

OUR STRATEGY

Our Strategic Priorities

Sa Sa is committed to fostering sustainable business growth and increasing value to our stakeholders, thereby fulfilling our “Making Life Beautiful” aspiration. This entails providing reasonable returns for our shareholders, empowering our employees to grow and excel, building strategic mutually beneficial partnerships with our suppliers, offering our customers quality products and shopping experiences, and interact with our communities and respond to their needs proactively. Throughout our business, we strive to operate in a responsible and sustainable manner, generating the best value for business and society as a whole.

We believe that sound corporate governance, strict regulatory compliance and proactive risk management will enable us to work in a responsible manner to bring sustainable and increasing value to our stakeholders.



Our 3 Key Pillars – Customer Touch Points, Customers and Products



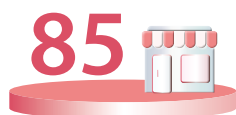
Customer Touch Points

As we move into the new retail era, we engage and interact with our customers through multiple touch points including leveraging on online-merge-offline (OMO) operation. Customers could access product information, gain first-hand experience and make orders via both online or offline channels according to their preferences, enjoying a truly customer-centric omni-channel shopping experience. Our consultation service has also been extended from offline to online channels. Sa Sa's well-trained beauty consultants can offer personalised beauty advice across different brands and assisting them to choose the most suitable products under one roof. This approach largely differentiates Sa Sa from other single-branded shops.



Offline Channels (retail stores)

As at 31 March 2022, the Group has 234 retail outlets in the following geographies:



Hong Kong and
Macau SARs



Mainland China



Malaysia



Online Channels

1. Own Channels



Sa Sa Shopping Website
(Sasa.com)



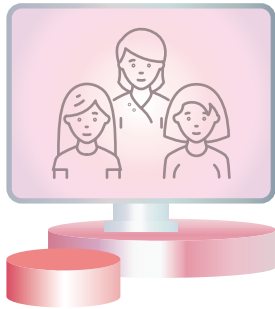
Sa Sa Mobile App



Social Commerce
Platforms

2. Third-party Platforms



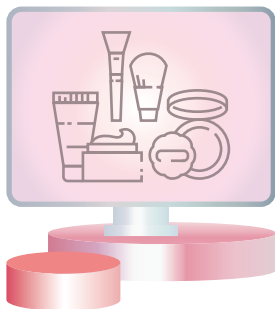


Customers

Sa Sa places customers at the heart of our business. We strive to delight our customers with diversified quality products and dedicated multi-brand beauty advice and services. Our products are well received and supported by our customers over the years.

The Group's key customer base is located in the Greater China Region, mainly in Mainland China, Hong Kong and Macau SARs. Over the past years, Hong Kong and Macau SARs enjoy parallel import and zero import tariff policies, enabling a much faster and simpler product rollout as well as price advantages. This competes favourably against time consuming and onerous national product registration process and related health quarantine policies in the Mainland for beauty product offerings in physical stores there. Hong Kong SAR also enjoys a good reputation of selling authentic products. All these factors give rise to and support the popularity of our physical stores in the Hong Kong and Macau SARs and make Sa Sa one of the "top-of-the-mind" beauty product retailers among Mainland China consumers. Meanwhile, our cross-border e-commerce platforms have also become one of the preferred beauty products shopping channels for consumers in Mainland China.

Looking forward, Sa Sa will strive to gain a deeper understanding of customers' shopping behaviour and product preference through the enhanced use and analysis of big data. The Group aims to provide a customer-centric omni-channel shopping experience through the development of OMO operation.



Products

Sa Sa offers diversified and quality products at competitive prices with the proven concept of "one-stop beauty product specialty store". We cater to the needs of different customers with an extensive portfolio covering a wide range of price points including skincare, fragrance, make-up, hair care and body care products, health and fitness products as well as beauty gadgets. Our product sourcing and development team possesses market acumen and utilises big data analysis to capture the latest trends and customer preferences. With multiple sourcing channels, we can strategically adjust the product sourcing of its exclusive brands, parallel imports and local supplies based on customers' need, thereby providing a diversified portfolio with timely introduction of trendy products at competitive pricing. As of 31 March 2022, the Group offers:



Source types:



Parallel Imports



Exclusive Brands



Local Supplies

Exclusive Brands

Abercrombie
& Fitch

CR7
CRISTIANO RONALDO

GRÈS
PARIS

Mercedes-Benz Perfume.

skin⁷9

Abib

∞ Cyber Colors

GUESS

MÉTHODE
JEANNE PIAUBERT
PARIS

SNP
Shining Nature Purity

AHAVA
ELEMENTAL BEAUTY FROM THE DEAD SEA

Derma:B

Haruhada
ハルハダ

Méthode SWISS
BEAUTY CARE

soo Beauté

ARMAND BASI

Dr.FORHAIR
PROFESSIONAL SCALP SOLUTIONS

HOLLISTER
CALIFORNIA

NATURALLY
EUROPEAN
CLASSIC

suiskin

ATOPALM®
아 토 팜

Dr.G
MY SKIN MENTOR D.G

Huxley

Neogence 霓淨思
LAB-DERMATOLOGICAL SKINCARE

SUISSE
PROGRAMME

BANILA CO

Dr.Jart+

JAGUAR
FRAGRANCES

NOV

SWISS Ritual

b·liv | healthy pores
| healthy skin

DSQUARED2

dunhill
LONDON

john varvatos

페리오|PERIOE

TALIKA
DEPUIS 1948

UNITED COLORS OF BENETTON.

BENTLEY

Eleanor

KOCOSTAR®
HOME BEAUTY TREATMENTS

PERLIER

TEAOLGY
TEA INFUSION SKINCARE®

Blumarine

Elizabeth Arden
NEW YORK

La Colline
Swiss Riviera Beauty Treatment

PERRY ELLIS

POLICE
PARFUMS

Tonino Lamborghini

BYPHASSE

La Estephe®
SWITZERLAND

PUPA
MILANO

TOUS

Cell Fusion C
Dermatological Laboratory

espoir

LOVE
PASSPORT

RALPH LAUREN
FRAGRANCES

TRUSSARDI

CHRISTIAN LAURENT

어용감
한방

MAKHAMTHAI

Salvatore Ferragamo

URBAN
Rituelle

COLLISTAR
MILANO

geoskincare
紐西之謎

PRINCESSE
MARINA DE BOURBON
PARIS

samourai
woman
Champagne Rose

VENUS SPA

COLOR COMBOS

Cottage

Giovanni®
ECO CHIC HAIR CARE

ma:nyo
魔女工場 | 마녀공장

sasatinnie

VICTORINOX

CREMORLAB
a new classic in hydration

GOONGBE
궁중비책

MEDIHEAL
美迪惠尔

Sp
SHANGPREE

VT°
COSMETICS

Our Business Strategies

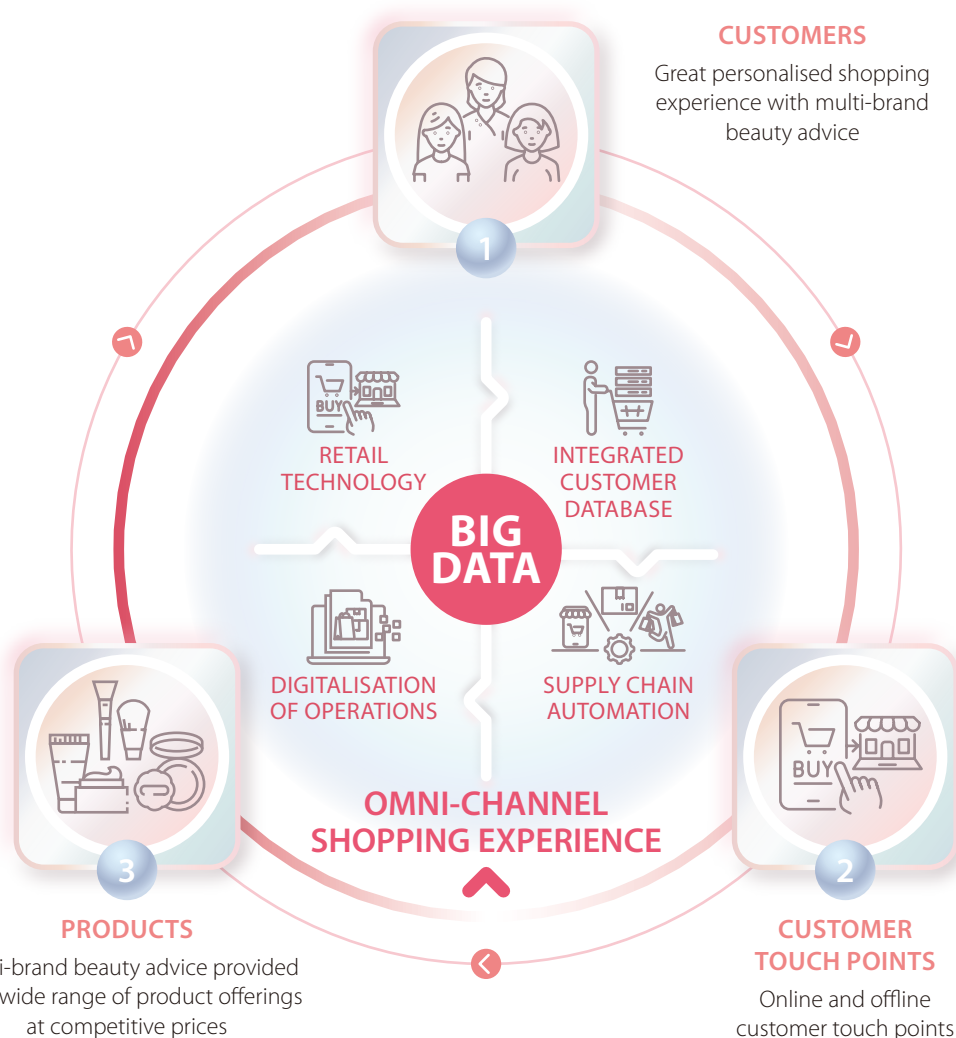
Embracing the New Retail Era

We live in a changing world – Customer behaviour and preferences are evolving and so are technologies. A new style of conducting retail business is emerging. Shadowing the prevailing trend, Sa Sa is moving in a strategic direction that facilitates online-merge-offline operation in order to develop a “customer-centric” new retail model and live up to our commitment of “Service from the Heart”.

We will utilise the big data analysis and integrate customer databases to better understand customers’ changing preferences and shopping behaviour. The OMO new retail model will realise the full advantage of our extensive physical store network in Mainland China, Hong Kong and Macau SARs and professional beauty consultant team. Leveraging our multiple online and offline touch points, we strive to strengthen the interaction with our customers, and enhance both customer satisfaction and loyalty, with an aim to drive the Group’s income and profitability.

Meanwhile, in line with the above OMO business development, we are moving towards the directions of supply chain automation and digitisation of operations so as to enhance inventory management and operational efficiency. All these will drive us towards the goal of reinforcing our leadership in the beauty product retailing industry in Asia.

Our New Retail Blueprint



Creating an Omni-Channel Shopping Experience Powered by Technology

INTEGRATED CUSTOMER DATABASE



Integrating the customer data of our physical stores and online business in Hong Kong and Macau SARs and Mainland China to enhance customer engagement in the future. Our aim is to develop deeper understanding of customers' shopping behaviour, engage customers continuously to boost customer loyalty in the long term, increase repeated purchases, and achieve a omni-channel shopping experience.

RETAIL TECHNOLOGY



Guided by the "customer-centric" principle, the Point of Sale (POS) system, big data and other retail technology will be deployed to enhance the collaboration of each customer touch point and optimise operational processes, thereby creating a more personalised omni-channel shopping experience.

SUPPLY CHAIN AUTOMATION



Technology enables us to use big data to understand customer preferences swiftly, capture the latest product trends and optimise product sourcing strategy in order to improve logistics arrangement for OMO operations, thereby enhancing the inventory management, fulfilment experience and overall operational efficiency.

DIGITALISATION OF OPERATIONS



Internal work processes are being streamlined and digitalised to strengthen overall operational efficiency and speed up OMO development. This aims to provide customers with a more dedicated, convenient and personalised shopping experience.

Risks and Challenges

Embracing the new retail era, Sa Sa is moving in a strategic direction that integrates bricks-and-mortar and online business. Challenges that may hinder the execution of the New Retail Blueprint are:

Challenges In Technology Enhancement

- **Cybersecurity and personal data privacy risk**
The need to better manage cybersecurity and personal data privacy risk due to the increasing number of leaks and the global trend towards more stringent regulations.
- **IT capacity**
Enhancement of IT capacity is critical in order to support necessary changes that will improve customer experience and drive sales.
- **IT infrastructure and tools**
Advancement of IT infrastructure and tools is required to manage compatibility issues and smooth implementation.
- **Talent acquisition**
Competition for talents is keen – active development of new channels to retain and recruit talents is required.

Associated Risks

- **Key performance indicators (KPIs) and reward system**
Improvement of KPIs and the reward system required to facilitate the implementation of new business model.
- **Business process and organisational structure**
Improvement of the company's flexibility and adaptability to respond to the necessary changes in different areas including human resources, company structure, function and workflow changes to support the OMO business strategy.
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