le saunda holdings ltd.
萊爾斯丹控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 0738)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2018

FINANCIAL HIGHLIGHTS

		Year ended 28 February 2018	Year ended 28 February 2017	change	change in %
Revenue	*RMB million*	**1,130.6**	1,365.5	(234.9)	(17.2)
Gross profit	*RMB million*	**743.5**	908.0	(164.5)	(18.1)
Profit attributable to owners of the Company	*RMB million*	**59.7**	75.0	(15.3)	(20.4)
Basic earnings per share	*RMB cents*	**8.45**	10.62	(2.17)	(20.4)
Dividends per share					
- interim, paid	*HK cents*	**3.3**	4.3		
- interim special, paid	*HK cents*	**1.7**	1.4		
- final, proposed	*HK cents*	**3.6**	4.3		
- final special, proposed	*HK cents*	**4.4**	5.7		

**For identification purpose only*

The board (the "Board") of Directors of Le Saunda Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (together the "Group") for the year ended 28 February 2018 together with the comparative figure for the previous year. The consolidated results have been reviewed by the Company's Audit Committee.

CONSOLIDATED INCOME STATEMENT

	Note	**Year ended 28 February 2018** *RMB'000*	Year ended 28 February 2017 *RMB'000*
Revenue	*3*	**1,130,560**	1,365,545
Cost of sales	*5*	**(387,065)**	(457,536)
Gross profit		**743,495**	908,009
Other income	*4*	**25,958**	36,863
Other gains/(losses), net	*4*	**42,682**	(10,989)
Selling and distribution expenses	*5*	**(548,478)**	(618,566)
General and administrative expenses	*5*	**(178,127)**	(191,229)
Operating profit		**85,530**	124,088
Finance income, net	*6*	**8,239**	4,006
Share of profit of a joint venture		**74**	423
Profit before income tax		**93,843**	128,517
Income tax expense	*7*	**(33,600)**	(52,113)
Profit for the year		**60,243**	76,404
Profit for the year attributable to:			
- owners of the Company		**59,676**	74,977
- non-controlling interest		**567**	1,427
		60,243	76,404
Earnings per share attributable to the owners of the Company *(express in RMB cents)*			
- Basic	*8*	**8.45**	10.62
- Diluted	*8*	**8.45**	10.62
Dividends	*9*	**78,577**	95,494

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended	
	28 February 2018	28 February 2017
	RMB'000	*RMB'000*
Profit for the year	**60,243**	76,404
Other comprehensive income for the year, net of tax		
Item that will not be reclassified to profit or loss		
- Actuarial gains on retirement benefit obligation	**24**	154
Items that will be reclassified to profit or loss		
- Currency translation differences	**(45,985)**	27,409
- Reversal of impairment of interest in an available-for-sale financial asset	**2,500**	-
- Disposal of an available-for-sale financial asset	**(2,500)**	-
Total comprehensive income for the year	**14,282**	103,967
Total comprehensive income for the year, attributable to:		
- owners of the Company	**13,715**	103,052
- non-controlling interest	**567**	915
	14,282	103,967

CONSOLIDATED BALANCE SHEET

	Note	**As at 28 February 2018** *RMB'000*	As at 28 February 2017 *RMB'000*
ASSETS			
Non-current assets			
Investment properties		**128,594**	142,404
Property, plant and equipment		**94,391**	101,332
Land use rights		**21,239**	14,947
Long-term deposits and prepayments		**5,898**	7,105
Interest in a joint venture		**-**	35,156
Interest in and amount due from an available-for-sale financial asset		-	-
Deferred income tax assets		**53,538**	55,283
		303,660	356,227
Current assets			
Inventories		**331,355**	380,183
Trade receivables and other receivables	*10*	**116,705**	120,816
Deposits and prepayments		**49,705**	34,094
Pledged bank deposit		**624**	1,313
Cash and bank balances		**603,123**	645,264
		1,101,512	1,181,670
Total assets		**1,405,172**	1,537,897
EQUITY			
Capital and reserves attributable to the owners of the Company			
Share capital		**59,979**	59,979
Reserves			
Proposed dividends		**47,698**	61,460
Others		**1,124,653**	1,187,841
		1,232,330	1,309,280
Non-controlling interest		**10,451**	11,175
Total equity		**1,242,781**	1,320,455

CONSOLIDATED BALANCE SHEET (CONTINUED)

	Note	**As at 28 February 2018** ***RMB'000***	As at 28 February 2017 *RMB'000*
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**30,086**	34,394
Current liabilities			
Trade payables and other payables	*11*	**127,173**	148,003
Amount due to a joint venture		**-**	33,000
Current income tax liabilities		**5,132**	2,045
		132,305	183,048
Total liabilities		**162,391**	217,442
Total equity and liabilities		**1,405,172**	1,537,897

NOTES:

1 GENERAL INFORMATION

Le Saunda Holdings Limited (the "Company") and its subsidiaries (together the "Group") are principally engaged in the manufacturing and sales of shoes. The Group mainly operates in Mainland China, Hong Kong and Macau. The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Company is listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The consolidated financial statements are presented in Renminbi ("RMB"), unless otherwise stated.

2 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS") and disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and an available-for-sale financial asset, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(a) New and amended standards adopted by the Group

The Group has adopted the following new and amended standards that have been issued and effective for the Group's financial year beginning on 1 March 2017:

HKAS 7 (Amendment)	Disclosure Initiative
HKAS 12 (Amendment)	Recognition of Deferred Tax Assets for Unrealised Losses
HKFRS 12 (Amendment)	Disclosure of Interest in Other Entities

The adoption of the above new and amended standards has no significant impact on the Group's financial results and financial position.

(b) New standards and amendments to existing standards that have been issued but are not yet effective

Amendments to HKFRSs	Annual Improvements to HKFRSs 2014 – 2016 Cycle(1)
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle(2)

HKAS 28 (Amendment)	Long-term Interests in Associates and Joint Ventures(2)
HKAS 40 (Amendment)	Transfers of Investment Property(1)
HKFRS 2 (Amendment)	Classification and Measurement of Share-based Payment Transactions(1)
HKFRS 4 (Amendment)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts(5)
HKFRS 9	Financial Instruments(1)
HKFRS 9 (Amendment)	Prepayment Features with Negative Compensation(2)
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture(4)
HKFRS 15	Revenue from Contracts with Customers(1)
HKFRS 15 (Amendment)	Clarifications to HKFRS15(1)
HKFRS 16	Leases(2)
HKFRS 17	Insurance Contracts(3)
HK (IFRIC) — Int 22	Foreign Currency Transactions and Advance Consideration(1)
HK (IFRIC) — Int 23	Uncertainty over Income Tax Treatments (2)

(1) Effective for the accounting period beginning on or after 1 March 2018
(2) Effective for the accounting period beginning on or after 1 March 2019
(3) Effective for the accounting period beginning on or after 1 March 2021
(4) Effective date to be determined
(5) Effective for the accounting period beginning on or after 1 March 2018 or when the entity first applies HKFRS 9

None of these is expected to have a significant effect on the consolidated financial statements of the Group, except as set out below:

HKFRS 9 "Financial Instruments"

The new standard addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

The Group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets because a fair value through other comprehensive income ("FVOCI") election is available for the equity instrument which is currently classified as available-for-sale and the Group does not have the following financial assets:

- Debt instrument that is classified as available-for-sale financial asset;
- Debt instrument classified as held-to-maturity and measured at amortised cost; and
- Equity investment measured at fair value through profit or loss.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for non-derivative financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 "Financial Instruments: Recognition and Measurement" and have not been changed.

The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under HKFRS 15 "Revenue from Contracts with Customers", lease receivables, loan commitments and certain financial guarantee contracts. Based on the assessments undertaken to date, the Group does not expect material change to its impairment provisions.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

HKFRS 15 "Revenue from Contracts with Customers"

This new standard will replace HKAS 18 which covers contracts for goods and services and HKAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

Management has assessed the effects of applying the new standard on the Group's financial statements and considered there would be no material changes to the existing revenue recognition policy in this regard. Since HKFRS 15 is mandatory for financial years commencing on or after 1 March 2018, the Group does not intend to adopt the standard before its effective date.

HKFRS 16 "Leases"

HKFRS 16 will result in almost all leases being recognised on the consolidated balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of approximately RMB58,442,000. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low value leases and some commitments may relate to arrangements that will not qualify as leases under HKFRS 16.

The standard is mandatory for annual reporting periods beginning on or after 1 March 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

3 REVENUE AND SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Executive Directors that are used to make strategic decisions.

The Executive Directors review the Group's financial information mainly from a retail and non-retail perspective respectively. For the retail business, the Executive Directors further assess the performance of operations on a geographical basis (Mainland China, Hong Kong and Macau respectively). The reportable segments are classified in a manner consistent with the information reviewed by the Executive Directors.

The Executive Directors assess the performance of the operating segments based on a measure of reportable segment profit. This measurement basis excludes other income (excluding government incentives), other gains/(losses), net, finance income, net, share of profit of a joint venture and unallocated expenses.

Segment assets mainly exclude interest in a joint venture, interest in and amount due from an available-for-sale financial asset, deferred income tax assets and other assets that are managed on a central basis.

Segment liabilities mainly exclude amount due to a joint venture, current income tax liabilities, deferred income tax liabilities and other liabilities that are managed on a central basis.

In respect of geographical segment reporting, sales are based on the country in which the customer is located, and total assets and capital expenditure are based on the country where the assets are located.

The segment information provided to the Executive Directors for the reportable segments for the year ended 28 February 2018 is as follows:

	Retail		Others	Total
	Mainland China	HK & Macau		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from external customers	**1,068,724**	**61,836**	**-**	**1,130,560**
Reportable segment profit/ (losses)	**47,349**	**(11,436)**	**-**	**35,913**
Other income (excluding government incentives)				**6,961**
Other gains, net				**42,682**
Finance income, net				**8,239**
Share of profit of a joint venture				**74**
Unallocated expenses				**(26)**
Profit before income tax				**93,843**
Income tax expense				**(33,600)**
Profit for the year				**60,243**
Depreciation and amortisation	**33,817**	**1,514**	**-**	**35,331**
Additions to non-current assets (other than deferred income tax assets)	**37,913**	**2,320**	**-**	**40,233**

The segment information provided to the Executive Directors for the reportable segments for the year ended 28 February 2017 is as follows:

	Retail		Others	Total
	Mainland China	HK & Macau		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from external customers	1,291,663	73,882	-	1,365,545
Reportable segment profit/ (losses)	146,606	(15,323)	-	131,283
Other income (excluding government incentives)				4,212
Other losses				(10,989)
Finance income, net				4,006
Share of profit of a joint venture				423
Unallocated expenses				(418)
Profit before income tax				128,517
Income tax expense				(52,113)
Profit for the year				76,404
Depreciation and amortisation	40,858	2,517	-	43,375
Additions to non-current assets (Other than deferred income tax assets)	30,611	4,538	-	35,149

For the years ended 28 February 2018 and 2017, revenues from external customers are mainly derived from the Group's own brands, le saunda, le saunda MEN, LINEA ROSA, PITTI DONNA and CNE.

An analysis of the Group's assets and liabilities as at 28 February 2018 by reportable segment is set out below:

	Retail		Others	Total
	Mainland China	**HK & Macau**		
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Segment assets	**994,979**	**321,049**	**140**	**1,316,168**
Interest in a joint venture				**-**
Interest in and amount due from an available-for-sale financial asset				**-**
Deferred income tax assets				**53,538**
Unallocated assets				**35,466**
Total assets per consolidated balance sheet				**1,405,172**
Segment liabilities	**116,962**	**9,364**	**11**	**126,337**
Amount due to a joint venture				**-**
Current income tax liabilities				**5,132**
Deferred income tax liabilities				**30,086**
Unallocated liabilities				**836**
Total liabilities per consolidated balance sheet				**162,391**

An analysis of the Group's assets and liabilities as at 28 February 2017 by reportable segment is set out below:

	Retail		Others	Total
	Mainland China	HK & Macau		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment assets	1,029,853	408,243	9,253	1,447,349
Interest in a joint venture				35,156
Interest in and amount due from an available-for-sale financial asset				-
Deferred income tax assets				55,283
Unallocated assets				109
Total assets per consolidated balance sheet				1,537,897
Segment liabilities	137,789	9,194	996	147,979
Amount due to a joint venture				33,000
Current income tax liabilities				2,045
Deferred income tax liabilities				34,394
Unallocated liabilities				24
Total liabilities per consolidated balance sheet				217,442

The analysis of revenue from external customers by geographical areas is as follows:

Revenue

	2018	2017
	RMB'000	*RMB'000*
Mainland China	**1,068,724**	1,291,663
Hong Kong	**56,512**	64,615
Macau	**5,324**	9,267
Total	**1,130,560**	1,365,545

For the years ended 28 February 2018 and 2017 respectively, there was no transaction with a single external customer that amounted to 10% or more of the Group's revenue.

An analysis of the non-current assets (other than deferred income tax assets) of the Group by geographical areas is as follows:

Non-current assets

	2018	2017
	RMB'000	*RMB'000*
Mainland China	**167,096**	207,734
Hong Kong	**14,870**	15,007
Macau	**68,156**	78,203
Total	**250,122**	300,944

4 OTHER INCOME AND OTHER GAINS/(LOSSES), NET

	2018	2017
	RMB'000	*RMB'000*
Other income		
Gross rental income from investment properties	**164**	4,212
Government incentives	**18,997**	32,651
Dividend income from interest in an available-for-sale financial asset	**6,797**	-
	25,958	36,863
Other gains/(losses), net		
Fair value losses on investment properties	**(7,455)**	(2,736)
Net exchange gains/(losses) *(Note a)*	**7,833**	(8,253)
Write back of impairment on amount due from an available-for-sale financial asset	**7,500**	-
Gain on disposal of interest in an available-for-sale financial asset *(Note b)*	**33,131**	-
Gain on disposal of equity investment	**1,673**	-
	42,682	(10,989)

Note (a): *Net exchange losses arose from the settlement of transactions denominated in foreign currencies and from the translation at year-end exchange rates of monetary assets and liabilities, including inter-company balances, denominated in foreign currencies.*

Note (b): *On 8 June 2017, the Group entered into an agreement to acquire the remaining 50% equity interest of a joint venture, 佛山市順德區雙強房地產開發有限公司 ("SSQ") from 佛山市順德區鴻業房產有限公司 ("SHREC") with a consideration of RMB847,000. SSQ becomes a wholly-owned subsidiary of the Group upon completion of the acquisition. On the same date, the Group entered into another agreement to dispose its* *available-for-sale investment being 25% interest in 佛山市順德區陳村鎮碧桂園物業發展有限公司 (“FCCG”) to the major shareholder of FCCG for a consideration of RMB24,251,000. Both transactions were completed during the year.*

At the time of acquisition, SSQ was inactive and did not carry out any business activities, and therefore, the acquisition of the additional interest in SSQ is not considered as a business combination. The negotiation of the above transactions was carried at the same time with a counterparty who represented both major shareholder of FCCG and SHREC. The agreements were signed on the same date and considered to be interdependent on each other. Hence, the disposal of interest in an available-for-sale financial asset and acquisition of additional equity interest in a joint venture were treated as one single transaction for the purpose of accounting. The gain arising from the acquisition of additional interest is deemed as part of the consideration received for the disposal of the interest in an available-for-sale financial asset.

5 EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution expenses, and general and administrative expenses are analysed as follows:

	2018	2017
	RMB'000	*RMB'000*
Auditors' remuneration		
- Audit services	**1,713**	1,741
- Non-audit services	**707**	720
Amortisation of land use rights	**809**	487
Depreciation of property, plant and equipment	**34,522**	42,888
Loss on disposal of property, plant and equipment	**3,073**	2,746
Cost of sales	**387,065**	457,536
Operating lease rentals in respect of land and buildings		
- minimum lease payments	**65,123**	85,952
- contingent rents	**1,929**	1,497
Freight charges	**8,373**	8,874
Postage and express charges	**4,335**	5,686
Advertising and promotional expenses	**40,235**	34,216
Concessionaire fees	**223,395**	255,190
Direct operating expenses arising from investment properties that generated rental income	**28**	432
Employee benefit expenses (including directors' emoluments)	**332,901**	369,275
Impairment losses/(write back of impairment) on inventories	**8,933**	(5,446)
Write back of impairment of trade receivables	**-**	(918)

6 FINANCE INCOME, NET

	2018	2017
	RMB'000	*RMB'000*
Interest income on bank deposits	**7,039**	4,006
Interest income on structured bank deposits	**1,229**	-
Interest expense on short-term bank loans	**(29)**	-
	8,239	4,006

7 INCOME TAX EXPENSE

	2018	2017
	RMB'000	*RMB'000*
Current income tax		
- Hong Kong profits tax	**-**	-
- People's Republic of China corporate income tax	**36,173**	47,508
Deferred income taxation	**(2,573)**	4,605
	33,600	52,113

PRC corporate income tax is provided on the profits of the Group's subsidiaries in PRC at 25% (2017: 25%)

8 EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2018	2017
Profit attributable to owners of the Company *(RMB'000)*	**59,676**	74,977
Weighted average number of ordinary shares in issue *('000)*	**705,895**	705,895
Basic earnings per share *(RMB cents)*	**8.45**	10.62

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the year ended 28 February 2018 and 2017, the Company had share options outstanding which were anti-dilutive potential ordinary shares. A calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average daily market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options.

The number of shares calculated as below is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2018	2017
Profit attributable to owners of the Company *(RMB'000)*	**59,676**	74,977
Weighted average number of ordinary shares in issue (*'000*)	**705,895**	705,895
Adjustments for share options (*'000*)	**-**	-
Weighted average number of ordinary shares for diluted earnings per share (*'000*)	**705,895**	705,895
Diluted earnings per share *(RMB cents)*	**8.45**	10.62

9 DIVIDENDS

	2018 *RMB'000*	2017 *RMB'000*
Interim, paid, of HK3.3 cents (2017: HK4.3 cents) per ordinary share	**20,380**	25,675
Interim special, paid, of HK1.7 cents (2017: HK1.4 cents) per ordinary share	**10,499**	8,359
Final, proposed, of HK3.6 cents (2017: HK4.3 cents) per ordinary share	**21,464**	26,428
Final special, proposed, of HK4.4 cents (2017: HK5.7 cents) per ordinary share	**26,234**	35,032
	78,577	95,494

At a meeting held on 28 May 2018, the Directors proposed a final dividend of HK3.6 cents per ordinary share and a final special dividend of HK4.4 cents per ordinary share totalling approximately RMB47,698,000. These proposed dividends are not reflected as dividend payable in the consolidated financial statements, but will be reflected as an appropriation of contributed surplus of the Company for the year ending 28 February 2019.

10 TRADE RECEIVABLES AND OTHER RECEIVABLES

	2018 *RMB'000*	2017 *RMB'000*
Trade receivables	**113,739**	112,125
Provision for impairment	**(980)**	(980)
	112,759	111,145
Other receivables	**3,946**	9,671
	116,705	120,816

The Group's concessionaire sales through department stores are generally collectible within 30 to 60 days.

There is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers.

At 28 February 2018 and 2017, the ageing analysis of the trade receivables based on invoice date is as follows:

	2018	2017
	RMB'000	*RMB'000*
Current to 30 days	**100,491**	100,215
31 to 60 days	**4,947**	6,252
61 to 90 days	**2,849**	2,028
Over 90 days	**4,472**	2,650
	112,759	111,145

As at 28 February 2018 and 2017, the ageing analysis of the past due but not impaired receivables is as follows:

	2018	2017
	RMB'000	*RMB'000*
61 to 90 days	**1,998**	964
Over 90 days	**2,722**	1,410
	4,720	2,374

11 TRADE PAYABLES AND OTHER PAYABLES

	2018	2017
	RMB'000	*RMB'000*
Trade payables	**36,429**	45,254
Other payables	**90,744**	102,749
	127,173	148,003

The credit periods granted by suppliers are generally ranged from 7 to 60 days. As at 28 February 2018 and 2017, the ageing analysis of the trade payables based on invoice date was as follows:

	2018	2017
	RMB'000	*RMB'000*
Current to 30 days	**15,114**	29,238
31 to 60 days	**17,933**	12,264
61 to 90 days	**948**	1,882
91 to 120 days	**-**	163
Over 120 days	**2,434**	1,707
	36,429	45,254

gMANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

OPERATING RESULTS

The Group is engaged in the design, development, manufacturing and retailing of ladies' and men's footwear, handbags and fashionable accessories in Mainland China, Hong Kong and Macau under a vertically-integrated business model. The major proprietary brands of the Group include le saunda, le saunda MEN, LINEA ROSA, PITTI DONNA and CNE, which aim to appeal to diversified target customer groups with their distinctive product lines.

In the fiscal year 2017/18, total revenue of the Group decreased by 17.2% year-on-year to RMB1,130,600,000 (2016/17: RMB1,365,500,000). Consolidated gross profit dropped by 18.1% year-on-year to RMB743,500,000 (2016/17: RMB908,000,000). The Group recorded an overall gross profit margin of 65.8%, representing a decrease of 0.7 percentage point as compared to last year. Consolidated profit attributable to owners of the Company decreased by 20.4% year-on-year to RMB59,700,000 (2016/17: RMB75,000,000).

RMB (million)	**2017/18**	**2016/17**	**Change**
Revenue	1,130.6	1,365.5	(17.2%)
Gross profit	743.5	908.0	(18.1%)
Gross profit margin	65.8%	66.5%	(0.7 percentage point)
Consolidated profit attributable to owners	59.7	75.0	(20.4%)
Final dividend (HK cents)	3.6	4.3	(16.3%)
Final special dividend (HK cents)	4.4	5.7	(22.8%)
Annual dividend pay-out ratio	131.7%	127.4%	4.3 percentage points

PROFITABILITY ANALYSIS

During the year under review, the retail channel through department stores in Mainland China market remained feeble. The Group's total sales and same-store sales both recorded negative growth. The Group recorded a gross profit of RMB743,500,000 (2016/17: RMB908,000,000), representing a year-on-year decline of 18.1% and the gross profit margin decreased to 65.8%, representing a decrease of 0.7 percentage point as compared to last year.

Selling and distribution expenses decreased by 11.3% year-on-year to RMB548,500,000 (2016/17: RMB618,600,000). As the decrease in sales outweighed the effect of related expenses deduction, the ratio of selling and distribution expenses to total revenue increased by 3.2 percentage points to 48.5% (2016/17: 45.3%). During the year under review, the Group initiated a series of large promotional and brand marketing campaigns to celebrate its 40th anniversary. Also, PITTI DONNA, a new online leisure brand, was launched. As a result, the ratio of the advertising and promotional expenses to sales increased to 3.6%, representing a year-on-year increase of 1.1 percentage points. Concessionaire fee and rents accounted for 25.7% of total sales, representing a year-on-year increase of 1.0 percentage point.

General and administrative expenses were cut by 6.9% to RMB178,100,000 (2016/17: RMB191,200,000) as compared to last year. The Group had proactively adopted measures to control the spending of relevant cost items in view of the continuous sluggish sales performance during the year. However, as most general and administrative expenses are fixed costs, this item as a percentage of total revenue still increased by 1.8 percentage points to 15.8% (2016/17: 14.0%).

Other income decreased by 29.6% year-on-year to RMB26,000,000 (2016/17: RMB36,900,000). This item mainly represented by the incentives from local government.

Other gain and loss mainly represented by the foreign exchange gain or loss and an one-off gain of RMB33,100,000 arising from the disposal of interest in an available-for-sale financial asset and acquisition of additional equity interest in a joint venture. During the year under review, the exchange rate of RMB appreciated, leading to a foreign exchange gain of RMB7,800,000 (2016/17: a loss of RMB8,200,000), representing an improvement of RMB16,000,000, for this financial year.

Consolidated profit attributable to owners of the Company decreased by 20.4% to RMB59,700,000 (2016/17: RMB75,000,000) as compared to last year. Basic earnings per share decreased by 20.4% year-on-year to RMB8.45 cents (2016/17: RMB10.62 cents). In return for the shareholders' longstanding support, the Board recommended a final dividend of HK3.6 cents and a final special dividend of HK4.4 cents per ordinary share (2016/17: final dividend of HK4.3 cents and a final special dividend of HK5.7 cents), together with the interim dividend of HK3.3 cents and the interim special dividend of HK1.7 cents, the total dividend for this financial year was HK13.0 cents per ordinary share, representing a high dividend payout ratio of 131.7% (2016/17: 127.4%).

INCOME TAX EXPENSE

During the year under review, income tax expenses amounted to approximately RMB33,600,000 (2016/17: RMB52,100,000), representing a decrease of 35.5% year-on-year. Effective from 2012, all business entities of the Group in China are subject to an income tax rate of 25%, while the profit tax rate for corporations in Hong Kong remains at 16.5%. Pursuant to the Enterprise Income Tax Law of China, a withholding income tax of 5% to 10% shall be levied on the dividends remitted by a Chinese subsidiary to its foreign parent company starting from 1 January 2008. Excluding the effects of the losses not subject to taxation and expenses not deductible for tax purpose, the effective tax rate of the Group for the year was 32.0% (2016/17: 31.5%).

INVENTORY MANAGEMENT

As at 28 February 2018, the Group's inventory balance was RMB331,400,000, representing a decrease of 12.8% as compared to last year.

A breakdown of inventory balance was as follows:

RMB (million)	**As at 28 February 2018**	**As at 28 February 2017**	**Changes in value**	**Changes in %**
Raw materials and work-in-progress	29.6	35.8	(6.2)	(17.3%)
Finished goods	301.8	344.4	(42.6)	(12.4%)
Total	331.4	380.2	(48.8)	(12.8%)

Reflecting the changes in operation scale, the inventory of raw materials and work-in-progress decreased by 17.3% year-on-year while the inventory of finished goods decreased by 12.4% year-on-year. In addition, the Group's enhanced efforts in clearing up off-season products led to a drop in inventory balance of finished goods and maintained the cash on hand at high level. Since the decline in sales outweighed the inventory reduction, the inventory turnover days of finished goods slightly increased by 7 days to 305 days (28 February 2017: 298 days). The Group believes that the current inventory level is still within safety margin. In long-run, the Group will close inefficient shops to enhance its inventory turnover, adjust its merchandising plan and optimize its supply chain with a view to bring its inventory gradually to a more reasonable level.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's financial position remained very strong and healthy. As at 28 February 2018, the Group's cash and bank balances amounted to RMB603,100,000 (28 February 2017: RMB645,300,000), representing a decrease of 6.5% year-on-year. The quick ratio was 5.5 times (28 February 2017: 4.2 times). During the year, the Group had borrowed and repaid a bank loan of RMB20,000,000 and had no outstanding bank loan as at the fiscal year-end date (28 February 2017: Nil). Forward contracts will be used, if necessary, to hedge related debts and bank borrowings arising from overseas purchases. The Group did not enter into any forward contracts to hedge its foreign exchange risks during the year. In addition, working capital requirements for our business operations in Mainland China will be financed by RMB loans advanced from local banks when necessary.

During the financial year ended 28 February 2018, the Group's cash and bank balances were held in Hong Kong dollars, US dollars, Euro and RMB respectively and were deposited in leading banks with maturity of less than one year.

With the Group's steady cash inflow from its operations, coupled with its existing cash and banking facilities, it has adequate financial resources to fund its future needs.

BUSINESS REVIEW

OVERVIEW

The gross domestic product (GDP) of China achieved a growth rate of 6.9% in 2017, up 0.2 percentage point as compared to the corresponding period of last year. However, the growth of total retail sales of consumer goods slowed down and traditional retail businesses were still confronted with many challenges. In particular, the rapid development of e-commerce posed the greatest threat to the traditional retail businesses, and the fierce competition among traditional retail businesses resulted in extensive close-down and surrender of tenancy. Facing the challenges posed by the economic environment, the Group proactively adjusted its strategy to close down low-profitability stores and re-adapted the e-commerce operation model. In addition, the Group adjusted its product mix and sought to continuously improve the quality its products and service with a view to coping with unfavourable market environment.

RETAIL BUSINESS

For the year under review, the total retail revenue of the Group decreased by 17.2% year-on-year to RMB1,130,600,000 (2016/17: RMB1,365,500,000). Same-store sales decreased by 11.3% (2016/17: decreased by 12.0%) due to the sluggish development of traditional department store businesses brought about by the following reasons: 1) the rapid development of e-commerce took up certain market share, resulting in a deep impact on the sales of physical stores; 2) the consumption pattern of traditional retail businesses has changed: shopping malls offering one-stop entertainment service experience were favoured by consumers, while the department stores gradually lost their competitiveness and customers; 3) overseas brands continuously seized domestic market share and the mainland outbound tourists increased rapidly resulting in a reduction of local consumption; and 4) the slowing down of domestic economy and the continuous rise of property price led to a drop in household disposable income. In light of the rapidly changing market environment, the Group is fully committed to improving product quality, creating customer values, enhancing consumers' shopping experience and thereby improving same-store sales.

Retail Network

Mainland China remains the key market of the Group's retail business. As at the year-end date, the Group had a retail network comprised of 687 stores in Mainland China, Hong Kong and Macau, representing a net reduction of 109 stores compared to the end of the prior year. The number of self-owned stores dropped by 101, while the number of franchised stores decreased by 8 during the year.

As at the year-end date, there were 493 core brand le saunda stores and 35 le saunda MEN stores, representing net reductions of 70 and 17 stores respectively, as compared to the end of last year. LINEA ROSA, the Group's high-end fashionable brand saw a net decrease of 2 stores to bring the total number of stores to 72. The number of CNE stores decreased by 21 to 1.

As at 28 February 2018, the breakdown of the Group's retail network was as follows:

Number of Outlets by Region	**Self-owned (Year-on-year change)**		**Franchise (Year-on-year change)**		**Total (Year-on-year change)**	
Mainland China	604	(-101)	71	(-8)	675	(-109)
• Northern, Northeastern & Northwestern Regions	137	(-29)	61	(-10)	198	(-39)
• Eastern Region	197	(-23)	2	(1)	199	(-22)
• Central and Southwestern Regions	126	(-32)	8	(1)	134	(-31)
• Southern Region	144	(-17)	0	(0)	144	(-17)
Hong Kong and Macau	12	(0)	-	-	12	(0)
Total	616	(-101)	71	(-8)	687	(-109)

Mainland China

Given the change in consumption pattern in the market, traditional department stores are less competitive and have lost a large volume of customers. Therefore the Group decided to change its structure of the distribution network by closing down low-profitability stores, and gradually increasing its proportion of stores in shopping malls. In consideration of the current market environment, the Group has conducted a large-scale restructuring exercise and merged some of its regional offices and warehouses, in order to reduce operating costs and improve competitiveness. In addition, the Group proactively adjusted its product mix tallying with the trend and taste of young people to attract more young customers. During the year under review, as the Group's business in Mainland China was still in the period of adjustment, the Group's sales in Mainland China decreased by 17.3% to RMB1,068,700,000 (2016/17: RMB1,291,700,000). The Group expects that the business adjustment in Mainland China will be completed in 2018 and thus the results in the coming year will improve.

Hong Kong and Macau

In the past few years, the economic growth of Hong Kong has been at a relatively low level. In order to cope with the unfavourable market environment, the Group accelerated the adjustment to its businesses in Hong Kong and Macau by closing down low-profitability stores upon expiration of lease. The Group completed the adjustment in the second half of the year under review. And with an economic growth of 3.7% in 2017, the highest for Hong Kong in 6 years, the Group recorded an apparent growth of sales performance in the fourth quarter of the year under review. During the year under review, the Group's sales in Hong Kong and Macau decreased by 16.3% year-on-year to RMB61,800,000 (2016/17: RMB73,900,000), better than the Group's overall average performance. As at the end of the year under review, the number of outlets in Hong Kong and Macau remained unchanged at 12. Given the market environment is improving, the Group will consider opening new stores at appropriate locations.

E-commerce Business

According to the Ministry of Commerce of PRC, online purchases in China grew by 32.2% in 2017, representing an increase by 6 percentage points as compared to the previous year, while the online retail sales of physical goods rose by 28%, accounted for 15% of the total retail sales of consumer goods, up by 2.4 percentage points as compared to the previous year. Obviously online retailing has become one of the major driving force for retail businesses. In view of the rapid growth of e-commerce, the Group has changed its strategy to strike a new balance between online and offline business. This year, the Group has increased the number of exclusive styles for its online business and established a new brand primarily for online customers. Although the Group's revenue from e-commerce dropped by 17.8% during the year under review, online sales has shown improvement in the fourth quarter of the year under review.

BRAND BUILDING

With the rise of Chinese economy and the continuous improvement of the public's consumption level, more and more overseas brands have entered the Chinese market to seize the market share through improving their brand package and publicity. During the year under review, the Group also proactively cooperated with famous institutions or actresses in carrying out branding activities to enhance the recognition for the Group's brands.

In 2017, the Group held large festivities in Shanghai and Hong Kong to celebrate its 40^{th} anniversary. Ms. Ma Yili, a famous Chinese actress, and Ms. Jennifer Tse, a famous model of Hong Kong, were invited to attend these festivities. In these events, senior management of the Company and the celebrities, together with le saunda' loyal fans, enjoyed a pleasant time. le saunda gained lots of experience in the past 40 years and has become a technical expert in footwear and trustworthy brand in the market.

Last year, le saunda cooperated with Universal Picture to launch the “Minions Series” which attracted attention from the youth generation and increased their awareness of the Group’s brand. In early 2018, le saunda cooperated with Universal Picture once again in respect of its popular movie “Jurassic World 2”. This time, multiple brands of the Group launched products of different designs inspired by the movie. Capitalizing on the dinosaur popularity upsurge generated by the movie, the Group put in lots of effort in promoting related products and successfully raised brand reputation.

le saunda has been based in Hong Kong for 40 years and has always keeping pace with the times, creating a pleasant working environment for employees and fostering employees' sense of belonging and team spirit. This year, le saunda continued to participate in the “Happiness-at-Work Promotional Scheme”. The Group was honored to be “Happy Company” in 2018. We hope all our staff enjoy working at le saunda and could gain pleasure and job satisfaction. Besides, Ms. Daisy Pao, Service Associate of le saunda, won the championship at “The 32nd Service & Courtesy Award – Footwear Category (Frontline Level)” issued by the Hong Kong Retail Management Association for her swift response, positive attitude and sincere service. le saunda’s employee has won this honor for 5 consecutive years, which further proves that the frontline team of le saunda provides outstanding customer service and is highly recognized by the industry.

OUTLOOK AND LONG-TERM STRATEGIES OF THE GROUP

In 2017, China's consumer goods market maintained a steady and relatively rapid growth, with a growth rate of 10.2%, which still remained at a double-digit growth, while the online retail sales of physical goods rose by 28%. Online purchase continues to be a major trend, which is both a challenge and an opportunity for the traditional retail brands. In the past two years, the Group has undergone major reforms, including the optimization of its whole organization structure, changes in its marketing strategies and product mix, warehouses consolidation and destocking, so as to rise to challenges in the market in the best state. The Group is convinced that, after these efforts in the past two years, preliminary results will appear in 2018.

The prevalence of electronic wallet and mobile phone purchase has pushed the growth rate to a peak based on the original high growth of online retail. To capitalize on this trend, the Group’s e-commerce team thoroughly implemented omni-channel strategies, consolidated inventory from various channels and integrated its database, which helps to improve data transparency and the cost-effectiveness of supply chain. In addition, to cope with the fast-pace operation needs of e-commerce, the Group has significantly shortened its production cycle by half, enabling the trend-setting products to be quickly supplied to the market to meet the demand of the millennial generation and establish the brand's position among e-commerce customers. The Group firmly believes that, by virtue of the paid growth in e-commerce and an effective loyal customer cultivation plan, it is able to expand the brand’s target customer base and increase brand recognition in the market. In addition to the e-commerce platforms in Mainland China, the Group is preparing to establish an official e-shop of le saunda enabling the brand to break the territorial and time restrictions to cover a wider area with the help of internet.

Furthermore, in order to effectively develop the markets in more remote provinces and regions, the Group actively seeks partners to jointly develop and operate local businesses. In view of this, the Group will increase resources to engage in franchising and wholesale business to extend our outreach to the regions not covered by physical retail stores.

As a brand with a history of over 40 years and long-term supporters all the way, the Group is full of confidence in the quality of its brand and products. Despite of the changing market and fierce competition, in 2018, the Group, on the basis of its 40-year brand value, will integrate trend and newly developed product elements into its products and apply new technologies to meet future challenges in the market.

PLEDGE OF ASSETS

As at 28 February 2018, bank deposit of RMB600,000 (28 February 2017: RMB1,300,000) has been pledged as rental deposit for a subsidiary of the Company.

CORPORATE GUARANTEES

The Company has given corporate guarantees in favour of banks for banking facilities granted to certain subsidiaries on letters of credit and bank loans to the extent of RMB202,400,000 (28 February 2017: RMB220,900,000), of which RMB3,500,000 (28 February 2017: RMB3,200,000) was utilised as at 28 February 2018.

DIVIDEND

The Board has recommended to declare a final dividend of HK3.6 cents (the "Final Dividend") per ordinary share and a final special dividend of HK4.4 cents (the "Final Special Dividend") per ordinary share for the year ended 28 February 2018 (28 February 2017: a final dividend of HK4.3 cents and a final special dividend of HK5.7 cents) to the shareholders of the Company (the "Shareholders") whose names appear on the Register of Members of the Company on Tuesday, 24 July 2018. The proposed Final Dividend and the Final Special Dividend are subject to the approval of the Shareholders at the forthcoming annual general meeting (the "AGM") of the Company. If passed, the Final Dividend and the Final Special Dividend are expected to be paid on or around Thursday, 2 August 2018, while a circular containing further details of notice of the AGM will be despatched to the Shareholders as soon as practicable.

The Board declared the payment of an interim dividend of HK3.3 cents (six months ended 31 August 2016: HK4.3 cents) per ordinary share and an interim special dividend of HK1.7 cents (six months ended 31 August 2016: HK1.4 cents) per ordinary share for the six months ended 31 August 2017.

EMPLOYEES AND REMUNERATION POLICIES

As at 28 February 2018, the Group had a staff force of 3,653 people (28 February 2017: 4,652 people). Of this number, 90 were based in Hong Kong and Macau and 3,563 in Mainland China. The remuneration level of the Group's employees was in line with market trends and commensurate to the levels of pay in the industry. Remuneration of the Group's employees comprised basic salaries, bonuses and long-term incentives. Total employee benefit expenses for the twelve months ended 28 February 2018, including Directors' emoluments, net pension contributions and the value of employee services, amounted to RMB332,900,000 (2016/2017: RMB369,300,000). The Group has all along organized structured and diversified training programmes for staff at different levels. Outside consultants will be invited to broaden the contents of the training programmes.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 28 February 2018.

AUDIT COMMITTEE

During the year, the audit committee (the "Audit Committee") of the Board comprises three independent non-executive Directors, namely Mr. Lam Siu Lun, Simon (chairman of the Audit Committee), Mr. Leung Wai Ki, George and Mr. Hui Chi Kwan. Mr. Lam has appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.21 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The primary functions and duties of the Audit Committee are to recommend the appointment, re-appointment and removal of the external auditor, oversee the integrity of financial information of the Company and its disclosure, provide independent review of the effectiveness of the financial controls, risk management and internal control systems of the Group, and review the accounting principles and practices adopted by the Group. The full terms of reference of the Audit Committee are posted on the respective websites of the Stock Exchange and the Company.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group, reviewed the annual results of the Group for the year ended 28 February 2018 and discussed the overall effectiveness of the internal control system of the Group with the management of the Company.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The AGM is scheduled to be held on Monday, 16 July 2018. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 11 July 2018 to Monday, 16 July 2018 (both days inclusive) during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Units 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 10 July 2018.

CLOSURE OF REGISTER OF MEMBERS FOR FINAL DIVIDEND AND FINAL SPECIAL DIVIDEND

The proposed Final Dividend and Final Special Dividend are subject to the approval of the Shareholders at the AGM. The record date for entitlement to the proposed Final Dividend and Final Special Dividend is 24 July 2018. In order to ascertain the entitlement to the proposed Final Dividend and Final Special Dividend, the register of members of the Company will be closed from Monday, 23 July 2018 to Tuesday, 24 July 2018 (both days inclusive) during which no transfer of shares will be registered. The last day for dealing in Shares cum entitlements to the proposed Final Dividend and Final Special Dividend will be Wednesday, 18 July 2018. In order to qualify for the proposed Final Dividend and Final Special Dividend, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Units 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Friday, 20 July 2018.

CORPORATE GOVERNANCE CODE

The Group is committed to achieving and maintaining the highest standard of corporate governance. The Board and its management understand that it is their responsibility to establish a good corporate management system and practice and strictly comply with the principles of independence, accountability, responsibility and impartiality so as to improve the operation transparency of the Company, protect the interests of the Shareholders and create values for the Shareholders.

During the year, the Company has complied with the provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules, except for deviation from code provision A.6.7 of the CG Code which stipulates, among others, that independent non-executive Directors and other non-executive Directors should attend general meetings. Due to other business engagement, Mr. Lee Tze Bun, Marces, a non-executive Director, was unable to attend the annual general meeting of the Company held on 10 July 2017.

The Board will continue to enhance the Group's corporate governance practices appropriate to the conduct and growth of the Group's business and to review such practices from time to time to ensure that they comply with statutory and professional standards and align with the latest developments.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct (the "Code of Conduct") regarding securities transactions by the Directors since 4 October 2005. The terms of the Code of Conduct are no less exacting than the required standard in the Model Code, and the Code of Conduct applies to all the relevant persons as defined in the Code of Conduct, including the Directors, any employee of the Company, or a director or employee of a subsidiary or holding company of the Company, who, by reason of such office or employment, are likely to be in possession of unpublished price sensitive information in relation to the Company or its securities.

Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the Code of Conduct and the required standard set out in the Model Code during the year ended 28 February 2018 and up to the date of this announcement.

SCOPE OF WORK OF THE EXTERNAL AUDITORS

The figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 28 February 2018 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

PUBLICATION OF ANNUAL REPORT

The annual report of the Company for the year ended 28 February 2018 containing all the information required by the Listing Rules will be despatched to the Shareholders and available on the respective websites of the Stock Exchange (http://www.hkex.com.hk) and the Company (http://www.lesaunda.com.hk) in due course on or before 30 June 2018.

ACKNOWLEDGEMENT

On behalf of the Board, I would also like to take this opportunity to express my gratitude to all our staff for their respective dedication and hard work, plus my sincere appreciation to all customers, business partners and Shareholders for their continuing supports.

By Order of the Board
Le Saunda Holdings Limited
James Ngai
Chairman

Hong Kong, 28 May 2018

As at the date of this announcement, the Company's executive Directors are Mr. Cheng Wang, Gary, Ms. Chui Kwan Ho, Jacky and Ms. Liao Jian Yu; non-executive Directors are Mr. James Ngai and Mr. Lee Tze Bun, Marces; independent non-executive Directors are Mr. Lam Siu Lun, Simon, Mr. Leung Wai Ki, George and Mr. Hui Chi Kwan.

(All monetary values in this announcement are expressed in Renminbi unless stated otherwise.)