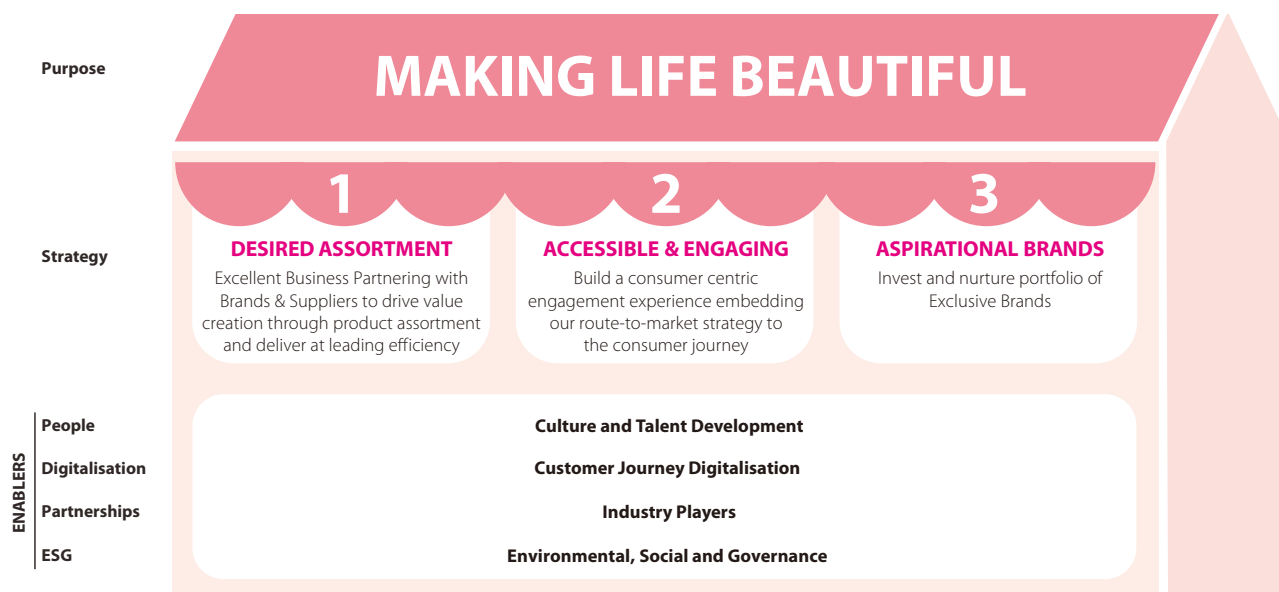


# OUR STRATEGY

## Our Strategic Framework

Sa Sa has been a leading beauty and personal care retailer in Asia for 46 years. As a multi-brand retailer, we are proud of our ability to recommend the best products for our customers. Our network of expert beauty consultants is one of our key assets and advantages that helps us offer excellent services to our customers.

Sa Sa aims to grow our business sustainably and create more value for our stakeholders, using our strengths developed over the years. **"Making Life Beautiful"** is our core purpose, and we will achieve this by investing in four key areas that support our three strategic pillars.



## Strategic Pillars

### Desired Assortment

We will work more closely with brand owners and suppliers to create a product range that appeals to our consumers. Consumers choose Sa Sa to "make their lives beautiful". We aim to offer customers the latest and best products to help them keep up with the trends in the beauty and personal care world. This is also key for Sa Sa to attract new customers and encourage repeat purchases from our loyal member base. By improving our category management, managing inventory well, and using our skilled sourcing team and data analytics, we can respond to the changing consumer preferences and keep a healthy product mix and gross margins.

Some of the Group's latest Exclusive brands



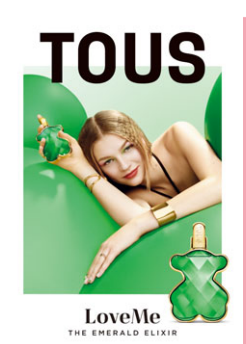
Make-up brand  
"Cyber Colors"



Make-up brand  
"BANILA CO"



Skincare brand  
"SUISSSE PROGRAMME"



Fragrance brand  
"TOUS"



Fragrance brand  
"Mercedes-Benz"



## Accessible & Engaging

We will incorporate our route-to-consumer strategy around the evolving consumer journey to ensure we reach the consumer where they are and offer them the options they want, whether it is online or offline or a combination of both (OMO). We have always put consumers at the heart of Sa Sa's business and we aim to enhance this in the new world by providing a smooth consumer experience as consumers increasingly adopt different ways to discover and buy. We will build on the strengths we have developed, from our wide network of physical offline stores to diverse range of online platforms, and continue to invest and improve our management of them. We also continue to experiment and leverage what online can do that offline cannot, for example livestreaming to reach a new audience, and creating "endless aisle" to meet all kinds of customer needs. Customers can access product information and interact with our professional beauty consultants for direct beauty advice, then make orders via online or offline channels based on their preferences, enjoying a truly customer-focused omni-channel shopping experience.

### Offline Channels (Retail Stores)

As at 31 March 2024, the Group has 183 retail outlets in the following geographies:



**Hong Kong and  
Macau**



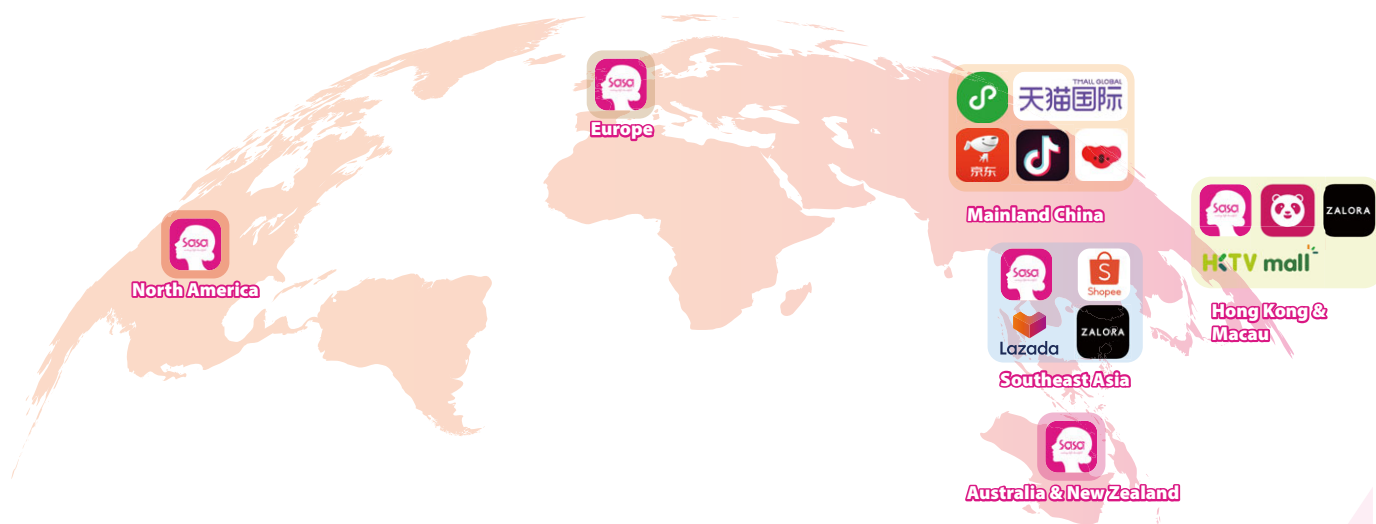
**Mainland China**



**Southeast Asia**



### Online Sales Channels



### Social Media Platform

We 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

We focus on growing our managed and exclusive brands, investing in these brands to nurture their brand value. We have control over our exclusive products in strategy, positioning, marketing, pricing, and sales. We want to build brand equity for our exclusive products, manage the brand portfolio, and improve product quality and margin. This would help us stand out as a multi-brand retailer, and attract more brand partners. We have a wide range of prices to meet different customers' needs. We will invest in our marketing, including understanding consumer trends, interacting with members, engaging the Sa Sa community, and boosting our social media.



sasatinnie Advanced Water Glow  
Essence Mask – 3rd Pop-up Exhibition



Eleanor x Madame Fù Beauty Piece  
of Art Afternoon Tea

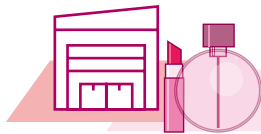


Suisse Programme Golden  
Collagen Tram Promotion



Eoyunggam Pop-up  
Van Promotion

### As of 31 March 2024, the Group offers:



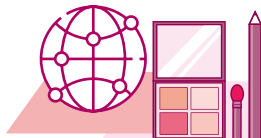
Stock Keeping Units (SKUs)

**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 offer a variety of quality brands and authentic products for all kinds of beauty needs. We are confident in our product quality and give our customers, online and offline, 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

### Skincare



### Fragrance



### Make up



### Personal Care



### Inner Beauty



### Equipment (non-exclusive)



### Our Enablers

We will keep investing sustainably in these three pillars: building the right culture and talent to fulfil our vision; using digitalisation to improve consumer experience and service; working with brands and other industry players; and strengthening our ESG policies to be responsible and positive as a group.

#### Culture and Talent Development

Our company culture has always been “Joy at Sa Sa”. We want to create a community that is like a family, full of happiness and warmth, where we help our employees grow and succeed, and encourage them to explore personal and career opportunities. With the mutual interaction between the company and our employees, our main goal is to offer them stimulating career development options, train them with the best skills to face current and future challenges, and support a balanced and joyful lifestyle. More information on our talent development plans can be seen on pages 106 – 113.

A key theme in our culture is “as one” – it’s very important that we ensure the uniformity in how we manage, how we serve and value our customers, and how we partner with brands and foster their growth.

#### Customer Journey Digitalisation

##### NEXT-GEN CRM:

Integrating Sa Sa’s CRM system to offer a seamless user experience across Hong Kong & Macau, Mainland China, and Southeast Asia, for customers from both online and offline channels. We aim to redesign various customer journey touchpoints that involve recruitment, registration, retention, and referral to increase customer lifetime value. With enhanced product content, consumer review features, and value-added services (e.g., skin testing, foundations shade matching, colour testing and personalised product suggestions), we hope to create a lively and close community of Sa Sa members, while Sa Sa also get to gain deeper insights for future engagements.



##### OMO EXPANSION:

We respond to customers’ needs for more convenient shopping experience and better online & offline integration by improving the whole process of Buy Online Pick-up In Store (BOPIS) through an enhanced OMO model. We upgrade our technological capability and collaborate with external parties, such as payment gateways and delivery service providers, to enable us to offer more varied purchase journeys and more pick-up locations. Leveraging our strength in physical stores, we also focus on providing our professional beauty consultants with the right tools to help them attract offline customers to our online channels for omni-channel engagements.



##### EXPERIENCE ORIENTED RETAIL STORES:

Customers want more space and experiences to discover themselves. This shapes how we improve our in-store experience. We are trialling QR-code based retail, in-store skin test, foundations shade matching, colour testing etc. We will also use technologies like heatmap and operation productivity analysis, to help us enhance the shopping 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 help us make faster and more accurate data-based decisions in daily business operations and improve cooperation between our different functions and teams. This will not only support us to know our consumers better, but also help management to monitor performance and set goals for the Group’s future.







## Partnership with Industry Players

We build long-lasting strategic partnerships with our suppliers and business partners that benefit both sides and support long-term growth and mutual success. Our way of partnering allows us to establish trust as we continue to diversify our brand portfolio with quality products. Sa Sa has a special role as a multi-brand retailer, to go beyond two-way brand partnerships, connecting and creating synergies among the various brands that we offer, and to collaborate with other kinds of organisations that are part of the industry. Brand owners entrust us with their brands, and we aim to repay that trust not only with sales but a comprehensive approach to ensure the brand story is well understood and well presented in our offline and online stores. We can also collect and provide valuable consumer feedback that could help inform product development, pricing and promotion decisions.



Sa Sa x Mercedes-Benz fragrance new launch in Malaysia



Sa Sa x TOUS fragrance PR Event in Malaysia

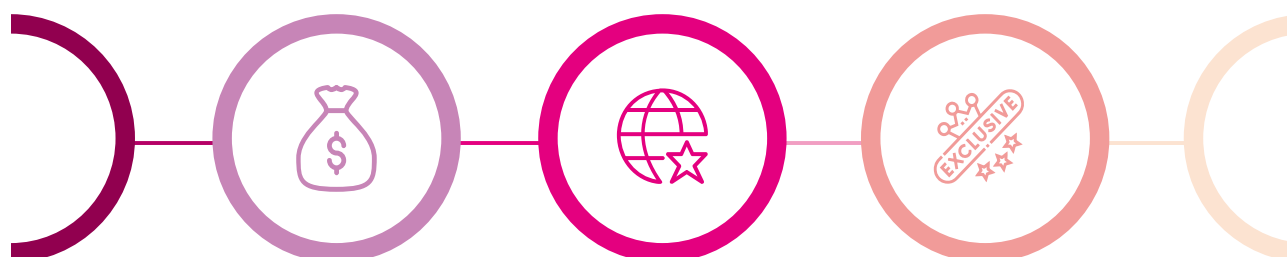
## Environmental, Social and Governance

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 13<sup>th</sup> ESG report from page 88 – 131 for more details. During the financial year, we increased our portfolio of clean beauty brands and products to 33 and 276, respectively.

## 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 for a more diversified revenue profile, and growing our exclusive brands portfolio and sales mix for long-term growth and profitability.

We have a clear strategy and we are investing in our key drivers. We are firmly committed to reaching our business objectives, increasing our gross profit margin to allow for more reinvestment into the brand, expanding our markets and channels beyond our main base of offline in Hong Kong and Macau for a more balanced revenue profile, and developing our exclusive brands portfolio and sales mix for lasting growth through consumer stickiness 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

### Sales Channels

Further scale up businesses in markets and channels beyond the core of Hong Kong & Macau, 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