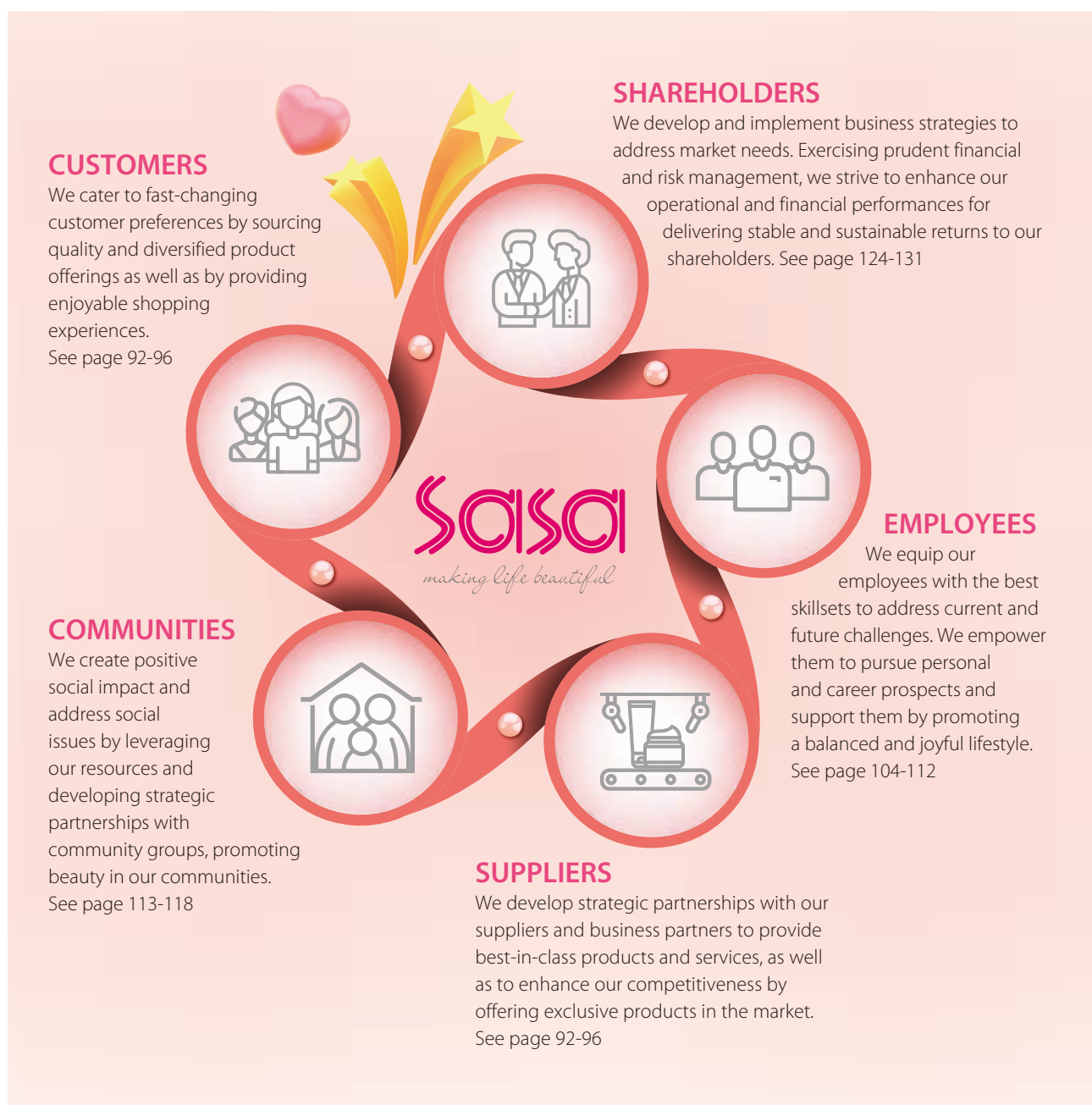


Our Strategy

Our Strategic Priorities

Sa Sa is committed to foster sustainable business growth and bring long-lasting value to our stakeholders, thereby fulfil our “Making Life Beautiful” aspiration. This entails maximising returns for our shareholders, empowering our employees to grow and excel, building strategic partnerships with our suppliers, offering our customers the best products and shopping experiences, and maintaining dialogue with our communities to address their needs. Throughout our business, we strive to operate in a responsible and sustainable manner, generating the best value for business and society as a whole.

Working in a sustainable and responsible manner to bring long-lasting value to our stakeholders, through sound corporate governance, strict regulatory compliance and proactive risk management.



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



Customer Touch Points

We engage and interact with our customers through multiple customer touch points, making progress every day to enhance their shopping experience. We seek to offer more convenient and dedicated shopping options as we move into the new retail era.



Offline Channels (retail stores)



Online Channels

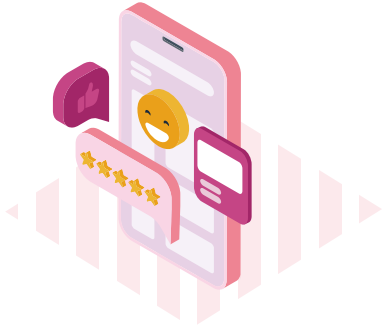
Sa Sa Website
– Sasa.com/Sa Sa Mobile App



Third-party Platforms



Social Commerce Platforms



Our Strategy

Customers

We place customers at the heart our business – We strive to delight our customers with diversified quality products and dedicated multi-brand beauty advice and services. Our retail brand, products and services are well received and supported by our customers.



Offline retail stores
Transactions in FY2020/21

10.4 million



Online business*
Transactions in FY2020/21

1.5 million

* Online business includes Sasa.com, mobile app, third-party platforms and social commerce

Products & Services

As a leading one-stop beauty product specialty store in Asia, we provide an extensive assortment of cosmetics and beauty products at competitive prices to our customers. Our product sourcing and development team optimises our portfolio by accelerating launches of popular products and closely managing product life cycles. As of 31 March 2021, the Group offers:



Stock Keeping Units (SKUs)

12,000+



Diversified products with a price range of

HK\$ 1 – HK\$ 5,000



International beauty brands

600+



Exclusive and own brands

150+



Parallel Imports



**House Brands
(Own Brands + Exclusive Brands)**



Local Supplies

In addition to diversified product offerings, our team of well-trained beauty consultants serve the needs of individual customers by offering personalised beauty advice across different brands and by assisting our customers to choose the most suitable products under one roof. This approach largely differentiates Sa Sa from other single-brand shops. Leveraging the emergence of social commerce, our beauty consultants have extended their services to the online platforms, making us capable of interacting with customers both online and offline.

House Brands

Abercrombie
& Fitch

CREMORLAB
a new classic in hydration

GUESS

MEDIHEAL
美迪惠尔

sasatinnie

AHAVA
ELEMENTAL BEAUTY FROM THE DEAD SEA

CR7
CRISTIANO RONALDO

肌っ子

Mercedes-Benz Perfume.

Sp
SHANGPREE

ALFRED SUNG

∞ Cyber Colors

Haruhada
ハルハダ

MÉTHODE
JEANNE PIAUBERT
PARIS

skin79

ARMAND BASI

Derma:B

HOLLISTER
CALIFORNIA

Méthode SWISS
BEAUTY CARE

SNP
Shining Nature Purity

ATOPALM®
아 토 팜

Dr.FORHAIR
PROFESSIONAL SCALP SOLUTIONS

Huxley

MI?
MINAM PROJECT

soo Beauté

AZZARO

Dr.G
MY SKIN MENTOR Dr.G

JAGUAR
FRAGRANCES

SPRINGFIELDS
THE BEAUTY OF NATURE

BANILA CO

Dr.Jart+

john varvatos

NOV

suiskin

b.liv | healthy pores
healthy skin

DSQUARED2

KOCOSTAR®
HOME BEAUTY TREATMENTS

Neogence 霓淨思
LAB-DERMATOLOGICAL SKINCARE

UNITED COLORS OF BENETTON.

BENTLEY

dunhill
LONDON

La Colline+
SWISS RESISTANCE BEAUTY TREATMENT

PARFUMS GRÈS
PARIS

SUISSE
PROGRAMME

Blumarine

Eleanor

LA CURE
BEAUTÉ
PARIS

페리오|PERIOE

SWISS Rituel

BYPHASSE

Elizabeth Arden
NEW YORK

La Estephe®
SWITZERLAND

PERLIER

TALIKA
DEPUIS 1945

Cell Fusion C
Dermatological Laboratory

어
용
감
한
방

Lolita
Lempicka
PARIS

PERRY ELLIS

TEAOLOGY
TEA INFUSION SKINCARE™

CHRISTIAN BRETON
PARIS

geoskincare
紐西之謎

LOVE
PASSPORT

POLICE
PARFUMS

TOUS

CHRISTIAN LAURENT

GIOVANNI®
ECO CHIC HAIR CARE

MAKHAMTHAI

RALPH LAUREN
FRAGRANCES

TRUSSARDI

COLLISTAR
MILANO

COLOR COMBOS

궁중비책
GOONGBE

PRINCESSE
MARINA DE BOURBON
PARIS

Salvatore Ferragamo

VICTORINOX

Cottage

GRÈS
PARIS

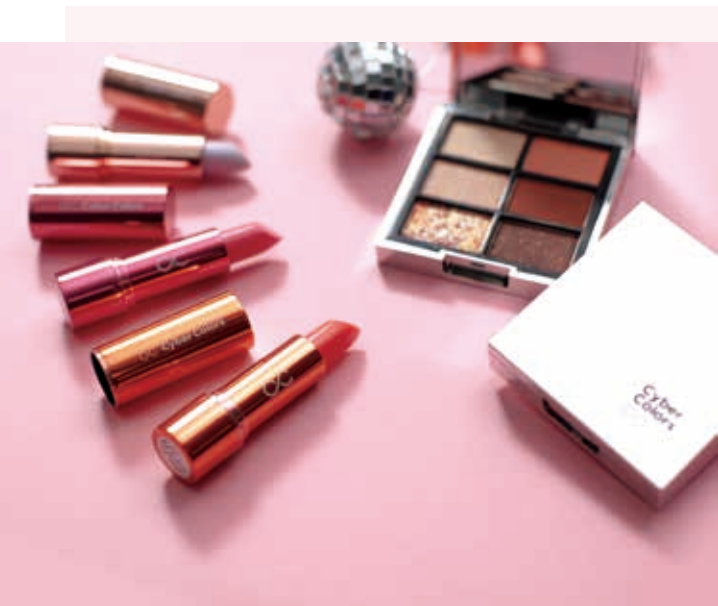
ma:nyo
魔女工場 | 마녀공장

samurai
woman
Champagne Rose

VT°
COSMETICS

Our Strategy

Our Business Strengths



Multi-brand Beauty Advice

- Diversified product offerings with broad price range, fulfilling every customers' needs in beauty products
- Parallel imported products are normally sold at competitive prices compared to the official channels
- Benefitted from good relationships with sourcing team and suppliers
- Effective product strategy driven by big data analysis



Multi-brand Beauty Advice

- Professional beauty consultants
- Customer services extended to selected online platforms



The Advantage of Hong Kong SAR

- Authentic products
- Price advantage with no tariffs
- Broad range of products
- Fast new product roll-out



Strong Brand Reputation

- Widely recognised by credible institutions

Our Business Strategies

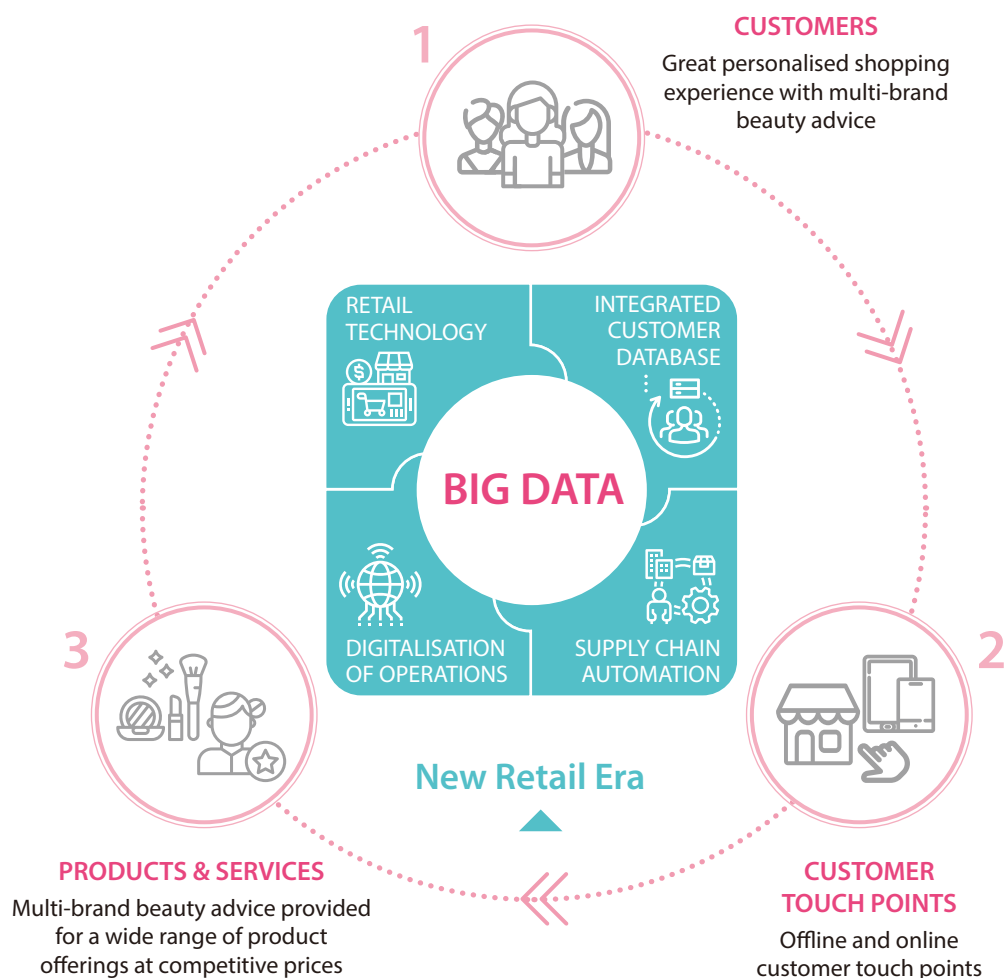
Embracing the New Retail Era

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 integrates bricks-and-mortar and online business in order to develop a “customer-centric” new retail model and live up to our commitment of “Service from the Heart”.

Aiming to understand our customers better and to meet their changing needs, we strengthen our interaction with customers via the New Retail Model, and enhance both customer satisfaction and loyalty as a result. Leveraging on the combined strength of integrating our extensive network of physical stores in Mainland China, Hong Kong and Macau SARs and our team of professional beauty consultants, we are aspired to create personalised shopping experience which can overcome traditional geographical and physical store constraints under the “customer-centric” new retail model through the use of big data, new tools and retail technology.

Meanwhile, in line with the above O2O 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 strengthening our leadership in the beauty product retailing industry in Asia.

Our New Retail Blueprint



Our Strategy

Goals in the New Retail Blueprint



1 CUSTOMERS

Gain better understanding of our customers' shopping patterns via the use of big data and analytics, we strive to provide professional multi-brand beauty advice as well as creative and personalised shopping experience along with sound customer relationship management, thereby creating a seamless customer experience.



2 CUSTOMER TOUCH POINTS

Through integrating our physical stores and online business, our multiple digital and physical touchpoints will work together seamlessly, enabling us to serve our customers better with increasingly convenient shopping solutions.



3 PRODUCTS & SERVICES

Our goal is to adjust our product portfolio more strategically by responding to the needs of our customers, continuing to offer highly diversified products at highly competitive prices, and by capturing the latest trends and customer preferences.

Our technology advancement sets out to create a more personalised and seamless customer experience



INTEGRATED CUSTOMER DATABASE

Integrating the customer data of our Hong Kong and Macau SARs and Mainland China physical stores and online business to enhance customer engagement. 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 seamless 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 touchpoint and optimise sales processes, thereby creating a more personalised customer 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 O2O operations, thereby enhancing the inventory management and overall operational efficiency.



DIGITALISATION OF OPERATIONS

Internal work processes are being streamlined and digitalised to strengthen overall operational efficiency and speed up O2O 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 equips the Group to stand out in the everchanging business environment.

See page 81-85

