

MANAGEMENT DISCUSSION & ANALYSIS

管理層討論及分析

EXECUTIVE SUMMARY 摘要

Moving towards the end of 2022, the Covid-19 pandemic continues its disruptive impact in our home base Hong Kong and across the world with the focus increasingly turning towards what measures governments are taking to tackle the challenges brought about by the pandemic. February 2022 saw an escalation in geopolitical tensions further disrupt global supply chains while the sudden slump in pound-sterling in late September 2022 added to further market uncertainty with global inflation already high and global interest rates rising in response.

There has been little change in Covid-19 pandemic measures in Hong Kong SAR during the six-months ended 30 September 2022 (the “period” or the “interim period”), with movement across borders with both Mainland China and overseas countries still subject to quarantine. The Hong Kong SAR Government continued with the Consumption Voucher Scheme in April and August 2022 to bolster local consumer spending, however, we are seeing the positive impact of such scheme to local retail spending diminishing. We are also seeing landlords seeking to raise rentals in spite of the challenging environment, however, our policy on lease rentals is steadfast and we will only renew where the lease rental makes economic sense and we can earn a positive contribution.

Our business in the Macau SAR was severely hit by a sharp spike in Covid-19 infection cases since late June 2022. Its first citywide lockdown in July 2022 led to a significant decline in tourist visitors. As the Macau SAR relies on tourism, the lockdown has had a far-reaching impact.

Following the Malaysian government’s change in strategy for fighting the pandemic and a relaxation of its pandemic measures since 1 April 2022, our business has continued to rebound strongly recovering to 84% of pre-pandemic levels.

The Covid-19 pandemic has had a major impact on the Group’s operations in Mainland China since the second quarter of FY2021/2022, causing our underperformance in that market in terms of both sales and profit. The pandemic outbreaks in various parts of Mainland China have prompted lockdowns in affected cities and towns, lowering foot traffic in our retail stores and forcing a suspension of operations in the worst cases. This has contributed to consumer sentiment hitting record lows during the interim period with same-store sales growth in Mainland China suffering a double-digit decrease compared with the same period last financial year.

Coming up to three years of sustained social distancing measures, consumers globally have learnt to live under a new norm. Behavioural changes are embedded in our daily lives and have accelerated retail digitalisation. This now forms a critical part of the Group’s commercial strategies as we adapt our product and service offering, and invest in infrastructure, to better cater for these shifting consumption patterns.

臨近2022年年底，新冠病毒疫情持續影響本港市場和世界各地經濟，大家越來越關心各地政府採取何種措施應對疫情挑戰。2022年2月，地緣政治緊張局勢升溫，進一步影響全球供應鏈。加上2022年9月底英鎊匯率突然急瀉、環球通脹高企及利率持續走高，更為市場增添不明朗因素。

截至2022年9月30日止六個月（「期內」或「中期」），香港特區的防疫措施變化不大，內地以及外地訪港的旅客仍須被檢疫隔離。香港特區政府於2022年4月及8月繼續推行消費券計劃，刺激本地消費，然而，該計劃對本地零售消費的正面效果正逐漸減弱。此外，部分業主在艱難的營商環境中仍然要求加租。然而，集團堅持在店舖租金上的原則，只會在租金合理及讓經營能夠取得盈利的情況下才續租。

集團在澳門特區的業務因新冠病毒個案於2022年6月底飆升而受到嚴重打擊。當地於2022年7月首次實施全市封城，導致旅客數目大減。澳門特區是以旅遊業為支柱的市場，因而受封城封關的影響巨大。

馬來西亞政府改變抗疫策略，並自2022年4月1日放寬防疫措施後，集團在當地的業務持續有力地反彈，恢復至疫情前水平的84%。

自2021/2022財政年度的第二季度至今，集團在中國內地的業務已受新冠病毒疫情嚴重影響，導致在當地市場的銷售和盈利表現遜色。內地多處爆發疫情，促使受影響的城市和鄉鎮封城封區，令本集團零售店鋪的人流量減少，在最差的情況下甚至暫停營業。因此，於集團的中期報告期內，當地消費意欲跌至歷史低位，集團在中國內地的同店銷售增長較對上一個財政年度同期錄得雙位數的跌幅。

社交距離措施推行將近三年，全球消費者已經適應在新常態下生活。行為的改變已植根在我們的日常生活中，並加速零售數碼化。這現已成為集團商業戰略的關鍵，集團調整了產品及服務，並投資基礎設施，從而更好地應對正在改變的消費模式。

MANAGEMENT DISCUSSION & ANALYSIS

管理層討論及分析

However, our online sales in Mainland China were also significantly impacted by the quarantine of our main warehouse in Mainland China while deliveries into our warehouses and direct cross-border deliveries to customers were subject to uncertain delays during the period. This resulted in order cancellations and affected our ability to plan and conduct business in this market.

Conversely, our online business in Hong Kong SAR enjoyed high double-digit growth during the period. We continue to enhance our product and service offering while we continue to adapt and leverage our offline store network and unique team of Sa Sa Professional Beauty Consultants to truly deliver online-merge-offline (“OMO”) addressing the needs of modern consumers who are looking for a seamless experience wherever they appear.

We continue to invest behind the development of our online business both in our home markets and further afar, and while our online business in South-East Asia has enjoyed growth, we have only just started to explore markets further afield. While we have much room to improve, we are confident we are strategically aligned and have the necessary talent to progress on the right footing.

Looking ahead, the retail sector is expected to continue to remain under immense pressure amid an arduous operating environment and in the face of prevalent external uncertainties. The Group will continue to enhance its internal structures and risk management mechanisms to build resilience and be better able to manage external risks and leverage opportunities. Where the opportunity arises, we would consider expanding our store network so long as the economics make sense.

Sa Sa remains focused on delivering long term value for stakeholders. Over the past six-months, Sa Sa has taken proactive measures to significantly adjust its cost structures and management practices with a view to enabling the Group to reach sustainable profitability despite current Covid-19 pandemic measures in our key markets. On the revenue side we are expanding our revenue earning potential by, prioritising brand management, reinvigorating our product categories, enhancing OMO and leveraging our customer relationship management (“CRM”), while on the cost side, managing inventory turn and lease rentals, raising the productivity of our employees and leveraging Centres of Excellence. Barring any further escalation in Covid-19 pandemic measures in our core markets, we anticipate these measures to take effect by the end of the current financial year and will ensure our success in navigating this challenging market. Any relaxation of Covid-19 pandemic measures will be considered an upside to our plan and we anticipate to be better positioned to take advantage when this happens.

然而，集團期內在中國內地的線上銷售因主要倉庫需要檢疫隔離而受到嚴重影響，貨物運送至倉庫以及直接跨境送遞予顧客亦出現延誤，導致訂單取消，並且影響集團在該市場的業務規劃及營運。

反觀集團在香港特區的線上業務，則於期內錄得高雙位數增長，這有賴於集團持續提升產品和服務。同時，集團不斷調整和利用線下零售店舖網絡及獨特的莎莎專業美容顧問團隊，以實現線上線下融合(OMO)的新零售模式，滿足現代消費者隨時隨地獲得無縫購物體驗的需求。

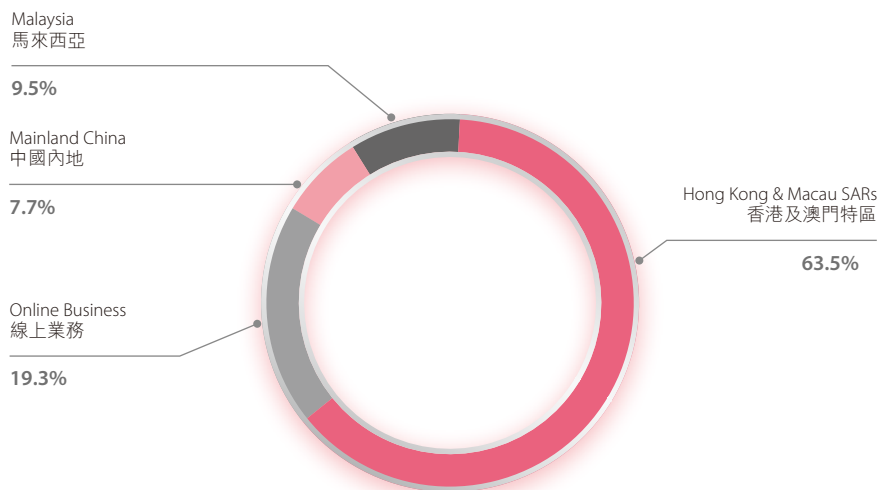
集團繼續在本港和其他市場投資和發展線上業務，而在東南亞的線上業務錄得增長，而這只是向外開拓市場的起步點。我們仍有進步空間，但有信心能按照既定發展策略邁進，亦具備所需人才，往正確的方向前進、蓄勢待發。

展望未來，零售行業預期仍會在嚴峻艱難的經營環境和外圍不明朗因素下遭受巨大壓力。集團將繼續改善其內部架構和風險管理機制，從而提升其克服困難的能力，令集團更能管理外圍風險和把握機遇。只要有機遇以及符合經濟效益，集團將會考慮擴充店舖網絡。

莎莎繼續專注於為持份者創造長遠的價值。過去六個月，莎莎主動大幅調整其成本結構和管理常規原則，讓集團即使在各個主要市場現行的防疫措施下，仍然能夠持續盈利。在收入方面，集團正在拓展增加收入的潛力，包括優先加強品牌管理、為各產品類別增添活力、強化OMO及充分利用集團的顧客關係管理(CRM)；在成本方面，集團會致力做好存貨周轉管理和店舖租金開支的控制，提高員工生產力，並且充分發揮各個卓越中心的作用。除非集團核心市場採取的防疫措施進一步升級，否則集團預期上述各項措施將於今個財政年度的年底前產生效益，並確保集團能成功渡過艱難的市況。若果防疫措施能夠放寬，將有利於集團實施計劃，集團亦預期將能夠更好地把握機會。

FINANCIAL PERFORMANCE SUMMARY 財務表現摘要

1st Half FY2022/23 Turnover Mix by Market 2022/23財政年度上半年按市場劃分的營業額



For the six months ended 30 September 2022, the Group's turnover amounted to HK\$1,550.5 million, representing a decrease of 2.9% over the six months ended 30 September 2021 ("previous period") largely attributable to Covid-19 outbreaks in Mainland China and a spike in cases in Macau SAR prompting lockdowns in affected cities and towns disrupting our business operations. As a result, retail and wholesale turnover in Hong Kong and Macau SARs decreased by 9.3% to HK\$984.6 million, retail sales in Mainland China decreased by 13.1% to HK\$119.5 million and online sales in Mainland China decreased by 26.0% to HK\$159.4 million. The Group was operating 193 retail outlets as at 30 September 2022.

Loss for the period narrowed significantly to HK\$133.2 million from HK\$181.6 million (or 26.7%) in the previous period. Excluding the provision for impairment made in accordance with HKAS 36 that applied to retail store assets (including right-of-use assets and property, plant and equipment), the subsidies for Covid-19 pandemic by local governments and temporary rental concessions, the Group's loss during the period narrowed to HK\$171.7 million (or 10.3%) compared to the previous period. In addition, cash outflow from operating activities (including the payment of lease liabilities and interest) was reduced significantly to HK\$33.1 million largely through management of inventory on hand.

Basic loss per share amounted to 4.3 HK cents (2021/22: 5.9 HK cents). In view of the challenging and uncertain operational environment in the markets where we operate, the Board does not recommend the payment of an interim dividend for the period in accordance with the Group's policy to pay dividends out of profits and for the reason of responsible risk management (2021/22: Nil).

截至2022年9月30日止六個月，本集團的營業額為1,550.5百萬港元，較截至2021年9月30日的六個月（「去年同期」）減少2.9%，主要因為中國內地爆發新冠病毒疫情和澳門特區確診個案增加，導致受影響之城鎮採取封城封區措施，繼而影響集團的業務營運。因此，香港和澳門特區的零售及批發營業額下降9.3%至984.6百萬港元。而中國內地零售銷售額下跌13.1%至119.5百萬港元，中國內地線上業務銷售額則下跌26.0%至159.4百萬港元。於2022年9月30日，集團經營193間零售店舖。

集團於期內的虧損由去年同期的181.6百萬港元，顯著收窄至133.2百萬港元（或26.7%）。撇除採納香港會計準則第36號所確認之零售店舖資產減值撥備（包括使用權資產及物業、機器及設備）、各地政府所發放疫情相關的補貼資助及臨時租金減免，集團於期內的虧損較去年同期收窄至171.7百萬港元（或10.3%）。此外，集團透過管理現有存貨，令經營活動現金流出（包括支付租賃負債及利息）顯著減少至33.1百萬港元。

每股基本虧損為4.3港仙（2021/22年：5.9港仙）。鑑於莎莎所在市場的經營環境充滿挑戰和不確定性，董事會根據集團按溢利派發股息的政策，以及實施負責任的風險管理，決議不派發於期內的中期股息（2021/22：無）。

MARKET OVERVIEW 市場概覽

GDP/Retail Sales/Medicines and Cosmetics Sales in 2022 (year-on-year change)

2022年當地生產總值／零售銷售額／藥物及化粧品銷售額(按年變動)

Market 市場	GDP Change Rate 當地生產總值變動	Retail Sales Change 零售銷售變動	Medicines and Cosmetics Sales Change 藥物及化粧品銷售變動
Hong Kong SAR 香港特區	-2.9% (Apr – Sep) (4月至9月)	2.0% (Apr – Sep) (4月至9月)	3.0% (Apr – Sep) (4月至9月)
Macau SAR 澳門特區	-39.3% (Apr – Jun) (4月至6月)	-36.6% (Apr – Jun) (4月至6月)	-31.6% (Apr – Jun) (4月至6月)
Mainland China 中國內地	2.2% (Apr – Sep) (4月至9月)	-0.6% (Apr – Sep) (4月至9月)	-1.8% (Apr – Sep) (4月至9月)
Malaysia 馬來西亞	11.6% (Apr – Sep) (4月至9月)	31.6% (Apr – Sep) (4月至9月)	Note 1 附註1

Note:

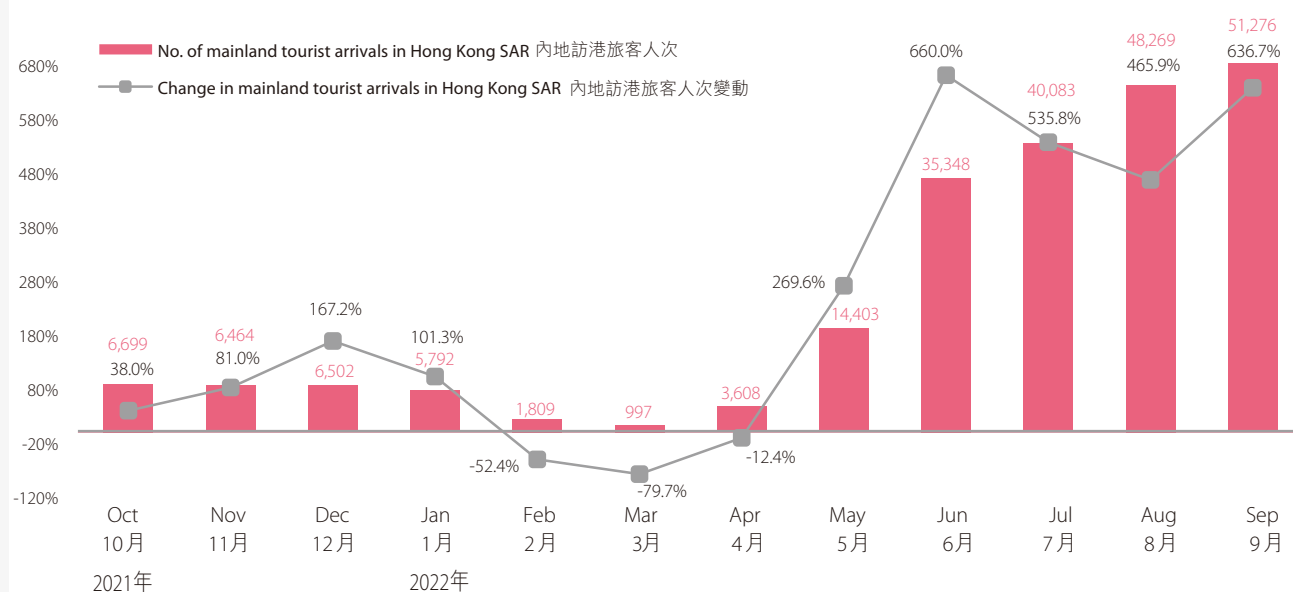
- There were no cosmetics retail sales statistics provided by the Malaysian Government.
- All of the above data were sourced and estimated from statistics published by corresponding governments' statistics bureaus.
- There are some inconsistencies in definition and survey methodology for cosmetics retail sales by different government statistics bureaus.

附註：

- 馬來西亞政府沒有提供有關藥物及化粧品零售的統計數據。
- 以上所有數據來自及推算自相關政府統計部門公佈之統計數據。
- 不同的政府統計處對化粧品行業零售的釋義和統計方法各有差異。

Mainland Tourist Arrivals in Hong Kong SAR (year-on-year change)

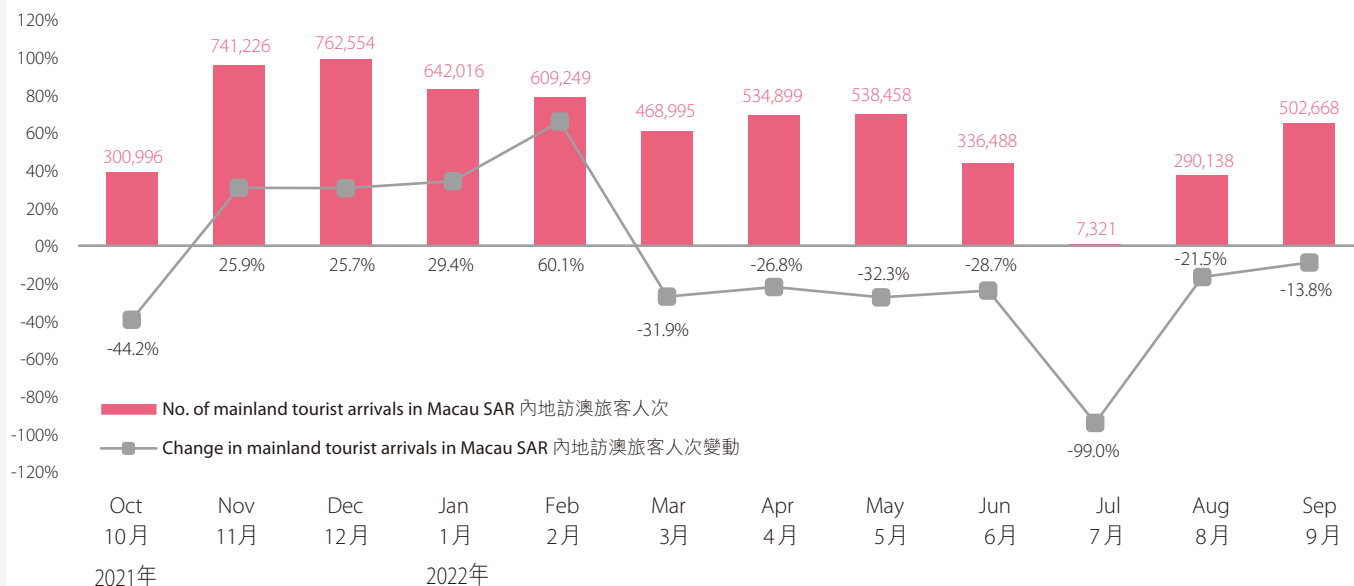
香港特區內地訪港旅客人次(按年變動)



Source: Hong Kong Census and Statistics Department & Hong Kong Tourism Board
資料來源：香港政府統計處及香港旅遊發展局

Mainland Tourist Arrivals in Macau SAR (year-on-year change)

澳門特區內地訪澳旅客人次(按年變動)

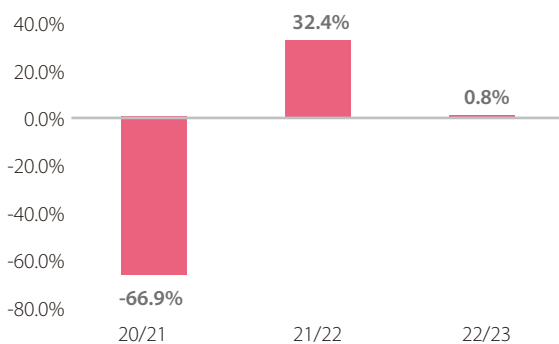


Source: Government of Macao Special Administrative Region Statistics and Census Service
 資料來源：澳門特別行政區政府統計暨普查局

HONG KONG AND MACAU SARs 香港及澳門特區

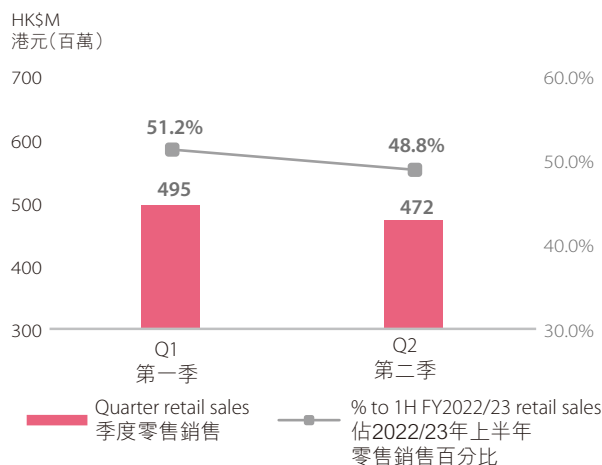
1H Same Store Sales Change

上半年同店銷售變動



1H FY2022/23 Retail Sales by Quarter

2022/23財政年度上半年按季零售銷售額



Note: The above data includes the impact of deferred income adjustment on customer loyalty programme

附註：以上數據包括來自「客戶忠誠度計劃」之遞延收入調整的影響

MANAGEMENT DISCUSSION & ANALYSIS

管理層討論及分析

During the period, the Hong Kong SAR government continued to enforce strict border control measures to contain the Covid-19 pandemic which saw tourist arrivals, and visitor arrivals from Mainland China in particular, to remain low and insignificant. Accordingly, only approximately 2.8% of sales in Hong Kong SAR was with Mainland tourists.

While Covid-19 cases during the period grew compared to the previous period, there has been a gradual partial easing of social distancing measures while local consumer sentiment towards Covid-19 has somewhat relaxed. Meanwhile, the Hong Kong SAR Government continued with the Consumption Voucher Scheme in April and August 2022 to bolster local consumer spending, however, we are seeing the positive impact of such scheme to local retail spending diminishing. Sa Sa took advantage of the improving consumer sentiment by refreshing its product mix and launching effective theme-based promotions that has led to Hong Kong SAR same store sales improving by 19.8% compared to the previous period and, with 8.0% overall retail sales growth despite the net reduction in the number of stores by five to 71. Sales momentum is continuing with second quarter same store sales growth remaining in solid double-digits.

To protect the health and safety of our staff and customers, Sa Sa continues to commit resources to ensure our stores, warehouses and offices, are disinfected and staff are supplied with rapid antigen test ("RAT") kits. Ever since the Severe Acute Respiratory Syndrome ("SARS") outbreak in 2003, Sa Sa has always been ahead of the curve in sourcing and providing protective products, including RAT kits, protective face masks and medicines, to fight the pandemic alongside our customers, which as a responsible corporate citizen, we offer at reasonable prices. The Group also donated HK\$0.4 million through government agencies and charitable organisations to serve the public.

Following a gradual re-opening of the border with Mainland China in late August 2020, the number of Mainland Chinese visitors to Macau SAR began to pick up becoming the key source of the Group's sales in the city. This trend continued up to June 2021, however, Macau SAR then saw sporadic Covid-19 cases which led to tightening of quarantine measures for inbound travellers. A sharp spike in Covid-19 infection cases in late June 2022 led to Macau's first citywide lockdown in July 2022. According to Macau SAR government statistics, the overall number of Mainland Chinese visitors between April and September 2022 decreased by 39.9% against the comparative period in the previous year and was approximately 18.1% of the pre-pandemic (referring to 2018) levels. This significantly impacted sales in Macau SAR during the period, which decreased by 37.7% while same-store sales decreased by 33.4% compared to the previous period, of which 56.1% was accounted for by Mainland China tourists.

On a combined basis, retail sales in Hong Kong and Macau SARs decreased by 8.7% to HK\$966.8 million against the previous period, while same store sales went up 0.8%.

期內，香港特區政府繼續實施嚴格的入境防控措施以遏止新冠病毒疫情傳播，訪港旅客，尤其是來自中國內地的旅客數目仍然處於低水平。因此，在香港特區市場中，來自於中國內地旅客的銷售額只佔2.8%。

雖然本地的新冠病毒個案於期內較去年同期有所增加，但部分社交距離措施已經逐漸放寬，而本地消費者面對疫情的態度也變得從容。同時，香港特區政府於2022年4月及8月繼續推行消費券計劃，刺激本地消費，然而，該計劃對本地零售消費的正面效果正逐漸減弱。莎莎把握消費意欲改善的契機，更新其產品組合，並且推出有效的主題推廣活動，令集團在香港特區的同店銷售較去年同期改善19.8%；同時，雖然店舖數目淨減少五間至71間，但總體零售銷售仍錄得8.0%的增長。銷售增長的趨勢持續，第二季度的同店銷售穩定地保持雙位數增長。

為保障員工和顧客的健康與安全，莎莎繼續投入資源確保其店舖、倉庫及辦公室進行殺菌消毒，並提供充足的快速抗原檢測套裝予員工使用。自2003年嚴重急性呼吸系統綜合症爆發至今，莎莎時常未雨綢繆，採購和供應防疫產品，包括快速抗原檢測套裝、防疫口罩及藥物，與顧客並肩抗疫。作為有責任感的企業公民，集團以合理價格作出供應。集團亦向一些政府機構及慈善團體捐款合共0.4百萬港元，以服務社群。

澳門特區自2020年8月底與中國內地重新逐步通關後，來自中國內地的訪客數目開始回升，並且成為集團在該城市銷售額的主要來源。該趨勢延續至2021年6月，惟隨後澳門特區因錄得零星新冠病毒個案而收緊入境旅客的檢疫措施。及後，新冠病毒個案於2022年6月底飆升，促使澳門於2022年7月首次實施全市封城。澳門特區政府的統計數據顯示，來自中國內地的旅客於2022年4月至9月期間較去年同期減少39.9%，為疫情前（即2018年）水平約18.1%，因而嚴重影響集團於期內在澳門特區的銷售，較去年同期減少37.7%，同店銷售則減少33.4%，當中，來自中國內地旅客的銷售佔比約56.1%。

合併計算，集團於期內在香港和澳門特區的零售銷售較去年同期減少8.7%至966.8百萬港元，而同店銷售則增加0.8%。

Positioning Store Network for Market Recovery

理順店舖網絡 為市場復甦作準備

Store Network by Market 按市場劃分的店舖網絡				
Market 市場	As of 31 Mar 2022 於2022年3月31日	Opened* 開店*	Closed* 關店*	As of 30 Sep 2022 於2022年9月30日
Hong Kong & Macau SARs 香港及澳門特區	85	2 [^]	7 [^]	80
Mainland China 中國內地	77	–	35	42
Malaysia 馬來西亞	72	3	4	71
Total 總數	234	5	46	193

Note:

* The number of stores opened and closed within 6 months between 1 April 2022 and 30 September 2022.

[^] One store in non-tourist area was relocated in Hong Kong SAR.

附註：

* 2022年4月1日至2022年9月30日六個月期間之開店及關店數目。

[^] 包括遷移一間位於香港特區非遊客區的店舖。

The Group has continued to streamline its store network based on store economics, balancing lease rentals with our ability to retain and service customers in regional clusters. The Group continues to negotiate temporary rental concessions for certain retail stores to alleviate the Group's rental costs where tourist footfall is yet to return. As at 30 September 2022, there was a net reduction in the total number of Sa Sa's retail stores in Hong Kong and Macau SARs of five to 80 during the period, with all five net closures in the Hong Kong SAR. Despite the net reduction in stores in the Hong Kong SAR during the period, our retail sales growth in that market was 8.0% while same store sales growth was 19.8%.

We are seeing landlords seeking rental adjustments in spite of the challenging environment, however, our policy on lease rentals is steadfast and we will only renew where the lease rental makes economic sense and we can earn a positive contribution.

In accordance with our network strategy, eight expiring leases in prime tourist districts with heavy foot traffic were renewed at a reasonable new rent, while three were closed (including one shop in Macau SAR). These renewals will lower the initial capex spending and related depreciation in the future associated with new openings. In addition, the Group relocated one store in a residential area during the period. The Group is on the lookout for stores of the right-size located in local areas that complement our existing store network and which make economic sense. Collectively, these initiatives further optimise our retail network and position Sa Sa to benefit quicker as the market recovers.

集團繼續根據店舖的經濟效益優化店舖網絡，平衡店舖租金與集團在區域集群保留及服務顧客的能力。集團繼續就多家零售店舖洽談臨時租金減免，以減輕集團在遊客流量尚未恢復的情況下之租金成本。於2022年9月30日，莎莎在港澳特區市場的零售店舖總數期內淨減少五間至80間，該五間淨關閉的分店均位於香港特區。儘管期內香港特區的店舖數目錄得淨減少，但莎莎在該市場的零售銷售錄得8.0%增長，而同店銷售增長則為19.8%。

儘管外圍環境充滿挑戰，集團仍見有部分業主尋求租金調整，然而，集團堅持在店舖租金上的原則，只會在租金合理及經營能夠錄得盈利的情況下才會續租。

根據莎莎的網絡策略，集團以合理的租金水平為八間位於人流暢旺的遊客區店舖續租，另外有三間店舖結業（包括一間位於澳門特區的店舖）。這些續租將降低未來開設新店相關的初始資本支出和相關折舊支出。此外，集團在期內搬遷一間位於住宅區的店舖。集團正在本地尋找合適規模的店舖，以補充現有的店舖網絡，使其更具經濟效益。總括而言，這些措施進一步優化集團的店舖網絡，讓莎莎在市道復甦後可以率先受惠。

Accelerating OMO Development

Consumer adoption of new retail formats and growth of online sales in Hong Kong SAR continues to accelerate at pace. Online sales in Hong Kong SAR increased remarkably by 88.9% during the period to HK\$110.3 million. Apart from our own managed channels, we have also increased our presence on third-party platforms, such as Neigbuy.com (“NGB”) as we continue to explore new retail models. The solid same store sales growth in our Hong Kong SAR offline stores during the period allays any fears of cannibalisation. Online sales mix as a percentage of total sales in Hong Kong and Macau SARs for the period increased to 10.1% from 5.1% in the previous period.

Although still in its infancy, the Group’s OMO strategies are contributing towards our online sales growth. Buy online pick-up in store (“BOPUS”) is proving to be a popular route-to-consumer accounting for 17% of our online sales in Hong Kong SAR during the period. This model allows our customers to see our physical stores and for our beauty consultants to serve them when in-store. We are actively seeking to further explore this channel to better serve our customers by enhancing our product and service offerings and continue to adapt and leverage our offline store network and unique team of Sa Sa Professional Beauty Consultants to truly deliver OMO addressing the needs of modern consumers who are looking for a seamless experience wherever they appear. We believe that the contribution of OMO-driven brick-and-mortar sales will continue to increase gradually.

The engagement between our beauty consultants and customers has been extended to online channels and we are looking to enhance our CRM programme and our CRM infrastructure going forward to be able to provide a more personalised omni-channel shopping experience. We will continue to invest behind OMO initiatives and explore various OMO campaigns.

While we have much room to improve, we are confident that we are strategically aligned and have the necessary talent to progress on the right footing.

Category Management and Product Development Addressing Customer Needs

Over the past three-months, the Group has been laser-focused on managing our product offerings by reviewing our core product categories and ensuring that we are carrying trending products. We have also been actively seeking partnerships with brands and enhancing our portfolio of sole agent brands and to develop these brands with the brand owners. Our standards of excellence in retail management and unique team of professional beauty consultants make us an ideal partner for brands looking for a presence in this part of the world.

The Group is also looking to introduce new categories and raise their sales mix such as health & fitness products, personal care products and beauty equipment to cater for the needs of local customers. Positioning ourselves as a one-stop beauty specialty platform and the go-to place for professional, quality and trending personal care products, we differentiate ourselves from the market and offer uniqueness.

加快OMO零售模式的發展

消費者接納新的零售模式，帶動集團於香港特區的線上銷售繼續快速增長。期內，香港特區的線上銷售按年顯著增長88.9%至110.3百萬港元。集團繼續探索新的零售模式，除了自行管理的銷售渠道外，集團亦提升其在包括「鄰住買」等第三方平台的影響力。期內香港特區實體店的同店銷售增長穩健，抵銷市場對於其線下業務銷售可能遭線上業務蠶食的憂慮。期內線上銷售組合佔香港和澳門特區總銷售額的百分比由去年同期的5.1%上升至10.1%。

集團的OMO策略雖然仍處於萌芽階段，但正推動集團的線上銷售增長。「網購店取」成為流行的觸達消費者策略，相關銷售於期內佔集團香港特區的線上銷售額為17%。此模式能牽引顧客到訪集團的實體店舖，也能讓我們的美容顧問於實體店舖內為他們提供服務。集團正積極開拓此銷售渠道，從而更好地為顧客服務。集團透過提升產品和服務、利用線下零售店網絡優勢以及獨特的莎莎專業美容顧問團隊，實現真正OMO，以滿足現代消費者隨時隨地獲得無縫購物體驗的需求。集團相信OMO零售模式所帶動的實體店銷售將會逐漸增加。

美容顧問與顧客之間的互動已伸延至網上渠道，集團也將提升自身的顧客關係管理方案和顧客關係管理的基礎設施，從而提供更加個人化的全渠道零售購物體驗。集團將繼續投資OMO零售方案，並且探索各種OMO零售活動。

我們仍有許多進步空間，但有信心能按照既定發展策略邁進，亦具備所需人才往正確方向前進，蓄勢待發。

品類管理與產品開發迎合顧客需求

在過去三個月，集團一直專注於通過審視核心產品類別來管理我們的產品供應，以確保擁有熱銷產品。集團也積極尋求與品牌建立合作夥伴關係，加強獨家代理品牌組合，並與品牌持有人共同開發產品。集團卓越的零售管理標準和獨特的專業美容顧問團隊，使莎莎成為品牌開展業務的理想合作夥伴。

集團亦正推出新品類及增加銷售組合，例如加強引入保健產品、個人護理產品、美容小儀器類，以滿足本地顧客的需求。莎莎作為一站式美妝產品平台及選購專業優質及潮流個人護理產品的首選之地，能夠展現其獨特性並在市場上脫穎而出。

MANAGEMENT DISCUSSION & ANALYSIS

管理層討論及分析

In line with this new focus, we have also been renewing how we display and promote our products both in-store and online so that consumers are aware of what we carry and are educated regarding the brands and the functionalities of our products. Accordingly, we are increasingly adopting theme-based promotion campaigns aligned to the seasons and other external factors.

While gross profit margin for the period in Hong Kong and Macau SARs increased to 39.3%, demonstrating a notable improvement of 0.5 percentage points from the previous period, this is only the beginning and we anticipate these initiatives to bear further fruit in the near future.

MAINLAND CHINA

During the period, in accordance with our right-sizing strategy for Mainland China driven by the Covid-19 pandemic and related social distancing measures, the total number of stores in Mainland China was rationalised and reduced by 35 to 42 as at 30 September 2022. Turnover of the Mainland China business decreased by 13.1% in local currency terms to HK\$119.5 million, while same store sales decreased by 16.8%. Despite closing loss making stores and extensive efforts to curtail operating costs, our losses in Mainland China increased by 5.1% to HK\$43.6 million this period compared to the previous period largely due to Covid-19. These efforts are expected to significantly reduce our operating losses in Mainland China in the second half of the financial year.

The Covid-19 pandemic had a major impact on the Group's operations in Mainland China and is the root cause of our decrease in sales and loss from operations in that market. Pandemic outbreaks in various parts of Mainland China have continued during the period lowering foot traffic in our retail stores and prompting lockdowns in affected cities and towns in more severe cases.

Online sales in Mainland China, including cross-border sales, decreased by 28.3% to HK\$152.2 million for the period but continues to contribute the highest to the Group's total online sales at 50.9%. However, this mix has decreased from 69.1% in the previous period as Hong Kong SAR online sales grew significantly during the period. The first quarter of 2022/23 saw Covid-19 outbreak severely disrupting cross-border logistics arrangements into Mainland China, including restocking of our e-commerce warehouses, depressing sales performance and increasing sales returns. While the "618 Shopping Festival" took place during the period, related sales declined by approximately 27.0% against the previous period for the same reasons noted above. The Group's decision to avoid excessive price competition, particularly during shopping festivals has further challenged topline growth. Logistics challenges eased to a degree of normality towards the end of the second quarter of 2022/23, but are still subject to interruptions while Covid-19 lingers.

配合這一新重點，集團持續更新店內和線上展示與推廣產品的方式，讓消費者了解我們所出售的產品及其品牌與功能。就此，莎莎增加推出與季節或其他外部因素匹配的主題促銷活動。

期內港澳特區的毛利率上升至39.3%，較去年同期改善0.5個百分點，集團認為這只是一個起點並預計相關舉措快將取得進一步成果。

中國內地

回顧期內，莎莎因應新冠病毒疫情爆發及相關社交距離措施，採取調整中國內地店舖網絡至合適規模的策略。於2022年9月30日，集團理順中國內地的店舖網絡，經營店舖總數減少35間至42間。集團在中國內地業務的營業額按當地貨幣計算下跌13.1%至119.5百萬港元，而同店銷售則下跌16.8%。儘管集團於期內關閉錄得虧損的店舖，以及致力降低營運成本，中國內地業務仍然很大程度受到疫情拖累，虧損按年擴大5.1%至43.6百萬港元。集團預計這些措施將會在下半年大幅減少中國內地業務的營運虧損。

新冠病毒疫情為集團在中國內地的業務帶來重大衝擊，亦是銷售下跌及營運錄得虧損的主要原因。期內，疫情持續在中國內地多個地區爆發，在較嚴峻時期，受影響的城市和鄉鎮更被封城封區，令集團旗下店舖的人流大減。

期內，中國內地的線上業務(包括跨境銷售)下跌28.3%至152.2百萬港元，但於集團線上業務總銷售仍屬最大佔比。由於香港特區的線上業務銷售於期內高速增長，因此中國內地線上業務佔整體線上業務銷售的佔比由去年同期69.1%下降至約50.9%。2022/23年度第一季度，新冠病毒疫情嚴重爆發擾亂由香港特區直接送往內地顧客的跨境物流安排，包括直接影響莎莎在中國內地電商倉庫的補貨，不利銷售表現，以及增加銷售退貨情況。雖然「618購物節」於期內舉行，但由於上述提及之原因，相關銷售較去年同期下跌約27.0%。集團決定避免在價格方面採取惡性競爭手段，尤其是在購物節，此為收入增長帶來更大挑戰。於2022/23年度第二季末，物流困局雖然有一定程度的緩解，但在疫情持續的情況下，仍有機會出現物流中斷。

MALAYSIA

Turnover in Malaysia increased significantly by 159.1% compared to the previous period in local currency terms to HK\$147.0 million, while same store sales increased by 57.2%. As of 30 September 2022, the Group operated 71 stores, as compared to 72 as at 31 March 2022.

In response to the Covid-19 outbreak, the Malaysian government implemented strict movement control measures during the prior period dealing a heavy blow to our business. From October 2021, the Malaysian government adopted a “co-existence with virus” strategy gradually relaxing social-distancing measures leading to a recovery of the local economy and retail sector. Sa Sa had aggressively trimmed its operating costs and raised its productivity last year during the worst of the Covid-19 outbreak in Malaysia and was well placed to act with agility and take advantage once the government relaxed policy. While sales continued to recover strongly during the period, Sa Sa also kept operating costs low, and as a result, in spite of the weakening Malaysian Ringgit, recorded a profit of HK\$12.3 million in Malaysia during the period.

ONLINE BUSINESS – OTHER JURISDICTIONS

Consistent with prior periods, the performance of the Group’s local online business in Mainland China and Malaysia were reflected in their respective local segment results, while the Group’s online business in other jurisdictions, including cross-border originating from Hong Kong and Macau SARs is disclosed in the online business segment.

Turnover of the Group’s online business reached HK\$299.4 million for the period, representing a decrease of 2.6% year-on-year. Its contribution to the Group’s total turnover maintained steady at 19.3% (previous period: 19.2%). The Group’s online sales in markets outside Hong Kong SAR, Macau SAR and Mainland China rose by 0.7% year-on-year, with its contribution to total online business sales increasing to 12.3%. This performance was mainly powered by sales via Shopee and Lazada, third-party platforms that target consumers in Southeast Asia.

The online business recorded a loss of HK\$19.6 million for the period as compared to a profit of HK\$1.2 million for the previous period largely as a result of Covid-19 pandemic disruptions and poor consumer sentiment in Mainland China, while the strength of the Hong Kong dollar against a basket of currencies including the Renminbi has challenged our pricing and impacted gross margins.

馬來西亞

集團來自馬來西亞市場的營業額為147.0百萬港元，按當地貨幣計算，按年大升159.1%，而同店銷售亦上升57.2%。於2022年9月30日，集團經營71間店舖，於2022年3月31日則為72間。

為應對新冠病毒疫情爆發，馬來西亞政府在疫情初期實施嚴格的行動管制令，對莎莎於當地的業務造成沉重打擊。自2021年10月起，馬來西亞政府改為採用「與病毒共存」的策略，並逐步放寬行動管制，使當地經濟及零售業得以復甦。去年，在馬來西亞疫情爆發最為嚴峻時，莎莎大幅削減營運成本及提高生產力，待政府一旦放寬防疫政策，集團就能迅速採取行動，從中受惠。集團在當地的業務錄得強勁回升，而莎莎仍持續致力降低營運成本，即使在馬來西亞貨幣令吉貶值的情況下，期內馬來西亞業務仍錄得12.3百萬港元的盈利。

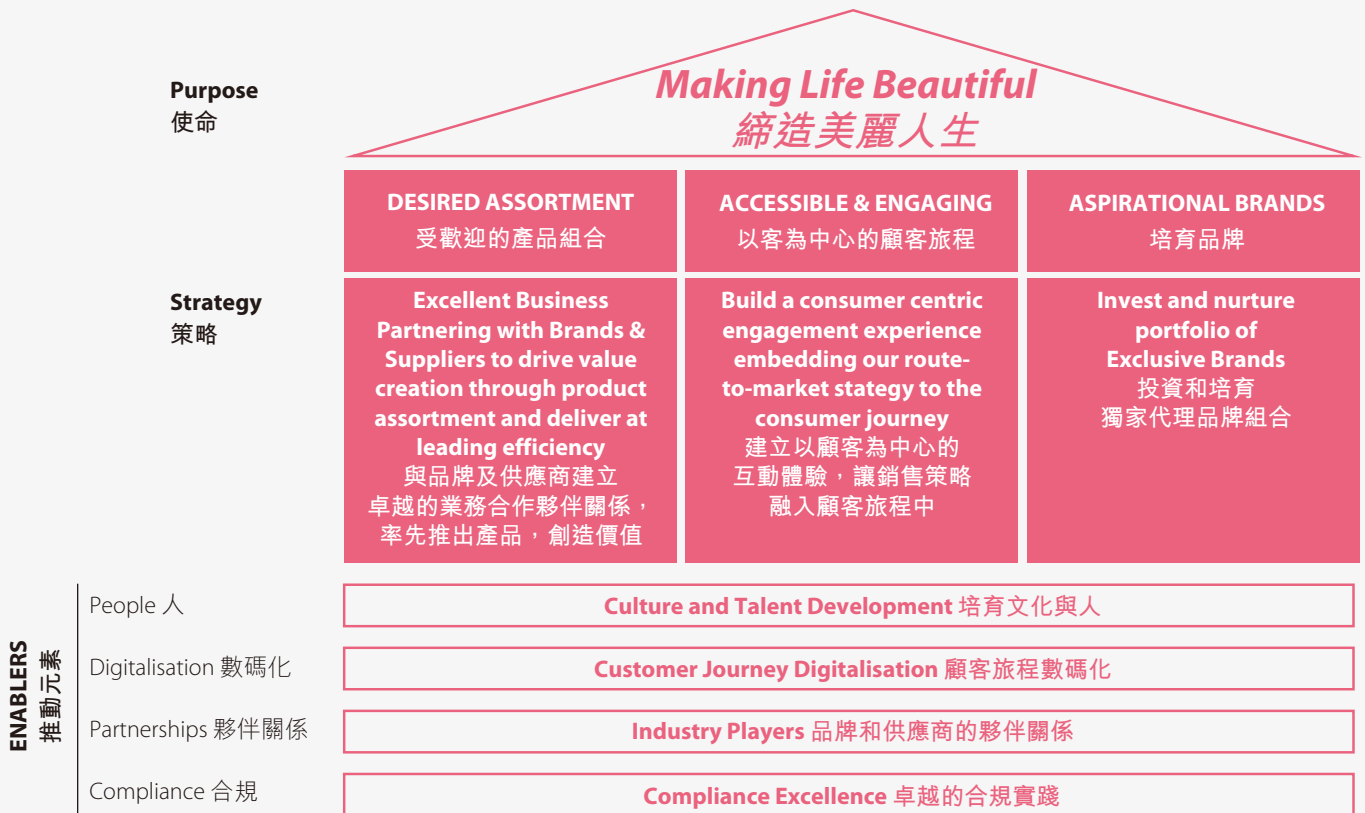
線上業務 – 其他司法管轄區

跟過往財年一樣，集團在中國內地及馬來西亞的線上業務表現會反映於各自之業績分部，而集團在其他司法管轄區的線上業務，包括來自香港和澳門特區的跨境業務，則在線上業務分部中披露。

期內，集團線上業務的營業額為299.4百萬港元，按年下跌2.6%，對集團總營業額佔比持續穩定地增至19.3%（去年同期：19.2%）。撇除港澳特區及中國內地市場，集團在其他市場的線上銷售額按年增長0.7%，對線上業務總銷售額的佔比提高至12.3%，主要是由以東南亞顧客為目標客群的第三方平台蝦皮購物（Shopee）及來贊達（Lazada）所帶動。

期內，網上業務錄得19.6百萬港元的虧損，去年同期則錄得1.2百萬港元的盈利，主要是由於新冠病毒疫情於中國內地市場造成影響和當地消費疲弱所致，而港元兌包括人民幣在內的其他貨幣處於強勢，為集團定價帶來挑戰，並對毛利率造成影響。

STRATEGIC FOCUS 策略重心



“Making Life Beautiful” remains our core purpose, and we will look to deliver this through our strategy comprising three focus areas.

Firstly, we will partner more closely with Brand owners and suppliers to drive value from a product assortment that excites our consumers. We are looking to enhance our product assortment and introduce innovative products via enticing promotions to excite our consumers. By strengthening our overall category management, looking closely at how we manage inventory, it will enable us to react faster to changing consumer trends and maintain healthy gross margins.

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). We continue to explore and embrace what online makes possible that offline cannot, and a good example of this is our in-house livestreaming team that has been active on Douyin since November 2021 replicating the value of our beauty consultants in an online environment. Consumer centricity has always been part of Sa Sa’s DNA and we aim to provide a seamless consumer experience as they increasingly adopt different journeys to explore and purchase. This requires that we manage offline and online channels as one, adopt ‘agile’ management approach in reacting faster in our execution while responding to changing consumer habits; and further digitalise the consumer journey. “Everyone sells or helps sell”.

集團一直堅守「締造美麗人生」的使命，將透過其發展策略的三個重心體現。

首先，集團將夥拍品牌持有人和供應商增添產品組合的價值，務求為消費者帶來驚喜。集團將增強產品組合，並引入更多創新產品，透過引人入勝的宣傳推廣吸引顧客。透過加強對整體產品類別和存貨的管理，集團將能夠更快地應對消費潮流的變化和保持可觀的毛利率。

第二，集團將因應不斷變化的消費過程和模式，鞏固其觸達消費者的策略，從而確保能透過線上、線下或OMO的新零售模式隨時隨地向消費者提供豐富的選擇，滿足所需。集團繼續探索和發揮線上營運模式，尤其是發掘線下營運模式無法發揮的功能。集團內部的網上直播團隊自2021年11月至今在抖音非常活躍，在線上複製其美容顧問所提供的價值，就是一個好例子。以顧客為先的宗旨牢牢植根在集團的基因中，集團在越來越多元化的消費過程中致力提供無縫的消費體驗，讓消費者探索和購買產品。因此，集團的線上線下渠道須要無縫統一協作，採取「靈活敏捷」的管理方針，以快速應對瞬息萬變的消費者行為和習慣，並且提高消費過程的數碼化程度。「人人皆銷售，人人可促銷。」

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, pricing and sales channels. Management believes that building brand equity for our exclusive products will enable us to have more strategic control over our product portfolio, improve our product competitiveness and gross profit margin, and attract future brand partnerships. To this end, 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.

To enable us to succeed across all three pillars, we will continue to invest sustainably in talent to execute the ambition; digitalisation projects that will enhance consumer experience and allow Sa Sa to better serve our consumers; partnerships with brands; and compliance, such that consumers can trust in the authenticity of our products.

Advantaged Route-To-Consumer

Following almost three-years of Covid-19 driven acceleration of online shopping, we believe the importance of online business will continue to increase even when pandemic related social-distancing measures are further relaxed in the future. Online allows Sa Sa to diversify and potentially reach a wider consumer demographic.

A key competitive advantage of the Group, is a network of brick-and-mortar offline stores and the embedded experience of managing them effectively with a team of professional beauty consultants. In the new retail era, it provides us with an added strategic tool through the integration of our physical stores and online business, including running cross-channel promotional campaigns. This model enhances our ability to analyse customer preferences and shopping habits, which in turn informs our product category development and direct-to-consumer marketing, to provide a personalised omni-channel shopping experience. We are the perfect partner for any brand looking to enter the market.

In line with our strategy to focus our product categories and nurture brands and showcase their brand values, we will be enhancing our in-store displays to provide a richer in-store experience in doing so attracting new customers, extending customers' browsing duration in our stores, and increasing the frequency of customer visits. Our online touchpoints extend our reach and provide a round-the-clock shopping experience to consumers.

As we continue to invest in online platforms and strengthen our management of them, Sa Sa is much better positioned to embed an OMO operating model and offer a better customer experience. This will differentiate Sa Sa from our peers, underpinning our leadership in the vigorously competitive beauty market and improving the Group's long-term profitability.

第三，集團將增加所管理和獨家的品牌組合，投資和培育該等品牌，令其充分展示品牌價值以及成為暢銷產品。莎莎在其獨家產品上擁有高度自主決策權，涵蓋策略、定位、定價和銷售渠道。管理層深信為其獨家產品建立品牌價值，將能提升其執行自身產品組合策略的主導權，改善其產品的競爭力 and 毛利率，以及在未來吸引更多公司與其進行品牌合作。為此，集團將投資於市場推廣能力，包括增強體察消費潮流的能力，與消費者在會員平台上交流，與莎莎的社群密切聯繫，並且提高其在社交媒體的影響力。

為了在這三個重要策略支柱取得成功，集團將持續投資培養人才以達成目標；投資於能提升消費體驗和令莎莎能更好地服務消費者的數碼化項目；與品牌結成合作關係；提高合規水平，從而提升消費者對集團所售產品的信任。

發揮優勢觸達顧客

近三年的疫情推動線上購物急速發展，集團相信即使日後與疫情相關的社交距離措施進一步放寬，線上業務的重要性仍會持續增加。線上業務能夠令莎莎實現業務多元化，並有機會接觸更廣泛的消費群。

集團一大核心競爭優勢是實體店網絡與專業美容顧問團隊共同締造的購物體驗。在新零售時代，透過整合實體店及線上業務，包括舉辦跨平台促銷活動，為集團造就一個增值的營運戰略。這種模式能夠提高集團分析顧客喜好及消費習慣的能力，從而為產品開發及直接面對消費者之行銷提供參考，為顧客締造個人化的全渠道購物體驗。對任何一個希望進入市場的品牌而言，集團會是最佳的合作夥伴。

為配合專注產品類別、培育品牌及突顯品牌價值的策略，集團將加強店內陳列以提供更豐富的店內體驗，從而吸納新顧客、延長現有顧客在店舖的逗留時間，及增加顧客的到訪次數。集團的線上接觸點擴大了其影響力，為消費者提供全天候的購物體驗。

隨著集團繼續投資線上平台並加強管理，莎莎更有能力推行OMO營運模式，為顧客提供最佳的體驗。這有利於莎莎在同行之間突圍而出，在競爭激烈的美容市場鞏固其領導地位，並有助提升集團之長遠盈利能力。

FUTURE OUTLOOK

ROUTE TO PROFITABILITY

During the period, the Group has adopted a mindset of achieving sustainable profit in spite of the current operating environment and to this end took measures to lower the breakeven point significantly. These measures included adoption of zero-based budgeting practices and tighter working capital management policies to navigate through the headwinds. These initiatives will enhance the Group's competitiveness and enable the Group to become more resilient, and achieve sustainable business growth when the pandemic eases.

The Group continued to streamline its physical store network in tourist districts in Hong Kong SAR and negotiate fair rent on lease renewals during the year. The Group also minimised unnecessary and non-productive expenses to reduce fixed costs of our offices and shops. The Group implemented a series of initiatives to optimise its operations including acceleration of digitalisation, with the aim to reduce operating costs, optimise people structures and enhance operational efficiency. One such initiative is the creation of Centres of Excellence to centralise some administration and management functions while expediting the progress of automation.

The Group proactively manages its inventory striking a balance between holding sufficient inventory taking into account Covid-19 impacted delivery lead times to ensure adequate stock during peak periods e.g. Double-eleven ("D11"), and the cost of investing in inventory. The Group is increasingly laser-focused on managing product categories, to ensure we introduce trending products and grow category share reinforcing our positioning as a one-stop beauty specialty platform.

The Group also flexibly adjusted its inventory across different business units to seize market opportunities. As at 30 September 2022, the Group's inventory was HK\$664.6 million, representing a decrease of HK\$83.3 million as compared to 31 March 2022, while inventory turnover days were 114 days representing a decrease of 13 days. Stock holding is subject to a degree of seasonality as the holding at 30 September 2022 includes pre-stocking for D11.

During the period, the Group received subsidies from the governments of Hong Kong SAR, Macau SAR and Malaysia in relation to the pandemic and obtained temporary rental concessions from landlords, which to some extent, alleviated the burden of operating costs.

As at 30 September 2022, the Group's net cash (after deducting utilised bank borrowings) was HK\$123.2 million. With further unutilised banking facilities of approximately HK\$195.6 million, the Group has adequate funding for its operating needs. On 31 March 2022, Dr Kwok Siu Ming Simon and Dr Kwok Law Kwai Chun Eleanor, the executive directors and controlling shareholders of the Company, made available a revolving loan facility of up to HK\$200 million to the Group thereby strengthening the Group's financial position, as well as demonstrating the support from the controlling shareholders and their confidence in the long-term prospects of the Group's business.

未來展望

踏上盈利之路

回顧期內，儘管目前營運環境欠佳，集團仍採取務求實現可持續盈利的思維，並實行相應措施，以大幅降低收支平衡點。這些措施包括採用零基成本管理以及更嚴格的營運資金管理政策，令集團能夠克服挑戰。相關措施亦將增加集團的競爭力，令集團更具韌性，並在疫情放緩時實現業務可持續增長。

集團於年內會繼續理順在香港特區遊客區之實體店舖網絡，並就續租洽談合理租金水平。同時，集團削減非必要及非生產性的開支，以減低辦公室及店舖的固定成本。集團亦實施一系列提升營運表現的措施，包括加強數碼化，旨在降低經營成本、優化人力資源結構，以及提高營運效率。其中一項舉措是建立卓越中心，把店舖的部分行政及管理功能統一處理，並加快自動化進程。

集團積極管理其庫存，在確保於「雙十一」等的交付高峰期能有充足存貨而不受新冠病毒疫情影響，以及庫存的投資成本之間取得平衡。集團亦愈來愈專注於產品類別的管理，以確保引入符合市場趨勢的流行產品並增加各類別份額，加強作為一站式美妝產品平台的市場定位。

集團靈活地調整各個業務單位的存貨策略，以緊貼市場和抓緊商機。集團於2022年9月30日的庫存為664.6百萬港元，較2022年3月31日減少83.3百萬港元，存貨周轉天數則為114天，減少了13天。由於截至2022年9月30日的存貨包括「雙十一」的預備存貨，故存貨情況帶有一定程度的季節性因素。

期內，集團獲取香港特區、澳門特區及馬來西亞政府所發放疫情相關的補貼資助，並從業主方面獲得臨時租金減免，這一定程度減輕營運成本上的負擔。

於2022年9月30日，集團的現金淨額(已減除尚未動用的銀行貸款)為123.2百萬港元。加上未動用的銀行貸款額度約195.6百萬港元，集團有足夠資金應付業務營運所需。於2022年3月31日，本公司執行董事及控股股東郭少明博士及郭羅桂珍博士向本集團提供最高2億港元的循環貸款，加強集團財務狀況並反映控股股東對集團的支持，另一方面亦顯示他們對集團業務的長遠前景充滿信心。

HONG KONG AND MACAU SARs

After enduring months of tough measures to fight the pandemic, social distancing policy in Hong Kong SAR has been gradually relaxed, while consumers are also familiarising with the new norm. However, the pandemic and geopolitical uncertainties remain, hence the operating environment for the retail sector is expected to remain challenging and uncertain as an escalation in Covid-19 cases and introduction of new variants could lead to a tightening of policy.

Without a return to quarantine-free open borders between Hong Kong SAR and Mainland China, local customers are the main source of customers in Hong Kong SAR. The Group will look to better serve this market segment by optimising its product portfolio to address customer preferences and the latest market trends. To grow Sa Sa's sales and increase local market penetration, the Group will also examine opportunities to expand its retail network and open new stores in local residential areas, contingent upon the availability of reasonable rental rates.

Amidst the ongoing market uncertainty and fine line between profit or loss at store level, the Group will not hesitate to relocate loss-making stores and those that are bearing exorbitant rents. Such efforts aim to reduce the ratio of rent to revenue, control the cost effectiveness continuously, enhance the operation efficiency of our stores and raise the ability of the Group to earn profits for our shareholders. When the border with Mainland China reopens and higher sales demand results from the return of tourists, the Group will resume opening new stores in prime locations in tourist areas at reasonable rents to allow the Group to be among the first to benefit.

As a primary tourist location, our business in Macau SAR is dependent on tourists, and mainly from Mainland China. Since Macau SAR re-opened its border with Mainland China in August 2022, we have seen a gradual recovery of our business and barring any relapse, this recovery should continue at a gradual pace.

Fostering the development of OMO is embedded within our strategy. We will continue to promote and leverage the popularity of BOPUS, engage consumers with OMO-related promotions, and align online and offline promotional activities and advertising efforts to run complementary marketing campaigns and build a holistic shopping experience. The Group will continue to provide industry-leading training to frontline beauty consultants, refine commission and reward mechanisms to encourage employees to serve our customers comprehensively through online and offline touchpoints, strengthening our competitive edge.

香港及澳門特區

在歷時數月執行嚴厲防疫措施後，香港特區的社交距離政策已逐漸放寬，而消費者也正在適應疫情的新情況。然而，疫情和地緣政治的不明朗因素仍然存在，新冠病毒疫情個案可能增加，以及新變種病毒出現，或會導致政策收緊，因此預計零售業的經營環境仍將充滿挑戰和不確定性。

在香港特區與中國內地之間未有恢復免檢疫通關的情況下，本地顧客是香港特區的主要顧客來源。集團將通過優化產品組合以迎合顧客喜好和最新市場趨勢，務求更好地服務本地顧客。為增加莎莎的銷售額及提升本地市場滲透率，集團亦會考慮擴展零售網絡並在本地住宅區開設新店的机会，具體要視乎租金是否合理。

市場不明朗因素持續，而店舖層面的盈利和虧損只在一線之差，集團將毫不猶豫地搬遷虧損店舖和租金過高的店舖，旨在降低租金佔收入比例，繼續控制成本效益，提高店舖的經營效率，以及提升集團為股東賺取利潤的能力。待內地邊境重開，遊客重返香港特區，帶動銷售需求增加時，集團將以合理租金在旅遊區黃金地段恢復開設新店，務求可以率先受惠。

澳門特區作為一個主要旅遊目的地，集團在當地的業務依賴遊客，尤其是來自內地的旅客。自從澳門特區於2022年8月與內地重新通關以來，我們於當地的業務逐漸復甦，除非疫情出現任何反彈，否則該逐步復甦的趨勢應該得以持續。

促進OMO發展是我們策略的一部分。集團將繼續推廣受消費者歡迎的「網購店取」安排，通過OMO相關的促銷活動吸引消費者，並結合線上和線下的促銷活動和宣傳推廣工作，推展線上線下互補的營銷活動，締造全面的購物體驗。集團將繼續為前線美容顧問提供行業領先的培訓，完善佣金和獎勵機制，鼓勵員工通過線上和線下接觸點全方位服務客戶，以增強競爭優勢。

MANAGEMENT DISCUSSION & ANALYSIS

管理層討論及分析

MAINLAND CHINA

In Mainland China, sporadic Covid-19 outbreaks in various cities and to varying degrees of severity have severely affected our ability to conduct business under normal plannable operating conditions. Disruptions to supply chains have lengthened the time taken for inventory to reach our warehouses in Mainland China and for packages to reach our cross-border customers. Lockdown measures have resulted in lost operating days for certain of our offline stores while the impact on consumer sentiment is impacting both our online and offline business units.

Although our mid- to long-term market objectives remain unchanged, with no end in sight to the immediate short-term uncertainties, we believe the optimal strategy is to continue to rationalise our store network and focus our resources on optimising the operating performance of profitable stores, and increase the attractiveness of our product range to excite our customers, so that we can retain strength to continue to develop the Mainland China market in the long run.

We will continue to progress our online operations, further integrate our online and offline operations and lower overall operating expenses of our business units in Mainland China. In line with our product strategy, we are actively seeking to enhance our online product categories and introduce trending products, which is conducive to attracting new consumers to Sa Sa. Going forward, we will be looking to diversify risk in Mainland China with our own managed channels and be less reliant on third-party platforms. To cater to the booming trend of livestreaming in Mainland China, the Group has maintained its own livestreaming team on third-party platform, Douyin, to attract a younger generation of customers, a direction we will continue to explore.

The Group continues to explore OMO strategies in Mainland China to improve Sa Sa's overall competitiveness and reach, including leveraging WeChat mini-programme to connect Sa Sa's beauty consultants with customers in Mainland China. While this is in its infancy, we are seeking to leverage our CRM and communicate with customers with a view to acquiring new customers, increase active customers and raise lifetime value.

MALAYSIA

The Malaysian government eased quarantine measures to enable unrestricted inbound tourist visits since 1 April 2022. While government policy is consistent and favouring open borders, our business in Malaysia has been on a gradual recovery trend ever since and it is anticipated that consumption will return to the pre-pandemic level gradually.

中國內地

在中國內地，新冠病毒疫情於各個城市以不同的嚴重程度零散爆發，大大影響我們在正常情況下按照既定計劃推行業務營運。供應鏈中斷延長了存貨抵達中國內地倉庫及貨物運抵跨境顧客的時間。封城措施導致集團部分線下店舖的營業日數減少，而對消費者情緒的影響也正在影響我們的線上和線下業務部門。

儘管集團中長期的市場目標保持不變，由於未能確定短期不明朗因素何時完結，相信目前最佳策略為繼續理順店舖網絡，並將資源集中於優化有盈利店舖的營運表現，增加貨品種類和選擇，為顧客帶來驚喜，保留實力，以繼續長遠發展中國內地市場。

集團會繼續推動線上業務發展，進一步整合線上線下業務，降低中國內地業務的整體營運支出。莎莎正積極尋求增加線上產品類別及推出流行產品，以配合其產品策略，有利於吸引新消費者。展望未來，集團將通過經營自家渠道以分散中國內地業務風險，減少對第三方平台的依賴。為迎合中國內地直播蓬勃發展的趨勢，集團設有自家直播團隊，於第三方平台抖音上直播，以吸引年輕一代顧客，集團將繼續探索這個方向的发展。

集團繼續在中國內地探索OMO策略，以提升莎莎的整體競爭力和影響力，包括利用微信小程序將莎莎的美容顧問與中國內地顧客聯繫起來。此舉仍處於起步階段，而集團希望透過顧客關係管理以及與顧客溝通，以獲取新顧客、增加活躍顧客並提高顧客終身價值。

馬來西亞

馬來西亞政府自2022年4月1日起放寬入境檢疫措施，讓遊客可自由到訪。政府政策有連貫性及一致性並且有利通關，我們在馬來西亞的業務亦已逐漸恢復，預計消費市道將逐漸正常化並恢復至疫情前的水平。

Notwithstanding, local operations may continue to be exposed to some risk factors, the national minimum wage was raised by 25% to RM1,500 per month from 1 May 2022, which impacts directly Sa Sa's labour cost which will in turn fuel increases in other costs, while the Malaysia Ringgit has been weakening. The Group is committed to further improving store efficiency to limit the impact of such cost increase.

The Group is on the lookout for possible new store openings and experiment with a new format to address a different demographic.

ONLINE BUSINESS

Our online business is one of the key prongs of our OMO strategy. The Group will continue to increase its online investment, actively expanding online sales channels in different regions and strive to build our portfolio of exclusive brands. The key advantage of third-party platforms lies in their capability to drive traffic, which enables us to expand our new customer base. Leveraging the popularity and reputation of e-commerce platforms, the Group will continue to explore collaboration with new e-commerce platforms to maximise market exposure and expand our customer base.

While price competition in online is fierce, we will be looking to separate ourselves from the competition by improving our service levels to be industry leading, providing tailored product offerings by leveraging our CRM and leveraging our brand relationships to provide unique product offerings.

CRM is very much an integral part in the new retail era. The Group has commenced the design and planning of a CRM system, the formulation of plans to establish customer data platform to centralise the management of our online and offline customer databases from Hong Kong and Macau SARs as well as Mainland China, including membership data of the WeChat mini-programme. With data analytics and digital marketing tools, we would be in position to better understand customers' shopping habits, carry out refined customer relationship management and more targeted marketing campaigns. These initiatives will help enhance customer loyalty and repurchase rate to achieve a higher return on investment.

不過，當地的營運仍存在一定隱憂，於2022年5月1日起最低工資金額增加25%至每月1,500馬幣，直接影響莎莎的人工成本，而其他成本亦會因此而上升。另一方面，馬來西亞貨幣令吉亦出現貶值的情況。集團會致力進一步提高店舖效率，以控制有關成本增加帶來的影響。

集團正物色開設新店的可能性，並嘗試以全新形式迎合各種顧客群。

線上業務

線上業務是我們OMO策略的關鍵之一。集團將繼續增加線上投資，積極拓展不同地區的線上銷售渠道，致力建立獨家代理品牌組合。第三方平台的優勢是龐大的引流能力，可為莎莎帶來新客群。集團將繼續尋求與新電商平台合作，借助電商平台的知名度及客源，爭取更多市場機遇和擴大顧客群。

由於線上業務的價格競爭非常激烈，我們積極提升服務水平以成為行業龍頭，並透過顧客關係管理提供量身定制的產品，以及借助集團與品牌關係推出獨特產品，從而在競爭中脫穎而出。

邁向新零售時代，顧客關係管理可謂至關重要。集團已開展顧客關係管理系統的設計及規劃工作，並著手計劃建立顧客數據平台，統一管理港澳特區及中國內地的線上及線下顧客資料庫，包括微信小程序的會員庫，將多個顧客資料庫合而為一，配合數據分析及數碼營銷工具，可讓集團更有效地了解顧客的購物習慣，進行精細化顧客關係管理及更精準的營銷活動，提高顧客的忠誠度和回購率，以達致更高的投資回報率。

MANAGEMENT DISCUSSION & ANALYSIS 管理層討論及分析

FY2022/23 Q3 OPERATIONAL SALES DATA

For the third quarter from 1 October to 10 November 2022, the Group's retail and wholesale turnover decreased by 1.5% as compared to the previous period. The year-on-year changes of retail sales and same store sales are shown in the table below.

2022/23財政年度第三季營運銷售數據

由2022年10月1日至11月10日的第三季，集團的零售和批發營業額較去年同期下跌1.5%。零售額和同店銷售額的按年變動顯示如下：

<i>In local currencies</i> 以當地貨幣計算	YoY Change (%) 按年變動(%)	
	Retail Sales 零售銷售	Same Store Sales 同店銷售
HK & Macau SARs 香港及澳門特區	5.6%	8.7%
• Hong Kong SAR • 香港特區	2.7%	9.1%
• Macau SAR • 澳門特區	14.6%	7.5%
Mainland China 中國內地	-26.9%	-14.1%
Malaysia 馬來西亞	30.6%	31.2%
Online Business 線上業務	-11.2%	-
Group Turnover 集團營業額	-1.5%	-

HUMAN RESOURCES

As at 30 September 2022, the Group had close to 2,700 employees. The Group's staff costs for the six months ended 30 September 2022 were HK\$334.6 million.

FINANCIAL REVIEW

CAPITAL RESOURCES AND LIQUIDITY

As at 30 September 2022, the Group's total equity amounted to HK\$834.7 million including reserves of HK\$524.4 million. The Group continued to maintain a strong financial position with working capital of HK\$264.2 million that included cash and bank balances of HK\$203.2 million, while unutilised banking facilities were approximately HK\$195.6 million. In addition, a revolving loan facility of up to HK\$200 million was also made available to the Group on 31 March 2022 by Dr Kwok Siu Ming Simon and Dr Kwok Law Kwai Chun Eleanor, the executive directors and controlling shareholders of the Company. The facility has further strengthened the Group's financial position with additional working capital, demonstrating the support from the controlling shareholders and their confidence in the long-term prospects of the Group's business. After taking into account the anticipated cash flows used in the Group's operations and the continued availability of the Group's banking and shareholder loan facilities, the Group has adequate liquidity and financial resources to meet its working capital requirements and operating needs in the next twelve months from the balance sheet date.

During the period, the majority of the Group's cash and bank balances were in Hong Kong dollar, Malaysian Ringgit, Macau Pataca, Renminbi and US dollar, and deposited in reputable financial institutions with maturity dates falling within a year. This is in line with the Group's treasury policy to maintain liquidity of its funds and continue to contribute a relatively stable yield to the Group.

FINANCIAL POSITION

Total funds employed (representing total equity) as at 30 September 2022 were HK\$834.7 million, representing a 15.1% decrease over the funds employed of HK\$982.9 million as at 31 March 2022.

The gearing ratio, defined as the ratio of total borrowings to total equity, was 9.6% as at 30 September 2022 (31 March 2022: 10.4%).

人力資源

於2022年9月30日，本集團約有接近2,700名僱員。本集團於截至2022年9月30日止六個月的員工成本為334.6百萬港元。

財務概況

資本及流動資金

於2022年9月30日，本集團權益持有人權益總額為834.7百萬港元，其中包括524.4百萬港元之儲備金。本集團營運資金為264.2百萬港元。本集團繼續維持穩健財務狀況，現金及銀行結存累積達203.2百萬港元，而尚未動用的銀行貸款額度約195.6百萬港元，足以應付業務的營運所需。集團更於2022年3月31日獲得本公司執行董事及控股股東郭少明博士及郭羅桂珍博士提供最高200百萬港元的循環貸款，進一步加強集團財務狀況並提供額外營運資金，並反映了兩位控股股東對集團的支持，以及對業務的長遠前景充滿信心。顧及本集團營運中使用的預期現金流及持續可動用的銀行及股東融資額，本集團有充裕財務資源以應付由結算日起計的12個月內的營運資本。

於期內，本集團大部分現金及銀行結存均為港元、馬來西亞馬幣、澳門幣、人民幣及美元，並以一年內到期之存款存放於信譽良好的金融機構。此與本集團維持其資金之流動性之庫務政策相符，並將繼續對本集團帶來穩定收益。

財務狀況

於2022年9月30日之運用資金總額(等同權益總額)為834.7百萬港元，較2022年3月31日之運用資金額982.9百萬港元下降15.1%。

於2022年9月30日，槓桿比率(定義為總借貸與總權益之比例)為9.6%(2022年3月31日：10.4%)。

MANAGEMENT DISCUSSION & ANALYSIS

管理層討論及分析

TREASURY POLICIES

It is the Group's treasury management policy not to engage in any highly leveraged or speculative derivative products. In this respect, the Group continued to adopt a conservative approach to financial risk management. Most of the assets, receipts and payments of the Group are denominated either in Hong Kong dollar, US dollar, Euro, Renminbi or Malaysian Ringgit. Based on purchase orders placed, the Group enters into forward foreign exchange contracts with reputable financial institutions to hedge against foreign exchange exposure arising from non-Hong Kong dollar or non-US dollar denominated purchases. These hedging policies are regularly reviewed by the Group.

CHARGE ON GROUP ASSETS

As at 30 September 2022, land and buildings with carrying value amounted to HK\$103.3 million (31 March 2022: HK\$106.1 million) was pledged for banking facilities made available to the Group.

CONTINGENT LIABILITIES

The Group had no significant contingent liability as at 30 September 2022.

CAPITAL COMMITMENTS

As at 30 September 2022, the Group had total capital commitments in respect of acquisition of property, plant and equipment of HK\$6.4 million.

庫務政策

本集團之理財政策是不參與高風險之投資或投機性衍生工具。本集團於財務風險管理方面繼續維持審慎態度。本集團大部分資產、收款及付款均以港元、美元、歐元、人民幣或馬來西亞馬幣計值。根據已下了的採購訂單，本集團與信譽良好的金融機構簽下遠期外匯合約，藉此對沖非港元或非美元進行之採購。本集團會定期檢討對沖政策。

本集團資產之抵押

於2022年9月30日，本集團於財務機構已作抵押予銀行融資的土地及樓宇賬面價值為103.3百萬港元（2022年3月31日：106.1百萬港元）。

或然負債

本集團於2022年9月30日並無重大或然負債。

資本承擔

於2022年9月30日，本集團於購買物業、機器及設備的資本承擔合共6.4百萬港元。