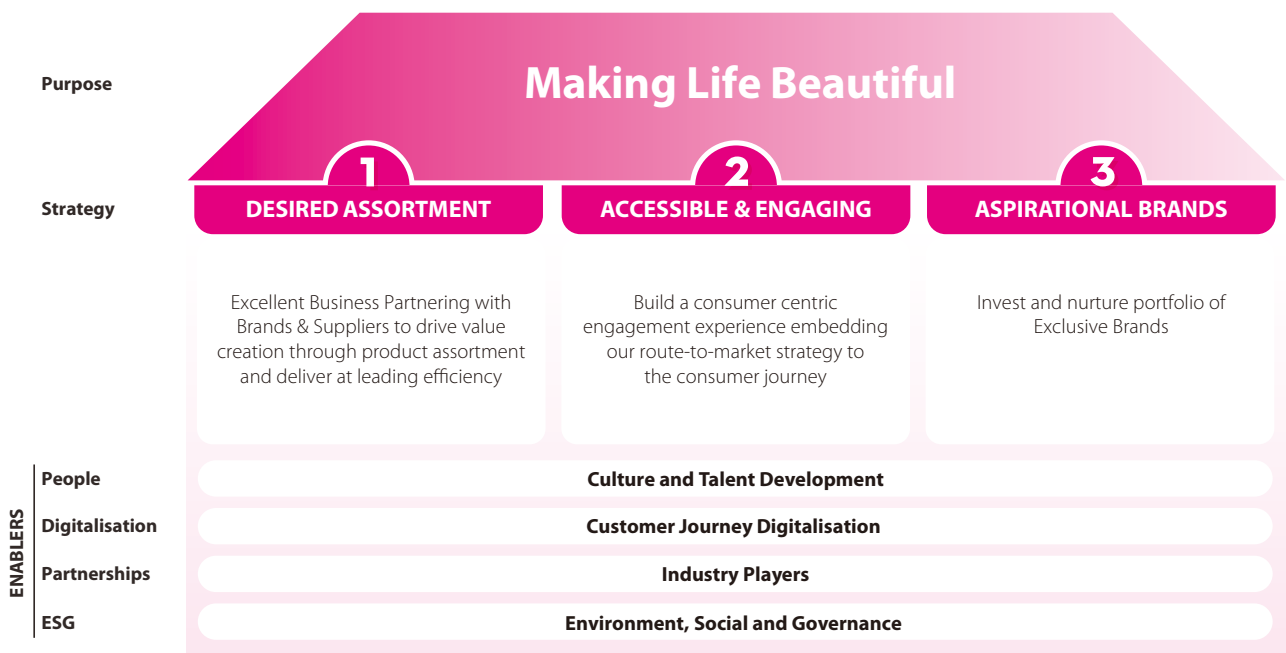


OUR STRATEGY

Our Strategic Framework

In the past 45 years, Sa Sa has established a prominent presence in the beauty and personal care retail industry in Asia. As a multi-brand beauty retailer, we take pride in our ability to recommend products that are most suitable for our customers. Our network of highly experienced beauty consultants is one of the most valuable assets and a unique point of difference that helps us provide superb services to our customers.

Sa Sa is committed to fostering sustainable business growth and increasing value to our stakeholders, leveraging our strengths built-up over the years. **“Making Life Beautiful”** remains our core purpose, and we will look to deliver this through investing in four key areas that enable our three strategic pillars.



Strategic Pillars

Desired Assortment

Firstly, we will partner more closely with brand owners and suppliers to drive value from building a product assortment that excites our consumers. Consumers come to Sa Sa to “make their lives beautiful”. We endeavour to provide customers with the hottest, trendiest, and newest products to help them stay on top of the trends in the beauty and personal care world. This is also crucial for Sa Sa in attracting new customers and boosting repurchases from our existing strong member base. By strengthening our overall category management, looking closely at how we manage inventory, and leveraging our experienced sourcing team and data analytics, it will enable us to cater for the fast-changing consumer preferences and to maintain healthy product structure and gross margins.

Some of the Group’s latest Exclusive brands



Accessible & Engaging

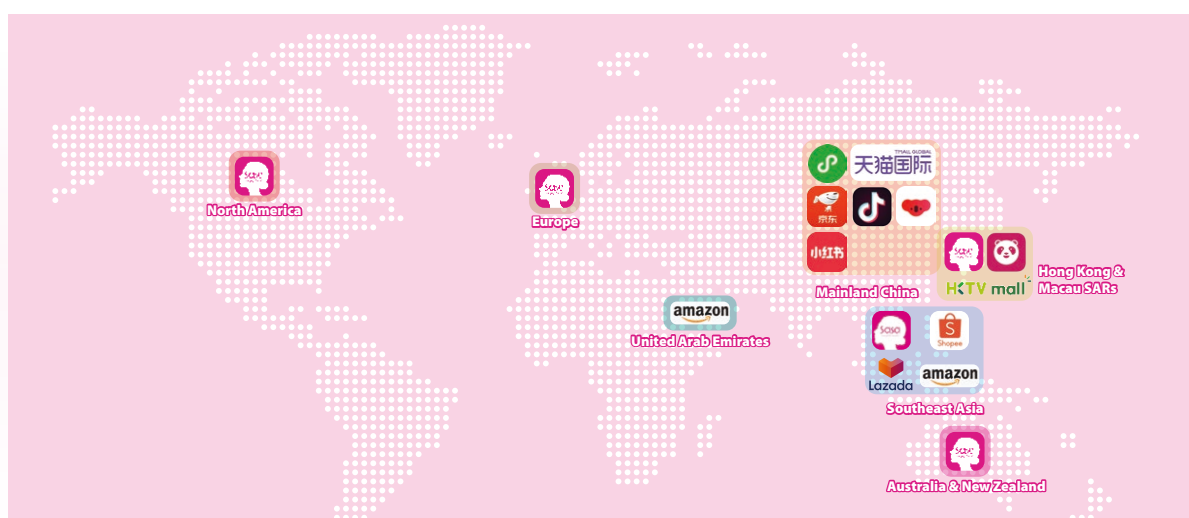
Secondly, we will look to embed our route-to-consumer strategy around the changing consumer journey to ensure we meet the consumer where they appear and provide them with the choices they need, be it online or offline or a hybrid of both (OMO). Consumer centricity has always been part of Sa Sa's DNA and we aim to elevate this in the new world by providing a seamless consumer experience as consumers increasingly adopt different journeys to explore and purchase. We will focus on extending the strengths we have built-up, from our extensive network of brick-and-mortar offline stores to wide range of online platforms, and continue to invest and strengthen our management of them. We also continue to explore and embrace what online makes possible that offline cannot, for example livestreaming, and building "endless aisle" to cater for all kinds of customer needs. Customers can access product information, gain firsthand experience and connect with our professional beauty consultants for beauty tips, then make orders via online or offline channels according to their preferences, enjoying a truly customer-centric omni-channel shopping experience.

Offline Channels (Retail Stores)

As at 31 March 2023, the Group has 186 retail outlets in the following geographies:



Online Sales Channels



Social Media Platform

We also stay connected with our customers via multiple social networking platforms, and share our latest company, brand, product, shop, and channel information.



OUR STRATEGY

Aspirational Brands

Thirdly, we will be looking to increase our portfolio of managed and exclusive brands, investing in and nurturing these brands to truly showcase their brand value and hero products. Sa Sa has a high degree of discretion and autonomy in its exclusive products in all respects including strategy, positioning, marketing communications, pricing, and sales channels. Management believes in building brand equity for our exclusive products, we have strategic control over the brand portfolio and seek to improve product competitiveness and gross profit margin. This would help the Group strengthen our point of difference as a multi-brand retailer, and attract future brand partnerships. Given our extensive portfolio covering a wide range of price points, this will also allow us to better cater to the changing needs of different customers. We will invest in our marketing capability, including greater pulse on consumer trends, consumer interaction via membership platform, engaging the Sa Sa community and enhancing our social media presence.



Collaborating with Suisse Programme on the marketing campaign of the brand's new hero product launch



Collaborating with Dr.G to set up the South Korea's derma skin care brand's shop-in-shop in our boutique

As of 31 March 2023, the Group offers:



Stock Keeping Units (SKUs)
9,000+



Diversified products with a price range of
HK\$1 – HK\$5,000



International beauty brands
600+



Exclusive brands
120+

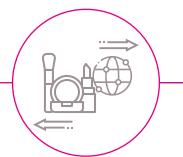
Source types:



Exclusive Brands



Local Supplies



Parallel Imports

We are dedicated to sourcing a wide range of quality brands and genuine products that cater for everyone's beauty needs. Both online and offline customers enjoy a 30-day Purchase Guarantee when they shop with us.



Participated in HKSARG Intellectual Property Department's "No Fakes Pledge" Scheme for 20+ years



Recognised under "The Quality Tourism Services Scheme" by Hong Kong Tourism Board



Recognised under the "Hong Kong Q-Mark Service Scheme" by Hong Kong Q-Mark Service Council



All Sa Sa customers, purchased from offline stores or on online site, enjoy 30-day purchase guarantee

Exclusive Brands

Skin Care

Abib

AHAVA
ELEMENTAL BEAUTY FROM THE DEAD SEA

Anua

BANILA CO

b·liv healthy pores
healthy skin

Cell Fusion C
Dermatological Laboratory

CHRISTIAN LAURENT

COLLISTAR
MILANO

CREMORLAB
a new classic in hydration

Derma:B

Dr.Jart+
SKIN. SCIENCE. ART.

Eleanor

Elizabeth Arden
NEW YORK

어용감
Haruhada

GOONGBE
궁중비책

KOCOSTAR
HOME BEAUTY TREATMENTS

La Colline
Swiss Skin Care Beauty Treatment

La Estephe®
SWITZERLAND

MAKHAMTHAI

MEDIHEAL
美迪惠尔

MÉTHODE
JEANNE PIAUBERT

Méthode SWISS
BEAUTY CARE

Neogence 霓淨思
LAB-DERMATOLOGICAL SKINCARE

NEUE
PROFESSIONAL

NOV

sasa'tinnie

skin79

skybottle

Snp®

soo Beauté

suiskin

SUISSE
PROGRAMME

TALIKA
DEPUIS 1948

TEAOLOGY
TEA INFUSION SKINCARE™

VT
COSMETICS

Make Up

BANILA CO

COLOR COMBOS

Cyber Colors

dasique

Dinto

Eleanor
espoir

PUPA
MILANO

rom&nd

sasa'tinnie

Fragrance

Abercrombie
& Fitch

ANGEL SCHLESSER

UNITED COLORS OF BENETTON.

BENTLEY

CR7
CRISTIANO RONALDO

DSQUARED2

dunhill
LONDON

Elizabeth Arden
NEW YORK

GUESS

HOLLISTER
CALIFORNIA

JAGUAR
FRAGRANCES

john varvatos

LOVE
PASSPORT

MANDARINA DUCK

PRINCESSE
MARINA DE BOURBON
PARIS

Mercedes-Benz Perfume.

PERRY ELLIS

POLICE

RALPH LAUREN
FRAGRANCES

Salvatore Ferragamo

TOUS

TRUSSARDI

VENUS SPA

VICTORINOX

Personal Care

Dr.FORHAIR
PROFESSIONAL SCALP SOLUTIONS

FRUDIA
Derived from Fruit.

giovanni
ECO CHIC HAIR CARE

肌っ子

NATURALLY
EUROPEAN
CLASSIC

PERLIER

plu
samourai
woman
Champagne Rose

URBAN
Rituelle

Our Enablers

To enable us to succeed across all three pillars, we will continue to invest sustainably in building the best-fit culture and nurturing talent to execute the ambition; executing digitalisation projects that will enhance consumer experience and allow Sa Sa to better serve our consumers; developing partnerships with brands and various industry players; and enhancing our ESG policies to ensure we act responsibly as a group and contribute a positive impact on society.

Culture and Talent Development

"Joy at Sa Sa" has long been the group's company culture, we hope to build a family like community full of warmth and joy, where we support our employees to grow and excel, and empower them to pursue personal and career prospects. With the two-way interaction between the company and our employees, it's our key mission to provide with them exciting career development opportunities, equip them with the best skillsets to address current and future challenges, and promote a balanced and joyful lifestyle. Further details of our talent development plans can be found on page 110-116.

A core theme within our culture is "as one" – it's of utmost importance that we ensure the consistency in how we manage, how we serve and value our customers, and how we partner with brands and nurture their growth.

Customer Journey Digitalisation

NEXT-GEN CRM



Unifying Sa Sa's CRM mechanism to provide a consistent user experience across Hong Kong & Macau SARs, Mainland China, and Southeast Asia, for customers from both online and offline. We aim to redefine various customer journey interactions that cover recruitment, registration, retainment, and referral to increase customer lifetime value. With enriched product content, consumer review functions, and value-added services (e.g., skin test and personalised product recommendations), we hope to build an interactive and close community of Sa Sa members, while Sa Sa also get to develop deeper understanding of for future engagements.

OMO EXPANSION



With customers demanding more convenient shopping experience and seamless online & offline integration, we continuously revamp the end-to-end process of BOPIS (Buy Online Pick-up In Store) through enhanced OMO model. Technological capability upgrade and external partnerships with parties, such as payment gateways and delivery service providers, are key to allowing us to cater for more diversified purchase journeys and opening up more pick-up locations. Given our advantage in brick-and-mortar stores, we will also focus on equipping our professional beauty consultants with the right tools to assist them in recruiting offline customers to our online channels for omni-channel engagements.

EXPERIENCE ORIENTED RETAIL STORES



Customers are increasingly seeking for unique experiences and space for self-exploration. This change in their needs guides us in reshaping the in-store experience we aim to provide. Implementing QR-code based retail, in-store skin test, etc. are some of the areas we are exploring. We will also be deploying technologies such as heatmap and operation productivity analysis, to enable our management to make more informed decisions and further elevate the shoppers' experience.

DATA ANALYTICS PLATFORM



Centralise our data management platform (master data, key figures, processes, tech solutions and governance) to group level for more holistic data-based management, covering both financial and non-financial data. This should enable and encourage more efficient and accurate data-based decision making in daily business operations and improve collaborations between our various functions and teams. Not only this will better support us in developing a more in-depth understanding of our consumers, but this will also assist management to better track performance and set priorities for the group moving forward.

Partnership with Industry Players

We develop mutually beneficial long-term strategic partnerships with our suppliers and business partners to enable sustained long-term growth and win-win outcomes. Our approach to partnerships allows a building of trust as we continue to build a diversified brand portfolio comprising quality products. Sa Sa has a very unique role as a multi-brand retailer, to expand beyond bilateral brand partnerships, connecting and creating synergies between the various brands that we carry, and to partner with other types of organisations that play a role in the industry. Brand owners trust us with their brands, and we seek to repay that trust not only with sales but a holistic approach to ensure the brand story is clearly communicated and well represented in our offline and online stores.



"Korean Beauty Parade" jointly held by Sa Sa and KOTRA (Korea Trade-Investment Promotion Agency) to celebrate the 30th anniversary of establishment of diplomatic relations between China and South Korea in 2022



"Scent Sensation Fragrance Fair" held by Sa Sa in Malaysia, collaborating with multiple brands like Versace, Mercedes-Benz, Marc Jacobs, Calvin Klein, Hugo Boss, etc. to bring to our customers a very diversified fragrance shopping experience

Environment, Social and Governance

ESG considerations and objectives are embedded within the management of our business, including but not limited to the sourcing of Clean Beauty products, please refer to our 12th ESG report from page 90-133 for more details.

Our Business Goals

With the strategy set in place and dedicating investments in our enablers, we are laser focused on achieving established business goals, raising our gross profit margin to fund further reinvestment, scaling up markets and channels outside of our core of offline in Hong Kong and Macau SARs for a more diversified revenue profile, and growing our exclusive brands portfolio and sales mix for long-term growth and profitability.



Gross Profit

Raise our top line gross profit margin to fund further reinvestment for more sustainable business growth and profitability, maximising long-lasting value to our stakeholders

Revenue Streams

Further scale up businesses in markets and channels beyond the core of Hong Kong & Macau SARs, to unleash the Group's potentials and diversify our revenue profile

Exclusive Brands

Grow Exclusive Brand's portfolio and sales mix to increase Sa Sa's customer stickiness, for a long-term growth and profitability, and to attract more top-notch brands as partners