

Watson¹⁰⁷ON



Celebrating Customer Connectivity with 15,000 Stores



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A.S. Watson Group has opened its worldwide 15,000th store, marking a key milestone in the expansion of the world's largest international health and beauty retailer. The Watsons store, in Central i-City mall in Kuala Lumpur, Malaysia, opened on March 26. It is cause for a double celebration, as it is also the 500th Watsons to open in Malaysia – one of our fastest-growing markets.



Dominic Lai (10th from left), Group Managing Director of A.S. Watson Group, together with Malina Ngai (10th from right), Group Chief Operating Officer of A.S. Watson Group, Alan Heaton (9th from right), Group Finance Director of A.S. Watson Group, Ann Lau (8th from right), Group People Director (Asia) of A.S. Watson Group, Rod Routley (9th from left), Regional Managing Director (Asia) of A.S. Watson Group and Caryn Loh (8th from left), Managing Director of Watsons Malaysia, officiate at the opening ceremony of the A.S. Watson Group's 15,000th Store Opening Event

The new Watsons store is a strong symbol of the Group's determination to strengthen customer connectivity with our retail brands around the world, both online and offline. Our O + O strategy is fundamental to business success. It underpins the development of an extensive and appealing store network, excellent in-store customer service, the selection of the most relevant health and beauty products, combined with seamless digital experiences and loyalty programmes that help to put smiles on customers' faces.



“ Every seven hours, A.S. Watson Group opens a new store somewhere in the world. This pace of expansion is tremendous, but we're not just doing more of the same. Each new launch allows us to connect with more customers, and with such connections we can do so much more online and offline, to make us customers' most-loved brands. ”

Dominic Lai

Group Managing Director
A.S. Watson Group

watsons

Double Joy

The new store is important for its role in our global expansion, but also for becoming the 500th Watsons store in Malaysia, 25 years after our very first store opened in the country. Malaysia is one of the fastest-growing markets in the world for beauty and wellness products, so it is fitting that such a meaningful moment focuses on this country.

In 2018, Watsons Malaysia posted an increase in sales of over 30%. The decision to announce this global milestone for A.S. Watson in Malaysia will add further momentum to Watsons' business there.

We have chosen to be part of the new Central i-City mall. This district is a buzzing hub for business, entertainment and cosmopolitan living. Central i-City offers a world-class shopping environment and is the perfect setting for this landmark Watsons store.



watsons
500th
STORES
IN MALAYSIA



watsons



MAKEUP STUDIO

#MAKEUP-OS

L'ORÉAL
PARIS

MATTE LIPSTICK
L'ORÉAL
PARIS

L'ORÉAL
PARIS

MATTE LIPSTICK
L'ORÉAL
PARIS

L'ORÉAL
PARIS

MATTE LIPSTICK
L'ORÉAL
PARIS

L'ORÉAL
PARIS

#FRAGRANCE-OS

HEALTH

SALE

Self Checkout

CASHIER

shop

BEVERAGES



Unique Store, Unique Experience

This new Watsons store is a clear demonstration of the way that A.S. Watson is responding to the challenges and the opportunities of reaching tech-enabled shoppers and fulfilling their changing needs.

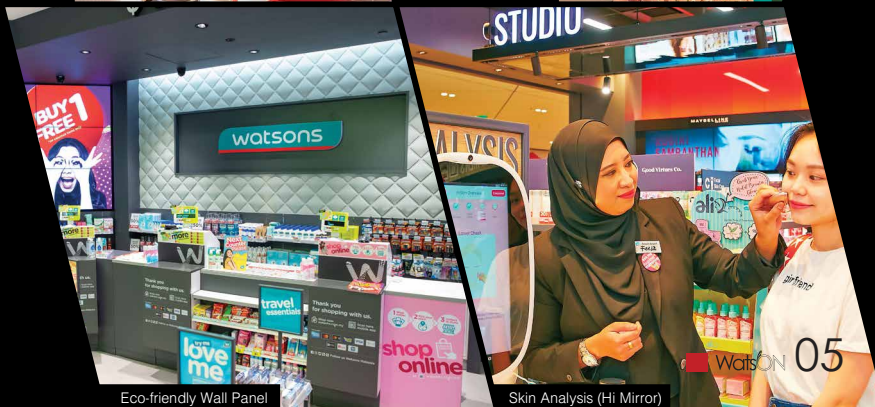
The 4,200 square-foot store is designed in the modern and stylish Watsons G8 format. It incorporates the latest technology, including self-checkout facilities, and augmented reality services such as StyleMe and Skin Analysis (Hi Mirror), which make browsing and trying the hottest products more engaging for customers. The availability of our Click and Collect Express service means online shoppers can pick up their items within four hours of ordering.

This store also features an eco-friendly 3D wall panel made of the fibrous residue of sugarcane, which is 100% recycled and biodegradable, minimising the impact on the environment.



StyleMe

Self-checkout Counter



Eco-friendly Wall Panel

Skin Analysis (Hi Mirror)

Thankful Celebration

The pace of our expansion has been consistently strong – the rate of new store openings across the 25 markets covered by the Group is an average of one new store every seven hours, and it's been at that level for four consecutive years.

This tremendous growth is the result of hard work by our team of 140,000 colleagues, and the close relationships they have established with billions of customers.

The milestone marked by the opening of the Group's 15,000th store reinforces its position as the world's leading international health and beauty retailer. Combined with its capabilities in digital technology and big data, it enables the company to build a scalable and efficient distribution platform for our business partners.



“A.S. Watson is demonstrating that the right retail model can succeed, even at a time when many other retailers are closing their doors. The new era of retail requires a more sophisticated business model, and the agility to adapt to changing customer needs. We are ready for that new world.”

Dominic Lai

Group Managing Director
A.S. Watson Group



Celebration Activities Around the World!



#ASW15000



Watson 107 • Quarter 1 • 2019



Let's Celebrate!





Around the World



Innoteam Innovates In 24 Hours!

The **Innoteam**, one of A.S. Watson's global talent development programmes, had its finale meeting in London. Participants' innovative brains were deployed as they worked through the challenges of a 24-hour Hackathon, in addition to other sessions on curiosity and customer trends.

This Innoteam was formed in Jan 2018 and has been through an intensive, 12-month period full of surprises, international assignments, as well as opportunities to present their proposals to senior leaders. The highlight was being able to have a private Q&A session with our Group Managing Director, Dominic Lai, last year.



“I've learned how to constantly think outside the box. I've never had such an impactful learning period in my life, and hopefully I can help A.S. Watson to continue in its winning ways. ”

Wilco Nieuwenhuizen
eCommerce, A.S. Watson Benelux



“The 24-hour Hackathon in London was very exciting. The outcome exceeded our expectations, and we realised that when we break down silos and unite as a team, we are able to make the impossible, possible. ”

Alex Goh
CRM, Watsons Malaysia



CONGRATULATIONS!

To celebrate **Drogas'** 25th anniversary, its customers stood a chance for winning a car. It was well-received by its customers and around 43,000 customers took part in the lucky draw.

With the success of Kruidvat Nederland's Instagram account, **Kruidvat Belgium and France** have launched their own accounts to engage and interact with its customers.



Riding a **WAVE**

In the UK, **Superdrug** has been building on another hugely popular trend: for veganism. Its veganuary dinner in London's Covent Garden gave guests chance to try out the B. range of vegan makeup, skincare and grooming products alongside a vegan meal with vegan cocktails. Tasty!

Superdrug[☆]

Sharing the LOVE

ICI PARIS XL treated customers to offers and gifts in creative promotions to celebrate Valentine's Day and International Women's Day. To mark the festivals, ICI PARIS XL shared the joy and love with its customers by giving special offers on fragrances, lipsticks and makeup palettes. Love is all around in the town!

ICI PARIS XL



Happy NEW Year!

Watsons found creative ways to ring in Chinese New Year.

Watsons Hong Kong launched Happy Beautiful Year campaign with a series of collectible premium. A range of WhatsApp stickers was also created for customers to download and share, while in **Watsons Malaysia**, its New Year campaign was an opportunity to focus on family togetherness. A star-studded video was launched on Facebook and YouTube, generating over 3.7 million views in just eight days.



Making an **IMPACT**

Watsons+ by **Watsons China** got off to a flying start in Guangzhou, with a grand opening ceremony which created buzz on social media and the reach was an amazing 40 million people. There were more thrills when the Rule Your Own Beauty campaign launched, as it used a digital video to underline Watsons' image as a young, energetic and fashion-conscious brand. Video views topped 8 million on launch day alone.



Get **ACTIVE** anytime

Watsons Taiwan launched #GetActive and Say Hi to the Energy programme, urging people to shake off the winter blues and dance! Meanwhile, Share the Sun campaign by **Watsons Philippines** let popular Instagrammers showcase great summer products and show customers how to make the most of summer with friends and family – safely enjoying the sun.



Reason to **SMILES**

Watsons Malaysia now makes it simple for tech-savvy customers to snap up their favourite items with ease, as customers can now go cashless and pay using Boost, a locally developed e-wallet. Meanwhile, customers of **Watsons Thailand** have a different reason to smile, thanks to a special activity for VIP members - a tree-planting session was held in the northern city of Chiang Rai. Great teamwork for a fantastic cause!



Rolling out the **RED** carpet

Watsons Indonesia has unveiled the Elite member programme for its most valuable customers. Elite members are offered more attractive promotions, exclusive fast-track queues and other treats in store. **Watsons Ukraine** has also launched its own VIP programme, which offers top spenders perks such as free delivery of items bought online, double points, a dedicated hotline and exclusive gifts and services.



Welcoming Year of the PIG!

FORTRESS launched its Brilliant Smart Year campaign during Chinese New Year with special offers and a range of New Year WhatsApp stickers was designed for customers to share with family and friends. **PARKnSHOP Hong Kong** launched a grand lucky draw to celebrate Year of the Pig with fabulous prizes worth over HK\$1 million. And special-edition Peppa Pig glasses were available at its stores.



屈臣氏天然礦泉水
| 源自世界自然遺產梵淨山·經十五層深岩洗練 |

Gift of Nature

Riding on the trend of natural mineral water, **Watsons Water China** has launched Watsons Fanjinglingshui with a specially-designed bottle. Watsons Fanjinglingshui is a natural mineral water from the United Nations world heritage site Mount Fanjing. Rich in strontium and other minerals, the water has passed through 15 layers of rock strata. It is proved to be well-received by customers in China.



Thinking GREEN

Watsons Water Hong Kong has recently kicked off its 5-year vision with cross-sector Go Green initiatives, bringing together stakeholders and recyclers to make collective efforts to reduce the bulk of plastic bottle waste.

It has launched two innovative vending machines, namely “Green Point Smart Water Bottle Reverse Vending Machine” and “Green Point Smart Water Refilling Machine”, that will help turn back the tide of plastic pollution. The former accepts empty bottles for recycling and the latter allows empty bottles to be refilled. These machines are the first of 500 planned for Hong Kong.





Watsons China

Best Flagship Store on JD.com
 Top Fans Store on JD.com
 Best Partnership Award 2018 on JD.com
 2018 Tmall Beauty Award – New Retail
 Outstanding Contribution Brand
 2018 JD Beauty Double 11 Hot Sale Champion Store

Watsons Taiwan

2018 Yahoo! Supermall – Super Golden Store

Watsons Malaysia

Best in Consumer Goods on Shopee Mall

Watsons Philippines

2018 Most Promising Fulfillment on Lazada Seller

PARKnSHOP China

2018 SHOP! Greater China Awards – Gold

Kruidvat Netherlands

Best Online Drugstore in the Netherlands

ICI PARIS XL Netherlands

Best Webshop Award

Watsons HK

2018 Top 10 Quality E-Shop Awards – Gold

FORTRESS

2018 Top 10 Quality E-Shop Awards – Gold

PARKnSHOP HK

2018 Top 10 Quality E-Shop Awards – Silver



**A.S. Watson Group**

Social Capital Builder Logo 2018 - 2020

(by Labour and Welfare Bureau)

List of Barrier-free Companies

(by The Hong Kong Council of Social Service)

Emerging Global Concepts - Non-Grocery 2nd Place (CKC18)

(by What's New In Retail - Euromonitor International)

**A.S. Watson Group****Watson's Wine**

15 Years Plus Caring Company Logo

(by The Hong Kong Council of Social Service)

**A.S. Watson Industries**

10 Years Plus Caring Company Logo

(by The Hong Kong Council of Social Service)



No. 1 in HK Best Buzz Brand

(by YouGov BrandIndex)



Mob-Ex Awards 2019 Best App (Retail) - Gold

Mob-Ex Awards 2019 Best App (Customer Engagement) - Silver

Mob-Ex Awards 2019 Best App (Reform) - Bronze

(by Marketing Magazine)

**China**

Safe Commercial Building

(by Guangzhou Municipal Office of Comprehensive Administration of Public Management Committee, Guangzhou Municipal Office of the Leading Group for Safety Construction and Guangzhou Municipal Public Security Bureau)

**China**

Interactive Marketing - Bronze

Content Marketing - Bronze

(by The 5th Top Mobile Awards)

Entertainment Marketing 5S Awards - Gold

(by 8th Entertainment Marketing 5S Awards)

Annual Intelligent Enterprise

Annual Intelligent Service

(by WeChat)

Philippines

Facebook Solutions Awards -

Optimal Creative Champion Award in Retail

(by Facebook)

Indonesia

The Best Omni Marketing Campaign of the Year

(by Marketeers)

Ukraine

HR-Brand Ukraine Award - Digital in HR

(by Headhunter.ua)

**Benelux**

Toy Employers Certification in Belgium and Netherlands

(by Top Employers Institute)

Netherlands

No. 1 in Number of Retail Outlets in Netherlands

(by Locatus)



Best OTC Public Relations Campaign for a Non-medicine

(by OTC Marketing Awards)

Ranked 4th in 25 Best Big Companies to Work For 2019

(by The Sunday Times)

January to March



PARKnSHOP Hong Kong – 2 new stores



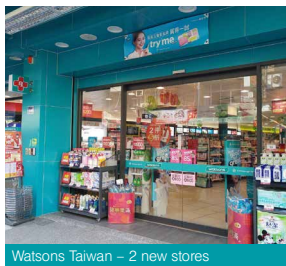
FORTRESS – 2 new stores



Watsons Hong Kong – 4 new stores



Watsons China – 73 new stores



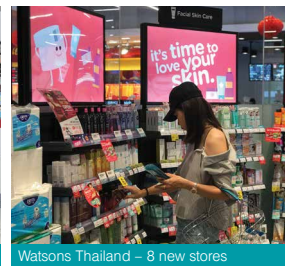
Watsons Taiwan – 2 new stores



Watsons Malaysia – 10 new stores



Watsons Philippines – 17 new stores



Watsons Thailand – 8 new stores

January to March



Watsons Indonesia – 9 new stores



Trekpleister – 1 new store



Drogas Latvia – New concept store



Drogas Lithuania – 1 new store



Superdrug – 2 new stores



Savers – 26 new stores



“ In just 10 years, I’ve gone from a carefree university student to a proud Customer Service Manager, thanks to Watsons! I recently received an Excellent Store Manager Award from the Taiwan Chain Store & Franchise Association, which is a great reflection on all my colleagues and the work we’ve done. I hope that we can live for the present – learn, inspire each other, enjoy our work, find our future and fulfil our personal values in the Year of Connection. ”

Doris Lee
Customer Service Manager
Watsons Taiwan



“ My team launched in mid-2018, and our mission is to transform Watsons through digital innovation and data analytics. We started with social listening to identify trendy products, communicated our findings using a news report-style video to staff, and together generated great sales. In a short time, with support from all departments, we’re proud to have already turned inspiring insights into action. ”

Prolog Leung
Head of Digital Innovation
and Analytics
Watsons Hong Kong



“ I’ve been working as a Store Manager since 2010. A highlight of my time with Watsons was when we set a company sales record, but I think the most memorable and happiest day was when I was invited to the Watsons Award Ceremony. The best thing about my job is that it allows me to coach new recruits by telling them about career opportunities offered by Watsons. ”

Selim Onar
Store Manager
Watsons Turkey



“ I have been working at Trekpleister since I was 15! I recently won Best Health Advisor of the Netherlands 2019, competing against around 400 participants from multiple drugstore chains. One of the best things I do at my job, is training colleagues - it’s great to see so many of the people I’ve trained becoming store managers now. ”

Jeanette Philippo
Store Manager
Trekpleister



Give a Smile Carries On!

Thanks to all business units of A.S. Watson, the Give a Smile global charity campaign was a huge success in 2018. Four medical missions were held in China and the Philippines, which our colleagues formed a volunteer team to reach out to the cleft patients and their family. This year, we have over 30 business units working with strategic business partners and Operation Smile to provide life-changing surgeries to cleft children.



Big IDEAS

A.S. Watson Group sponsored Hong Kong's first ever Green Hackathon organised by Hong Kong Retail Management Association. The three-day hackathon attracted over 80 university students and 12 start-ups, who tackled big issues such as waste reduction and the challenge of improving recycling rates.

FORTRESS, **PARKnSHOP Hong Kong** and **Watsons Hong Kong** also helped provide real-life cases for the competition.



Malina Ngai (right in both photos), Group Chief Operating Officer of A.S. Watson Group exchanges ideas with participants and presents the award to the winning team



GREEN Marathon

Besides being the only producer of 100% recycled PET bottles in Hong Kong, **Watsons Water** is also a pioneer in educating the public about plastic waste reduction by introducing “Green Point” water refilling machine and water bottle reverse vending machine. The two smart machines made a successful debut at the biggest marathon in Hong Kong, encouraging the athletes to recycle their plastic bottles or bring their own bottles.



NEW CHAIRMAN CONTINUES CK GROUP'S HERITAGE

Mr Victor T K Li hosted his first CK Group Annual Dinner as Chairman. Below are his remarks made at the occasion:

“ Mr Senior Advisor, Fellow Directors and Colleagues,

Happy New Year! I am delighted to be here with you this evening to welcome in 2019.

This year's annual dinner is particularly meaningful to me.

Last year, my father changed his role to become Senior Advisor to the Group; tonight therefore marks the first Annual Dinner that I host as Chairman of the CK Group. In addition, this year - 2019 - also marks the 35th year of my joining CK.

I believe most colleagues would have noticed that since I became Chairman, the Group's policies have remained unchanged, and that we continue to build on CK Group's heritage and adhere to the motto of "advancing without foregoing stability".



I have worked with many colleagues who are present here this evening for many years; in some cases over 30 years. It is my belief that there is always something to learn from everyone. As the proverb goes, “in a company of three, there are always teachings.” The CK Group has businesses in over 50 countries and over 320,000 employees.

I have had the pleasure of working with many very capable people. Our relationships are that of mentors as well as friends. I sincerely hope that I will continue to have all your support and advice. If you have any good suggestions, please raise them with me; and should there be difference of opinion, I welcome active and frank discussions.

On the macro front, economic and political uncertainties prevail in many countries around the world. The rise of protectionism, the unceasing trade disputes, the Brexit uncertainties, the various national election outcomes, and the reappearance of rate hikes...all such issues have caused ripples in the global environment and to some extent our Group's businesses. Against this challenging backdrop, especially with the property market in Hong Kong showing signs of a downturn, our deliberate strategy of increasing stable recurrent income adopted several years ago has borne fruit. Currently, the Group

has a very strong cash flow. As mentioned in the interim results announcement in August last year, it is expected that recurrent profit contribution of CK Asset for 2018 would pose an increase of over 50% of that of 2016.

As China continues to deepen its economic reform and to focus on the importance of quality, it is envisaged that the Chinese economy will grow steadily, sustaining healthy development. Looking ahead, major initiatives such as One Belt, One Road, and the Greater Bay Area development would very likely create yet more growth opportunities for the nation.

The CK Group has a solid financial base, as well as substantial diversified businesses globally. Leveraging on these strengths, we will continue to create value and generate returns for our shareholders.

Lastly, I would like to thank everyone for their hard work and valuable contributions over the past year. I wish you all a happy, smooth and healthy New Year! ”



SUPER QUIZ

1. Where is the 15000th store of A.S. Watson Group located?
2. What is the name of product that Watsons Water China has recently launched?
3. How many Give a Smile medical missions were organised last year?

Super Prize (1)

Beauty Bar Massager



Sponsored by



A.S. Watson Group

Gold Prize (1)

Electric Toothbrush



Sponsored by



A.S. Watson Group

Answers to Issue 106

- 1) Divinia
- 2) 92 patients
- 3) Kruidvat Brow Tattoo

Super Prize (Facial cleansing brush)

Name

Kevin Mak

Company & Department

Watsons Hong Kong -
Sales Operations Department

Gold Prize (True wireless earphone)

Name

Jordan Chen

Company & Department

Watsons Taiwan -
Sales Operations Department

Silver Prize (Anti-theft crossbody travel bag)

Name

Janelyn B. Esplana

Company & Department

ICI PARIS XL Benelux -
Marketing Department

Deadline: 3 May, 2019

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 (ASW) has evolved into the world's largest international retail and manufacturing business with operations in 25 markets worldwide.

Today, the Group operates over 15,000 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.

Editorial committee

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