

January 2003

WATSON

ON

No. 56

A.S. Watson quarterly family magazine

Watsons Taiwan and Kruidvat NL shape up for growth

Sunkist shines in China

PARKnSHOP China
launches loyalty card

Awards aplenty for ASW

HWL Sports & Family Day

A.S. Watson

The retail and manufacturing group of
Hutchison Whampoa Limited



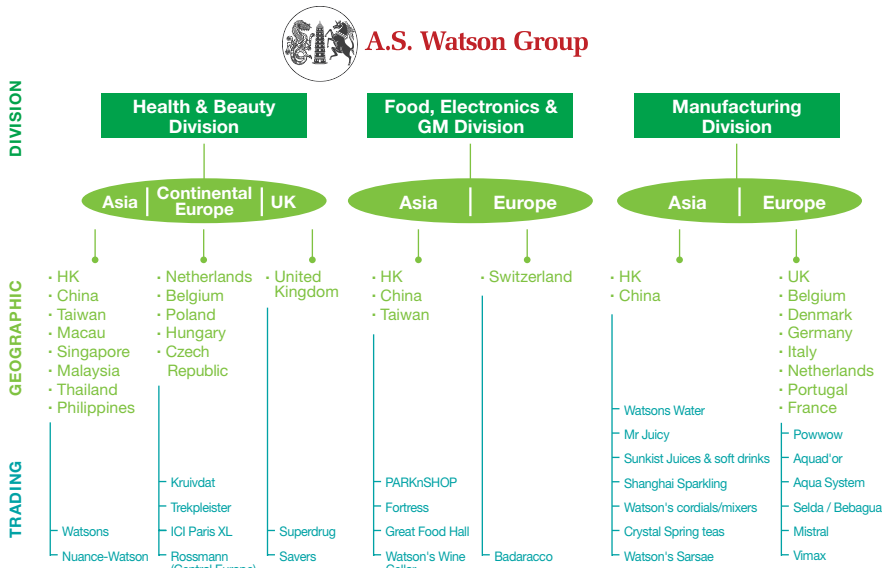


New structure New challenge

Following the latest expansion of the A.S. Watson Group's health and beauty operation in Europe, management has decided to re-align the businesses to better reflect the Group's composition. The new structure, which applies to the retail divisions sees the establishment of a Health & Beauty Division and a Food, Electronics & General Merchandising Division. The change aims to enhance business efficiencies and encourage operational synergies.

In view of the size of the Health & Beauty Division business, an executive board has been established to manage health & beauty interests in Asia, Continental Europe and the UK. The Board will be chaired by Group Managing Director Ian Wade, with Dick van Hedel as Deputy Chairman. Dick Siebrand is appointed as Director and CEO of Health & Beauty Continental Europe while Philip Ingham as Director and CEO of Health & Beauty UK. Iwan Evans will head the other retail division as CEO of the Food, Electronics & GM Division.

The new organizational chart is shown below:



A.S.Watson seals euro 760 million loan

A general syndication for the 550 million euro and 210 million dollar term loan facilities for A.S. Watson Group, guaranteed by Hutchison Whampoa Limited (HWL), has been successfully closed with an oversubscription. Signing of the facilities took place on 12 November 2002. The proceeds will be used to finance ASW's acquisition of Kruidvat. The acquisition was announced on 22 August with official approval from the European Commission granted on 27 September 2002.



contents

	world news	01
	asia corner	10
	Watsons Taiwan	NEW
	europa corner	15
	Kruidvat Netherlands	NEW
	family matters	19
	Family Day	
	lifestyle	22
	your story	24
		NEW
	brand book	26
		NEW
	archive & quiz	28
	community	29

Dear Colleagues,

It is my pleasure to wish you all a Happy New Year, and for our Chinese staff, "Kung Hei Fat Choy" as we approach the Year of the Ram.

At this time last year, I wrote in these pages about the Group's goal of expanding our foothold in Europe and achieving a more balanced geographical spread between Europe and Asia. Since then, we have taken great steps forward in achieving these targets.

The year 2002 saw us reach major milestones, with the retail expansion in Europe one of the most crucial, with the establishment of health & beauty stores in six countries as well as a thriving wine wholesale company.

Though a relative newcomer to Europe, I am confident that our international experience as a group will help drive the business forward at a rapid pace.

In this issue of *Wats On*, you will read about the recent restructuring of our divisions to help create increased efficiency within the Group. To reflect our strong growth of the last year, we will now have an 'Asia Corner' and 'Europe Corner' column in each issue of *Wats On*. Also, considering the numerous household brands we now have within the Group, the 'Brand Book' is designed to bring them closer to our hearts and homes.

As we look back on our successes of the past year, we owe a great debt of gratitude to you all for your hard work. I hope you will continue this great effort and join me in eagerly looking ahead to another challenging year.

Ian F. Wade

Ian F. Wade
Group Managing Director

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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".

Published by
A.S. Watson & Co., Limited
Watson House, 1-5 Wo Liu Hang Road, Fotan, Shatin, Hong Kong Email: WatsOn@asw.com.hk
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Wats On

PARKnSHOP wins at Macau Grand Prix

This issue's cover photo shows Dutchman Duncan Huisman in great control of his PARKnSHOP-sponsored BMW 320i on the way to winning his second successive SJM Guia Race at the Grand Prix of Macau on 17 November 2002. Huisman led every lap of the two 12-lap heats. Franz Engstler shared the podium with teammate Huisman after claiming third in his Watsons Water-labelled BMW.

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 20 countries in Asia and Europe. The Group operates over 3,200 retail stores, owns more than 20 water and juice brands, and employs more than 51,000 staff worldwide. ASW is a member of the world-renowned Hong Kong-based conglomerate Hutchison Whampoa Limited, which has major interests in ports, telecommunications, property, energy and retail with businesses in 41 countries.

Be creative!



Hutchison Whampoa Group Managing Director Canning Fok has identified creativity as an important ingredient for the company's estimable success. In a speech at the Creative Cities Conference, (sponsored by the Li Ka-Shing Foundation), held in Hong Kong in November, Mr Fok said that the company consistently emphasizes creativity and encourages its people to think outside of the box to achieve its goals of making profits and creating shareholder value.

As testament to the importance of creativity in the commercial world, Mr Fok

told the audience, comprised largely of entrepreneurs and creative professionals from London and Hong Kong, that the Chinese words for business, "Sang Yee", when literally translated into English mean "lively ideas".

He added that this especially holds true for Hutchison with its diverse interests, and effects how business is conducted throughout its core industries. Mr Fok cited PARKnSHOP and Watsons Water as examples of the company's creativity: PARKnSHOP has become the top brand in Hong Kong, and people "like to buy their seafood from us

because...we literally look after it from the moment it's caught to the moment it's sold.... we do everything to keep our fish healthy."

"We sell water too. There's not much you can say about water, but we're not scared of creative branding to make our point....our carry-along bottles are visually exciting."

Mr Fok's speech, and the company's continued growth, proves his point that "creative new ideas can sometimes be remarkably simple, and remarkably successful".



PARKnSHOP Express delivers convenience to Hong Kong consumers



Further enhancing its innovative customer-centred services, PARKnSHOP Hong Kong has launched two PARKnSHOP Express stores, one 24-hour store at Kwun Tong in Kowloon and the other (open from 6:00am to midnight) at Tin Hau on Hong Kong Island. With a compressed store layout, PARKnSHOP Express houses one thousand products with a focus on instant food and emergency products such as medicines. Apart from food and emergency items, other products also line the shelves including PARKnSHOP private label items making the Express stores similar to mini-supermarkets.

- 1 PARKnSHOP Express store at Tin Hau
- 2 Inside the PARKnSHOP Express store

Sunkist
新奇士

Sunkist brings sunshine, health & joy



From May to October, Sunkist executed 40 roadshows and promotions for the first time ever in Shanghai and Beijing. With a giant orange and blue Sunkist logo as the backdrop, the promotion effectively communicated the brand's sunny and healthy message and attracted many participants.

The happy effect was enhanced with promotion booths and smiling promotion girls, while the roadshow's interactive features included several educational games. Because consumers in these two cities are not yet familiar with Sunkist, the games were designed to provide both fun and brand information. Based on site feedback, the roadshow successfully balanced its participation and educational objectives, with everyone happy 'juiced' to be involved.



New initiatives bring PARKnSHOP closer to customers

PARKnSHOP offers Shenzhen customers sweet surprise



On 22 November, PARKnSHOP China launched its first ever VIP card in Shenzhen. The card offers savings on top of savings with a further 5% discount on all yellow-label promotional products. Subscription fee for the VIP card is RMB88 per year. The program was initially launched in the City Owner store, where the customer response will be tested before the initiative is extended further.

Furthering its strong value proposition in the China market on the same day as the VIP Card launch, PARKnSHOP offered Shenzhen customers a chance to double-the-difference if they could find a discounted PARKnSHOP product at a lower price elsewhere on the same day at another Shenzhen hypermarket.

PARKnSHOP exhibits excellence in China



In November, PARKnSHOP participated in the China Consumer Goods Procurement Fair, the nation's largest procurement exhibition, held at the Hi-Tech Fair Exhibition Centre in Shenzhen. PARKnSHOP exhibited its renowned retail model, known for its flexible multi-format approach, and its world-class fresh market operation at the Fair. Other Group retail brands joined PARKnSHOP at the exhibition including Watson's Wine Cellar, Fortress and Great. The Group booths were a hit at the Fair, which attracted over 60,000 visitors in four days.



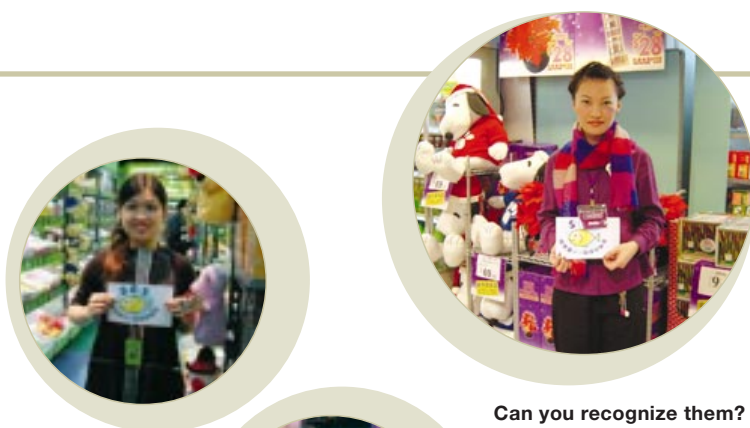


In love with Fish!

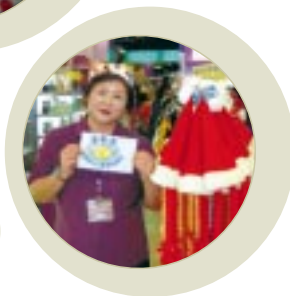
Watsons staff love Fish, but not those that live in water. Fish is a new work attitude at Watsons which started in a "happy" Seattle fish market. Even though market staff do the same job everyday, they have found a unique way to enjoy their work. This attitude makes shopping fun for the customer.



Watsons Hong Kong is promoting its own "Have Fun at Work" programme comprising four elements, "Choose Your Attitude", "Be Present", "Have Fun" and "Make their Day". To promote the new concept, a series of programmes were launched including the setup of the Service Enhancement Taskforce (SET), casual dress in stores, Christmas Look, and much more.



Can you recognize them? They are the winners of the Christmas Look competition.



Show Time! Watsons staff from the Prince's Building Branch proudly show their Christmas look and great fun at work.

Watsons Capitol Centre Launch—We made it!

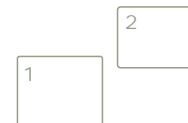
The hottest issue for Watsons Hong Kong this winter was the relaunch of the Capitol Centre Store in Causeway Bay. The store was originally opened in 1986, making it one of the oldest local Watsons stores, so the re-launch had great symbolic meaning for all of the staff. Their dedication was most evident in the effort put forth, with front line and office staff from around the area gathering together to decorate, clean and shelve the products for a "48-hour store launch" miracle!

The new Capitol Centre has become Watsons flagship store in the region with an area of 12,000 sq. ft. and the largest in-store staff.



- 1 (From left) Louise Lee; Samatha Cheung; Dr Lin; Ian Wade, Group Managing Director; Marianne Chan; and Gordon Reid, Watsons Hong Kong Managing Director at the ceremony.
- 2 Evidence of team spirit: staff from the frontline and office teams joined together to make the miracle.

Rapid expansion in the Philippines!



- 1 The first Watsons nailbar opened in the Philippines.
- 2 Several Watsons Pharmacies opened in supermarkets.



“Spotted in the shops
A famous Filipino businesswoman and celebrity was spotted at Watsons' latest store in Cagayan de Oro City.
Who is she? Teresita Sy-Coson, President of SM Group.”

November and December saw Watsons Philippines open an amazing 14 new stores, with five stores opened over just two days (29 and 30 November), bringing the total number of outlets to 83 within a year of operation. In an exciting development, four units were opened in Bicutan, a new shopping mall conveniently located near the Manila airport. Bicutan is home to Watsons Philippines' latest expansion idea: full-service beauty departments in local department stores. Watsons Philippines has launched a 5,000-square foot beauty department incorporating the first nailbar and full facial and treatment room in a department store - you can even have a mud bath. The Bicutan Watsons also marks the first presence for Watsons on a high street, as previously all the stores were inside shopping malls. Adding to the expansion is a new store in Mabini, a busy entertainment area of the city, while several pharmacies were also opened in supermarkets and the high-traffic area of Araneta in Cubao.

Watsons Skin Simple Your skincare questions answered

With winter coming, skincare routines need to be evaluated and tailored. To help customers "Look Good, Feel Great and Have Fun", Watsons Skin Simple provided Hong Kong ladies with the best skincare tips this winter. Watsons produced a Skin Simple magazine supplement with useful skincare information and advice. In the stores, six Skin Simple information leaflets were distributed, (anti-aging, neck care, lip care, eye care-dark circles, skincare

ingredients dictionary and skin nutrition), free to customers. Watsons normal great value on skincare products rounded out the promotion, which was supported by print and TV advertising. The campaign met with fantastic public response with the leaflets having to be reprinted by popular demand.





Watsons Water delivers increased efficiency to consumers

Watsons Water operates one of the biggest delivery fleets in Hong Kong, providing rapid, reliable water delivery to customers across the city. To maintain this efficiency, the company has adopted a new logistics-planning system project "RoadRunner", a routing and scheduling system developed by a leading logistics management technology provider.

RoadRunner maximizes efficiency through computerized route planning and offers a greater flexibility to accommodate urgent deliveries whilst reducing the driver's administrative workload. In this way, Watsons Water can optimize its delivery schedule and effectively deploy drivers. To further these efforts, a strategic route-planning programme and mobile vehicle communications network is planned for completion in 2003.



great

Great opens second 'Mini' store at Festival Walk

Great has opened a second store in Hong Kong at the Festival Walk shopping mall in Kowloon Tong. The 2,000 sq.ft. store is a mini version of Great's flagship store at Pacific Place. Featuring many of Hong Kong's most popular international food products, Great Festival Walk is a special deli-style store offering a wide range of imported treats like air-dried salami, fresh caviar, camembert, croissants, sourdough bread and the perfect wine from Watson's Wine Cellar to accompany it all.



PARKnSHOP gives away \$100 million for Christmas



PARKnSHOP has given Hong Kong a fantastic holiday gift with its HK\$100 million festive giveaway in the "Lowest Price Guarantee" Campaign, which saw prices on hundreds of products in over 200 stores reduced by as much as 50% in an unprecedented Christmas and Chinese New Year savings bonanza.



Tim Chalk, Director of Trading & Marketing (left) and Ian Pye, Managing Director for PARKnSHOP Hong Kong revealed the great news at the press conference.

New Store Openings

Thailand

Samui

Philippines

various (see story on p.5)

Hong Kong

Capitol Centre

Sun Yuen Long Center - Megastore

Skyline Plaza - Megastore

Metropolis Plaza - Supermarket

Lai Chi Kok Road - Supermarket

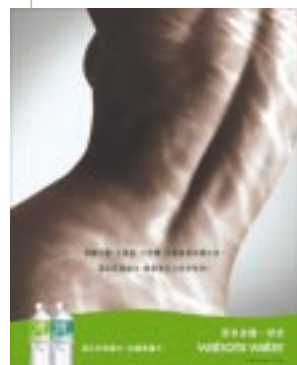
Tin Hau - PARKnSHOP Express

Kwun Tong - PARKnSHOP Express

Hing Wah Building - PARKnSHOP Express



Awards aplenty for Watsons Water excellence



Despite being the clear leader in the market, Watsons Water has never grown complacent. Tireless in its pursuit of excellence, the company has received numerous accolades throughout its history. From its 98% rating by the National Sanitary Foundation, (maintaining the company's **ISO 9001** accreditation), to earning a 'satisfactory' rating from government auditors for the Company's safety management system, the company continues to celebrate major milestones.

In 1998, Reader's Digest presented Watsons Water with the **"Most Popular Brand"** in its Super Brand Awards in Asia competition. This honour demonstrates the company's genuine and ongoing commitment to quality, which in turn is reciprocated by unparalleled customer loyalty.

Again confirming the company's distinction, the Hong Kong **Superbrands** Council has also extended its praise. Having only recently opened a chapter in the SAR, its members quickly came to recognise the profound role Watsons Water plays in Hong Kong society. Amongst the criteria that the Council uses in its annual Awards selection process are market dominance, longevity, goodwill, customer loyalty, and overall market acceptance.



In addition to the company's award-winning products and services, Watsons Water was also honoured for its creativity, winning the **4A's Creative Awards** for its latest advertising campaign, "It's Your Body". The Watsons Water "It's Your Body - Sport" TVC earned an editing and cinematography award, whilst its 'Life' counterpart also received a cinematography award.

Turning from video production to graphic design, the company's new bottle, launched in June last year, has been honoured by the Hong Kong Print Awards (established by the Hong Kong Trade Development Council, the Hong Kong Productivity Council and the Hong Kong Leisure and Cultural Services Department) as winner of **The Best Packaging Material Printing**.

This year, as Watsons Water prepares to celebrate its centennial, the company will rely on its historic performance to look forward to confronting new challenges and achieving still greater successes in the years ahead - so let the accolades come as they may!



(Look out for more news on the Watsons Water centennial celebration in the next issue of Wats On.)

Customer Service - the key to award-winning success

The ASW Group continues to prove that Customer Service is one of the most important factors for continued business success, with Fortress and Nuance-Watson taking home several service awards from the Hong Kong Retail Management Association (HKRMA) Service & Courtesy Awards 2002.



Going the extra mile

Liong Kam-wa of Fortress won the **HKRMA Service & Courtesy Award for Supervisors** out of 133 nominees from over 40 companies. The three main criteria for the award include standards of customer service, presentation skills and communications skills. A dedicated and long-serving employee, Liong first joined Fortress 15 years ago as a Sales Representative and is now the Sales Manager of the Ginza Plaza store.

"Effective communication with staff is crucial in building a strong team. Fortress staff have many innovative ideas which can contribute to the growth and success of the business. My role as a supervisor is to reflect staff comments and ideas to management while at the same time helping staff understand the philosophy behind certain procedures and policies," said the proud winner.



Double distinction

On the travel retail side of ASW's operations, Nuance-Watson is proud to have won the Service & Courtesy Award for the fourth consecutive year. Even better, **Natalia Chan Pui-kei** won both the **Junior Frontline Award** and the overall **On The Job Performance Award**.

Natalia joined Nuance-Watson in 1999 and has been one of the most successful members of the frontline service team ever since. According to Natalia, simplicity is the secret behind her double success.

"I always try to give customers a welcome from the heart. I try to keep it simple. People are usually in a rush at the airport, so they like it if you can be relaxed and help them out with a little patience and a smile."



A special experience

Supervisor from Nuance-Watson's Labels outlet, **Fiona Chan Chun-fung**, was delighted with winning the **Supervisory Level Award** as it proved that her training and hard work had paid off. Having worked for the company since 1998, she said, "I enjoyed the experience and winning has given me great encouragement about my future career in retail."

Winning these awards is not only just recognition for ASW's excellent teamwork and customer service, but also reflects our continued commitment to further improvement. Congratulations to all of our Group winners!

More awards

Great Food Hall was voted **The Best Food Shop** by readers of the popular HK Magazine.

Watson's Wine Cellar also claimed the HK Magazine award for **The Best Wine Store**.



A.S. Watson Group was presented the **Diamond Donors Award** by the **Community Chest**, one of Hong Kong's major charity organizations. The Award recognizes ASW's active employee donation drives throughout the year, from which over HK\$600,000 was raised for good causes.



PARKnSHOP Hong Kong won the **Award for the Brand Yahoo! Users Trust the Most** in the inaugural Yahoo! Emotive Brand Awards, the first ever awards recognizing emotional ties between brands and consumers. The award winners were voted on by nearly 10,000 consumers in an online poll in October 2002. Meanwhile PARKnSHOP also won the popular Next Magazine's **Top Service Award** 2002 for a record 12th time in the Supermarket / Convenience Store category.

Watsons Taiwan

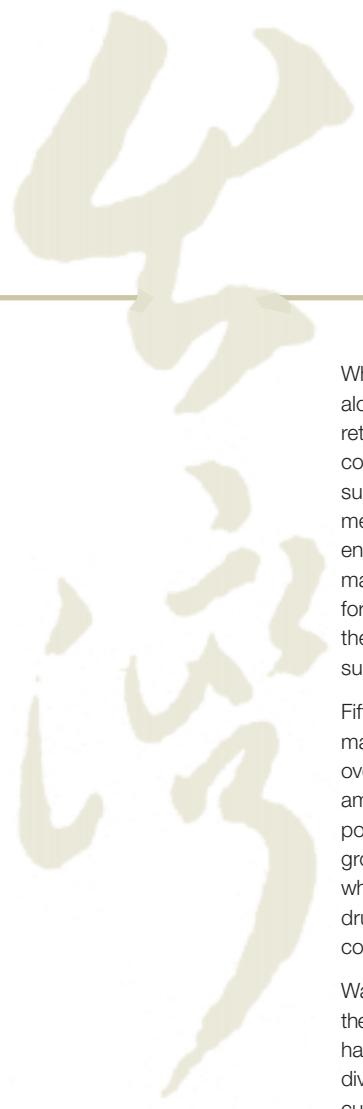
Dares To Swear Success



"When the going gets tough, the tough get going." This famous saying perfectly describes the recent efforts of the Watsons Taiwan team in overcoming a series of market challenges.

In 2002, Watsons Taiwan achieved record high daily sales, beat its weekly sales record on five occasions and saw more customers than ever before visit its stores. It is a remarkable performance that every team member is proud of.

In this issue's Asia corner, we focus on the Watsons management team in Taiwan to find out how they were able to turn challenges into opportunities in 2002.



When Watsons opened its first outlet in Taiwan, along the Hengyang Road in 1987, local retail was relatively simple, predominantly comprising department stores and supermarket chains. With its unique merchandise mix and vibrant shopping environment, Watsons appearance in the market proved a refreshing change of pace for Taiwanese shoppers, firmly establishing the brand and paving the way for future success.

Fifteen years later, Taiwan is now the largest market for Watsons in Asia with a network of over 200 stores. Watsons Taiwan has enjoyed amazing success in establishing its leading position in health and beauty amidst a growing diversification of the Taiwan market, which now includes countless discount shops, drugstores, pharmacies, boutiques and convenience stores.

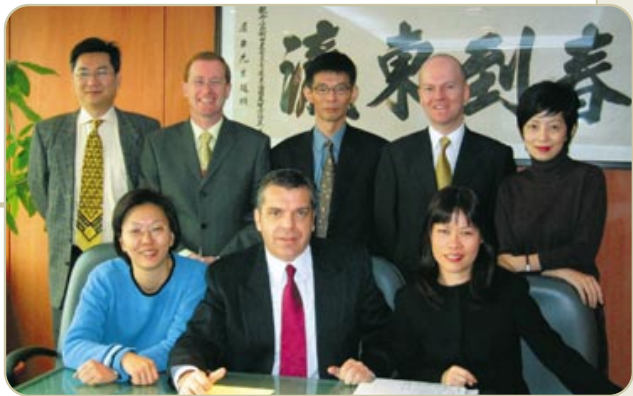
Watsons' phenomenal growth, achieved in the face of ever-increasing market competition, has continuously been supported by its diversified product offering and an expanding customer base thanks to new store growth. As a market leader, Watsons Taiwan is faced with the daily challenge of living up to the high expectations and close scrutiny of the nation's savvy and modern consumers.

To stay on top in a fiercely competitive market, Watsons Taiwan launched the "New Watsons" programme in 1999. The massive undertaking included major store refurbishment, process re-engineering and an intensive marketing drive. The commitment to the market was significant, but the project was launched in the face of a worsening economic climate, exacerbated by an unprecedented series of natural disasters plaguing the country. Taiwan had barely recovered from the devastating Chi-chi Earthquake of 1999 when two typhoons, Xinsung and the infamous Nari, struck the island in 2001 seriously effecting the already difficult economy and putting further pressure on customer spending.

The nation's recovery process posed one of the most severe challenges to Watsons 15 years of success in the nation's market. Like the people of Taiwan, Watsons staff were stoic and resolute in their determination to succeed. Reflecting on the Chinese character for crisis, which is the combination of those for danger and opportunity, they resolved to turn these challenges into successes in 2002, the big question being how to revive business in this challenging and difficult economic climate.



One of Watsons Taiwan's three new stores is located in the popular tourist spot, the Liao Ho Fa night market in Kaohsiung city.



Management Team in Taiwan
 Back row (from left): Alex Huang, Health & Logistics Development Controller; Paul Hilsmith, Operational Controller; Jonathan Chi, Financial Controller; David Boynton, Buying & Merchandising Director; Brenda Kou, Senior Communication Manager
 Front row (from left): Joyce Tao, HR Manager; Andrew Miles, Managing Director, Taiwan; Yuting Wu, Marketing Manager



“I Dare to Swear”

The turn-around plan started with the "I Dare To Swear" price campaign.

Recognising the fierce competition and cross-industry issues, Watsons Taiwan decided to confront the challenges directly. Key to the recovery was Watsons firm commitment to establishing a price platform upon which it could to continue to build, adding other valuable attributes as a market leader. Although not the first retailer in the market to appeal to low price, Watsons was the first one to address the issue with a high-profile advertising campaign and extraordinary zeal.

It took very little time for the "I Dare To Swear" campaign to become headline news and a topic of daily conversation in Taiwan since its launch in January, 2002. The sincere tone of the campaign symbolised the familial spirit which the Taiwan team had developed and their commitment to making the campaign a success. The team had a strong collective belief that being price competitive in the market would open the route to success.

The public responded and within one month toiletry sales increased by 30%. The results were very encouraging, reinforcing the company direction and confirming that Watsons Taiwan was again on the path to success. "We've created a passion for price, a passion that effects all of our operations, buying and marketing teams in our business," says Andrew Miles, Managing Director, Taiwan.

Today, the "I Dare To Swear" campaign has evolved into its fifth phase but Watsons spirit of being focused on price stays unchanged. A team of 15 price checkers constantly monitor the market prices while customer service teams man the phones daily, handling both customer and store price and product queries.

Supporting the price campaign was the store refurbishment programme that began after the earthquake in 2000. Watsons devoted its efforts to giving a new look to all its outlets in Taiwan, rebuilding itself along with the nation. By the end of 2002, over 80% of Watsons outlets in Taiwan had been extensively refurbished with an entirely new image, from eye-catching Watsons green signboards to bright interiors and colourful merchandise display systems. The new look enabled customers to notice the change happening within the brand and the feeling of fun and excitement that was emerging from this new shopping environment.

Undoubtedly, Watsons Taiwan's competitive pricing strategy was successful in building a strong platform for the Group's continued expansion in the market. However, as a market leader, the company understands the importance of striving to not only offer the most competitive prices, but to also serve as a bridge between suppliers and consumers in providing the easiest access to practical information.

To this end, Watsons Taiwan began publishing customer-oriented information in 2002. A monthly publication, special supplemental titles on skin and healthcare, and even bookmarks with the latest shopping tips being regularly produced for free distribution to customers.

Management and staff of Watsons Taiwan will remember 2002 as a year of hard work, significant challenges and bold innovations; a year in which the company together turned natural disasters and market challenges into business opportunities. With a greater awareness of Watsons as an integral part of daily life in Taiwan, the company is more committed than ever to meeting the nation's rising expectations and the new challenges that lie ahead.



Looking back on a challenging year in Taiwan, here are some quotes from Watsons Taiwan management and local media on the events of the past year.

“The people of Taiwan have been one of the most important reasons I've enjoyed working here. But the last year has proved to me even more that it is our staff and management team who really made the difference. Through earthquakes, typhoons and market troubles our people have been brilliant!”

Andrew Miles, Managing Director, Taiwan & China

Capping his success in 2002, Andrew Miles has recently been promoted to the CEO for A.S. Watson Health & Beauty Asia. Congratulations to him and the entire Watsons Taiwan staff for their success!



PASSION

“From the moment I told the operations team that the company would aggressively support us with enhanced marketing and a new price pledge campaign, their attitude and commitment to achieving our goals has been outstanding. I have always had confidence that my team possess the necessary skills to achieve our goal, but the difference this year has been their passion - a passion that has manifested itself in too many ways to mention! I salute them all.”

Paul Hillsmith, Operation Controller



The Team of Passion
(left to right)

Michael Bao, Senior Operation Manager
Sandra Huang, Regional Manager
Angus Pan, Regional Manager
Jack Hu, Regional Manager

CAN-DO SPIRIT

“In the last year we have been obsessed with price competitiveness and creating a new look for our customer communications. We are also reviewing the performance of every single SKU in our business, creating totally new planograms, introducing the Watsons Beauty Club and implementing a new approach to category promotion. Phew, what a year! I think the success is attributable to the sustained, focused effort of a very talented and highly committed team.”

David Boynton, Buying & Merchandising Director



Team of Can-Do Spirit

Back row (from left): Kerry Lee, Merchandise Development Manager; Julia Su, Senior Category Manager; Angela Chiang, Category Manager; Tiffany Ma Ma, Category Manager

Front row (from left): Monica Hsieh, Category Manager; Kay Yi, Category Manager



Becoming Stronger and more Competitive

"This is my third year with Watsons which means I have personally experienced and participated in Watsons' change process including store upgrades, uniform changes, enhancement of the management team, and training program systemization. To witness the company becoming stronger and each staff member becoming more competitive is a rewarding experience for all of us in the HR department."

Joyce Tao, HR Manager

Strong Faith

"Our success and achievement in 2002 is a shared glory in which we can all celebrate. With our efforts and devotion, Watsons Taiwan reinforced its leading position in the market and it is a fact that our customers like us. This is a result of the strong faith we have to keep improving ourselves."

Jonathan Chi, Financial Controller

Be Incomparably Better

"The objective of marketing is to ensure that consumers see a positive difference when compared with competitors. This is the spirit that I have seen here at Watsons and what the marketing department team is striving to achieve constantly. Our dedication to being uniquely better has made all the difference. With our business success, the most valuable recognition of our effort is that consumers have been touched by our spirit and acknowledge the new incomparably better Watsons."

Yuting Wu, Marketing Manager

Getting Involved

"The ultimate goal of corporate communication is to achieve a better communication with external parties. Achieving this goal requires the involvement of every colleague. In 2002, we have established better media relations and actively been involved with local charities. With this continued team effort, we believe Watsons will be perceived as not only a successful business, but also as a caring corporate citizen."

Brenda Kou, Senior Communication Manager

Professionalism goes hand in hand with hard work

"Health retail is at the heart of the Watsons business and this is further proven by the establishment of my new post in 2002. As a fresh team member, I witnessed the power of professionalism and hard work from all departments...and the sales results, wow! They proved the effort was worthwhile."

Alex Huang, Health and Logistics Development Controller

Just the facts: Watsons in the eyes of the media

"To me, the major difference Watsons made in 2002 was becoming more open-minded. From a media perspective, Watsons appeared to be more open to talking with journalists and interacting with its consumers. When encountering controversial issues, Watsons made a timely response. It is very impressive when top-level management representatives come forward to clarify any confusion. From my interview experience with several category managers, they were all very professional in product knowledge and trend forecasting."

As a customer, I feel the stores are cleaner, product ranges are comprehensive, displays are nicer and Watsons' printed materials used in stores are very impressive in quality."

Shu Yuan Hsu, Family Page and Consumer News Reporter, Min Sheng Daily

"In 2002, Watsons appeared to be more aggressive in maintaining its leadership position. It was also very active in promotions with clear themes given to each one. In terms of media relations, Watsons appears sincere and relations have improved."

Sharon Tsao, Reporter, Commercial Times

"I think the major differences in 2002 include the enhancement of its retail empire with the purchase of Europe's major beauty chains, innovative strategies including establishing Boots and perfume counters in stores and its category killer competitive strategy."

Fan Fan Chang, Reporter, China Times



Kruidvat shapes up for growth in The Netherlands

When Kruidvat Netherlands joined the A.S. Watson Group last October, management envisioned the company turning a new page for growth. This issue of *Wats On* introduces you to the Netherlands team.

Any plans for your next holiday? The Netherlands is a great choice!

A small country located in western Europe, the Netherlands has a small area but one of the world's highest population densities; its 16 million people equate to roughly 470 inhabitants per kilometre. This bustling country is also home to the world's largest port, Rotterdam, which has flexed its commercial muscle for centuries. Other picturesque cities like Amsterdam, Leiden, and Delft, with their colourful architecture and history, stand side-by-side with the Netherlands' continuing economic growth.

Adding to the fairy-tale feel of the Netherlands is the popularity of its royal family, the House of Orange. The reigning Queen, Beatrix, is a popular monarch and beloved by all the Dutch, while her son Crown Prince Willem Alexander is also highly popular, having recently married an Argentine woman in the royal marriage of the new millennium.

The Netherlands is home to thousands of enchanting tourist attractions and has become famous for its picturesque landscapes dotted by windmills and fields of tulips which flower every year in May and June. The country's many windmills are not just a national treasure

but a national necessity as well, constituting a clever water system that has helped the Netherlands, also known as the 'low lands' because the majority of the nation is below sea level, keep dry since the fifteenth century.

While you are in the Netherlands, don't forget to visit your new relatives, Kruidvat, the newest member of the A.S. Watson family. Kruidvat is the market leader in Health & Beauty retail, with its eponymous stores and sister companies Trekpleister and the luxurious perfume stores Ici Paris XL.

Don't know where they are? Not to worry, Kruidvat and Trekpleister stores and Ici Paris XL boutiques can be found in every city from bustling Amsterdam to the smallest village in the Netherlands.





Our growing European family

Today, Kruidvat is one of the Netherlands' best known health & beauty retail brands, and any Dutch person around the world could probably tell you of its success. Kruidvat opened its first Health & Beauty store in 1975 and now counts over 700 stores in the Netherlands and Belgium, where operations first began in 1992.

Trekpleister, Kruidvat's sister company, features over 200 stores in the Netherlands giving the Kruidvat Group a strong edge in the nation's growing Health & Beauty market. Formerly its main competitor, Trekpleister had made it a pernicious practice to closely follow Kruidvat's retail concepts after Kruidvat acquired it, at the end of 1997. Since the acquisition, Trekpleister has grown rapidly and is now a major player in the Dutch market in its own right.

In 1975, the first Kruidvat store was opened by a man who would play an influential role in the company's swift success, Dick Siebrand.

"We started our company as a real discount Health & Beauty company and developed our stores over the years into a very strong retail concept that is now by far the market leader in the Netherlands. The Kruidvat concept has proven to be extremely successful with

growth year over year in existing stores as well as in many new stores. The future of Kruidvat in the Netherlands and Belgium is very positive. We expect to open many new stores in smaller towns all over the Benelux, and to enlarge or relocate our stores to larger stores as we have done consistently over the last ten years," said Mr Siebrand, whose dedication and commitment to success will continue in his newly appointed role as CEO of A.S. Watson Health & Beauty for Continental Europe.

Kruidvat's winning concept includes offering the traditional health & beauty product range at a great discount, as well as fast-moving consumer goods like CDs, photo processing, gift items and much more. The concept has hit home for Dutch shoppers like Jan van der Molen, a teacher in Groningen. "I love classical music and I visit the Kruidvat store in my neighbourhood at least once a month to see what new classical CDs Kruidvat is offering. At a price of only one Euro and with an excellent quality, the classical CD offer of Kruidvat is unique."

Twenty-nine-year old Mirjam van den Boogaart appreciates Kruidvat's baby care product selection. "I have an eight month old baby and I shop at Kruidvat almost every week as I think the baby products in Kruidvat are the best and the cheapest. I solely use the Kruidvat label nappies as these are far less expensive than the branded products and the quality is as good as other labels. My baby just started with baby food in jars and, of course, I have found that Kruidvat is cheaper than any other store."



Trekpleister, Kruidvat's sister company, features over 200 stores in the Netherlands.

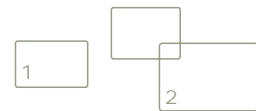


What next for Kruidvat?

With its strong customer satisfaction and a pre-eminent market position, the similarities and the synergies between Kruidvat Group and A.S. Watson are obvious. Among the many benefits of the merger are the prime sourcing opportunities made available by A.S. Watson. At present, many of Kruidvat's promotional products and more and more of its standard assortment products are procured in China or other Asian countries. The acumen of A.S. Watson sourcing is well-regarded in Asia, a benefit that should have immediate and positive repercussions for Kruidvat.

Kruidvat will also be assisted by A.S. Watson's increasing profile in the European market with its Kruidvat family outlets and the combination of Savers and Superdrug in the UK. Continued Group success in Europe should pave the way for more opportunities and the acquisition of other Health & Beauty retail chains.

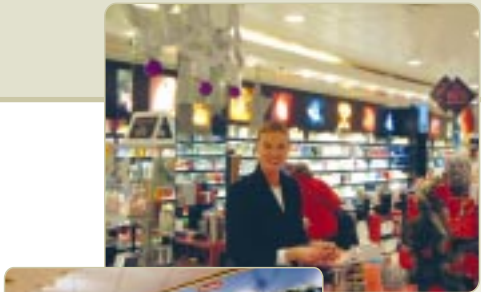
Outside of the new growth, the organic possibilities for Superdrug, Savers, Kruidvat, Rossmann Central Europe, Trekpleister and Ici Paris XL are very promising with synergies in IT, logistics, accounting, best practice and sales trends. In November, a Kruidvat team made a special visit to Hong Kong and returned to the Netherlands with many new ideas and possibilities for co-operation, ensuring that the A.S. Watson global family will continue to grow from strength to strength.



- 1 Kruidvat stores can be found in every city in the Netherlands.
- 2 Ici Paris XL boutique in the Netherlands.



Hi from the Kruidvat Team in The Netherlands!
 (From left) Gert Vos, Harrie van der Maazen, Gerard Hazelebach, Dick Siebrand, Hans van Hattem and Dick van Hedel
 (at the back) Miek Vercouteren and Pieter de Rijcke



A Kruidvat Christmas

Consumer testimonials tell the Kruidvat story in the best way possible, proving that the Kruidvat concept is still relevant for Dutch shoppers, especially during the holidays.

Marie de Vries, a 38-year old housewife and mother of two, particularly appreciates Kruidvat's value proposition during the Sinterklaas Festival in the Netherlands. "In my family a lot of presents are necessary for Sinterklaas. I buy most of my presents at Kruidvat which offers new deals and products every week that are suitable for this purpose."

The Dutch Sinterklaas Festival each year on December 5th is one of the forerunners of today's western Christmas holiday. The festival tells the story of Saint Nicholas who travels to Holland every December by boat. Traditionally, this saint is the guardian of merchants, sailors and especially children. This explains why the celebration of his birthday is mainly a children's event (and also great for merchants like Kruidvat, who profit greatly from the annual Saint Nicholas parties held around Holland).

Each year, Saint Nicholas arrives by steamer in a little Dutch port in an event that is broadcast live on television throughout the country. That night, Saint Nicholas tours the cities of Holland and lands on the roofs of the homes on a white horse. He drops presents in the chimneys, which fall right into the shoes of all the good little Dutch children. Before they sleep, the children place their shoes close to the fire, often filled with straw or carrots for Saint Nicholas' horse. They sing a few songs before going to sleep, because they know that Saint Nicholas likes singing children more than anything. Today, a basket or bag full of presents is placed outside the front door of homes without chimneys, a helpful neighbour knocks at the door and the children run to their presents.

You may wonder if there is any connection between Sinterklass and the American Santa Claus. Well, there is. Santa is simply an adaptation of Saint Nicholas. On the way to America he traded in his horse for a sleigh drawn by reindeer, but his message of peace and goodwill for all remains as true and important as it was in the time of Saint Nicholas himself.



A.S. Watson
Annual Christmas Party
features European flavour



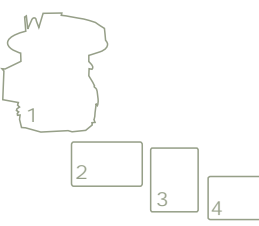
Colourful was the theme for this year's Watson Christmas Party in Hong Kong on 14 December 2002, with over 500 ASW executives attending the gala dressed up in their most vibrant and cheerful holiday finery.

With the Group's continued successful expansion into Europe, this year's event featured touches of a European Christmas. The evening's endless entertainment included the Spanish comedy cabaret Paul Morocco and Ole, who used a guitar and very simple props to fill the room with laughter. A great evening of music followed topped off by some golden oldies including The Platters, Herman's Hermits featuring Peter Noone and Gerry & The Pacemakers' Gerry Marsden. Then came the dancing, led by the SMILE Eurodance Show featuring Primadonna and Diana Fox. In true European style, the party lasted into the wee hours.



- Kruidvat's Pieter de Rijcke enjoyed himself at his first A.S. Watson Annual Christmas Party.
- The festivities continued until early the next morning.
- Jan Beards of Nuance-Watson (left) and Preneet Malhotra of ASW General Office receive the Best Dressed Award from Group Managing Director Ian Wade.
- Peter Noone of Herman's Hermits entertaining the audience with one of many golden oldies.
- The Platters also performed for the crowd.
- Spanish comedy cabaret Paul Morocco and Ole filled the room with laughter.





- 1 A mock Watson's cashier counter at the Family Day.
- 2 The PARKnSHOP Team at the \$8 mart.
- 3 Children had a lot of fun at the PARKnSHOP booth.
- 4 Great! fun.

Group welcomes new siblings at HWL Sports and Family Day

On 17 November, the Hutchison Whampoa Group family gathered to catch up with each other and welcome its newest members at the HWL Family Sports Day 2002. Over 10,000 staff and family members attended the gathering which was held at the Hong Kong Sports Institute. Some of our newest family members were attending for the first time including representatives from the Kruidvat Group.

This year, ASW again won the overall championship in the sports competition, breaking three company records and winning 69 medals on the day. ASW athletes also won individual championships in the men's open, senior, veteran and ladies' categories. The festivities featured a variety of stage performances, contests and game booths set up by member companies of the Hutchison Group.

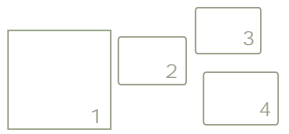


Officiating at the opening ceremony, Li Ka-shing, HWL Group Chairman, gave an encouraging speech to the staff, saying "Our business continues to expand worldwide. We now have over 150,000 colleagues in 41 countries, which is a new record. Although we face many challenges amidst an uncertain global economy, with the support of our excellent team of managers and colleagues, coupled with our firm foundation, I am confident that our Group will continue to grow and improve its performance."

HWL Sports Day - A.S. Watson sports stars in action!



Mr. Lee tours the booths...



- 1 Mr Li tastes wine from Watson's Wine Cellar.
- 2 Tulips blossom at Kruidvat's booth.
- 3 Mr Li supports the Watsons Pharmacy Self Care Programme.
- 4 Boom! Reaching great heights at the Watsons Water booth.

Hutchison Family day: Kruidvat NL Team enjoy warm welcome at HWL Family Day

For our team this was the very first time that we met our new colleagues in Asia. The first hour, especially the parade, was most unusual for us Europeans. Such a parade is never heard of on our side of the world! As there were so many people in the parade and the atmosphere was so friendly and warm, we all enjoyed being present.

During the day, our most important impression was the friendship between colleagues and the openness in the many talks we all had.

Most of us visited the booth of "Great" regularly as the food and the wine at that booth were more than excellent. Although it was our first time at the Family day, we were very proud to see that the waiting-lines (for games) at our booth were most of the day longer than at any other booth. It convinced us once more that our private labels, that could be won at the booth, are the best in the world and that the Hutchison employees recognised that faster

than seems possible. Of course the beautiful layout of our booth together with the fresh orange tulips, thanks to Agnes Chan and her team, contributed a lot to the success of our presence during the Family day. We certainly hope to be present next year and already have some new thoughts about a further improvement of our booth.

The Kruidvat NL Team



Dark Circles

Source: 


Dark circles can be caused by sun exposure. Any Questions?

The skin of our eyelids is a mere 0.04 mm thick - that's 1/30th of the skin on the soles of our feet. If we blink our eyes every second, our eyelids exercise 50,000 times a day. The combination of fragile skin with the fact that it lacks elasticity and contains few sebaceous glands means that blood capillaries tend to break easily and cause blood to spread to the surrounding area. These bruise-like areas are what we call dark circles. Poor circulation can also accentuate dark circles because it causes blood to become more deoxygenated making it darker in colour. In addition, dark circles tend to look worse in the morning as blood tends to pool in the skin's capillaries overnight when we lie in bed.

Prevention of Dark Circles

- Gently massage the muscles around the eyes with your fingertips every day to help prevent capillaries from breaking.
- Toxins accumulated inside your body can also lead to dark circles. Drink a glass of water containing juice from half a lemon every morning to help purify your system.
- Help prevent dark circles by eating more foods rich in Vitamin C and silica. Good natural sources include leafy green vegetables, whole grains beans and brown rice.

Dealing with Inherited Dark Circles

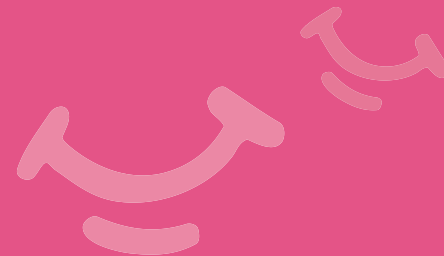
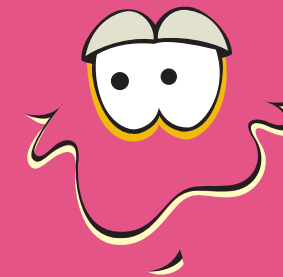
- Some dark circles are hereditary. In these cases, we can only lessen the shadows by dotting on cosmetic concealers. 



Fun

Fun

Fun



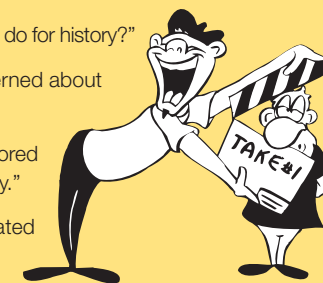
History repeating itself

Parent: "Teacher, how did my son do for history?"

Teacher: "Why are you so concerned about his history grades?"

Parent: "As a student, I often scored zero marks for my history."

Teacher: "Well! History has repeated itself now."



Ha!

Ha!

Fast food special

A man returned home after work at noon and asked his wife angrily, "It is already twelve o'clock, why isn't lunch ready?"

Wife: "It will be ready in one minute."

Man: "How can it be ready in one minute when nothing has been prepared?"

Wife: "Of course it can. I'll go change and put on my shoes and then we can go to the restaurant together."



Don't have to pay for it

A maid broke her employer's antique.

Employer: "You can't buy this anywhere these days."

Maid: "Oh good. That means I don't have to pay for it."

Reasons for failing

A man was looking at his son's report card and saw that he had failed in several subjects.

Man: "You are very weak in world geography!"

Son: "That is because I have never gone overseas."

Man: "You are also weak in history!"

Son: "I was born too late and don't really know about events in the past."



Vicious cycle

Ming: "I haven't seen you for a few years and most of your hair has turned white!"

Fai: "It can't be helped. Too many things are troubling me!"

Ming: "What on earth is troubling you?"

Fai: "The fact that my hair is turning white."



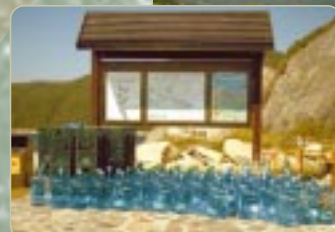


Triumph on the Trail

Your Story invites you to share happenings in your life, at work or outside work, with our 50,000 colleagues around the world. If you have a story that you feel has touched your life, just write to us at *Wats On*. This issue brings you the dream story of four men

Watsons Water has been a strong supporter of the Trailwalker - an annual 100km trek across the mountains of Hong Kong, since 1996. In aid of Oxfam, this charity event has raised over \$138 million to help impoverished people in Asia and Africa. Each year, Watsons Water commits itself to fully supporting this worthy event, but in 2002, four of the ASW's managers went a step further, then another and another...

The story starts here



This year's Trailwalker took place from 8 - 10 November. The day begins early for Watsons Water with deliveries of over 12,000 gallons of water to 12 different event checkpoints.

Some by land and some by air as certain Trailwalker checkpoints are accessible only by helicopter.



Here come the Watsons Water Walkers - ready for the challenge!

(From left) **Calum Stewart, Store Support Manager of PARKnSHOP (PNS); Mark Sowden, Commercial Manager PNS; Chris Atkins, GM of Watsons Water; and Ricky Lo, Fruit & Vegetable Specialist PNS**



Forming the Watsons Water Walkers, these four men started out as individuals, but forged a bond over the course of two and a half months of intense training - twice weekly night and day, in the blazing sun or through thunderous downpours. This powerful bond would help them over the Trailwalker's steepest challenges.



One of 930 four-person teams, Watsons Water Walkers took to the road in aid of Oxfam and the world's poor.



Emergency repairs at stop two: Supported by an invaluable team of wives and fellow PNS managers Graham Balmforth and Keith Gallacher, the team took on food and medical supplies at three overnight stops.



Leaving stop one: By this point, the team had already walked 35km but full of pasta and with a fresh change of clothes they were ready for the climb up Ma On Shan, the steepest incline of the 100km trek.



As the sun rose on the second day, all the members were suffering various injuries from tendonitis and blisters, to Calum's knees taking such a beating that he was forced to finish the second 50km on two sticks. Despite inventing a painful new dance, Calum kept walking, overcoming injuries that led other participants to drop out.



Still standing: Watsons Water Walkers finished a highly respectable 98th out of 930 teams starting the race, and raised over \$40,000 for Oxfam along the way, an achievement the entire Group can be proud of.

Congratulations Team!! **W**



The fearsome foursome at the finish: Despite the challenges, Watsons Water Walkers stayed together and crossed the finish line as a team, in 25 hours and one minute, well within their initial target time of 30 hours.



The A.S. Watson world continues to grow. Today, the Group maintains a diversified portfolio of retail and manufacturing businesses across 20 countries and is home to many corporate cultures, unified by a common commitment to diversity, innovation, internationality, quality and results.

In this issue, we open the A.S. Watson Brand Book to refresh our readers with a taste of leading Hong Kong beverage brands Mr. Juicy and Watsons Water.



1993



1998



1999 to present

History of the brand

In 1903, A.S. Watson, the parent company of Citrus Growers International, makers of Mr Juicy, pioneered the first aerated drinks in Hong Kong. Today, Mr Juicy leads the Hong Kong juice market, commanding an overwhelming 80% share of the chilled juice market.

Achievements

First launched in the mid-1970's, Mr Juicy was the first chilled juice in Hong Kong. In the early years, development was relatively slow, mainly because of the embryonic nature of the supermarket industry. As supermarket chains like PARKnSHOP began to spring up, refrigerated displays enabled chilled juice to be mass-produced and the size of the market soon increased.



Brand values

The core values of the Mr Juicy brand are freshness, taste, quality and good health, the essential ingredients of any juice product. Mr Juicy is made entirely from Sunkist juice.



Recent developments

With over 20 years in the market, Mr Juicy continues to build around the message that it is the juice for Hong Kong people. To fully achieve this position, the company has undertaken many initiatives.

In 2001, Mr Juicy started a school programme to raise awareness of the health benefits of drinking juice from an early age. The promotion's theme was "One Day, One Juice", encouraging students to take an active role in maintaining good nutrition habits. The programme reached 30% of Hong Kong students, over 400,000 young people!

In May 2001, Mr Juicy was launched in southern China where it has been highly popular among consumers.

What you don't know about Mr Juicy:

In 2002, Mr Juicy revitalised its icon, introducing the popular Orange Man which gives the brand a warmer, younger and more lively look. In the 1980s, Mr Juicy originally used a cartoon character, a man dressed in a tuxedo, to represent the brand.



watsons water 100 Years of Purity



History of the brand

Watsons Water is a wholly owned subsidiary of A.S. Watson Group (HK) Ltd., and has been serving the purest distilled water to the people of Hong Kong since 1903. Today, Watsons Water is the largest bottled water supplier in Hong Kong.

Achievements

For over 100 years, Watsons Water has been the purest distilled water provider in the market. A pioneer in the industry and a top choice amongst customers, Watsons Water has successfully inspired consumers to accept only the best quality distilled water.

Watsons Water is a founding member of the International Bottled Water Association (IBWA), a reputable trade association for the industry. Its mission is to establish stringent standards for bottled water and to ensure that safe and clean bottled water is produced and marketed to consumers.

Watsons Water, a long-standing corporate citizen, is closely involved with the community and engaged in sponsorships of both local and international sporting events.

Brand values

As a market leader, Watsons Water believes that "good is never good enough". The innovative Company strives for excellence, providing the best products and services for our customers.

Recent developments

Since 2001, Watsons Water has launched a series of programmes creating waves of excitement for customers in the market place. A new brand image was presented to consumers in September 2001. The fresh image was accompanied by the launch of new, innovative products including Watsons Water with Minerals, Watsons Oxygenated Water Dispenser, Watsons Platinum Water Dispenser, and Watsons Water Facial Spray, thus providing a full range of choices for customers.

In March 2002, Watsons Water for Sport — the company's first sports drink, was also launched. Using a trendy and convenient pouch pack, the new product offers a refreshing and thirst-quenching alternative for sports lovers and youngsters. The Company launched a new bottle design reflecting the innovative corporate spirit, that has set new standards for competitors.



Watsons Water brought new excitement to customers with the launch of an innovative advertising campaign titled "It's Your Body" in 2002. It offered a series of simple yet pertinent facts regarding the important benefits of water consumption, whilst maintaining a friendly and humorous tone.

Combining the beautiful lines of the human figure with eye-catching special effects, the inextricable link between water and the human body has been creatively illustrated.

In maintaining its relentless drive for excellence, Watsons Water again surprised consumers in June, by launching an all-new bottle design. Designed to offer a combination of stylishness and functionality, the new bottle's highly contemporary and streamlined shape also incorporates a unique grip that promotes easier handling. In addition to capturing the public's affection, the bottle has effectively strengthened the company's brand identity.

What you don't know about Watsons Water:

Its production plant in Tai Po is the largest distilled water plant in the world, producing up to five hundred million litres of distilled water each year.

Watsons Water is the first water supplier in Asia to be awarded certification from both ISO and NSF International, the latter being the official advisor to the United Nation World Health Organization on water safety standard.





An introduction to the historic A.S. Watson Group Emblem



Characteristically for a business group with over 175 years of history in Asia, the A.S. Watson Group emblem reflects the Group's long-established tradition through its symbols of a dragon, horse and pagoda.

The dragon is a Chinese The **dragon** is a Chinese sign for both health, evoking the Group's dispensary background, and prosperity, reflecting its successful history and future promise. The company's British background, (the original founders were doctors from the United Kingdom), is symbolized by the use of the **horse**, a western symbol for health. Unifying these disparate animals is the pagoda in the centre. A treasured and revered symbol throughout the Orient, the **pagoda** reflects respect for tradition, ethics and values. Like ASW, the pagoda is traditionally a repository of great treasures while its construction, pillar upon pillar, fosters the notion of progress and ever-spiraling growth.

These symbols represent the company as well today as they did when originally penned. The logo inspires a continued devotion to progress, built upon the foundation of offering beneficial products to people around Asia and the world. As such, the ASW emblem should always be used properly according to the application guidelines.

(If you are interested to know more about how to apply the ASW emblem, please contact the Group Public Relations office.)



History behind the logo

PARKnSHOP delights elderly with new rice bowls

In November 2002, PARKnSHOP Hong Kong launched a choice of six ready-made 'Best Value Rice Bowls' at just HK\$9.90. Besides being good news for Hong Kong people in such difficult economic times, PARKnSHOP also donated 5,300 Rice Bowls to senior citizens who live alone through the Hong Kong Society for the Aged.



Ms Fong 91, got her first taste of the new PARKnSHOP Rice Bowls. She was delighted when PARKnSHOP Commerical Manager Rocky Wong, Public Relations Manger Teresa Pang (right) and service staff Michelle and Yuki visted her with the Hong Kong Society for the Aged. She received a hot and a chilled Rice Bowl, some coupons for more Rice Bowls, plus basic grocery items such as rice, oil, noodles and toiletries.

A.S. Watson supports Helping Hand



PARKnSHOP's Managing Director Ian Pye in action!

The A.S. Watson Group has lent its support to Helping Hand, a charitable organisation that offers housing, nursing and care to needy elderly in Hong Kong, by co-sponsoring the *Race Because We Care* Go-Kart competition with Ericsson on 9 November 2002.

As proof of its dedication, ASW not only sponsored the race but entered a team from PARKnSHOP Hong Kong. The team, whose members included Managing Director Ian Pye, Store Layout Manager Ian Lau and General Manager for Store Design & Layout Graham Balmforth, finished third in the Open Category and won the all-important "Top Fund-raiser Award". Fortress and Watsons joined PARKnSHOP in sponsoring prizes for the day's lucky draw. As the chequered flag dropped on the fun-filled day, over HK\$150,000 was raised.



Pink Revolution at Watsons

Statistics show that breast cancer cases in Hong Kong have risen at an alarming rate with a 65% increase since 1991. As part of its ongoing commitment to raise health awareness amongst citizens, Watsons joined forces with the Hong Kong Cancer Fund to launch the Pink Revolution in October 2002. The campaign involved public information through its 135 stores, professional advice from pharmacists and fund raising. A total of HK\$150,000 was raised for the Cancer Fund from customer purchase of selected items as well as donations from Watsons staff.



(From left) Legco member Emily Lau Wai-hing joins Janet Ma and famous model Rosemary Vanden Broucke in sharing breast-care tips and their experience on the importance of regular medical checkups at the press launch.

"Christmas Charity Bear" Launched In Taiwan Raising Funds for Children's Education

In Taiwan, financial pressures force many children to quit school prematurely. As a caring corporate citizen, Watsons worked with the Taiwan Fund for Children and Families (TCF) to utilize its expertise and resources in raising funds for needy children through a Christmas Charity Bear campaign. During the campaign period, 50NT dollars was donated to the TCF for every charity bear sold. The original target was to raise 2.5 million NT dollars by selling 50,000 bears. However, by Christmas over 70,000 bears had already been sold.

Watsons Andrew Miles and David Boynton together with Betty Ho Deputy Director, Taiwan Foundation for Children and Families and Taiwanese celebrities help to promote the Christmas Charity Bear.



SUPERQUIZ (ISSUE No.56)

Test your knowledge and try your luck, you could be one of the winners of the following fabulous prizes (sponsored by **Kruidvat** and **watson's water**).

Super Prize (5)

Watsons Water "Ladies Challenge 2003" Tennis Set — As co-sponsor of the "Ladies Challenge 2003" event, Watsons Water has made limited editions of Jacket and Cap, bringing five lucky winners memorable prizes.



Golden Prize (10)

Kruidvat's "Beauty Sets" Trekleister's private label skin care products and cosmetics are nicely packed in an elegant transparent cosmetic box, bringing you a beautiful start to 2003.



Do you know the answers to these questions?

1. What elements is the A.S. Watson emblem composed of?
2. Which two A.S. Watson companies won the Service & Courtesy Awards 2002 from HKRMA?
3. Which ASW company joined the HWL Family Sport Day for the first time?

Send your completed entry form to :

Recreation & Welfare Section
A.S. Watson & Co. Ltd.
7/F Watson House,
1-5 Wo Liu Hang Road
Fo Tan, Shatin, Hong Kong

or Email to WatsOn@asw.com.hk

Deadline : 12 March 2003

Answers to Issue No. 55

1. 3,200 / Over 3,200 (retail stores)
2. CHECK
3. Guangzhou / Haizhu (District) / Fujian Garden

Super Prize :

Name	Company & Department
1. Tang Kit Yin	ASWI - Finance Dept.
2. Kwan Chau On	ASW - Office Services Dept.
3. Lai Fai Mei	ASW - Corporate Planning (China) Dept.
4. Lau Wai Kiu	PNS - Accounts Dept.
5. Lo Shuk Ching	Watsons - Administration Dept.
6. Lam King Sau, Helen	Nuance-Watson - Merchandising Planning Dept.
7. Lau Wing Yan	Fortress - Accounts Dept.
8. Ben Seising	Kruidvat Holding BV (Netherlands) - Financial Admin. Dept.
9. Vastenburg Bart	Kruidvat Holding
10. Jo Ballard	Powwow Water (England) - Global Dept.

Golden Prize :

Name	Company & Department
1. Wong Siu Ling	ASWI - Finance Dept.
2. Cheng Kwok Sing	ASWI - Finance Dept.
3. Pinky Wong	ASW - Group Accounts Dept.
4. Kwok Chun Tung	ASW - Group Accounts Dept.
5. Wan Hok Yin	ASW - Group Accounts Dept.
6. Lo Hon Wing	ASW - Office Services Dept.
7. Abe Cheung	ASW - Group Human Resources Dept.
8. Jay Chan	ASW - Group Human Resources Dept.
9. Bonny Lau	ASW - Group Human Resources Dept.
10. Tang Yuk Han	PNS - Accounts Dept.
11. Hui Chi Hung	PNS - Fresh Food Store Support Dept.
12. Shirley Cheung	PNS - Accounts Dept.
13. Kwok Po Yee	PNS - Accounts Dept.
14. May Lee	Watsons - Accounts Dept.
15. Jade Cheung	Watsons - Accounts Dept.
16. Kelly Lin	Watsons (Taiwan) - Buying Dept.
17. Claire Cheng	Watsons (Taiwan) - Buying Dept.
18. Peter Freek	Kruidvat Holding (Netherlands) - Accounts Dept.
19. Ho Yuet Yee	Superdrug Store Plc - Marketing Dept.
20. Wendy Kerr	Superdrug Store 214 (Galashiels) Area 2 Scotland

Drawn By : Malina Ngai General Manager - Group Public Relations

Name of Staff:	(Eng)	(Chin)
Company & Department:	Country:	
Employee No:	Contact Tel No:	Signature:
A1:	A2:	A3: