

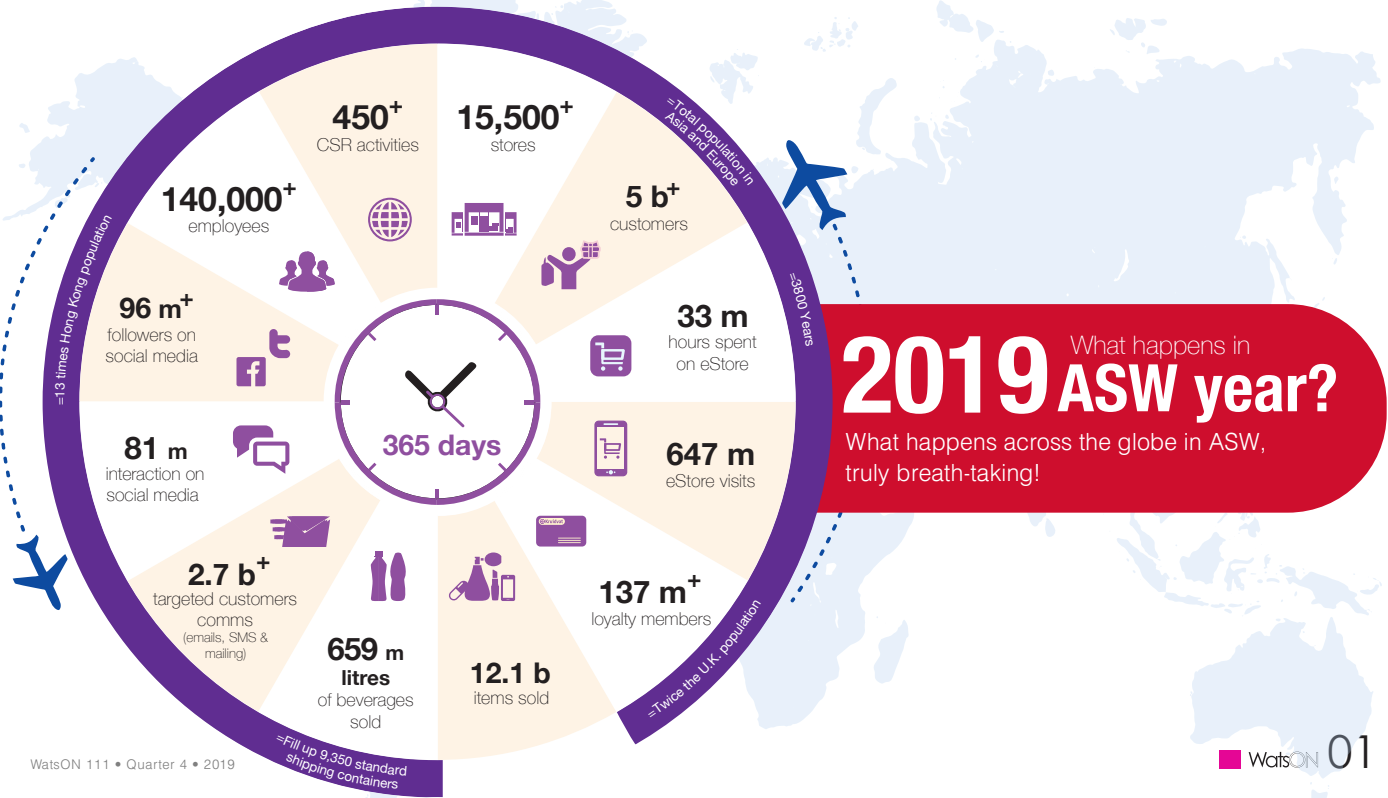


Season's Greetings from A.S. Watson!

Revealing MAKE 2020 Theme - YEAR OF L♥VE

Celebrating Watsons China's 3,800th Store Opening





2019 ASW year?

What happens across the globe in ASW, truly breath-taking!

love YEAR OF

A.S. Watson Group is thrilled to announce the theme of MAKE 2020 to be the “Year of Love”! The Group believes that it’s the friendships we build that make such a difference to the lives of everyone we touch – including our colleagues and customers. It is the best time to remind everyone the importance of love and care, as we strive to create a more harmonious world for everyone.



Make 2020

Because
4 LOVE



Celebrating A.S. Watson's Global Expansion - 3,800th Watsons Store Opening in China



“ By responding quickly to changing consumer needs and trends, we’re able to adapt in order to stay relevant as we expand. This new store in China is one of 1,300 we’re opening globally this year – on average 1 new store worldwide every 7 hours! That’s the depth of our commitment to not just keeping retail alive, but ensuring it thrives. ”

Dominic Lai

Group Managing Director
A.S. Watson Group

The world’s largest international health and beauty retailer, A.S. Watson Group, is celebrating an exciting milestone – the opening of 3,800th Watsons store in China.

Apart from reinforcing of the Group’s leading position in the sector in China, it is also an important marker in Chinese culture as 3 and 8 are considered lucky in Chinese, representing vitality and prosperity. This new store opening is part of the Group’s rapid global expansion at the rate of one new store every seven hours.





Sharing the LOVE with Customers

The new Watsons store opened on 21 November and is located in the city of Kunming. This is the largest city in Yunnan Province, a region that experienced GDP growth of 8.9% last year. The store itself spans over 2,000 square feet, and is designed to provide customers with an exciting and engaging shopping experience through a wide range of Watsons offerings.

But the growth of Watsons in China is about more than expanding the physical network. It's about deepening the relationship we have with our 65 million members. The loyalty programme has recently been expanded, with the launch of our Elite Card VIP programme, which ensures that our 10% highest-spending members enjoy the most premium privileges, such as complimentary make-up and skincare services, exclusive invitations to meet celebrity KOLs, and even accommodation and culinary offers at 5-star hotels. The customer reaction to this scheme has so far been overwhelmingly positive.

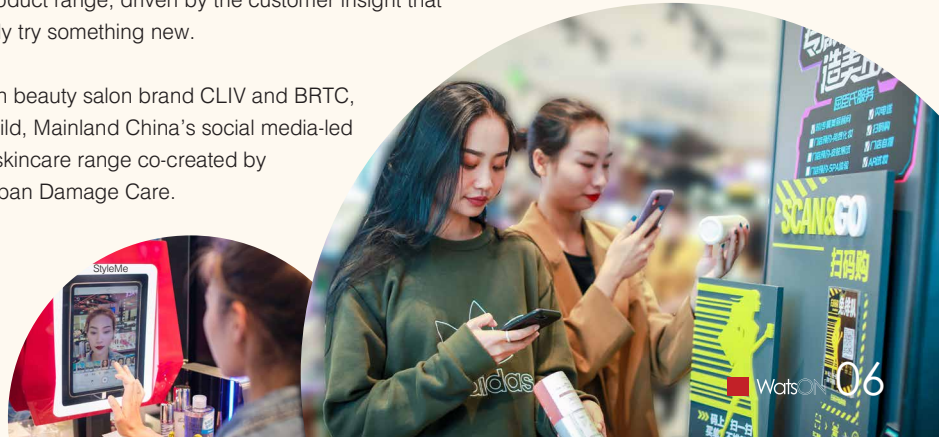


Young Fans, Young Brand

The spending power of Gen Z and Millennial shoppers is increasing in Mainland China, and Watsons is rejuvenating its business model to best meet these young people's needs and expectations. Offering engaging, digital-enabled experiences is an important element of adapting to their shopping and lifestyle preferences.

The landmark 3,800th store in Kunming is equipped with "StyleMe 2.0", an AR (Augmented Reality) technology that offers different mix-and-match trendy looks. This service is offered alongside a personal makeup session with professional in-store makeup artists. We also offer "Scan & Go", allowing customers to use the Watsons app to scan a QR with their mobile phone rather than waiting at a cashier to pay. With younger consumers in mind, we are also adapting the product range, driven by the customer insight that young mainland customers are keen to frequently try something new.

Recent additions to the range include hot Korean beauty salon brand CLIV and BRTC, American social media cosmetics brand wet n wild, Mainland China's social media-led beauty brand Judydoll, and the dermatological skincare range co-created by Shiseido and A.S. Watson Group, d program Urban Damage Care.



Getting Personal

Watsons China uses the latest retail technologies to enhance the customer experience, combining online and offline (O + O) platforms to deliver not just an efficient and exciting interaction, but one tailored to the individual.

A pioneering “One-to-One Beauty Consultation Service” via the Enterprise WeChat platform has been launched. Customers can add store staff as WeChat friends, who then become their personal beauty consultants. They can seek for advice from store staff at any time, from anywhere. If a product is not available from a customer’s nearest branch, store staff can help them order the item and customers can opt for speedy “Click & Collect”, or “1-Hour Flash Delivery” service. Customers can also use the platform to make an appointment for a Skin Test or SPA experience.

The experience has artificial intelligence (AI) technology built in, enabling store staff to better understand every customer they are serving, including their preferences, habits and shopping behaviour. This allows staff to make highly personalised suggestions, and ensure that promotions and services are tailored to each customer.



Cloud Stores for All

Given the rapid growth of the health and beauty segment in Mainland China, Watsons is continuously upgrading its stores and services by staying at the forefront of innovation and retail technology.

In addition to upgrading stores, Watsons China plans to launch its “Cloud Stores” in Q1 2020. Each of our 3,800 stores will have its own online Cloud Store, which enables customers to shop digitally, not just from their nearest store but also from across the entire Watsons China network. If a product is exclusive to certain branches, customers of other stores can order via the Cloud Store and choose the delivery service they prefer.

We will continue to introduce state-of-the-art retail technologies, enabling popular partner brands to better meet the demands of our customers, and at the same time rejuvenating the Watsons image and positioning so that we become our customers’ most-loved brands.





a brighter future. Since launch, A.S. Watson's "Give a Smile" campaign has funded surgeries for over 1,500 children around the world.

Early November, A.S. Watson Group's volunteer team and Millennials CSR Committee members participated in the medical mission held in Mae Sot, Thailand, where they reached out to the cleft patients and their families. During the mission, over 154 patients were given medical screening and ultimately 109 of them were provided life-changing surgery.



▶ Watch the video!

More reasons to SMILE!

A.S. Watson Group has partnered with its global NGO partner Operation Smile to fund corrective surgeries to children born with facial disfigurements, giving them new smiles and fresh hope for a brighter future.



Malina Ngai (1st from left, second row), CEO of A.S. Watson (Asia & Europe) and Millennials CSR Committee participate in the Give a Smile mission in Thailand



Sharing from parent :



"I'm so grateful to everyone for giving my twins a chance to really smile and give them much better prospects for a happy life. Thank you!"

Ei Zin Thant
Mother of young twins - Mukila and Mukipor

Volunteers' sharing:



"It was the most important experience in my life, a smile could be so meaningful to the lives of the children and their families."

Asli Gokmen
Watsons Turkey



"I met two twins who regained their smiles. It was absolutely amazing to see the life changing work we've done!"

Ayoolu Nuga
Superdrug



Watsons Taiwan

watsons

HWB AWARDS 2019

Let's PARTY!

There was glamour, colour and plenty of fun at the 2019 Watsons Health, Wellness and Beauty Awards – the Oscars of the industry with a series of events held all around the region to celebrate the most-loved products in the health and beauty sector.

In **Watsons Hong Kong**, the “Whole New World” theme ran throughout a fantastic night of fun at a prestigious hotel, where Watsons shared the new Go Digital, Go Sustainable and Go Supreme business strategy. Meanwhile, **Watsons China** shared the latest fashion trends with celebrity guests, and guests at the “Rule Your Own Beauty” event could drop into the beauty and spa zones for some extra pampering. **Watsons Taiwan** featured music and magic at its #HWBPlayground gala dinner, where some of its lucky elite members could join in the fun.



Watsons China



Watsons Hong Kong



Watsons Malaysia

Around the World

Watsons Malaysia's awards ceremony celebrated the success of some of the country's most desired brands, and honoured not just partner brands but also shopping mall management, members of the media, celebrity friends and social media influencers. **Watsons Thailand** also provided a night of excitement at its awards ceremony, and in **Watsons Philippines** over 500 people were treated to live entertainment at an event championing business partners and a "year of connections". In **Watsons Ukraine**, over 110,000 customers voted on the products and brands to be awarded, made easier by the addition of voting via mobile phone.



Watsons Philippines



Watsons Ukraine



Watsons Thailand

It's **TINSEL** time!

Trekpleister has been getting into the spirit of Christmas in the Netherlands, with a series of festive activities. Gift-wrapping service, festive giveaways and Christmas cards are offered to put customers in the mood for Christmas. Meanwhile, **Kruidvat** invited almost 300 journalists and beauty influencers to launch events for a range of exciting Own Brand products, including lash and skin boosters, fragrances and creams.



CHECK it out!

Superdrug is celebrating a successful first six months in its partnership with the breast cancer awareness charity CoppaFee! – having provided advice to 65,000 customers on how to carry out their own breast examination. Meanwhile, **The Perfume Shop** has launched its first ever collection of Own Brand fragrances, “The Perfume Edit”, which comprises three unisex scents, all made with high-quality ingredients to be vegan and cruelty-free, packed in 100% recyclable bottles and boxes.



Festive COLOURS

ICI PARIS XL offered great promotions across its stores to mark Black Friday, then shifted gear into Christmas with promotions focusing on the joy of finding the perfect gift. Online influencers were a key part of the campaign. Favourites from the Marionnaud Paris beauty selection are now available in **Watsons Hong Kong**, with the launch of the Make Me Happy makeup range and Green Marionnaud skincare, adding a splash of colour to people's lives.

ICI PARIS XL



GROWING together

Watsons has been working with Nivea to build up excitement around the expanding Nivea range. **Watsons China** and Nivea together developed a specially themed store, where celebrity Neo Hou dropped in to chat with fans about his favourite products. Meanwhile, **Watsons Thailand** was delighted to launch exclusively the new Luminous 630 serum for treating dark spots and freckles on the skin, featuring testimonials from real users at the launch event.



SEOUL fever

Korean beauty continues to win fans around the world, and Watsons has been working to bring the best of K-beauty to their customers. **Watsons Philippines** held a shopping party, where members and influencers were invited to discover, experience and play with Korean makeup, skincare and hair products. At a K-beauty party, **Watsons Ukraine** hosted 15 Instagram bloggers as they tested out some of the most popular K-beauty products.



Girl POWER

Watsons Taiwan launched a Divinia gift box including product samples with a message to encourage girls to “Be young and fearless”. The launch events created buzz with over 4 million impressions and over 60,000 engagement on social media. In **Watsons Thailand**, the Watsons GIRLISH range has hit the shelves, providing skincare for teenagers. The launch event was held at a teenage hangout zone, and featured a celebrity-led fashion show.



Back to NATURE

Watsons Malaysia launched the Herbal Essences bio renew range, which has been developed in cooperation with the Royal Botanic Gardens in London. The range contains antioxidants that counter the effects on hair of impurities in the environment. There's more good news for fans of beautiful hair in Malaysia, with the launch of Diane Bonheur's shampoo, exclusively available at Watsons. The range is derived from plant-based cleansing ingredients and organic oils.



PAMPERING yourself

America's top-selling natural soap brand, Dr. Bronner's, has partnered exclusively with **Watsons Singapore** for the official relaunch of this 160-year old personal care range. The relaunch event brought together media representatives and online influencers to learn about the brand's history. **Watsons Indonesia**, meanwhile, has again supported the Big Bad Wolf book fair, held this year in Balikpapan, and recruited over 7,000 new members.



It's **TREAT** time!

There was excitement aplenty at **FORTRESS** for the annual shopathon, with great offers from Beauty Lab, TechLife and Travel Go sections. Customers could earn i-Coins to redeem travel gifts. Fans of the FROZEN 2 film were also in for a treat, with the launch by **Mr. Juicy** of 15 limited-edition packs featuring FROZEN characters.



Reason to **CHEER**

Watson's Wine offered Hong Kong's wine-lovers the chance to be involved in Wine Week featuring over 100 wine producers and 500 wines. Wine Week comes around only once every two years. This year's event featured wine-themed dinners in partnership with some of the city's finest restaurants, as well as tasting events.

Watson's Wine

**A.S. Watson Group**

Hong Kong Outstanding Corporate Citizenship Awards

- Enterprise Category - Gold
- Volunteer Category - Bronze

(by The Hong Kong Productivity Council & Committee on the Promotion of Civic Education)

**Hong Kong**

2019 Retail Excellence Award - Silver

2019 Service & Courtesy Award -
Top 10 Outstanding Service Retail Brands

2019 Service & Courtesy Award in Convenience Stores/
Supermarkets Category Supervisory Level - Gold
(Mr. Cheng Ka Chun)
(by Hong Kong Retail Management Association)

**Taiwan**

iSport Enterprise Certification
(by Ministry of Education - Sports Administration)

Taiwan

Top 100 Most Attractive Employer

(by Cheers Magazine)

Times Awards

(Channel Platform/Integrated Marketing) - Merit

Click Awards

(Marketing/Cross-media Integrated Marketing) - Merit
(by China Times)

2019 ROI Festival (Creative Integrated Marketing) - Bronze
(by Onicek)

Malaysia

Malaysia Effie Awards in Retail Category - Silver

(by Association of Accredited Advertising Agents Malaysia)

Thailand

2019 Top Brand Awards - Personal Care Store

(by Influential Brands)

Indonesia

Editor's Choice Awards 2019 for CRM - Watsons One Pass

(by Marketeers)

Turkey

Retail Sun Awards - Most Successful Professional Retailer

(by Perakende.org Web Portal and Soysal Consultancy)

Felis Awards in Event Design and Management Category

(by Felis Awards)



Best Vegan Toiletries

(by Viva! 25 Awards)

2019 Yours Beauty Award - B. Nourished Eye Cream

(by Yours Beauty Award)

Financial Times Diversity Leaders 2020

(by Financial Times)



Top 47 Best New Retail Concept Stores in the World

(by Insider Trends)

**Belgium**

The Most Favourite Shop in Belgium

Best Beauty, Lifestyle & Brands Folder Awards

(by RetailDetail)

November to December



FORTRESS – TechLife by fortress in Olympian City



Watsons China – 227 new stores



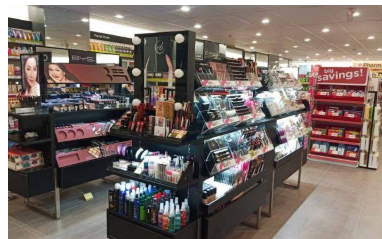
Watsons Malaysia – 3 new stores



Watsons Thailand – 10 new stores



Watsons Indonesia – 11 new stores



Watsons Philippines – 44 new stores

November to December



Kruidvat – 6 new stores



ICI PARIS XL Belgium – 3 new stores



Savers – 3 new stores



The Perfume Shop – Boundary Mill store



Drogas Latvia – New concept store in Ozols shopping centre



“ I joined the FORTRESS trading team in 2017. My team at TechLife - a new “store-in-store” at FORTRESS - features trendy high-tech products, and I love being able to introduce the latest gadgets to our customers. I’ve developed effective teamwork and collaboration skills, and I put those into practice by encouraging new team members to get involved in a range of innovative projects. ”

Ambrose Wong
Assistant Category Manager
FORTRESS



“ I worked at Drogas for two years and then went abroad for half a year. After coming back, I tried working at a few different companies but I realised that Drogas was my place, so I came back and have been here more than two years. I love to share a smile and see others with a sparkle in their eyes. Drogas is the place where I can do that. ”

Ilona Urtane
Customer Service Assistant
Drogas Latvia

“ It’s essential to have personal engagement in a time where shopping online is considered trendy. So how can you give everyone a wonderful, personal experience that they won’t forget? Well, by sincerely listening and really going the extra mile. A customer, who has become my friend, invited me for a tea to thank me for always giving her a help. It’s really my pleasure to create memorable experiences with our customers. ”

Jamilla van Rosmalen

Store Manager
Trekpleister



“ There’s a husband and wife who shop in our store and I first met them when they looked quite stressed. It turned out they wanted a perfume that we didn’t have in store, so I helped them use Endless Aisle to order it. Another time, I helped the husband buy milk formula with a free toy gift. He’s now a regular customer of our store. ”

Dave Sin

Senior Customer Service Assistant
Watsons Hong Kong





A.S. Watson Group's colleagues and its business partners from all around the world have thrown themselves into the Smile For Good campaign (previously known as Global Volunteer Day), volunteering their time and skills to serve their local communities and bring smiles to people in need. This year, more than 12,500 volunteers collectively gave over 70,000 hours of service. Let's take a look at the stories that over 24,000 people worldwide were served in just one month.



A.S. Watson Group – Elderly Visit



A.S. Watson Industries Hong Kong – Eco Farm visit



A.S. Watson Industries China – Elderly Visit



PARKnSHOP Hong Kong – Food Angel Service Day



FORTRESS – Elderly Visit



Watsons China – School Visit



Our Responsibility





12,500⁺
Volunteers

70,000⁺
Service Hours

29 BUs
257
Activities

Served
24,000⁺
People

Back to SCHOOL

Three outstanding Hong Kong schools have been recognised for their great work as part of the **PARKnSHOP** Green School Programme, which since 2013 has provided funding for green school projects promoting sustainable agriculture, energy efficiency and waste reduction. **Watsons Water**, together with 299 primary school students, has meanwhile set a Guinness World Record for the largest terrarium building session, giving new life to plastic water bottles.



REWARDING change

Watsons Malaysia volunteers marked World Food Day by preparing healthy meals with youngsters at the children's home House of Joy. The fun event was a chance to raise awareness of malnutrition, hunger and poverty while promoting healthy diets and lifestyle. **Watsons Thailand**, meanwhile, is working with the ECOLIFE app to encourage customers to say NO to plastic bags. The app makes a game of plastic reduction, and awards points to customers who decline a plastic bag.

Crunch Time Instant Relief Fund Project

HK\$1.009 Billion Benefits More Than 28,000 Hong Kong SMEs

Li Ka Shing Foundation announced the HK\$1 Billion Crunch Time Instant Relief Fund programme in late October in support of local Small and Medium Enterprises (SMEs) which are under severe duress from unprecedented challenges on the home front and a slowdown in the global economy.

The programme has received a total of over 43,000 applications. Total donation amounted to HK\$1.009 billion and more than 28,000 SMEs in the food & beverages, retail and travel sectors, as well as licensed hawkers have benefited from the programme.





一點心意 與您共勉

From concept development to programme implementation and grant distribution, the entire process is completed within two months and the programme has met with resounding enthusiasm. The Foundation also expresses its heartfelt appreciation to its partners: HSBC, PricewaterhouseCoopers, Woo Kwan Lee & Lo, Google Cloud, ESDLife, Welab, and Hongkong Post.

Mr Li is profoundly touched and encouraged by the outpour of over 18,000 well wishes he received from different sectors. He understands more than anyone the hardships entrepreneurs have to bear, but with fortitude and self-belief, everyone can overcome hard times and reshape their future even if we hit the ground. Stay positive. Never give up.

李嘉誠
2019



LI KA SHING FOUNDATION

李嘉誠基金會

SUPER QUIZ

1. What is the theme of MAKE 2020?
2. Which movie character is featured in Mr. Juicy's limited-edition packaging?
3. What is the brand name of The Perfume Shop's first collection of Own Brand perfume?

Super Prize (1)

Stabilizer



Sponsored by



A.S. Watson Group

Gold Prize (10)

Hand cream and lip balm gift pack



Sponsored by



A.S. Watson Group

Answers to Issue 110

- 1) Shenzhen
- 2) Love Perfume Awards
- 3) Achieved 3 million Facebook fans /
Watsons' 23rd Anniversary

Super Prize (B. Men 7-Piece Personal Care Gift Set)

Name	Company & Department
Daniel Lo	A.S. Watson Group - Human Resources Department
CW Lam	A.S. Watson Group - eLab Hong Kong
Mimi Ma	PARKnSHOP - Sales Operations Department
Nicola Gomasasca	A.S. Watson Group - eLab Europe
Emily Ou	A.S. Watsons Industries China - Project Engineering Department

Deadline: 28 February, 2020

You now have the chance to win Superquiz by sending both your answers and contact information to WatsOn@aswatson.com

About A.S. Watson Group

With a history dating back to 1841, the A.S. Watson Group has evolved into the world's largest international retail and manufacturing business with operations in 25 markets worldwide.

Today, the Group operates over 15,500 retail stores running the gamut from health & beauty, luxury perfumeries & cosmetics to food, electrical & electronics and fine wine. Also 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 140,000 staff and is a member of the renowned multinational conglomerate CK Hutchison Holdings Limited, which has five core businesses - ports and related services, retail, infrastructure, energy and telecommunications in over 50 countries.

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