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Quarter 2 • 2007

A.S. Watson quarterly family magazine

## Nuance-Watson : Divine Destinations

A beautiful new look at Watsons

Loyalty cards shared beauty needs

Let's take a break with Watsons Water All-in-One

Study sheds light on obesity

Watsons

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## About A.S. Watson Group

With a history dating back to 1828, the A.S. Watson Group (ASW) has evolved into an international retail and manufacturing business with operations in 36 markets worldwide. Today, the Group owns more than 7,700 retail stores running the gamut from health & beauty chains, luxury perfumeries & cosmetics to food, electronics, fine wine and airport retail arms. An established player in the beverage industry, ASW provides a full range of beverages from bottled water, fruit juices, soft drinks and tea products to the world's finest wine labels via its international wine wholesaler and distributor.

ASW employs over 98,000 staff and is a member of the world renowned Hong Kong-based conglomerate Hutchison Whampoa Limited, which has five core businesses - ports and related services, telecommunications, property and hotels, retail, and energy, infrastructure, investments and others, in 56 countries.

*Wats On* is the quarterly family magazine of the A.S. Watson Group. Materials from this publication may only be reprinted with full accreditation to "Wats On".

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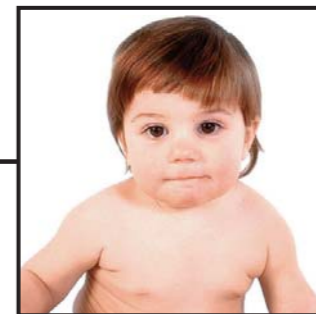
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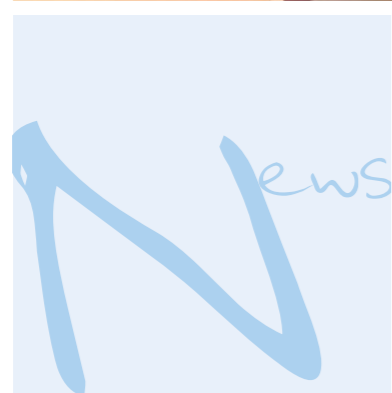
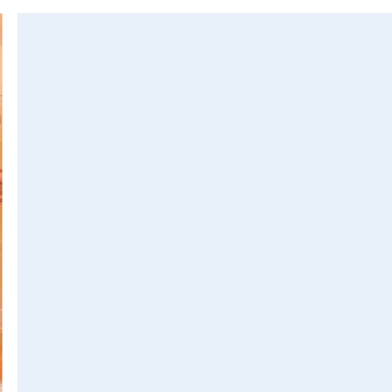
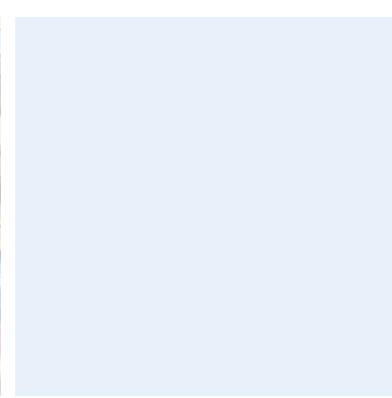
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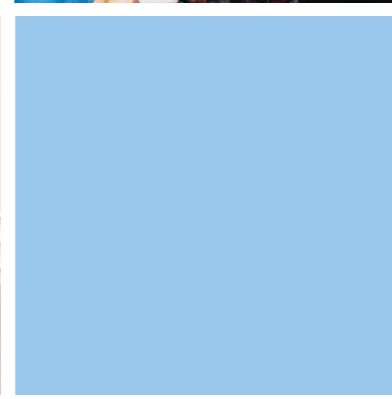
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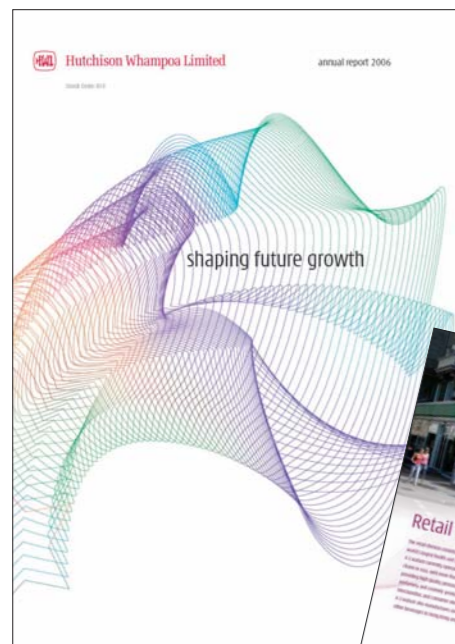
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ASW boosts bottom line • A beautiful new look at Watsons




• New store concept from Marionnaud • Loyalty cards shared beauty needs • Campaign targets sun care tax



## ASW boosts bottom line

For the year ended 31 December 2006, Hutchison Whampoa Limited (HWL) reported audited profit attributable to shareholders of HK\$20,030 million (US\$2.5 billion), 40% higher than 2005. Turnover increased by 11% to HK\$267,664 million (US\$34 billion). (For full results, see: [www.hutchison-whampoa.com/eng/investor/annual/annual.htm](http://www.hutchison-whampoa.com/eng/investor/annual/annual.htm))

Total revenue for A.S. Watson (ASW) increased by 12% to HK\$99,149 million (US\$12.6 billion), boosted by full-year contributions from Marionnaud Parfumeries and The Perfume Shop and revenue growth from Rossmann, Superdrug and Kruidvat as well as Watsons and PARKNSHOP in Mainland China. 




The ASW management team includes Andrew Miles (1<sup>st</sup> left), CEO Health & Beauty (Asia); Iwan Evans (2<sup>nd</sup> left), CEO Retail HK; Dominic Lai (3<sup>rd</sup> left), Group Managing Director; Peter Dove (5<sup>th</sup> left), Managing Director, Watsons Hong Kong; and Martin So (6<sup>th</sup> left), Group Finance Director, joined by the representatives from Swire Properties to inaugurate the store opening ceremony

## A beautiful new look at Watsons

Watsons Hong Kong unveiled its refreshing new look at Festival Walk, Kowloon Tong on 9 May.

The trendy new concept is based on the theme "Beauty & Health". It offers customers a spacious, feminine-styled shopping environment with diversified health & beauty product ranges at competitive prices.

Moreover, a personalised and professional health & beauty care consultation service has been introduced in the store, featuring a great team of Watsons' pharmacists, Health & Fitness Advisors, nutritionists and registered nurses. 



## New store concept from Marionnaud

With the success of its luscious test concept store at Rungis, France in January, Marionnaud unveiled the new concept store at Victor Hugo-Paris and Tours, France in May.


The new concept stores introduce a totally new Marionnaud image with comfy, roomy shopping areas and open-and-shut product displays that provide an enjoyable shopping experience for customers.





## Loyalty cards shared beauty needs

Marionnaud created the first collector loyalty card for Mother's Day this year. This exclusive card, available only from 21-30 May was dedicated to those customers wishing to sponsor the person of their choice and to share their beauty needs.

The standard loyalty card's traditional light blue facing has been replaced by a translucent card showing a mother and daughter joined together in love and companionship. All applicants are offered additional points when opening the new card. 

## Campaign targets suncare tax

Superdrug continues its campaign to remove suncare products for kids from the luxury category and to reduce VAT from 17.5% to 5%.

The 2007 Budget did not see a hoped-for change in legislation, so a whole summer of activity will target a "sun tax cut" in 2008. Over 6,500 Britons have signed an online petition pledging their support and petitions are also available at Superdrug stores. Major suncare brands L'Oreal, Nivea, Ambre Solaire and Banana Boat are backing the campaign by paying the VAT for customers. *Superdrug*



To count down the days until the Budget, Superdrug delivered 25 life-sized cut-outs of Chancellor of the Exchequer Gordon Brown to The Treasury, each bearing a petition with signatures from customers across the country



Hurry up! Hurry up!! Pick as many \$1 coins as you can

## More bang for a buck

Watsons Taiwan introduced a new consumption trend named "\$1 economics" by launching a "\$1 One More" promotional campaign from 28 February to 28 March to inspire shopping interest among consumers.

To show how \$1 is more valuable than consumers used to think, famous artiste Jane Lee wore a tailor-made \$1 dress and mingled with consumers in a promotional event at Tung Ling store. An interesting game allowed the winner to take home all \$1 coins they picked up within a designated time, plus a Watsons gift voucher valued at NT\$1,500. *Watsons*



## Let's take a break? with Watsons Water All-in-One

Be it a cup of coffee, a tasty hot chocolate or pure water, having a drink means a break from the office routine and a moment to recharge yourself.

Watsons Water has launched an All-in-One upward-flow beverage dispenser that not only serves cold and hot water but also classic coffee, milk tea and chocolate.

To boost their morale and productivity, office staff can select the beverage they want and enjoy a drink instantly, simply by pressing a button. *watsons water*

## Mr. Juicy launches fresh new flavour

As a market leader in Hong Kong, Mr. Juicy is committed to providing more choices by developing new flavours for juices. Accordingly, in March, the Mr. Juicy Mix series introduced "Korean Citron + Aloe Vera Mix", which is proving popular with health-conscious consumers.

Korean Citron reduces the accumulation of LDL cholesterol, the main cause of cardiovascular diseases, and Aloe Vera helps growth of prebiotics in intestines, which benefits blood circulation and strengthens immunity. *Mr. Juicy*





## Retail delights for travellers

Nuance-Watson (HK) in March opened five new stores at Hong Kong International Airport's new Terminal 2, SkyPlaza, the multi-modal hub combining transport links with dining and shopping outlets.

Amazing Grace is a "treasure trove of discoveries" concept store (top photo); Bags Unlimited offers world famous bags and luggage (photo below); Calvin Klein Jeans stocks cool casual wear and accessories; FORTRESS boasts the new "Intelligent Home" retail concept and Scent & Beauty provides world-famous fragrance and beauty products. The stores add 7,000 square feet of retail space to Nuance-Watson's 47-store retail portfolio.



(Also see focus on p.19 -26)



## Great flavours from Japan

GREAT hosted a Sakura Festival from 20 April to 10 May to celebrate Japan's cherry blossom season. The festival featured a delicious selection of Japanese flavours highlighting the Sakura (cherry blossom) theme and also featuring Japanese gourmet food, fruits and vegetables, black bean products, health drinks, kids soda, sweets and munchies.

Master chefs from Japan attracted lots of attention demonstrating authentic street-style snacks such as "Traditional Amezaiku Candies" and "Hiroshima Yaki" (top photo) at specially set up food stalls.



## Healthy cooking made simpler

PARKSHOP Hong Kong introduced a revolutionary new cooking oil at its outlets in March, offering more exclusive choices to its health-conscious housewives.

"Cold Pressed Peanut Oil" is the first of its kind in Hong Kong. The brown husks are removed and the peanuts cold-pressed to below 60°C in a dry environment, followed by vacuum refinement and filtration, which preserves the oil's natural aroma and nutritional qualities and results in the release of less smoke during the cooking process.



## Scintillating skin care

Water 360°, Watsons' newly launched own-label skincare product range, is your best companion during this hot summer!

Introduced in Hong Kong, Mainland China, Macau, Taiwan, Singapore & Malaysia, Water 360° is the simplest way to rehydrate and revitalise your skin. It is specially formulated with pure, nutrient-enriched natural spring water, is free from alcohol with a mild pH, and is dermatologically tested.

The range includes facial wipes, wash, toner, facial spray, hydrating gel, eye gel and moisturising mask.





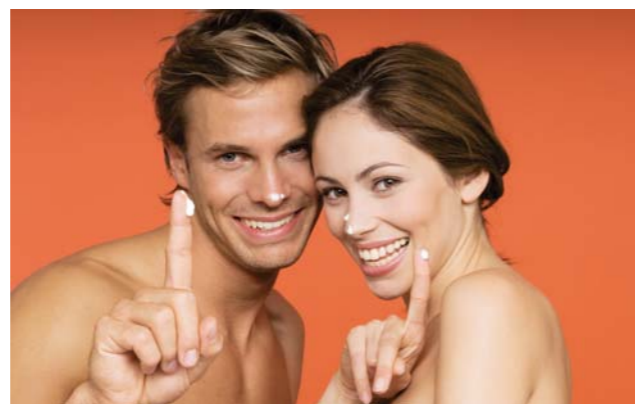
# “Process for New”

A.S. Watson (ASW) International Buying has developed an innovative concept named "Process for New" to test new brands and ranges that have good business across the Group.

New concepts and new ranges are initially put in eight-week trials in Superdrug UK, Kruidvat Netherlands, Watsons Taiwan, Watsons Hong Kong and Watsons Singapore that lead to full-scale launch.

"Process for New" has already started with two new brands introduced in our trial stores in May 2007 – Yes to Carrots and Zoom Eyeworks.

Please send your ideas or information regarding high potential brands to ASW International Buying any time to Simon Choi, Exclusive Brands Manager at [SimonChoi@asw.com.hk](mailto:SimonChoi@asw.com.hk)



## YES TO CARROTS



A delicious new way to feed your skin! Combining the wholesome goodness of carrots and dead-sea mud, this paraben-free range encompasses 16 products for your skin, hair and body for men and women. Retail prices range from US\$8 to US\$17.




## ZOOM EYEWORKS

Stylish and innovative reading glasses for men and women. Retail prices range from US\$10 to US\$25.



## Customers share anniversary joy

Watsons Singapore celebrated its 19<sup>th</sup> anniversary with a three-week "Great Buy" event in March that shared the joy with customers by offering unbelievable discounts with S\$19 bundle packs of cosmetics and toiletries.


Customers were also invited to participate in weekly road-shows and rewarded with the chance to chat, take photographs and play games with Fann Wong (top photo, right), one of Singapore's finest artistes who gained fame in Hollywood. 



## And the award goes to...

Watsons Thailand hosted its eighth glamorous Health & Beauty Awards in March.

More than 100 suppliers received awards for their excellent sales performance and were thanked by General Manager, Toby Anderson (top photo, 5<sup>th</sup> left). The Best of the Best Award went to "Olay Total Effect Plus" for the third-time.


Partygoers had an enjoyable night of entertainment from a famous actor, actress and the Sincharoen Band (photo below). 



## Topical tips from FORTRESS

To provide a one-stop-shopping experience to customers during March to May, FORTRESS partnered with the famous digital electronics brand Samsung to organise several free seminars on "New AV experience at Home" and "Make your own quality AV lives".

Attendees learned the latest trends in TV development, how to select TV and AV products and how to maintain them.

To echo the good response from customers who were delighted to receive lots of useful information in such a convenient way, seminars on "Apple Inspires Your Life" were held during June for the Mac fans, to talk about Mac applications. 



## A taste for excellence

In February, Watson's Wine Cellar (WWC) held the Intermediate level training course of the "Wine and Spirit Education Trust" (WSET) for 18 staff from Head Office, stores and the Wholesale division. WSET is a leading wine education institution providing internationally recognised qualifications.

The examination results are uplifting! Nine staff passed with "Distinction" and seven with "Merit", putting WWC employees in the top 10% of WSET graduates worldwide.

WWC held a casual award ceremony on 17 March to show its appreciation to the staff. 





The A.S. Watson family has received several awards and acknowledgements recently in recognition of the quality services and products they provide to both customers and the community.

**Caring Company**

— Hong Kong Council of Social Service

- A.S. Watson Group • A.S. Watson Industries • Citrus Growers International • PARKNSHOP Hong Kong • Watsons Hong Kong • FORTRESS • Great • Gourmet • Watsons Water • Watson's Wine Cellar • Nuance-Watson (HK)



**Trusted Brands**

— Reader Digest

- PARKNSHOP Hong Kong – Gold Award in Supermarket Chain
- Watsons Water – Platinum Award in Water/Mineral Water
- Mr. Juicy – Platinum Award in Juice
- Sunkist – Gold Award in Juice



(From left to right) Lilian Au, Marketing Director of Citrus Growers International (CGI); Linda Chan, Marketing Manager of Watsons Water; Priscilla Tong, Assistant Category Marketing Manager of CGI and Julysa Lam, Marketing Controller of PARKNSHOP Hong Kong, joined Joe Lau, representative from Cheung Kong Holdings (middle), to celebrate the award-winning occasion



Lilian Au, Marketing Director of Citrus Growers International, is pleased to represent Mr. Juicy to receive the honours

**The 13<sup>th</sup> Annual Most Popular TV Commercial Awards**

— ATV and The Hong Kong Advertisers Association (2As)

- Mr. Juicy – The Most Honorable TV Commercial Award
- Mr. Juicy – The Top Ten Most Popular TV Commercial Awards
- Mr. Juicy – The Most Adorable Kid

**2007 Raven Fox Awards**

- Nuance-Watson (Singapore) – Asia/Pacific Travel Retailer of the Year
- Nuance-Watson (HK) – Highly commended for Asia/Pacific Travel Retailer of the Year
- Nuance-Watson (HK) – Highly commended for Best Gifts
- Nuance-Watson (HK) – Highly commended for Best Fragrances & Cosmetics
- Nuance-Watson (HK) – Highly commended for Best Food & Confectionery

**My Favourite Top Ten Hong Kong Brands**

— Guangzhou Daily

- Watsons Hong Kong

**Hon Kong Merchants of Integrity**

— Guangzhou Daily

- FORTRESS
- Watsons Hong Kong



**Top Ten Customers' Favourite Shopping Store**

— Southern Metropolis Daily

- PARKNSHOP China



**2006 Top Ten Guangzhou Commerce Events**

— Southern Metropolis Daily

- PARKNSHOP China (PARKNSHOP start-up New Branding Strategy)



**The Prize of National Business Advancement**

- PARKNSHOP China – Third Prize (Ozone application in the supermarket vegetable stalls and fish tank)



**PRC Consumer's Most Favourable Hong Kong Brands**

— Chinese Enterprise Reputation and Credibility Association (Overseas)

- Watsons Hong Kong – Gold Award
- PARKNSHOP Hong Kong – Gold Award



**Best Perfumery Store in Belgium**

— Q&A Research on Shopping in Belgium

- ICI PARIS XL



Store Openings (March to May 2007)

**PARKnSHOP**

**Hong Kong**

- Supermarket
  - Fisherman's Wharf, Hunghom
  - Ma Tau Chung
- Superstore
  - Metro Town, Tseung Kwan O



**Watsons**

**Hong Kong**

- Festival Walk, Kowloon Tong
- Metro Town, Tseung Kwan O

**Mainland China**

- New Century Shopping Plaza, Handan
- New Chaoyang Shopping Center, Langfang
- Fu Gui Yuan Plaza, Beijing
- Shishi Dehui Plaza, Fujian
- Jingzhu Plaza, Hengyang
- City Plaza, Guangzhou
- Ruijing, Xiamen
- Dahua, Shanghai
- Hongyi, Shanghai

- Remin Road, Shanghai
- Ruihong, Shanghai
- Zhongnan, Wuhan
- Gongmao, Wuhan
- Chenghuang, Ningbo



**Avance-Watson**  
WORLD CLASS DUTY FREE

**Hong Kong**

- Amazing Grace
- Bags Unlimited
- Calvin Klein Jeans
- FORTRESS
- Scent & Beauty



**Marionnaud**

**France**

- Avenue Victor Hugo, Paris
- Tours Nationale, Tours

**PERFUME DIRECT**

**Ireland**

- Tallaght, Dublin
- Liffey Valley, Dublin

**ICI PARIS XL**

**Belgium**

- Wapenplein 18 – 8400 Oostende



**ROSSMANN**

**Hungary**

- Budapest
- Szeged V
- Sávár

**Poland**

- Korfantego 12, Radlin
- Kościuszki 34, Zgorzelec
- Wybickiego 21-23, Grudziądz
- Plac Niepodległości 20/7, Grajewo
- Raciborska 16, Plaza, Rybnik Plaza
- Kilińskiego 3, Myślenice
- Sienkiewicza 2, Plaza, Sosonowiec Plaza
- Plac Grunwaldzki 22, Pasaż Grunwaldzki, Wrocław
- Lubelska 31, Kraków
- Powstańców Śląskich 2-4, Arkady Wrocławskie, Wrocław
- Sikorskiego 11, Sulechów
- Wielkokacka 2, Centrum Rodzinne "Witawa", Gdynia
- Plac Waryńskiego, Ostrów Mazowiecka
- 11 Listopada 11, Jędrzejów
- Plaza, ul. Lipowa i Obrońców Pokoju, Lublin Plaza



**Kruidvat**

**The Netherlands**

- Runde ZZ 111, Emmer-Compascuum
- Leonardo Da Vinciplein 5, Haarlem
- Tarwellaan 78, Eindhoven
- Draaiweg 61, Utrecht

**Belgium**

- Onze Lieve Vrouw Plein 26, Kruibekke



Store Openings (March to May 2007)



In a survey of more than 200,000 people conducted by the Airports Council International at over 90 airports worldwide, Hong Kong International Airport (HKIA) was recognised as having the world's best airport facilities, winning the prestigious "2006 Airport Service Quality Award". HKIA is one of the world's busiest international passenger airports. Every day, around 800 aircraft take off and land, reaching 54 flights per hour at peak hours, with some 45 million passengers passing through each year.

Each one of these passengers is a potential retail customer. HKIA is not simply a major

transport hub for getting travellers from A to B, it is also a destination of choice for those in search of premium shopping opportunities. The airport's retail appeal to passengers is clearly demonstrated in the steady rise in revenues. In 2006, HKIA retail sales again exceeded US\$1 billion, recording a 14% increase over the previous year and outstripping the airport's 9% growth in passenger numbers.

HKIA and its airport retailers have maintained consistently high retail sales growth, boosted by regular year-on-year rises in passenger levels as well as innovative marketing strategies.

As the leading travel retail operator at HKIA, Nuance-Watson (HK) (NWL) has been a driving force in HKIA's evolution into a premium shopping destination with an outstanding track record during its eight years in operation.

So what's the secret of NWL's success?



# Divine Destinations

*Nuance-Watson, a joint venture between A.S. Watson Group and The Nuance Group, the world's largest airport retailer, has helped transform Hong Kong International Airport into a premier shopping destination.*





## Novel approach

Piovesana believes traditional brand portfolios alone no longer satisfy today's increasingly sophisticated customers. "The search for novelty has become a strong formula for success", she says.

"Stand-alone 'outposts' are one way in which NWL introduces new brands and product sectors to its customers. Since 2004, NWL has showcased more than 40 new offerings in a host of themes via such outposts. The new launches included HK Rugby Sevens licensed merchandise, Harrods confectionery, IWC watches, Golf

for Leisure garments, Amazing Grace Asian arts & crafts, Godiva chocolates, Sunglasses Concept, and more."

Among the many successful marketing campaigns, Ferrari sports wear and Omega watches have been standouts, with both brands presenting their merchandise collections in combination with a high-profile exhibition.

"We put our customers at the heart of our business," Piovesana explains. "These outposts are more than just an excellent

way to generate new business opportunities – they also play a vital role in enabling us to create excitement, or 'retail-tainment', for travellers. Driving passenger traffic means also raising the opportunity for penetration and purchase conversion in our stores."

Piovesana points out that there are several elements that are unique to airport retailing, and these present specific challenges and opportunities.

## Growing together

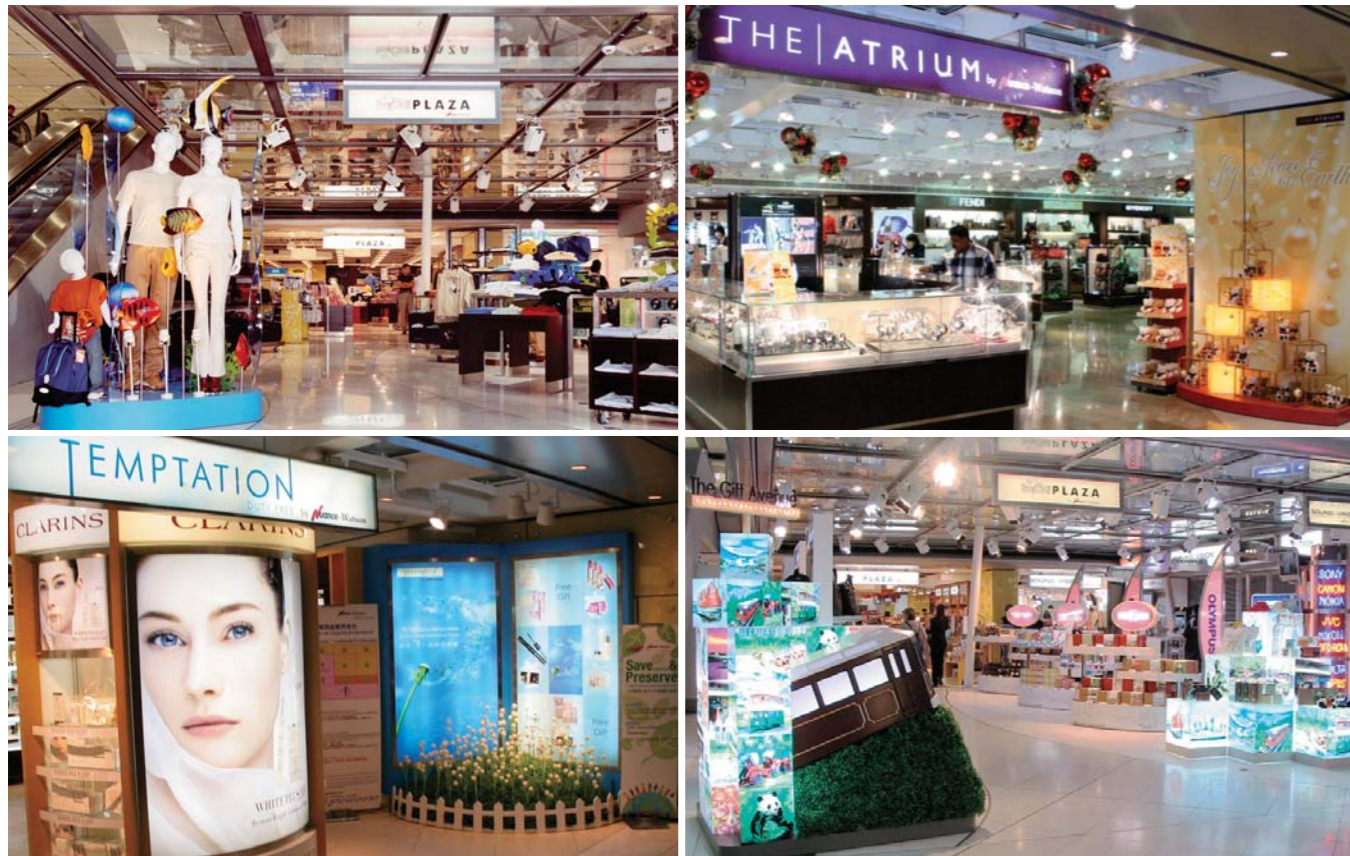
When the new HKIA opened at Chek Lap Kok in 1998, NWL was among the Hong Kong Airport Authority's most enthusiastic partners and the company has been growing in line with the airport's development ever since. In 2003, NWL won the tenders for three of HKIA's four anchor concessions for Airside General Merchandise, Perfumes & Cosmetics and Audio-Visual/Electronic Equipment. These successes have underlined the company's leadership in developing business opportunities at HKIA and further demonstrate NWL's long-term commitment to the Hong Kong travel retail industry.

Operating 47 stores under 19 different licences, NWL now offers the largest and most strategically diverse portfolio of retail stores at HKIA. The extensive range of goods on offer includes watches & jewellery, fashion & accessories, perfumes & cosmetics, audio-visual/electronic equipment, packaged food & souvenirs, pharmaceuticals and personal care products.

Alessandra Piovesana, Managing Director of NWL, has been in charge of the operation since 1999. Commenting on the formula behind the success story, she says:

**"We understand our customers' needs and we are committed to continually surpassing travellers' expectations through constant innovation. NWL is proud to have contributed to HKIA's achievements by pioneering many firsts – not only for the airport but also the travel retail market across Asia Pacific."**





"Since we serve customers from all four corners of the world, all our marketing communication materials are in multi-languages. Our POS system is also custom-designed to accept more than 30 different foreign currencies," she says.

"Also, our marketing calendar is planned in accordance with the various travelling momentums in a year, with different kinds of activities and themes targeting different segments of travellers during their peak travelling periods."

"For example, we have two major promotions in May and October, targeting overseas business travellers and Mainland customers coming to Hong Kong for the Canton Fair, Labour Day and National Day Golden Weeks. In summer and winter, we offer special redemption programmes for local residents, and in Mid-Autumn and Chinese New Year our activities target the Chinese communities."

"Store animation is also one of our key marketing initiatives to differentiate our

stores and raise penetration. As more and more shops open at the airport, the biggest challenge to us is the limited time each traveller stays at the airport. Therefore, shop-front animation is the key to attracting customers into our stores as their first port of call within the restricted area."



## Superior Service

Besides providing a large variety of high-quality products to suit all tastes, NWL strives to provide value-added services for the total satisfaction of customers.

NWL has pioneered the "Arrival Collection Service" at HKIA, specially tailored for Hong Kong residents and returning outbound travellers. The service enables customers to pick up their purchases at the arrival stores when they return, so they can shop freely before taking off without worrying about overweight luggage.

Additionally, there's a space-age-style treatment cabin at the new La Prairie counter inside the Temptation Duty Free beauty store where customers can be pampered with a range of complimentary mini-treatments.

Another example that illustrates a service catering to worldwide travellers is the offer of international warranties on electronic products.

## Applause all round

Apart from boosting NWL's bottom line, the continuing emphasis on innovation has seen the company win over 30 international and local awards in just eight years of operation. Last October in Cannes, NWL received the prestigious Frontier Award for "Airport/Land-Based Retailer of the Year" – the highest honour the travel retail industry can bestow. The Frontier Award is judged by an international industry panel and the stringent judging criteria includes business performance, merchandising, marketing and customer service.

"Winning the Frontier Award represents the ultimate recognition from our peers in the global travel retail industry. It also represents a real achievement for Hong Kong." Piovesana says, "This win gives us all the motivation we need to strive for still higher

levels of customer satisfaction, which translates into company performance. It is highly demanding to surpass your own record year after year in the same restricted environment".

Recognition from The Raven Fox Awards 2007 is another achievement NWL proud of. NWL is highly commended for "Asia / Pacific Travel Retailer of the Year" and "The Best Gifts, Best Fragrances & Cosmetics and Best Food & Confectionery Travel Retailer in Asia / Pacific".

The great customer-service efforts of frontline staff have also been recognised. Over the years, many have received "Service & Courtesy Awards" from the Hong Kong Retail Management Association.





## Forward thinking

The NWL team has not been resting on its laurels. Further developments were seen in 2007 with five new stores opening at HKIA's new Terminal 2 SkyPlaza, namely: Amazing Grace, Bags Unlimited, Calvin Klein Jeans, FORTRESS and Scent & Beauty. These stores are differentiated from those at Terminal 1 through innovative concepts such as "Bags Unlimited" and the "Intelligent Home" within FORTRESS – two concepts not present in Terminal 1. Additionally, the "Calvin Klein Jeans" boutique is the first for the brand at an airport while the chic Celebrity and Designer fragrances in Scent & Beauty are also a new initiative to bring innovations and best-shopping offers to customers at HKIA.

Apart from fully exploiting upcoming new developments at HKIA, NWL plans to open a new multi-category store at The Venetian Macao, a leading resort and gaming destination at Cotai, Macau, due to open in mid 2007. The move will mark the first time the company has expand its travel retail portfolio beyond the airport environment, and signifies its entry into a bold new era of selling and servicing travellers in a hospitality environment. With this new development, the company aims to expand its operational expertise and solidify its strategic position, thus paving the way to further developments into Mainland China's travel retail market.



## People power

Operational excellence would not be possible without the enthusiasm and support of NWL's 700 employees.

"We invest more than 10,000 hours of training per year for sales and management staff and operate on a motivational commission scheme," says Piovesana. "External professional tutors provide classes in different languages, ranging from English and Mandarin to

Japanese and Korean. Other skills specific to the travel retail environment include airport-specific servicing techniques, rules & regulations, such as the recent restrictions on liquid for hand-baggage, and also counterfeiting as we need to handle transactions in so many different currencies. Over half of our sales team have advanced their careers with us, and this is something we are proud of."

## First of the First



2002

Validated the **premiere** of the Biotherm and Shu Uemura brands in an "outpost" exhibition at HKIA.



2004

**Pioneered** the Men's Offer with Hugo Boss and Ermenegildo Zegna at HKIA.



2006

Opened the **first** multi-brands luxury watch boutique – Master of Time – at HKIA, marking the **first** time Franck Muller watches become available at HKIA.



Introduced the **world's first** Kiehl's airport boutique worldwide premiere at HKIA.



2007

Launched the **first** "Calvin Klein Jeans" airport boutique at HKIA.



Unveiled La Prairie's **Asia-first** travel retail flagship counter at HKIA.



Run for Health



Health Check

Sports & Health Fair

Tenpin Bowling

# Time for fun!

With the aim to enrich colleagues' lives through fun after-work activities, the Lifestyle Club organised a series of sporting activities for staff and their family members this spring and summer.



## Team spirit

Two A.S. Watson (ASW) teams participated in the famous Hong Kong Standard Chartered Marathon in March.

Team A (top photo from left to right : Mak Nin-nang, Martin So, Eric Chan and Cheng Hin) won the 10km Corporate Team Challenge while Cheng Hin was crowned Champion in the Individual Men's Master 2 category with a time of 38 minutes 27 seconds.

ASW team also did well in the Hong Kong Indoor Rowing Championships 2007 (4 x 500m relay) held on 18 March. The Women's Team won the championship and the Men's Team was third Runner-up. 🏆

## Love is all around

Several benevolent staff members from PARKNSHOP Hong Kong did their best to save a suicidal woman's life.

On 11 March, the woman went to PARKNSHOP's Tai Wo store with her son to buy charcoal, commonly burned in Hong Kong suicide bids. Her son was screaming "Mummy, don't kill yourself!", alerting the cashier that she might take her own life. Her purchase was refused. Later, the woman returned, dropped the money with the charcoal and dashed to the exit. Staff members immediately chased after her and called the police for help. [PARKNSHOP](#)



(From left to right): (First row) Ho Wai-yin, Store Manager; Cheung Sau-fong, Customer Services Supervisor; (Second row) Chan Kai-man, Store Assistant; Tsui Wan-ling, Inventory & System Officer; and Yu Ka-fai, Customer Services Assistant, show they care for those in need



Watsons Beijing

Watsons Guangzhou



A.S. Watson Group

Watsons Taiwan



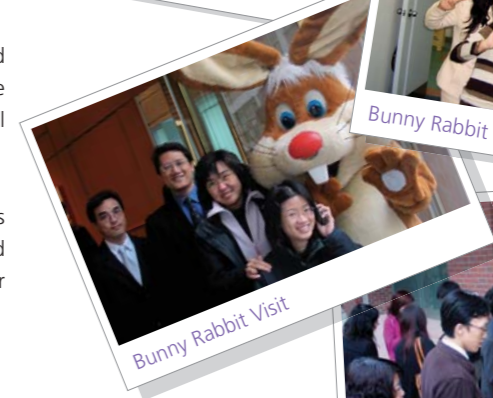
Watsons Shanghai



Watsons Shanghai



Bunny Rabbit Visit



Bunny Rabbit Visit



Bunny Rabbit Visit

# Fun times

Springtime is party season in the East, when staff members are thanked for their dedicated service during the year and everyone relaxes and has a good time.

**A.S. Watson Group head office** presented several long-service awards to dedicated staff during annual spring dinner with famous local songbird Liu Fong giving a fantastic performance and interesting games for staff to enjoy. Finally, a grand lucky draw rounded off the party.

**Watsons Taiwan** meanwhile hosted its 2007 Annual Spring Parties both in Taipei and Kaohsiung. Famous local entertainer "Xiao Guo" performed a "Celebrity Impersonation Show". Other entertainment highlights included a magic show, interactive games, a grand NT\$50,000 lucky draw and the long-service-award presentation in which 54 staff won ten-year service awards and 166 won seven-year service awards.

In **Mainland China**, Watsons staff in various regions held special themed parties, which included a national costume night in Guangzhou, a wild party in Beijing and Disney carnival night in Shanghai.

Besides, before the Easter holiday, two lovely bunny rabbits paid a visit to the A.S. Watson Group head office and Manufacturing division in Tai Po, Hong Kong, to give their best Easter wishes to the staff.







# Study sheds light on obesity

Since 2005, Kruidvat has donated more than €2 million to finance the Holland-based Groningen Expert Centre for Children with Obesity (GEC-KO) to study the causes of obesity among children.

In March, GEC-KO announced the findings of a study that greatly increases understanding of the condition.

The study shows that almost 15% of four-year-old children in Holland are too heavy, while 4% are truly overweight, but parents and doctors are not paying much attention.

Additionally, babies born with a low birth weight as well as overweight babies have a similar chance of having too much body fat fifteen years later.

Research in mice has also shown that the mother's diet greatly influences the metabolism of the unborn child. A diet rich in unhealthy saturated fats can result in a heavier and fatter baby.

As a result of the research, GEC-KO has set up two intervention programmes – one based on clinics for babies who are overweight, and one for toddlers that encourages the whole family to lead a healthy lifestyle. **Kruidvat**



Queen Beatrix of the Netherlands and Dominic Lai, A.S. Watson Group Managing Director (right), were guests of honour at the symposium



## Beautiful **boogys** benefit charity

Building on the successful 2006 campaign that raised over £100,000 for The Prince's Trust through the sale of charity bags, Superdrug has launched its latest charity bag for 2007.

The bag is part of a collection designed by hip London designer Walé Adeyemi who is also an ambassador of The Prince's Trust, an organisation that helps UK youngsters get their lives working.

Online shoppers were given a sneak preview of the new bag in April, and a limited number were sold at [www.superdrug.com](http://www.superdrug.com) within hours. Other items in the collection include flip-flops, umbrellas and nail files, all designed in three striking colours.

Meanwhile, Superdrug continues to partner with The Institute of Cancer Research's SAFE (Skin Awareness For Everyone) campaign and invited British-born Hollywood actress Mischa Barton (top photo) to become the 2007 Face of SAFE, to help raise awareness of the importance of sun protection.

Superdrug has raised over £175,000 since the campaign began, and sales of children's high-protection sun lotion have increased almost five-fold.

In France and Portugal, Marionnaud donated €2 for each purchase on International Women's Day to the Fédération Nationale Solidarité Femmes, which assists women exposed to domestic violence, physical or moral, and "Women Against Violence" respectively.

Superdrug Marionnaud



# Big day

young sports stars

The A.S. Watson Group Hong Kong Student Sports Awards 2006-2007 (SSA) held its 2<sup>nd</sup> award presentation at Queen Elizabeth Stadium on 3 March.

The ceremony recognised a record 768 talented student athletes, an increase of 25% from last year. Almost 65% of all local schools in Hong Kong participated and more than 1,800 school principals, teachers, parents and family members shared this important moment with Hong Kong's future sports stars.

The awardees attended two full-day leadership-training workshops. Twenty outstanding students were selected to participate in a sports exchange tour to Beijing in the summer of 2007 where they will share experiences with athletes of the national team and learn more about preparations for the 2008 Olympic Games in Beijing.

## Watsons Hong Kong strengthens health authority

To reinforce its smoking cessation programme, Watsons Hong Kong joined hands with well-established healthcare product company Novartis to hold a "Speedy Smoking Cessation Competition". Participants received tailor-made smoking cessation treatment with regular follow-ups by Watsons pharmacists. Chan Shue-wah, who smoked for 25 years, beat the smoking habit within two weeks and won the competition.

Watsons also designated March as "Women's Health Month" and April as "Concerns on Cervical Cancer Month". There were special offers on body checks and cervical cancer prevention treatment to encourage women to pay more attention to their personal health.



Dominic Lai, A.S. Watson Group Managing Director, presents the cheque of HK\$100,000 to Lawrence Yu, Campaign Committee Co-chairman of the Community Chest



# Making a difference

PARKŃSHOP Hong Kong launched a new month-long fund-raising campaign between 4 May and 1 June that significantly benefited projects backed by the Community Chest that help disadvantaged Hong Kong people join the workforce.

Cheung Kong Group got the ball rolling with an initial donation of HK\$100,000 and pledged to match, dollar for dollar, all contributions from PARKŃSHOP customers throughout the campaign period.

All PARKŃSHOP stores sold raffle tickets at the checkout for HK\$3 each, with proceeds going to "Labour & Employment Services". The winning raffle ticket won a million MoneyBack points valued at HK\$20,000, second prize was 800,000 points and third prize was 500,000 points.

Another effort to raise funds for the Community Chest took place earlier during Chinese New Year. Colleagues from A.S. Watson Group shared their festive happiness with those in need by donating their red packets.

# Raising green consciousness



Riding on the success of last year's initiative that reduced plastic waste by 43 million bags, PARKNSHOP Hong Kong on 6 March launched a new campaign called "PARKNSHOP Green Day".

The first event was the Tree Planting Challenge, held on 29 April with Watsons Water the official drink. Two teams from A.S. Watson Group also participated (photo below), completing a 10-km hiking course at Tai Lam Country Park where they delivered seedlings and planted 153 trees within 4.5 hours.

On the first Tuesday of every month, customers enjoy discounts on selected environmentally friendly products and are asked to donate HK\$0.5 per plastic bag. Customers and staff are also made more aware of environmental issues through "Green Ambassadors", the "Earth Baby" mascot and "Tips of the Day" from Green Power. Money raised goes to Green Power's innovative "Zero Waste Action" education programme.

At Hong Kong International Airport, Nuance-Watson (HK) (NWL) has launched "Save & Preserve", a series of eco-friendly initiatives to increase environmental awareness among travellers. Customers receive eco-friendly P-Life™ degradable plastic bags or a HK\$0.5 discount if they decline to use one. NWL stores have also been selling fashionable non-woven bags, with the profits donated to ORBIS in support of its sight-saving missions.

Meanwhile, Watsons Water this year is again participating in the "Earth Partner" campaign organised by Friends of the Earth (HK) to educate and encourage people to help create a better environment.



**Save & Preserve**  
a green future for your next generation  
少用膠袋 為下一代保護大自然

Join us now

- Say NO to plastic bags - HK\$0.5 will be taken off your bill to thank you for your support OR
- Choose a "Green" Bag for reuse

請支持我們

- 棄用膠袋 - 顧客可享HK\$0.5現金回贈
- 選用購物袋作循環使用

Nuance-Watson uses the environmental-friendly material P-Life™ for its shopping bags. 我們亦提供「Nuance-Watson」的膠袋選用可分解材料「P-Life™」製造。

**Earth Partner**  
與環境相依為命  
珍惜方可延續

Earth Partner 是「香港地球之友」自2005年開始籌辦的年度慈善環保計劃，於每年4月22日「地球日」舉行。旨在教育及喚醒大家，要致力締造美好的生活環境，並鼓勵各人愛護地球及珍惜資源，齊心一點，為了健康，為了可持續，成就生生不息的社會。保護環境是我們的共同責任，本計劃正好建立一個讓大家聯手合作的平台。我們必須積極發展一套有利環境的新思維，同心協力，在減少影響自然環境及資源的情況下生活及營商。

感謝下列來自不同界別的機構參與「Earth Partner」2007/08計劃；在工作間、學習間及居所，透過各人貢獻的一分力量，為更好的環境而努力。

CLUB  
3M 21  
3M HONG KONG LIMITED

citigroup CLP 中電

港燈 HK Electric

LEO PAPER GROUP 太古可口可樂香港 Watsons Water 綠野先鋒

**Super Prize (Bluetooth clip handset)**

Name	Company & Department
1. Abby Hui	ASW – OSD
2. Chan Yim-ling	ASW – FSSC
3. Yu Siu-ching	Watsons HK – Operations
4. Man Wai-yan	ASWI – Finance
5. Pong Pui-po	ASWI – ISD
6. Lee Yiu-tang	ASWI – Sales
7. Tse Cheuk-wai	Nuance Watson (HK) – Finance
8. Ada Zheng	PARKNSHOP China – Human Resources
9. Li Dong-hui	ASWI Guangzhou – Information Technology
10. Alex Zhong	ASWI Guangzhou – Construction & Engineering
11. Cindy Chen	ASWW Shanghai – Sales
12. Yvonne Lee	Watsons Taiwan – Buying
13. Stephen Chang	Watsons Taiwan – Information Technology
14. Yeong Wai-cheng	Watsons Malaysia – Finance
15. George Choa	Watsons Singapore
16. Jose Hermes	Health & Beauty Continental Europe
17. Sylwia Czeszczyk-Janicka	Rossmann Poland
18. Peter Kemmeren	Kruidvat Netherlands
19. Helen Webb	The Perfume Shop Ireland
20. Thyange Christine	ICI PARIS XL Belgium

7. Curtis Chui	PARKNSHOP – Property
8. Yoyo Cheng	Nuance Watson (HK) – Human Resources
9. Leung Mei-kei	Nuance Watson (HK) – Finance
10. Chan Kwan-koon	ASWI – Credit Control
11. Kity Lam	ASWI – Finance
12. Wong So-fong	ASWI – Finance
13. Ngai Wing-sze	ASWW – Customer Care
14. Chan Mo-han	ASWW – Business Information
15. Zhan Gai-hua	PARKNSHOP China – Store
16. Julie Hui	PARKNSHOP China – Human Resources
17. Amy Lin	PARKNSHOP China – Customer Care
18. Li Ying	ASWI Beijing – Customer Care
19. Yie Ying	ASWI Guangzhou – Production
20. Qiu Yong-qian	ASWI Guangzhou – Quality Control
21. Judy Yang	Watsons Chengdu
22. Jasmine Loke	Watsons Singapore
23. Quah Kar-mei	Watsons Malaysia
24. Rebecca Chou	Watsons Taiwan
25. Rianne Blaauw	Health & Beauty Continental Europe
26. Goederen Veghel	Health & Beauty Continental Europe
27. Marco Willems	Kruidvat Netherlands
28. Jaimy Nieuwenhuizen	Kruidvat Netherlands
29. Wil Schippers	Kruidvat Netherlands
30. Samantha Shuder	Kruidvat Netherlands

**Gold Prize (Pingu mobile phone strap & card holder)**

Name	Company & Department
1. Cindy Poon	ASW – General Office
2. Lee Suk-han	ASW – OSD
3. Iris Ng	ASW – FSSC
4. Chan Ka-yan	ASW – FSSC
5. Cheng Fun-yam	Watsons HK – Human Resources
6. Pang Siu-yin	Watsons HK – Finance

**Silver Prize (Memory card holder)**

Name	Company & Department
1. Michelle Cheung	ASW – International Buying
2. Leung Chit-hei	ASWW – Sales
3. Zhang Shao-ming	ASWI Guangzhou – Finance

**Questions:**

- When did the new Watsons store at Festival Walk open?
- Name one of the "First of the First" that Nuance-Watson(HK) pioneered.
- How much did Cheung Kong Group initially donated to PARKNSHOP's fund-raising campaign between 4 May and 1 June?

**Super Prize (2)**

**Superdrug "Beauty Set"**  
Sponsored by Superdrug

**Gold Prize (3)**

**Watsons Water@Marathon 101 Limited track suit**  
Sponsored by Watsons Water

**Silver Prize (25)**

**Hip T-shirt**  
Sponsored by Express

Name of Staff Member: \_\_\_\_\_ (ENG) \_\_\_\_\_ (CHI)

Company & Department: \_\_\_\_\_

Address: \_\_\_\_\_

Employee No: \_\_\_\_\_ Contact Tel No: \_\_\_\_\_ Signature: \_\_\_\_\_

A1: \_\_\_\_\_ A2: \_\_\_\_\_ A3: \_\_\_\_\_

Send your **completed** entry form to:

**Group Public Relations**  
A.S. Watson Group  
11/F Watson House  
1-5 Wo Liu Hang Road  
Fo Tan, Shatin, Hong Kong

or Email to [WatsOn@asw.com.hk](mailto:WatsOn@asw.com.hk)

Deadline: 17 August 2007



Former French President Jacques Chirac personally confers the insignia of Commandeur de la Légion d'Honneur upon Mr. Li in a ceremony at the Elysee Palace in 2005

# Roll of honour

Mr Li Ka-shing, Chairman of Cheung Kong (Holdings) Limited and Hutchison Whampoa Limited, set up the Li Ka Shing Foundation in 1980 to co-ordinate donations towards medical, education, cultural and other community welfare projects. The Li Ka Shing Foundation and other private charitable Foundations established by Mr. Li have supported numerous charitable activities with grants, sponsorships and commitments of over HK\$8.3 billion.

Mr Li's endeavours have been recognised around the world, and the latest accolade came in April when he was presented with the 2007 Presidential Award from Teachers of English to Speakers of Other Languages, Inc. (TESOL) for his support of English enhancement programmes for youngsters in China, particularly the impact of Shantou University's English Language Centre (ELC), which is supported by the Li Ka Shing Foundation.

## Mr Li's awards:

- 1981 Justice of the Peace
- 1982 Grand Officer of the Order Vasco Nuñez de Balboa (Panama)
- 1986 Commander of the Order of the Crown (Belgium)
- 1989 Commander of the Order of the British Empire (CBE)
- 1999 Entrepreneur of the Millennium (The Times and Ernst & Young, UK)
- 2000 Commander in the Leopold Order (Belgium)
- 2000 International Distinguished Entrepreneur Award (University of Manitoba)
- 2000 Knight Commander of the Order of the British Empire (KBE)
- 2001 Grand Bauhinia Medal of the Hong Kong SAR
- 2005 Commandeur de la Légion d'Honneur (France)
- 2006 Malcolm S. Forbes Lifetime Achievement Award (Forbes)
- 2007 Special Honorary Award for Economic Contribution 2007 (CCTV)
- 2007 Lifetime Achievement Award for Philanthropy (PRC Ministry of Civil Affairs)
- 2007 Presidential Award (Teachers of English to Speakers of Other Languages, Inc.)

