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 29 FEBRUARY 2020

FINANCIAL HIGHLIGHTS

		Year ended 29 February 2020	Year ended 28 February 2019	change	change in %
Revenue	*RMB million*	**736.4**	908.8	(172.4)	(19.0%)
Gross profit	*RMB million*	**456.5**	570.2	(113.7)	(19.9%)
Loss attributable to owners of the Company	*RMB million*	**(30.5)**	(28.0)		
Basic losses per share	*RMB cents*	**(4.32)**	(3.97)		
Dividends per share					
- final, proposed	*HK cents*	**-**	-		
- final special, proposed	*HK cents*	**-**	35.0		

**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 29 February 2020 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 29 February 2020 *RMB'000***	Year ended 28 February 2019 *RMB'000*
Revenue	*4*	**736,387**	908,784
Cost of sales	*6*	**(279,912)**	(338,568)
Gross profit		**456,475**	570,216
Other income	*5*	**7,589**	15,244
Other losses, net	*5*	**(1,594)**	(7,226)
Impairment losses on trade receivables, net	*6*	**(2,255)**	(5,454)
Selling and distribution expenses	*6*	**(335,197)**	(436,745)
General and administrative expenses	*6*	**(153,182)**	(160,982)
Operating loss		**(28,164)**	(24,947)
Finance income, net	*7*	**6,890**	11,508
Loss before income tax		**(21,274)**	(13,439)
Income tax expense	*8*	**(9,046)**	(13,889)
Loss for the year		**(30,320)**	(27,328)
(Loss)/profit for the year attributable to:			
- owners of the Company		**(30,519)**	(28,032)
- non-controlling interest		**199**	704
		(30,320)	(27,328)
Losses per share attributable to the owners of the Company *(express in RMB cents)*			
- Basic	*9*	**(4.32)**	(3.97)
- Diluted	*9*	**(4.32)**	(3.97)
Dividend	*10*	**-**	210,428

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended	
	29 February 2020	28 February 2019
	RMB'000	*RMB'000*
Loss for the year	**(30,320)**	(27,328)
Other comprehensive income for the year, net of tax		
Item that will not be reclassified to consolidated income statement		
- Actuarial losses on retirement benefit obligation	**(23)**	(524)
Items that will be reclassified to consolidated income statement		
- Currency translation differences	**23,714**	19,918
Total comprehensive loss for the year	**(6,629)**	(7,934)
Total comprehensive (loss)/income for the year, attributable to:		
- owners of the Company	**(6,828)**	(8,638)
- non-controlling interest	**199**	704
	(6,629)	(7,934)

CONSOLIDATED BALANCE SHEET

	Note	**As at 29 February 2020** *RMB'000*	As at 28 February 2019 *RMB'000*
ASSETS			
Non-current assets			
Investment properties		**2,360**	56,360
Property, plant and equipment		**127,613**	153,306
Right-of-use-assets		**37,969**	-
Land use rights		**-**	20,442
Long-term deposits and prepayments		**3,421**	4,632
Deferred income tax assets		**55,332**	54,302
		226,695	289,042
Current assets			
Inventories		**273,093**	325,444
Trade and other receivables	*11*	**53,529**	74,940
Deposits and prepayments		**43,072**	45,471
Pledged bank deposit		**719**	665
Cash and bank balances		**508,555**	590,596
		878,968	1,037,116
Total assets		**1,105,663**	1,326,158
EQUITY			
Capital and reserves attributable to the owners of the Company			
Share capital		**59,979**	59,979
Reserves			
Proposed dividends		**-**	210,428
Others		**891,452**	905,309
		951,431	1,175,716
Non-controlling interest		**10,273**	10,450
Total equity		**961,704**	1,186,166

CONSOLIDATED BALANCE SHEET (CONTINUED)

	Note	**As at 29 February 2020** ***RMB'000***	As at 28 February 2019 *RMB'000*
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**24,757**	27,869
Lease liabilities		**14,724**	-
		39,481	27,869
Current liabilities			
Trade payables, other payables and contract liabilities	*12*	**85,341**	106,378
Lease liabilities		**17,635**	-
Current income tax liabilities		**1,502**	5,745
		104,478	112,123
Total liabilities		**143,959**	139,992
Total equity and liabilities		**1,105,663**	1,326,158

NOTES:

1 GENERAL INFORMATION

Le Saunda Holdings Limited (the "Company") and its subsidiaries (together the "Group") are principally engaged in manufacturing and sales of footwear and accessories. 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 Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

These 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 Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountant ("HKICPA") and the 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, 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 and interpretation adopted by the Group

The Group has adopted the following new and amended standards and interpretation that have been issued and effective for the Group's financial year beginning on or after 1 March 2019:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle
HKAS 19 (Amendment)	Plan Amendment, Curtailment or Settlement
HKAS 28 (Amendment)	Long-term Interests in Associates and Joint Ventures
HKFRS 9 (Amendment)	Prepayment Features with Negative Compensation
HKFRS 16	Leases
HK(IFRIC) - Int 23	Uncertainty over Income Tax Treatments

The Group changed its accounting policies as a result of adopting HKFRS 16. In accordance with the transition provisions of HKFRS 16, the Group has adopted the modified retrospective application for existing leases at 1 March 2019 with certain transition reliefs and under which comparative figures are not restated. This is disclosed in Note 3 below. Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) New and amended standards and interpretations not yet adopted

Certain new accounting standards, amendments to standards and interpretations have been published that are not mandatory for the financial year ended 29 February 2020 and have not been early adopted by the Group. The Group's assessment of the impact of these new and amended standards and interpretations is set out below.

Amendments to HKAS 1 and HKAS 8	Definition of Material [(1)]
Amendments to HKAS 39, HKFRS 7 and HKFRS 9	Hedge Accounting [(1)]
Amendments to HKFRS 3	Definition of a Business [(1)]
Conceptual framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting [(1)]
HKFRS 17	Insurance Contracts [(2)]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [(3)]

(1) Effective for the accounting period beginning on or after 1 March 2020

(2) Effective for the accounting period beginning on or after 1 March 2021

(3) Effective date to be determined

These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3 CHANGE IN ACCOUNTING POLICIES

As indicated in Note 2(a) above, the Group has adopted HKFRS 16 Leases retrospectively from 1 March 2019, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 March 2019.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of HKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 March 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 March 2019 was 4.44%.

(i) Practical expedients applied

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- relying on previous assessments on whether leases are onerous;
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 March 2019 as short-term leases;
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and HK(IFRIC) - Int 4 "Determining whether an Arrangement contains a Lease".

(ii) Measurement of lease liabilities

	RMB'000
Operating lease commitments disclosed as at 28 February 2019	69,735
Discounted using the lessee's incremental borrowing rate of at the date of initial application	(16,811)
Less: short-term leases not recognised as a liability	(6,510)
Lease liabilities recognised as at 1 March 2019	46,414
Of which are:	
Current lease liabilities	21,861
Non-current lease liabilities	24,553
	46,414

(iii) Measurement of right-of-use assets

The carrying amount of the associated right-of-use assets were measured as if the new rule had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application in the Consolidated Balance Sheet. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

(iv) Adjustments recognised in the consolidated balance sheet on 1 March 2019

The change in accounting policy affected the following items in the consolidated balance sheet on 1 March 2019:

Consolidated Balance Sheet (extract)	Before adoption 1 March 2019 *RMB'000*	Adoption of HKFRS 16 *RMB'000*	After adoption 1 March 2019 *RMB'000*
Non-current assets			
Right-of-use assets	-	63,869	63,869
Land use rights	20,442	(20,442)	-
Total assets	1,326,158	43,427	1,369,585
Non-current liabilities			
Lease liabilities	-	24,553	24,553
Current liabilities			
Lease liabilities	-	21,861	21,861
Total liabilities	139,992	46,414	186,406
Equity			
Reserves	1,115,737	(2,987)	1,112,750
Total equity	1,186,166	(2,987)	1,183,179

(v) Lessor accounting

The Group did not need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of HKFRS 16.

4 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. 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 loss. This measurement basis excludes other income (excluding government incentives), other losses, net (excluding gain on early termination of leases), finance income, net, and unallocated expenses.

Segment assets mainly exclude deferred income tax assets and other assets that are managed on a central basis.

Segment liabilities mainly exclude 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 29 February 2020 is as follows:

	Retail		Others	Total
	Mainland China	HK & Macau		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from external customers	**705,621**	**30,766**	**-**	**736,387**
Reportable segment loss	**(10,235)**	**(16,479)**	**-**	**(26,714)**
Other income (excluding government incentives)				**81**
Other losses, net (excluding gain on early termination of leases)				**(1,814)**
Finance income, net				**6,890**
Unallocated expenses				**283**
Loss before income tax				**(21,274)**
Income tax expense				**(9,046)**
Loss for the year				**(30,320)**
Depreciation and amortisation	**39,471**	**10,919**	**-**	**50,390**
Impairment loss on property, plant and equipment	**9,182**	**792**	**-**	**9,974**
Impairment loss on right-of-use assets	**6,339**	**5,607**	**-**	**11,946**
Additions to non-current assets (other than deferred income tax assets)	**32,074**	**-**	**-**	**32,074**

The segment information provided to the Executive Directors for the reportable segments for the year ended 28 February 2019 is as follows:

	Retail		Others	Total
	Mainland China	HK & Macau		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from external customers	850,949	57,835	-	908,784
Reportable segment loss	(10,551)	(6,891)	-	(17,442)
Other income (excluding government incentives)				78
Other losses, net				(7,226)
Finance income				11,508
Unallocated expenses				(357)
Loss before income tax				(13,439)
Income tax expense				(13,889)
Loss for the year				(27,328)
Depreciation and amortisation	31,858	1,784	-	33,642
Additions to non-current assets (other than deferred income tax assets)	23,482	2,586	-	26,068

For the years ended 29 February 2020 and 28 February 2019, 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 29 February 2020 by reportable segment is set out below:

	Retail		**Others**	**Total**
	Mainland China	**HK & Macau**		
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Segment assets	**773,649**	**240,541**	**-**	**1,014,190**
Deferred income tax assets				**55,332**
Unallocated assets				**36,141**
Total assets per consolidated balance sheet				**1,105,663**
Segment liabilities	**102,275**	**14,885**	**-**	**117,160**
Current income tax liabilities				**1,502**
Deferred income tax liabilities				**24,757**
Unallocated liabilities				**540**
Total liabilities per consolidated balance sheet				**143,959**

An analysis of the Group's assets and liabilities as at 28 February 2019 by reportable segment is set out below:

	Retail		Others	Total
	Mainland China	HK & Macau		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment assets	929,287	314,366	145	1,243,798
Deferred income tax assets				54,302
Unallocated assets				28,058
Total assets per consolidated balance sheet				1,326,158
Segment liabilities	99,521	6,005	13	105,539
Current income tax liabilities				5,745
Deferred income tax liabilities				27,869
Unallocated liabilities				839
Total liabilities per consolidated balance sheet				139,992

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

Revenue

	2020	2019
	RMB'000	*RMB'000*
Mainland China	**705,621**	850,949
Hong Kong	**27,904**	54,550
Macau	**2,862**	3,285
Total	**736,387**	908,784

For the years ended 29 February 2020 and 28 February 2019, 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 segments is as follows:

Non-current assets

	2020	2019
	RMB'000	*RMB'000*
Mainland China	**92,779**	151,262
Hong Kong	**5,403**	13,937
Macau	**73,181**	69,541
Total	**171,363**	234,740

5 OTHER INCOME AND OTHER LOSSES, NET

	2020	2019
	RMB'000	*RMB'000*
Other income		
Gross rental income from investment properties	**81**	78
Government incentives	**7,508**	15,166
	7,589	15,244
Other losses, net		
Fair value losses on investment properties	**-**	(6,909)
Net exchange losses *(Note)*	**(7,457)**	(4,531)
Gain on disposal of property, plant and equipment, right-of-use asset/land use right and investment property	**5,643**	4,214
Gain on early termination of leases	**220**	-
	(1,594)	(7,226)

Note : *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.*

6 EXPENSES BY NATURE

Expenses included in cost of sales, impairment losses on trade receivables, net, selling and distribution expenses, and general and administrative expenses are analysed as follows:

	2020	2019
	RMB'000	*RMB'000*
Auditors' remuneration		
- Audit services	**1,814**	1,912
- Non-audit services	**225**	228
Amortisation of land use rights	**-**	791
Depreciation of property, plant and equipment	**25,348**	32,851
Depreciation of right-of-use assets	**25,042**	-
Loss on write off/disposal of property, plant and equipment	**8,869**	3,725
Cost of sales	**279,912**	338,568
Operating lease rentals in respect of land and buildings		
- minimum lease payments	**-**	52,230
- contingent rents	**-**	1,299
Expenses relating to short-term leases and variable lease payments	**117,998**	-
Freight charges	**7,038**	8,841
Postage and express charges	**3,418**	3,815
Advertising and promotional expenses	**21,890**	40,536
Concessionaire fees	**-**	144,903
Employee benefit expenses (including directors' emoluments)	**247,506**	301,325
Impairment losses/(write back of impairment) on inventories	**14,114**	(409)
Impairment losses on trade receivables, net	**2,255**	5,454
Impairment loss on property, plant and equipment (note)	**9,974**	-
Impairment loss on right-of-use assets (note)	**11,946**	-
Direct operating expenses arising from investment properties that generated rental income	**9**	10

Note:

Due to the outbreak of COVID-19 epidemic in January 2020 and the related precautionary and control measures taken place, the resumption of production of the Shunde Factory was delayed after the Chinese New Year. The Group has carried out an impairment assessment of the property, plant and equipment and right of use assets of the Shunde Factory. As a result, the carrying amount of the plant and machinery of the Shunde Factory has written down to its recoverable amount and the Group recognised an impairment loss of RMB7,616,000 in general and administrative expenses. The recoverable amount of the assets of the Shunde Factory were determined based on their fair value less cost to sale given all the production of the Shunde factory were subsequently ceased in May 2020 after a brief resumption of operation (Note 13).

Certain retail stores with operation for more than one year were making loss during the year and the Group foresees the retail stores' operation will also be affected by the uncertainties that brought by the outbreak of COVID-19 epidemic since late January 2020. The Group regards each individual retail store as a separately identifiable cash-generating unit and carried out impairment assessment for the retail stores which have indicator of impairment.

As a result, impairment loss of RMB2,358,000 and RMB11,946,000 against leasehold improvements and right-of-use assets, respectively, were recognised in selling and distribution expenses of the Group. The estimates of the recoverable amounts were based on value-in-use calculations using discounted cash flow projections based on the sales forecast.

7 FINANCE INCOME, NET

	2020	2019
	RMB'000	*RMB'000*
Interest income on bank deposits	**5,880**	8,308
Interest expense on lease liabilities	**(1,785)**	-
Other finance income	**2,795**	3,200
	6,890	11,508

8 INCOME TAX EXPENSE

	2020	2019
	RMB'000	*RMB'000*
Current income tax		
- Hong Kong profits tax	**-**	-
- People's Republic of China ("the PRC") corporate income tax	**13,180**	16,839
Deferred income taxation	**(4,134)**	(2,950)
	9,046	13,889

The PRC corporate income tax is provided on the profits of the Group's subsidiaries in the PRC at 25% (2019: 25%).

The applicable rate of Hong Kong profits tax is 16.5% (2019: 16.5%). No provision for Hong Kong profits tax has been made in the financial statements as the Group does not have any assessable profit arising in Hong Kong during the years ended 29 February 2020 and 28 February 2019.

The applicable rate of Macau complementary tax is 12% (2019: 12%). No provision for Macau complementary tax has been made in the financial statement as the Group does not have any assessable profit arising in Macau during each of the two years ended 29 February 2020 and 28 February 2019.

9 LOSSES PER SHARE

Basic

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

	2020	2019
Loss attributable to owners of the Company *(RMB'000)*	**(30,519)**	(28,032)
Weighted average number of ordinary shares in issue *('000)*	**705,895**	705,895
Basic losses per share *(RMB cents)*	**(4.32)**	(3.97)

Diluted

For the years ended 29 February 2020 and 28 February 2019, diluted losses per share equals basic losses per share as there was no dilutive potential shares.

10 DIVIDEND

	2020 ***RMB'000***	2019 *RMB'000*
No final, proposed, (2019: No final dividend)	-	-
No final special, proposed, (2019: HK35.0 cents per ordinary share)	-	210,428
	-	210,428

At the Board of Directors' meeting held on 25 May 2020, the Directors did not propose a final dividend for the year ended 29 February 2020.

11 TRADE AND OTHER RECEIVABLES

	2020 ***RMB'000***	2019 *RMB'000*
Trade receivables	**58,258**	77,686
Less: loss allowance	**(7,709)**	(5,454)
	50,549	72,232
Other receivables	**2,980**	2,708
	53,529	74,940

The Group's concessionaire sales through department stores are generally collectible within 30 to 60 days. The carrying amounts of trade and other receivables approximate their fair values. There is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers.

The ageing analysis of the trade receivables as at the end of the reporting period, and net of provision, based on invoice date is as follows:

	2020	2019
	RMB'000	*RMB'000*
Current to 30 days	**39,905**	61,588
31 to 60 days	**7,037**	6,312
61 to 90 days	**2,967**	1,999
Over 90 days	**640**	2,333
	50,549	72,232

12 TRADE PAYABLES, OTHER PAYABLES AND CONTRACT LIABILITIES

	2020	2019
	RMB'000	*RMB'000*
Trade payables	**11,435**	19,203
Other payables	**55,564**	65,762
Value added tax payables	**9,785**	11,598
Contract liabilities	**8,557**	9,815
	85,341	106,378

The credit periods granted by suppliers are generally ranged from 7 to 60 days. The ageing analysis of the trade creditors at the end of the reporting period, based on invoice date is as follows:

	2020	2019
	RMB'000	*RMB'000*
Current to 30 days	**7,993**	9,637
31 to 60 days	**2,110**	5,706
61 to 90 days	**449**	1,909
91 to 120 days	**367**	803
Over 120 days	**516**	1,148
	11,435	19,203

13 EVENTS OCCURRING AFTER THE REPORTING DATE

After the year end date, the Group decided to cease its footwear production (the "Cessation") in the factory at Shunde (the "Shunde Factory"). Since May 2020, the Group has outsourced all its footwear production to external subcontractors in order to improve the Group's inventory management and costs control. As a result of the Cessation, one-off redundancy costs of approximately RMB36 millions would be incurred, of which RMB29 millions were booked in the first quarter of financial year 2020/21. The redundancy costs were calculated based on the applicable local labour laws and regulations. After the Cessation, certain area within the Shunde Factory continues to be used as warehouse and office of various departments.

MANAGEMENT'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.

For the year under review, total revenue of the Group decreased by 19.0% to RMB736,400,000 (2018/19: RMB908,800,000). The consolidated gross profits decreased by 19.9% year-on-year to RMB456,500,000 (2018/19: RMB570,200,000), and the overall gross profit margin slightly decreased by 0.7 percentage point to 62.0% compared to the previous year. For the expense items, as compared to last year, the selling and distribution expenses dropped by 23.3% to RMB335,200,000 (2018/19: RMB436,700,000) while the general and administrative expenses decreased by 4.8% to RMB153,200,000 (2018/19: RMB161,000,000). Consequently, the consolidated loss attributable to owners of the Company amounted to RMB30,500,000 (2018/19: loss of RMB28,000,000).

RMB (million)	**2019/20**	**2018/19**	**Change**
Revenue	**736.4**	908.8	(19.0%)
Gross profit	**456.5**	570.2	(19.9%)
Gross profit margin	**62.0%**	62.7%	(0.7 percentage point)
Consolidated loss attributable to owners	**(30.5)**	(28.0)	
Final dividend (HK cents)	**-**	-	
Final special dividend (HK cents)	**-**	35.0	
Annual dividend pay-out ratio	**N/A**	N/A	

PROFITABILITY ANALYSIS

During the financial year 2019/20, under the impact of the Sino-US trade conflicts, consumer sentiment in mainland China was dampened, and coupled with the outbreak of novel coronavirus ("COVID-19") during the fourth quarter, the Group's total sales and same-store sales both recorded negative year-on-year growth. Due to the drop in sales and the increased provision for slow moving inventory, the Group recorded a gross profit of RMB456,500,000 (2018/19: RMB570,200,000), representing a year-on-year decline of 19.9% and the gross profit margin decreased to 62.0%, representing a decrease of 0.7 percentage point as compared to last year.

In response to the drop in sales, the Group took extra efforts in controlling the selling and distribution expenses to cut it by 23.3% year-on-year to RMB335,200,000 (2018/19: RMB436,700,000). The ratio of selling and distribution expenses to total revenue thus improved by 2.6 percentage points to 45.5% (2018/19: 48.1%).

General and administrative expenses were cut by 4.8% to RMB153,200,000 (2018/19: RMB161,000,000) as compared to last year. During the year, the Group continued to adopt suitable measures to control the relevant cost items, though most of them are fixed in nature. On the other hand, the impairment loss on assets also increased for the year under review. As a result, this cost item as a percentage of total revenue still increased by 3.1 percentage points to 20.8% (2018/19: 17.7%).

Other income decreased by 50.2% year-on-year to RMB7,600,000 (2018/19: RMB15,200,000). This item was mainly represented by the incentives from local government.

Other losses and gains recorded a net loss of RMB1,600,000 (2018/19: net loss of RMB7,200,000). The year-on-year improvement was mainly due to fair value losses on investment properties of RMB6,900,000 was booked in last year.

Consolidated loss attributable to owners of the Company was RMB30,500,000 (2018/19: loss of RMB28,000,000). Basic losses per share was RMB4.32 cents (2018/19: losses of RMB3.97 cents). After reviewing the Group's existing liquidity position and financial needs of its future expansion plans, the Board did not recommend to declare a final dividend (2018/19: no final dividend per ordinary share and final special dividend of HK35.0 cents per ordinary share).

INCOME TAX EXPENSE

During the year under review, income tax expenses amounted to approximately RMB9,000,000 (2018/19: RMB13,900,000), representing a decrease of 34.9% year-on-year. 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.

INVENTORY MANAGEMENT

As at 29 February 2020, the Group's inventory balance was RMB273,100,000, representing a decrease of 16.1% as compared to last year.

A breakdown of inventory balance was as follows:

RMB (million)	As at 29 February 2020	As at 28 February 2019	Changes in value	Changes in %
Raw materials and work-in-progress	**10.3**	22.8	(12.5)	(54.8%)
Finished goods	**262.8**	302.6	(39.8)	(13.2%)
Total	**273.1**	325.4	(52.3)	(16.1%)

Following the change in operation scale, the inventory of raw materials and work-in-progress decreased by 54.8% year-on-year. On the other hand, the inventory of finished goods decreased by 13.2% year-on-year and the items of current season and next season (both have stock age less than 1 year) accounted for 63.6% of this ending inventory (28 February 2019: 78.0%). This reflected the Group had timely reduced the ordering of new products to mitigate inventory pressure in response to market changes. Since the decline in sales outweighed the change in inventory, the inventory turnover days of finished goods increased by 43 days to 369 days (28 February 2019: 326 days).

LIQUIDITY AND FINANCIAL RESOURCES

The Group's financial position remained very strong and healthy. As at 29 February 2020, the Group's cash and bank balances amounted to RMB508,600,000 (28 February 2019: RMB590,600,000), representing a decrease of 13.9% year-on-year. The quick ratio was 5.4 times (28 February 2019: 5.9 times). During the year, the Group had not borrowed any bank loan (2018/2019: Nil) and had no outstanding bank loan as at the fiscal year-end date (28 February 2019: 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 29 February 2020, the Group's cash and bank balances were held in Hong Kong dollars, US dollars 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

In 2019, the global economy was full of uncertainties. The Sino-US trade war, which lasted for more than a year and a half, had an impact on the economies of both countries. The gross domestic product (GDP) of the PRC grew by 6.1% in 2019, which was the lowest growth rate since 1990. Total retail sales of consumer goods increased by 8.0%, representing a decrease of 1.0 percentage point as compared to the corresponding period of last year, indicating that the growth of retail sales has slowed down in view of the economic conditions. During the year under review, the Group's retail revenue, as compared to last year, decreased by 19.0% to RMB736,400,000 (2018/19: RMB908,800,000).

In January 2020, the PRC and the United States finally signed the first-phase trade agreement and the economic development was expected to improve gradually. While the good news was being taken into account by the market, the outbreak of the COVID-19 spread rapidly all over the world, causing a public health crisis as it evolved into a global pandemic. Economic and financial experts generally predicted that the impact of the pandemic on the PRC's and global economy would be far more severe than that of SARS in 2003. Faced with negative economic factors and challenges from the pandemic, sales of physical stores were under great downward pressure. The Group responded by taking various measures. As the lockdown decree prevented people from going out, the Group accelerated the development of e-commerce business in order to tap new customer group and to shift existing offline customers to online purchase. To achieve better controls on inventory and operating costs, the Group decided to cease the footwear production in Shunde factory, the Group's only production base, since May 2020 (for details, please refer to note 13 Events Occurring After the Reporting Date). The Group will replace its footwear production completely with external purchases while such adjustments will also enable our team to focus on product development and design. Last but not least, the Group will continue to employ information technology to enhance operating efficiency.

RETAIL NETWORK

Mainland China is the key market of the Group's retail business. At the end of the year under review, the Group had a retail network comprised of 441 stores in Mainland China, Hong Kong and Macau, representing a net reduction of 85 stores compared to the corresponding date of last year. The number of self-owned stores dropped by 74, while the number of franchised stores decreased by 11 during the year.

As at 29 February 2020, there were 331 core brand le saunda stores, representing a net decrease of 60 stores as compared to the end of last year. There were 52 LINEA ROSA stores, the Group's high-end fashionable brand, representing a net decrease of 15 stores as compared to the end of last year.

As at 29 February 2020, 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	384	(-69)	51	(-11)	435	(-80)
• Northern, Northeastern & Northwestern Regions	85	(0)	44	(-8)	129	(-8)
• Eastern Region	136	(-25)	2	(0)	138	(-25)
• Central and Southwestern Regions	73	(-20)	5	(-3)	78	(-23)
• Southern Region	90	(-24)	0	(0)	90	(-24)
Hong Kong and Macau	6	(-5)	-	-	6	(-5)
Total	390	(-74)	51	(-11)	441	(-85)

MAINLAND CHINA

Total retail sales of consumer goods increased by 8.0% in 2019, which was the lowest figure since the Asian financial crisis in 1999 (6.8%). However, domestic consumption has become the principal driving force for economic growth for 6 consecutive years, contributing 57.8% to the ultimate economic growth. Consumption upgrade was the main growth engine of the domestic retail sector, driving the continuous optimization of market consumption structure, the continuous promotion of industry transformation and upgrade, and the accelerated formation of new consumption hotspots. This has resulted in a significant increase in the demand for categories related to upgraded consumption, while the growth of staple products has been stable.

Up to the end of the third quarter of this financial year, the total sales and same-store sales of the Group's self-owned retail business continued to improve year on year, reflecting that the strategies of streamlining network of physical stores and structural optimization in the past two to three years have gradually yielded results. However, the outbreak of COVID-19 severely hit the consumer market in January and February 2020. As a result, the Group's retail sales in Mainland China in the year under review fell by 17.1% to RMB705,600,000 (2018/19: RMB850,900,000).

After analyzing the changes in the business environment throughout the year, we are of the view that the following key factors affected our results in the year under review: (i) the Group continued to optimize its physical stores network and operating structure to improve its operating efficiency, which greatly reduced the proportion of inefficient stores and led to an increase in the same-store sales before the outbreak of the epidemic; (ii) the varied results of promoting experiential shopping and digital transformation in department stores: some stores have encountered bottlenecks while others have successfully completed the transition. At the same time, the number of completion of new shopping malls has decreased. For traditional retail brands, especially those with a high proportion of concessionary counters, they have to spend a lot of resources striving to catch up with the changes of all these new business and operating models; (iii) online purchase continued to grow rapidly with a growth rate higher than that of the overall retail sales of consumer goods and absorbed the market share of physical stores; and (iv) subject to the influences of the external market and the worldwide economy, consumers have become less impulsive and more rational in buying and will demand much more from the retailers.

The Group's operating strategies in the past two to three years has gradually improved our performance. We will endeavor to cut costs to improve our operating efficiency continuously. To enhance the loyalty of our long-term customers, we will use information technology tools to collect and analyze their preferences. Benefiting from the advantages of integrating our online and offline shops, we can target different customer groups with different channels. With all the above adopted, we hope our business will rebound quickly and resume growth after the epidemic subsides.

HONG KONG AND MACAU

Hong Kong's GDP recorded negative growth in the third and fourth quarters of 2019 while its annualized GDP for 2019 was forecast to fall by 1.2% in real terms as compared with the previous year, which was the first yearly decline since 2009, representing Hong Kong's economy has been in recession. During the year under review, social events in Hong Kong continued for months. From June to December 2019, areas in which our stores operate were repeatedly affected by the social events, with business hours shortened, foot traffic dropped sharply, and consumers' buying desire weakened severely. Visitor arrivals recorded a decline of 39.1% in the second half of the year, while the number of visitors for the year dropped 14.2% on an annual basis. Retail sales in the fourth quarter of 2019 was forecast to fall by 24.1%, the largest quarterly decline on record. Total sales value of the retail sector for the year was forecast to fall by 11.1% as compared with that of 2018. The data reflected that the impact of local social events on consumption and tourism-related industries was serious.

While the market was expecting the consumption would be stimulated during the traditional peak season of the Chinese New Year, there came the threat of the COVID-19 epidemic, worsening the already gloomy local market and pushing Hong Kong's retail industry into a "super-cold winter". Hit by the local social events, the outbreak of COVID-19 pneumonia and the external economic uncertainties, the Group's sales in Hong Kong and Macau decreased by 46.8% to RMB30,800,000 (2018/19: RMB57,800,000) during the year under review. As at 29 February 2020, the number of stores in Hong Kong and Macau was 6, representing a net decrease by 5. As the shop rental in the market has not dropped accordingly, the Group will further reduce the number of physical stores as appropriate, and concentrate to improve the service and operating efficiency of those potential stores and to accelerate the development of local online business.

E-COMMERCE BUSINESS

In 2019, the PRC online retail sales grew by 16.4% to RMB10,632.4 billion, which accounted for 25.8% of the total retail sales of consumer goods, representing a further increase in the share contributed by online retail sales. However, the advantage of large e-commerce platforms, which entered the market the earliest, in securing the e-commerce traffic flow has been weakened and some of their market share has been taken up by various operators of online social media. As a result, large e-commerce operators have shifted to small-towns and rural markets (third- and lower-tier cities) and invested a lot in developing channels to explore the purchasing power of such markets. The millennial generation, who is keen on online purchase, likes to try something new and thus has relatively low brand loyalty. All these greatly increase the cost of attracting customers and selling expenses. The outbreak of COVID-19 has also affected the e-commerce market, imposing great restrictions on logistics and transportation, but to a lesser degree than those on physical stores. During the year under review, e-commerce business revenue decreased by 16.8% year on year. The Group will actively develop e-commerce channels to merge with our offline operation in order to reach out to young customers and gain access to new markets that have not yet been developed.

BRAND BUILDING

Being a fashion footwear brand, le saunda likes to have changes in various aspects and to incorporate new elements into its shoes for the market. During the year under review, le saunda collaborated with Cristiano Burani, an Italian designer, to introduce the 2020 Spring/Summer and Fall/Winter capsule collection of footwear in Milan in September 2019 and February 2020 respectively. It was the first appearance of le saunda in the prestigious Milan Fashion Week, one of the “Big Four fashion weeks” in the world. The said collaboration collection demonstrates the outfit style in modern workplace. To change the monotonous perception, the collection added a touch of casualness in formal footwear. Designer Cristiano Burani was formerly the design director of Blumarine Jeans, and is currently the creative director of Takisada Group in Japan. He also worked for luxury brands such as Versace and La Perla before.

During the year under review, the Group also held the 2019 Fall/Winter and 2020 Spring/Summer Media Preview Day for le saunda and LINEA ROSA at two top-class hotels, namely the Ritz-Carlton Shanghai, Pudong and Hotel Éclat Beijing. In the events, the Group invited a number of major media publishers, senior fashion editors, celebrity stylists and fashion KOLs to preview the products of the two brands in the new season. LINEA ROSA further held the 2019 Fall/Winter Media Preview Day and opened a new showroom in the prosperous Via Filippo Turati in Milan, which attracted a number of foreign media and fashion stylists.

In addition, the Group passed the assessment in the “Quality Tourism Services” certification scheme implemented by the Hong Kong Tourism Board and was recognized as a certified retailer. The products and services of participating retailers were assessed by three main criteria, namely “transparent price; clear product information; and superb customer service”, to attain the certification of the scheme and the recognition proves to be trustworthy for consumers. Moreover, the Group was named again as one of the “2019 Top 100 E-commerce Enterprises in Guangdong Province”. The annual assessment of “Top 100 E-commerce Enterprises in Guangdong Province” aims to acknowledge e-commerce enterprises with considerable amount of assets, huge social influence, promising development potential and a strong sense of social responsibility.

Apart from organizing marketing and promotion functions as well as participating in award-winning activities, the Group also fulfilled its corporate social responsibilities through collaboration with social service organizations to, among others, take part in charitable activities and environmental protection initiatives, offer youth internship programs and participate in youth training projects. During the year under review, the Group was honour to be awarded the “10 Years Plus Caring Company Logo” and the “Happy Company” award again. In future, the Group will continue to strive for better results while proactively participate in community affairs to contribute to the society.

OUTLOOK AND LONG-TERM STRATEGIES OF THE GROUP

At the beginning of 2020, the outbreak of COVID-19 materially impacted consumer sentiment. To meet the consumption demands accumulated during the outbreak, the Group will make use of the advantage of "contactless" transaction of e-commerce, expedite the development of e-commerce, proactively foster the exchange of traffic between online and offline channels and prepare to introduce new experiential shopping services in our physical stores to satisfy the demands accumulated during the outbreak, thereby improving our sales performance. Meanwhile, the uncertainty in the global economy and market still casts a shadow over the consumer markets in Hong Kong and the PRC. The Group will adopt a prudent and pragmatic approach that there has no expansion plan to open new stores in the short run. Instead, we will reduce the number of stores in certain regions and continue to reduce cost to increase our operational efficiency.

E-commerce business continues to play a key role in the Group's development. The new retail trend has entered the stage of stable development. A number of new competitors entered the e-commerce market while some e-commerce operators also opened offline physical stores. The e-commerce market has changed from the orientation of increasing traffic flow to meeting customer demand. To distinguish from numerous operators in the market, it is necessary to meet the needs and expectations of consumers. The Group will use information technology tools to analyze customers' buying habits and preferences, and explore the potential needs of the market by cooperating with suitable key opinion leaders in promotion. In addition, building relationships with VIPs is another key aspect of work, where we will establish more personalized communication with VIPs and provide them with more caring services. As usual, the Group conducts business with multiple large e-commerce platforms. In the following year, the Group will strengthen the cooperation with e-commerce platforms and develop low-tier markets as new growth engine.

In addition to working with e-commerce platforms and social networking e-commerce companies, the Group also actively searches for other partners such as department stores. During the reform of the industry, some department stores succeeded in the transformation to enhance their key operational capacities by introducing experience-based service to attract traffic, as well as implementing digital management in various aspects such as supply chain, marketing, payment and VIPs' database. With a mutual goal to provide better service for customers, having a strategic partnership with department stores, enable the Group and these department stores to benefit from the competitive edges of each other. In the future, shopping will not only offer physical products, but also provide an inspiring experience which is emotionally satisfying for the customers.

Besides, the Group will continue to reduce cost and improve operational efficiency through transition from manufacturing and sales of our own products to relying on purchase wholly from external subcontractors. The Group will concentrate its resources onto product development and design. By strengthening cooperation with overseas Italian designers, we will offer more stylish products to boost the brand awareness in the market. To keep abreast of new digital technology, the Group will implement modern management practice to utilize human resources in a more efficient manner.

The Group believes that we will strengthen our core competitive advantages by means of ongoing implementation of the above strategies and measures. We will strive for better results and create stable returns for our Shareholders when the market and economy recover.

PLEDGE OF ASSETS

As at 29 February 2020, bank deposit of RMB700,000 (28 February 2019: RMB700,000) 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 RMB135,000,000 (28 February 2019: RMB212,900,000), of which RMB780,000 (28 February 2019: RMB2,400,000) was utilised as at 29 February 2020.

DIVIDEND

The Board has not recommended a final dividend for the year ended 29 February 2020 (28 February 2019: no final dividend per ordinary share and a final special dividend of HK35.0 cents per ordinary share).

No interim dividend or interim special dividend was paid for the six months ended 31 August 2019. (six months ended 31 August 2018: no interim dividend and interim special dividend per ordinary share).

EMPLOYEES AND REMUNERATION POLICIES

As at 29 February 2020, the Group had a staff force of 2,394 people (28 February 2019: 2,958 people). Of this number, 53 were based in Hong Kong and Macau and 2,341 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 29 February 2020, including Directors' emoluments, net pension contributions and the value of employee services, amounted to RMB247,500,000 (2018/2019: RMB301,300,000). 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 29 February 2020.

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 29 February 2020 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 ("AGM")

The AGM is scheduled to be held on Monday, 13 July 2020. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 8 July 2020 to Monday, 13 July 2020 (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, 7 July 2020.

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 the following:-

(i) Code provision A.6.7 of the CG Code stipulates, among others, that generally independent non-executive Directors and other non-executive Directors should also attend general meetings. Due to other business engagement, Mr. Lee Tze Bun, Marces, a Non-Executive Director as he then (who resigned with effect from 16 October 2019), was unable to attend the annual general meeting of the Company held on 8 July 2019.

(ii) Code provision A.2.1 of the CG Code stipulates that the roles of Chairman and Chief Executive should be separate and should not be performed by the same individual. Following the resignation of Mr. Cheng Wang, Gary as Chief Executive Officer and Executive Director with effect from 16 October 2019, the position of Chief Executive Officer is currently vacant. The Company is in the process of identifying a suitable candidate to fill the position of Chief Executive Officer and the role and responsibility of the Chief Executive Officer are being performed by other Executive Directors of the Company for the time being.

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 29 February 2020 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 29 February 2020 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 29 February 2020 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 2020.

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, 25 May 2020

As at the date of this announcement, the Company's executive Directors are Ms. Chui Kwan Ho, Jacky, Ms. Liao Jian Yu and Mr. Li Wing Yeung, Peter; non-executive Director is Mr. James Ngai; 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.)