

Management Discussion and Analysis

管理層討論及分析

The average value per transaction and the total number of transactions increased by 7.1% and 5.0% respectively. During the fiscal year, there was a net increase of eight new stores including two mega stores in Tsim Sha Tsui and Mongkok, each with 8,000 square feet. As at 31st March 2006, the total net retail area had increased by 36.7% as compared to last fiscal year. In total, there were 51 Sa Sa stores, one La Colline specialty store and one Elizabeth Arden counter as at 31st March 2006.

Mainland China

The second Sa Sa store in the People's Republic of China ("PRC") was opened in November 2005 on Nanjing West Road, Shanghai. As at 31st March 2006, there were two Sa Sa stores in Shanghai, providing first hand knowledge of the local cosmetics market and helping facilitate our planning for future development of the Mainland market in areas such as branding, product and network strategy. Exclusive brands launched included Suisse Programme and "Sasa" (make-up, skin care, body care and hair care lines). Suisse Programme and "Sasa" branded products have been well received by the market. In regard to the product registration process of exclusive products, around 500 stock keeping units ("SKUs") were completed and approximately 250 SKUs are in progress.

Singapore and Malaysia

Turnover for the Singapore and Malaysian markets grew 25.2% to reach HK\$141.1 million. Same store growth rose 11.8% in Singapore, and 16.2% in Malaysia. Overall, there was an improvement in the contribution of Singapore and Malaysia to the Group's results.

In Singapore, performance was affected by the changeover of the country's General Manager. However continuous improvement measures in terms of approach and organisation provide a solid platform for future expansion. The company achieved higher sales with an enhanced product portfolio and increased sales in exclusive products on the back of more focused training. One new store was added, making a total number of 10 stores as at 31st March 2006. In Malaysia, sales of exclusive products grew while training was enhanced. One store closed during the year, making the number of stores 10 at the end of the fiscal year.

每宗交易平均金額及總交易次數分別錄得百分之七點一及百分之五增長。年內莎莎增設八間店舖，包括位於尖沙咀與旺角的大型店舖，面積各約八千平方呎。於二零零六年三月三十一日，集團的零售店舖總面積淨額較上一財政年度增加百分之三十六點七；集團共有五十一間莎莎化粧品店舖，另有一間 La Colline 專門店及一個伊莉莎伯雅頓「Elizabeth Arden」專櫃。

中國大陸

莎莎在中華人民共和國（「中國」）的第二間店舖已於二零零五年十一月開業，位於上海市南京西路。截至二零零六年三月三十一日止，莎莎已在上海開設兩間店舖，令集團取得有關當地化粧品市場的第一手資料，有助集團規劃內地市場的未來發展，涵蓋品牌、產品發展和網絡拓展策略。集團推出的獨家品牌包括Suisse Programme、「Sasa」（化粧品、護膚、身體護理與護髮系列）。Suisse Programme及「Sasa」品牌產品都深受市場歡迎。有關獨家產品的衛檢進度，集團已完成的產品有約五百種，並正在為另外約二百五十種產品處理申請。

新加坡及馬來西亞

年內星馬市場營業額增加百分之二十五點二，達一億四千一百一十萬港元。新加坡相同店舖營業額增長百分之十一點八，馬來西亞相同店舖營業額則增長百分之十六點二。整體而言，星馬市場對集團的貢獻有所提升。

年內新加坡方面的表現受到當地總經理交替影響。但集團在改進營運方針與架構方面採取的措施為未來拓展奠定基礎。集團銷售額因改進貨品組合而錄得增長，獨家經銷貨品銷售額亦因加強員工培訓而上升。期內增設一間新店，令集團於二零零六年三月三十一日的店舖總數增至十間。馬來西亞方面，加強員工培訓後，獨家經銷貨品銷售額亦見上升。期內有一間店舖結業，集團於財政年度年結日在馬來西亞共有十間店舖。



Taiwan

Turnover in the Group's Taiwan business increased by 42.0% during the year to HK\$89.0 million, with same store growth reaching 10.4%. An increase in contributions to the Group was recorded. However, the local banks' tightening of credit control in the fourth quarter and the consequent dampening of consumer spending affected the performance in the fourth quarter of this fiscal year.

Sales of exclusive products grew and productivity improved on the back of strengthened training, but the fast pace of expansion made it challenging to provide enough experienced beauty consultants. Four new stores were added, bringing the total store number to eight as at 31st March 2006.

E-commerce – Sasa.com

Turnover for Sasa.com amounted to HK\$52.6 million, representing an increase of 72.8% over the previous fiscal year. The profit margin continued to improve.

台灣

年內台灣市場營業額達八千九百萬港元，增加百分之四十二，相同店舖增長達百分之十點四，對集團的貢獻亦提高。但由於年內第四季台灣的銀行收緊信貸令消費市道受壓，使業務表現受到影響。

集團加強培訓後，獨家經銷貨品銷售額錄得增長，員工的銷售表現亦改善，但拓展步伐迅速卻對提供足夠的資深美容顧問帶來考驗。年內增設四間新店舖後，於二零零六年三月三十一日的台灣店舖總數遂增至八間。

電子商貿 – Sasa.com

Sasa.com於本財政年度的營業額為五千二百六十萬港元，較上一財政年度增加百分之七十二點八，邊際利潤也繼續提升。

Q&A

What are Sa Sa's main strengths? 莎莎的優勢在哪裡？

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 80 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超過八十間零售店，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。