百分之十四點三回升至二零零六年三月的百分之五點二，因此全年相同店舖營業額下降百分之四。下半年整體業務改善主要由於四個內地城市於二零零五年十一月獲中央政府納入個人遊計劃，令內地旅客所佔銷售額的比例由二零零五年十月的百分之三十三提高至十二月的百分之三十八，印證了管理層有關個人遊計劃對集團造成影響的看法。