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le saunda holdings ltd.

萊爾斯丹控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 00738)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 28 FEBRUARY 2026**

FINANCIAL HIGHLIGHTS

		Year ended 28 February 2026	Year ended 28 February 2025	change	change in %
Revenue	<i>RMB million</i>	178.5	294.1	(115.6)	(39.3%)
Gross profit	<i>RMB million</i>	100.2	143.2	(43.0)	(30.1%)
Loss attributable to owners of the Company	<i>RMB million</i>	(58.5)	(100.8)		
Basic and diluted losses per share	<i>RMB cents</i>	(8.29)	(14.28)		
Dividends per share					
- interim, paid	<i>HK cents</i>	-	-		
- final, proposed	<i>HK cents</i>	-	-		

**For identification purpose only*

The board (the “Board”) of directors (the “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 2026 together with the comparative figures for the previous year. The consolidated results have been reviewed by the Company’s Audit Committee.

CONSOLIDATED INCOME STATEMENT

	<i>Note</i>	Year ended	
		28 February 2026 <i>RMB’000</i>	28 February 2025 <i>RMB’000</i>
Revenue	3	178,480	294,096
Cost of sales	5	<u>(78,324)</u>	<u>(150,888)</u>
Gross profit		100,156	143,208
Other income	4	2,167	2,618
Other losses, net	4	(5,511)	(9,553)
Impairment losses on trade receivables, net	5	(38)	(266)
Selling and distribution expenses	5	(84,032)	(164,519)
General and administrative expenses	5	<u>(67,883)</u>	<u>(81,887)</u>
Operating loss		(55,141)	(110,399)
Finance income, net	6	<u>7,060</u>	<u>9,612</u>
Loss before income tax		(48,081)	(100,787)
Income tax expense	7	<u>(10,458)</u>	<u>(2,505)</u>
Loss for the year		<u><u>(58,539)</u></u>	<u><u>(103,292)</u></u>
Loss for the year attributable to:			
- owners of the Company		(58,539)	(100,776)
- non-controlling interest		<u>-</u>	<u>(2,516)</u>
		<u><u>(58,539)</u></u>	<u><u>(103,292)</u></u>
Losses per share attributable to the owners of the Company (<i>expressed in RMB cents</i>)			
- Basic and diluted	8	<u><u>(8.29)</u></u>	<u><u>(14.28)</u></u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended	
	28 February	28 February
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
Loss for the year	(58,539)	(103,292)
Other comprehensive (loss)/income for the year, net of tax		
<i>Item that will not be reclassified to the consolidated income statement</i>		
- Actuarial gains on retirement benefit obligation	50	63
<i>Item that will be reclassified to the consolidated income statement</i>		
- Currency translation differences	<u>(18,482)</u>	<u>3,198</u>
Total comprehensive loss for the year	<u>(76,971)</u>	<u>(100,031)</u>
Total comprehensive loss for the year, attributable to:		
- owners of the Company	(76,971)	(97,515)
- non-controlling interest	<u>-</u>	<u>(2,516)</u>
	<u>(76,971)</u>	<u>(100,031)</u>

CONSOLIDATED BALANCE SHEET

	<i>Note</i>	As at 28 February 2026 <i>RMB'000</i>	As at 28 February 2025 <i>RMB'000</i>
ASSETS			
Non-current assets			
Investment properties		54,327	67,946
Property, plant and equipment		5,841	7,434
Right-of-use assets		15,158	16,857
Long-term deposits and prepayments		480	699
Deferred income tax assets		9,511	22,407
		<u>85,317</u>	<u>115,343</u>
Current assets			
Inventories		75,462	76,133
Trade and other receivables	10	16,794	23,348
Deposits and prepayments		18,251	31,510
Cash and bank balances		276,208	327,911
		<u>386,715</u>	<u>458,902</u>
Total assets		<u><u>472,032</u></u>	<u><u>574,245</u></u>
EQUITY			
Capital and reserves attributable to the owners of the Company			
Share capital		59,979	59,979
Reserves		346,307	423,428
Others		<u>346,307</u>	<u>423,428</u>
Total equity		<u><u>406,286</u></u>	<u><u>483,407</u></u>

CONSOLIDATED BALANCE SHEET (CONTINUED)

	<i>Note</i>	As at 28 February 2026 <i>RMB'000</i>	As at 28 February 2025 <i>RMB'000</i>
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		9,691	12,819
Lease liabilities		<u>2,115</u>	<u>968</u>
		<u>11,806</u>	<u>13,787</u>
Current liabilities			
Trade payables, other payables and contract liabilities	<i>11</i>	48,625	68,764
Lease liabilities		3,634	6,780
Current income tax liabilities		<u>1,681</u>	<u>1,507</u>
		<u>53,940</u>	<u>77,051</u>
Total liabilities		<u>65,746</u>	<u>90,838</u>
Total equity and liabilities		<u>472,032</u>	<u>574,245</u>

NOTES:

1 GENERAL INFORMATION

Le Saunda Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) are principally engaged in trading and sales of footwear and accessories. The Group mainly operates in the Chinese Mainland.

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 HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Companies Ordinance (Cap. 622, the Laws of Hong Kong). 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 Accounting Standards 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 applied the following standards and amendments for the first time for its annual reporting period commencing 1 March 2025:

HKAS 21 (Amendments) Lack of Exchangeability

The amendments listed above did not have any material 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 interpretation not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretation have been published that are not mandatory for 28 February 2026 reporting periods and have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1 March 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual improvements to HKFRS Accounting Standards – Volume 11	1 March 2026
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature -dependent Electricity	1 March 2026
HKFRS 18 (New standard)	Presentation and Disclosure in Financial Statements	1 March 2027
HKFRS 19 and amendments (New standard)	Subsidiaries without Public Accountability: Disclosures	1 March 2027
Hong Kong Interpretation 5 (Amendments)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 March 2027
HKAS 21 (Amendments)	Translation to a Hyperinflationary Presentation Currency	1 March 2027
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is in the process of assessing the impact of these amended standards and interpretations in the period of initial application. Other than those disclosed below, the Group does not expect the adoption of these amended standards and interpretations to have a material impact on the Group's financial statements when they become effective.

HKFRS 18 will replace HKAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not have any impact on the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the consolidated income statement and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of HKFRS 18 will have no impact on the Group’s net profit, the Group expects that grouping items of income and expenses in the income statement into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:
 - Foreign exchange differences currently aggregated in the line item ‘other losses, net’ in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
- The line items presented on the primary financial statements might change as a result of the application of the concept of ‘useful structured summary’ and the enhanced principles on aggregation and disaggregation.
- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
 - management-defined performance measures;
 - a break-down of the nature of expenses for line items presented by function in the operating category of the income statement– this break-down is only required for certain nature expenses; and
 - for the first annual period of application of HKFRS 18, a reconciliation for each line item in the income statement between the restated amounts presented by applying HKFRS 18 and the amounts previously presented applying HKAS 1.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 28 February 2027 will be restated in accordance with HKFRS 18.

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 perspective and assess the performance of operations on a geographical basis (Chinese Mainland and other regions 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 results. Segment result is loss before income tax, excluding gross rental income from an investment property, net exchange gains/(losses), fair value losses on investment properties, finance income, net and unallocated items.

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 28 February 2026 is as follows:

	Chinese Mainland RMB'000	Others RMB'000	Total RMB'000
Revenue from external customers	<u>178,480</u>	<u>-</u>	<u>178,480</u>
Reportable segment loss	<u>(51,335)</u>	<u>(211)</u>	<u>(51,546)</u>
Gross rental income from an investment property			2,014
Net exchange gains			4,226
Fair value losses on investment properties			(9,826)
Finance income, net			7,060
Unallocated items			<u>(9)</u>
Loss before income tax			<u>(48,081)</u>
Income tax expense			<u>(10,458)</u>
Loss for the year			<u>(58,539)</u>
Depreciation	10,534	-	10,534
Cost of sales	78,324	-	78,324
Reversal of impairment losses on inventories, net	(23,583)	-	(23,583)
Impairment losses on property, plant and equipment	1,485	-	1,485
Impairment losses on right-of-use assets	<u>1,193</u>	<u>-</u>	<u>1,193</u>
Additions to non-current assets (other than deferred income tax assets)	<u>13,039</u>	<u>-</u>	<u>13,039</u>

The segment information provided to the executive directors for the reportable segments for the year ended 28 February 2025 is as follows:

	Chinese Mainland <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from external customers	<u>294,096</u>	<u>-</u>	<u>294,096</u>
Reportable segment loss	<u>(102,418)</u>	<u>(261)</u>	(102,679)
Gross rental income from an investment property			1,886
Net exchange losses			(347)
Fair value losses on investment properties			(9,244)
Finance income, net			9,612
Unallocated items			<u>(15)</u>
Loss before income tax			(100,787)
Income tax expense			<u>(2,505)</u>
Loss for the year			<u>(103,292)</u>
Depreciation	18,990	-	18,990
Cost of sales	150,888	-	150,888
Provision for impairment losses on inventories, net	2,293	-	2,293
Impairment losses on property, plant and equipment	842	-	842
Impairment losses on right-of-use assets	<u>1,014</u>	<u>-</u>	<u>1,014</u>
Additions to non-current assets (other than deferred income tax assets)	<u>7,056</u>	<u>1,740</u>	<u>8,796</u>

For the years ended 28 February 2026 and 28 February 2025, revenues from external customers are mainly derived from the Group's own brands, LE SAUNDA, le saunda MEN, LINEA ROSA and LE SAUNDA YOUNG.

An analysis of the Group's assets and liabilities as at 28 February 2026 by reportable segment is set out below:

	Chinese Mainland RMB'000	Others RMB'000	Total RMB'000
Segment assets	<u>226,140</u>	<u>214,251</u>	440,391
Deferred income tax assets			9,511
Unallocated assets			<u>22,130</u>
Total assets per consolidated balance sheet			<u><u>472,032</u></u>
Segment liabilities	<u>53,002</u>	<u>1,337</u>	54,339
Current income tax liabilities			1,681
Deferred income tax liabilities			9,691
Unallocated liabilities			<u>35</u>
Total liabilities per consolidated balance sheet			<u><u>65,746</u></u>

An analysis of the Group's assets and liabilities as at 28 February 2025 by reportable segment is set out below:

	Chinese Mainland RMB'000	Others RMB'000	Total RMB'000
Segment assets	<u>292,020</u>	<u>237,974</u>	529,994
Deferred income tax assets			22,407
Unallocated assets			<u>21,844</u>
Total assets per consolidated balance sheet			<u><u>574,245</u></u>
Segment liabilities	<u>71,417</u>	<u>5,058</u>	76,475
Current income tax liabilities			1,507
Deferred income tax liabilities			12,819
Unallocated liabilities			<u>37</u>
Total liabilities per consolidated balance sheet			<u><u>90,838</u></u>

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

Revenue

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Chinese Mainland	<u>178,480</u>	<u>294,096</u>

For the years ended 28 February 2026 and 28 February 2025, 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

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Chinese Mainland	23,045	25,922
Hong Kong	314	1,428
Macau	<u>52,447</u>	<u>65,586</u>
Total	<u>75,806</u>	<u>92,936</u>

4 OTHER INCOME AND OTHER LOSSES, NET

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Other income		
Government incentives <i>(Note (a))</i>	153	732
Gross rental income from an investment property	<u>2,014</u>	<u>1,886</u>
	<u><u>2,167</u></u>	<u><u>2,618</u></u>
Other losses, net		
Net exchange gains/(losses) <i>(Note (b))</i>	4,226	(347)
Gains on early termination of leases	89	38
Fair value losses on investment properties	<u>(9,826)</u>	<u>(9,244)</u>
	<u><u>(5,511)</u></u>	<u><u>(9,553)</u></u>

Notes:

- (a) *Government incentives mainly represent grants received from the PRC government in subsidising the Group's general operations and employee salaries. There are no unfulfilled conditions or other contingencies attaching to these grants.*
- (b) *Net exchange gains/(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.*

5 EXPENSES BY NATURE

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

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Auditors' remuneration		
- Audit services	1,425	1,433
- Non-audit services	31	35
Depreciation of property, plant and equipment	3,766	5,416
Depreciation of right-of-use assets	6,768	13,574
Loss on write off/disposal of plant and equipment	911	1,142
Cost of sales	78,324	150,888
Expenses relating to short-term leases and variable lease payments	26,926	48,903
Freight charges	2,278	3,632
Postage and express charges	1,470	1,390
Advertising and promotional expenses	10,084	13,429
Employee benefit expenses (including directors' emoluments)	72,846	124,662
(Reversal of impairment)/provision for impairment losses on inventories, net	(23,583)	2,293
Impairment losses on trade receivables, net	38	266
Impairment losses on property, plant and equipment (<i>Note</i>)	1,485	842
Impairment losses on right-of-use assets (<i>Note</i>)	1,193	1,014
Direct operating expenses arising from an investment property that generated rental income	165	159

Note:

Certain retail stores with operations were making losses during the year. The Group regards each individual retail store as a separately identifiable cash-generating unit and carries out impairment assessment for the retail stores which have indicators of impairment. As a result, impairment loss of approximately RMB1,485,000 (2025: RMB842,000) and approximately RMB1,193,000 (2025: RMB1,014,000) 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.

6 FINANCE INCOME, NET

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Interest income on bank deposits	7,421	10,444
Interest expense on lease liabilities	(361)	(682)
Interest expense on short-term bank loan	-	(150)
	<u>7,060</u>	<u>9,612</u>

7 INCOME TAX EXPENSE

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Current income tax		
- People's Republic of China ("the PRC") corporate income tax	279	745
Deferred income taxation	<u>10,179</u>	<u>1,760</u>
	<u>10,458</u>	<u>2,505</u>

The PRC corporate income tax is provided for on the profits of the Group's subsidiaries in the PRC at 25% (2025: 25%).

The applicable rate of Hong Kong profits tax is 16.5% (2025: 16.5%). No provision for Hong Kong profits tax has been made in the consolidated financial statements as the Group does not have any assessable profit arising in Hong Kong during each of the two years ended 28 February 2026 and 28 February 2025.

The applicable rate of Macau complementary tax is 12% (2025: 12%). No provision for Macau complementary tax has been made in the consolidated financial statements as the Group does not have any assessable profit arising in Macau during each of the two years ended 28 February 2026 and 28 February 2025.

8 LOSSES PER SHARE

Basic

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

	2026	2025
Loss attributable to owners of the Company (<i>RMB'000</i>)	<u>(58,539)</u>	<u>(100,776)</u>
Weighted average number of ordinary shares in issue (<i>'000</i>)	<u>705,875</u>	<u>705,895</u>
Basic losses per share (<i>RMB cents</i>)	<u>(8.29)</u>	<u>(14.28)</u>

Diluted

For the years ended 28 February 2026 and 28 February 2025, the diluted losses per share were the same as basic losses per share as there was no dilutive potential ordinary share outstanding.

9 DIVIDEND

At the Board meeting held on 26 May 2026, the Directors did not propose a payment of final dividend for the year ended 28 February 2026 (2025: no final dividend).

10 TRADE AND OTHER RECEIVABLES

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Trade receivables	14,730	20,883
Less: loss allowance	<u>(984)</u>	<u>(946)</u>
	13,746	19,937
Other receivables	<u>3,048</u>	<u>3,411</u>
	<u><u>16,794</u></u>	<u><u>23,348</u></u>

The credit periods of the Group's customers generally range from 30 to 60 days from the invoice date. 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, based on invoice date is as follows:

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Current to 30 days	12,834	19,081
31 to 60 days	640	843
61 to 90 days	107	387
Over 90 days	<u>1,149</u>	<u>572</u>
	<u><u>14,730</u></u>	<u><u>20,883</u></u>

11 TRADE PAYABLES, OTHER PAYABLES AND CONTRACT LIABILITIES

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Trade payables	11,848	9,148
Other payables	33,174	49,992
Value added tax payables	2,689	7,923
Contract liabilities	914	1,701
	<u>48,625</u>	<u>68,764</u>

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

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Current to 30 days	11,773	9,073
31 to 60 days	-	-
61 to 90 days	-	-
91 to 120 days	-	-
Over 120 days	75	75
	<u>11,848</u>	<u>9,148</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

OPERATING RESULTS

The Group is engaged in the design, development and retailing of ladies' and men's footwear, handbags and fashionable accessories in the Chinese Mainland. The major proprietary brands of the Group include LE SAUNDA, le saunda MEN, LINEA ROSA and LE SAUNDA YOUNG, which aim to appeal to diversified target customer groups with their distinctive product lines.

For the financial year 2025/26, total revenue of the Group decreased by 39.3% year-on-year to RMB178,500,000 (2024/25: RMB294,100,000). Consolidated gross profit decreased by 30.1% year-on-year to RMB100,200,000 (2024/25: RMB143,200,000), and an overall gross profit margin of 56.1% was recorded, representing an increase of 7.4 percentage points as compared to the corresponding period in the previous financial year. For the financial year 2025/26, consolidated loss attributable to owners of the Company was RMB58,500,000 (2024/25: consolidated loss of RMB100,800,000).

RMB (million)	2025/26	2024/25	Change
Revenue	178.5	294.1	(39.3%)
Gross profit	100.2	143.2	(30.1%)
Gross profit margin	56.1%	48.7%	7.4 percentage points
Consolidated loss attributable to owners	(58.5)	(100.8)	
Final dividend (HK cents)	-	-	
Final special dividend (HK cents)	-	-	

PROFITABILITY ANALYSIS

Although the overall economy in the Chinese Mainland has gradually improved during the year under review, consumers' demand for apparel and footwear and consumer confidence have not shown a significant recovery. In addition, intensifying rivalry within the industry has affected the Group's sales performance for the year. Hence, the total revenue of the Group decreased by 39.3% year-on-year to RMB178,500,000. Meanwhile, the Group recorded a gross profit of RMB100,200,000 (2024/25: RMB143,200,000), representing a year-on-year decrease of 30.1%. However, with the Group's flexible strategies in dealing with slow-moving inventory, during the year under review, it effectively reduced off-season stock, improved the sales mix, and the sales contribution of new season products increased, compared with the corresponding period of last year, and the gross profit margin increased by 7.4 percentage points to 56.1%, as compared to last year.

The selling and distribution expenses decreased by 48.9% year-on-year to RMB84,000,000 (2024/25: RMB164,500,000) during the year under review. The Group continuously focused on optimising its store network and reducing underperforming stores to save fixed selling and distribution expenses. Among these, apart from the substantial year-on-year drop in frontline staff costs, one-off employee compensation expenses incurred following the staff redundancy due to store consolidation were also lower than the previous year. Accordingly, the ratio of selling and distribution expenses to total revenue decreased by 8.8 percentage points to 47.1% (2024/25: 55.9%).

During the year under review, the Group continued to streamline its back-office structure and simultaneously optimise the resource allocations of regional offices and staff headcounts to enhance overall operational efficiency. Although the Group incurred one-off employee compensation expenses because of staff optimisation, the overall general and administrative expenses were effectively reduced through cost control and resource reallocation. The Group's recorded general and administrative expenses during the year under review decreased by 17.1% to RMB67,900,000 as compared to the corresponding period of last year (2024/25: RMB81,900,000). Nonetheless, given that the nature of back-office expenses is mostly fixed cost, coupled with a significant decline in the Group's sales, the proportion of general and administrative expenses to total revenue increased by 10.2 percentage points to 38.0% (2024/25: 27.8%).

The overall other income decreased by 17.2% year-on-year to RMB2,200,000 (2024/25: RMB2,600,000) during the year under review. Other income comprised of property rental income of RMB2,000,000 and local government subsidies of RMB200,000.

During the year under review, other losses, net, were RMB5,500,000 (2024/25: losses of RMB9,600,000). Among which, there were impairment losses on the investment properties of RMB9,800,000. Furthermore, as a result of appreciation of Renminbi, the Group recorded exchange gains of RMB4,200,000 (2024/25: losses of RMB300,000).

The consolidated loss attributable to owners of the Company amounted to RMB58,500,000 (2024/25: loss of RMB100,800,000). Basic losses per share amounted to RMB8.29 cents (2024/25: losses of RMB14.28 cents).

INCOME TAX

During the year under review, income tax expenses amounted to approximately RMB10,500,000 (2024/25: RMB2,500,000). The income tax expenses mainly included the deferred tax expenses made for the reversal of provision items. Since 2012, all business entities of the Group in the Chinese Mainland are subject to an income tax rate of 25%, while the profit tax rate for operations in Hong Kong remains at 16.5%. Pursuant to the Enterprise Income Tax Law of the Chinese Mainland, 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 28 February 2026, the Group's inventory balance, net of provision for impairment, was RMB75,500,000, representing a decrease of 0.9% as compared to that of last year.

Details of the inventory balance were as follows:

RMB (million)	As at 28 February 2026	As at 28 February 2025	Changes in value	Changes in %
Finished goods	<u>75.5</u>	<u>76.1</u>	<u>(0.6)</u>	(0.9%)

During the year under review, in response to the sluggish retail market and evolving consumption patterns, the Group adopted a prudent strategy in executing its procurement plans, continuously assessing market demand and inventory turnover, appropriately increased the procurement of products for the current and upcoming season, to ensure that the mix of new and old products was kept at a reasonable level. At the same time, the Group effectively reduced the overstock of off-season products through diversified sales channels and flexible deployment of products. The proportion of the inventory of footwear aged less than one year increased by 15.4 percentage points to 63.6% as at 28 February 2026 (28 February 2025: 48.2%) and inventory turnover of finished goods had increased by 62 days to 353 days (2025: 291 days).

LIQUIDITY AND FINANCIAL RESOURCES

The Group's financial position still remained very strong and healthy. As at 28 February 2026, the Group's cash and bank balances amounted to RMB276,200,000 (28 February 2025: RMB 327,900,000), representing a decrease of 15.8% year-on-year. Despite the lack of significant recovery in the retail market, the Group still maintains sufficient cash. If necessary, the Group can maintain sufficient working capital through banking facilities provided by its major banks in Hong Kong and the Chinese Mainland, including but not limited to revolving loans and trade finance, mainly at floating interest rates. At the end of the financial year, the quick ratio was 5.4 times (28 February 2025: 4.6 times). During the year under review, the Group did not borrow any bank loans. As at 28 February 2026, the Group has no outstanding bank loans (28 February 2025: Nil). Forward contracts will be used, if necessary, to hedge related debts and bank borrowings arising from overseas purchases. In addition, the Group did not enter into any forward contracts to hedge its foreign exchange risks during the year under review.

During the year ended 28 February 2026, the Group's cash and bank balances were held in Hong Kong dollars, United States dollars and Renminbi, respectively and all deposits maturing within one year were placed in leading banks. 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 in development.

BUSINESS REVIEW

OVERVIEW

During the year under review, international trade regulations underwent a period of restructuring as global supply chains faced profound adjustments. With the global economic recovery remaining subdued and growth rates varying across nations, instability and uncertainty have become the new norm. Amidst this challenging external environment, the Chinese government remained committed to its domestic priorities. The Chinese government has, through a proactive approach coordinated suite of macro-policies. The authorities have not only effectively stabilised the economic fundamentals, but have also made strides of high-quality development in key areas, injecting stronger momentum into overall development and accelerating the pace of growth. Consequently, as the concluding year of the “14th Five-Year Plan”, the Chinese economy demonstrated promising strategic composure and resilience. According to official data from the National Bureau of Statistics of the PRC, the gross domestic product (GDP) grew by 5.0% year-on-year in 2025, achieving a historic breakthrough with the total amount surpassing the RMB140 trillion, marking a new milestone in the scale of the Chinese economy. This numerical growth also demonstrates that the Chinese economy has resilience to maintain its competitive edge amidst challenges, moving forward with steady progress.

During the year under review, despite the resilience and vitality observed in the Chinese Mainland’s macro-economic indicators, the micro-level retail market underwent a profound transformation. The retail landscape in the Chinese Mainland inevitably faced challenges stemming from the external environment, characterised by slowing user spending growth and intensifying competition within the e-commerce sector, which led to rising customer acquisition costs. Concurrently, the recovery of offline physical retail lagged behind expectations, with the shifting consumption patterns presenting persistent headwinds for physical operations. Furthermore, consumer sentiment has become increasingly prudent. In response to economic pressures or market changes, consumers have shown a clear preference for products that offer higher value-for-money and are more affordable, while also preferring goods supported by government subsidies. The Group’s total retail revenue for the year under review decreased by 39.3% to RMB178,500,000 (2024/25: RMB294,100,000). In response to the current market environment, the Group implemented a rigorous strategy of assessing single stores within its retail network by timely evaluating the sales performance and cost structure of individual stores and thereby making optimisations. The year-on-year decline in same-store sales narrowed to 6.3% (2024/25: 20.1%).

RETAIL NETWORK

The Chinese Mainland is currently the key market of the Group’s retail business. As at the end of the year under review, the Group had a total of 81 physical stores in the Chinese Mainland. The number of self-owned stores dropped by 72 to 60, of which the number of Group’s core brand LE SAUNDA was 55, representing a net decrease of 60 stores as compared to the end of last year. The number of franchised stores was 21, remained unchanged during the year under review.

As at 28 February 2026, 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)	
Chinese Mainland						
• Northern Region	26	(-34)	20	(-1)	46	(-35)
• Eastern Region	22	(-27)	0	(0)	22	(-27)
• Southern Region	12	(-11)	1	(1)	13	(-10)
Total	<u>60</u>	<u>(-72)</u>	<u>21</u>	<u>(0)</u>	<u>81</u>	<u>(-72)</u>

CHINESE MAINLAND

RETAIL BUSINESS

In 2025, the total retail sales of consumer goods in the PRC exceeded RMB50 trillion, representing a year-on-year increase of 3.7%, with high-tech products and service consumption emerging as the primary growth drivers. The Chinese government has vigorously promoted “large-scale equipment upgrade” and “consumer goods trade-in” policies and actively collaborated with relevant authorities, resulting in an accelerated growth in the sales of home appliances, automobiles and other products, which have played a significant role in driving the rebound of overall consumption in the Chinese Mainland. Regarding the retail sales of consumer goods in garments, footwear, hats and knitwear categories, there was a year-on-year increase of 3.2%, which was slightly below the total retail sales of consumer goods.

The retail market is undergoing a gradual transition from "low-priced consumption" to "value-driven consumption". In addition, the Chinese government rolled out initiatives for anti-involution advocacy, the Group has therefore established its clear strategic direction by steadfastly advancing its business strategies. The core strategy of the Group is to focus on further elevating product quality, and comprehensively improving consumers’ shopping experience by optimising its offline store network and strengthening online marketing efficiency, thereby building a robust foundation for enhancing the brand value in future. The Group continues to strengthen its core competitiveness through the efficiency of streamlined operational management, ensuring the effective implementation of strategic deployments. While consolidating the established competitiveness in the market, the Group also proactively promotes sustainable business growth, remaining highly responsive to address various challenges in order to promptly identify and seize the new opportunities.

The recovery of the footwear retail market has been slower than expected, and the industry continues to face intense competition and involution as well as consumer caution on their spending. Under this backdrop, the Group's retail revenue for the year under review saw a year-on-year decline of 39.3% to RMB178,500,000 (2024/25: RMB294,100,000). Despite these headwinds, the Group implemented strategic measures to comprehensively optimise its offline distribution network. The Group reviewed the performance of each physical store, particularly underperforming department store outlets burdened by fixed rents and stores situated in areas with lower purchasing power. Where necessary, the Group made the decisive choice to close these stores to consolidate the retail shops' presence within key cities. This initiative ensures that the store portfolio is now highly concentrated within large shopping malls and large-scale department stores with high customer traffic, thereby achieving maximum efficiency in reaching the Group's target customer base.

At the operational level, the Group places a strong emphasis on strengthening product quality control to enhance customer confidence and loyalty through exceptional quality. Furthermore, the Group has consistently refined its inventory structure. By regularly reviewing and promptly clearing off slow-moving and out-of-season inventory, the Group ensures that inventory remain at an appropriate level, thereby improving inventory turnover and accelerating cash flow, as well as providing a solid foundation for the Group's operational stability and financial liquidity amid challenging business conditions. On the other hand, during the year under review, the Group implemented organisational streamlining measures across both store operations and back-office departments. By centralising management functions at the headquarters and leveraging synergies within the back-office departments, the Group not only accelerated decision-making processes but also significantly improved operational efficiency and its ability to respond to market dynamics. This centralisation strategy has effectively integrated resources and eliminated overlapping roles between headquarters and regional offices, ensuring a more cost-effective allocation of resources. While maintaining rigorous internal controls, the Group has concurrently broadened the scope of duties for its employees. This initiative is designed to enhance departments' execution and inspire employees with a sense of innovation and accountability through empowerment. The aforementioned strategic changes are not merely aimed at cost savings, these also help to reduce capital expenditures by optimizing existing assets and corporate structures, so that the Group could utilise the saved resources and shift its focus toward brand building, product development, process management, and customer relations through the leveraging of an asset-light model. This approach will inject momentum into long-term development and lay the solid foundation for future growth.

To adapt to evolving consumption patterns and engage target customers with greater precision, the Group has proactively advanced its brand image and enhanced its offline retail channel. During the year under review, the Group's flagship stores located at shopping malls enhanced customers' shopping experience through spacious layouts and comprehensive product lineups. These flagship stores not only feature rapid new product rollouts, but also provide professional services through sales consultants who possess extensive experience in footwear. Through close engagement with its customers, the Group gains precise insights into market needs and develops footwear products that combine quality, comfort and personalisation.

In terms of brand promotion, the Group has entered into short-term collaborations with celebrities and social media influencers whose values align closely with the brand's philosophy and who wield significant influence in the fashion industry. Since February 2026, the Group partnered with Selena Lee to promote the "Running Boss Queen" collection. Through product unboxings and the sharing of personal experiences, this collaboration effectively conveyed the superb comfort and premium texture of the collection, reinforcing the brand's sophisticated and professional image for commuters. Furthermore, the Group orchestrated themed marketing campaigns for the flagship store launch, offering exclusive member privileges and collaborations with shopping malls. These initiatives successfully generated significant regional presence and precisely engaged the target customers, resulting in an uplift of both new customer acquisition and brand prestige.

E-COMMERCE BUSINESS

According to data from the National Bureau of Statistics, the total national online retail sales reached RMB15.97 trillion in 2025, representing a year-on-year increase of 8.6%, among which, online retail sales of wearable goods grew by only 1.9%. While these figures indicate that the overall e-commerce market in the Chinese Mainland continues to grow steadily, they also reflect sluggish growth in online retail sales of wearable goods. Furthermore, while regulatory policies are becoming increasingly robust, which help promote platform compliance and accelerate the industry's standardisation, they also place a certain amount of pressure on the e-commerce sector to certain extent. At the same time, consumer demand for lower-priced goods persists. Such a consumption downgrade has intensified the competition within the industry. As a result, the Group has faced greater challenges in acquiring online customers and its sales costs remain high. During the year under review, factors such as intensifying online brand competition, shifts in the consumer market and persistently high industry-wide return rates have led to a year-on-year decrease of 7.1% of the overall e-commerce revenue of the Group.

The e-commerce sector is currently undergoing a transformation. Beyond mere price competition, the focus has gradually shifted towards service quality, footwear craftsmanship and ecosystem development. Consumers are increasingly prioritising cost-effectiveness, value alignment and emotional connections with products, rather than simply pursuing low prices. The Group fully understands that continuously lowering prices to gain market share will only damage its brand image and drive up sales costs. To address this situation, the Group is dedicated to fostering closer engagement with its online customers and further enhancing sales conversion rate. During the year under review, the Group reviewed and launched a more effective membership benefits program and upgraded the CRM system. The Group has also actively integrated technology into customer relationship management to promote data-driven decision-making. Firstly, the system enables a comprehensive analysis of sales data, covering traffic, transactions and consumer behaviour. This allows the Group to gain a more profound understanding of customers' consumption patterns, enabling its teams to devise and execute precisely tailored marketing solutions. Furthermore, the new system offers members diverse promotional activities, which not only enrich their shopping experience and encourage repeat purchases, but also strengthen brand loyalty and reinforce the brand value.

The Group is proactively pursuing diversified online marketing initiatives to cultivate a strong brand presence. The Group is dedicated to forging closer partnerships with traditional e-commerce platforms and emerging social media platforms. By regularly running promotional campaigns on e-commerce platforms, the Group has effectively driven traffic to these platforms, establishing a mutually beneficial partnership. In addition, the Group has expanded its presence on social media platforms such as Douyin and Xiaohongshu, using content marketing to generate brand buzz and leveraging direct marketing strategies to generate private traffic, thereby establishing direct connections with consumers. In addition, the Group has focused on strengthening its live-streaming commerce to gain the synergies between online and offline channels. Through live-streaming, the hosts could effectively communicate with the online audience and clearly highlight product features, sparking viewers' desire to purchase. At the same time, live-stream content can drive traffic to physical stores, forming synergies between online and offline channels that complement each other. The Group's industry standing and brand power continue to be accredited by a recognised authority. In May 2025, the Guangdong Electronic-Commerce Association has once again appointed one of the Group's major subsidiaries as its executive director unit. By performing its duties as the director unit, that subsidiary could effectively enhance the goodwill and brand influence of the Group.

OUTLOOK AND LONG-TERM STRATEGIES OF THE GROUP

Looking ahead to 2026, the global economy is expected to maintain modest growth, yet it remains subject to multiple external challenges, including the lingering effects of tariff policies and sovereign debt risks. Nevertheless, key economic indicators for the first quarter of 2026 recently released by the Chinese Mainland indicate that the Chinese's economy continues to show positive momentum. These include GDP growth of 5.0%, exceeding the 4.5% growth recorded in the fourth quarter of last year; a year-on-year increase of 0.9% in the Consumer Price Index (CPI), an expansion of 0.4 percentage point from the previous quarter; and a year-on-year decline of 0.6% in the Producer Price Index (PPI), a narrowing of 1.5 percentage points from the previous quarter. GDP data is one of the key indicators for measuring the retail sector. When GDP growth is stable, it is typically accompanied by an increase in disposable income, which in turn boosts consumer spending. In the inaugural year of the "15th Five-Year Plan", the Chinese government is set to introduce a more proactive set of macro-policies to bolster the economy. With the progressive implementation of stimulus measures and a steady revival in consumer sentiment, the retail market is expected to achieve solid and steady growth. The Group is confident in the medium- to long-term growth prospects of the consumer market of the Chinese Mainland. Adopting a business philosophy of "seeking progress while maintaining stability", the Group will accurately seize future opportunities. From the aspects of design and development to product quality, sales networks, and marketing strategies, the Group will continue to implement in-depth and comprehensive optimisations and upgrades to strengthen brand resilience in order to deal with challenges in future.

The Group remains dedicated to cultivating a unique and identical brand vibe, crafting high-quality products with a signature aesthetic. The design philosophy will align more precisely with the personalised demands of the target customers, discarding from merely following the trends and homogenised development. The Group will also continue to rigorously select suppliers with exceptional production capabilities, while strengthening quality-control mechanisms for finished goods. This will enhance consumer confidence in its products and reduce the need for returns, rework and repairs due to defects or quality issues, thereby improving the efficiency of the product supply chain.

In terms of the distribution network, the Group will continue to dynamically assess the contribution of individual stores and close the underperformed stores. The existing stores are located in department stores and shopping centres renowned for their comprehensive performance and operational management. The Group will continue to collaborate with these shopping centres and department stores to launch various promotional activities, increasing customer traffic and improving store performance to create a mutually beneficial situation. When identifying potential locations for new core stores in the future, the Group will not only evaluate customer traffic at department stores and shopping centres, but will also conduct a comprehensive assessment of the surrounding commercial environment and supporting facilities as well as their growth potential.

In terms of marketing strategy, the Group will continue its collaboration with renowned celebrities and prominent social media influencers to spearhead thematic campaigns for the latest footwear collections. This approach not only heightens consumer interest in new arrivals, but also enhances brand awareness. On top of that, the use of celebrity styling demonstrations and product feature overviews allows the Group to establish a deep emotional connection with its target audience, fostering a stronger emotional resonance when they purchase our products. Building upon the successful collaboration with Selena Lee, the Group has integrated the comfortability of its products and the daily wardrobe needs of urban professional women, thereby enhancing the brand's image as a stylish choice in the high-end business sector. In the next phase, the Group will partner with well-known actresses, expanding its promotion focus from commuting to leisure and vacation settings to address the diverse styling needs of urban women in workplaces and their daily lives. The Group will also place greater emphasis on style trends of the youth and target customers who prioritise comfort, thereby broadening its reach and enhancing customer loyalty.

To further enhance brand value and strengthen engagement with the target customers, the Group will host exclusive annual member events at core regional stores and flagship stores. These arrangements will introduce seasonal brand themes in phases, translating them into immersive on-site experiences for the members. Highlights of these events include professional aesthetics seminars, emotional wellness workshops and floristry classes, where the Group invites accomplished women to share their practical insights and engage in discussions. By creating high-quality social experiences and providing more targeted content, the Group will continue to strengthen the connection between its brands and their female customer base.

The Group insists on the brand philosophy: building a brand with heart, developing products with integrity and approaching users with honesty. Having persevered through the hardships for nearly half a century, the Group has accumulated extensive operational experience, established a solid market foundation, built a strong brand reputation, and developed a proven ability to navigate crises. In navigating a challenging and rapidly evolving consumer market, the Group will leverage its industry experience accumulated and continuously review and optimise its operational strategies, while taking appropriate measures in response to market changes, thereby demonstrating highly effective management and leadership capabilities. In addition, the Group has a solid financial foundation, a clear strategic direction, and also prioritises innovation as a key focus for long-term development, maintaining a keen awareness of trends and market demands, striving to execute a forward-looking deployment in a competitive environment, thereby building momentum for future growth of the Group.

PLEDGE OF ASSETS

As at 28 February 2026, the Group had no pledge of assets (28 February 2025: Nil).

CORPORATE GUARANTEES

The Company has given corporate guarantees in favour of banks for banking facilities granted to certain subsidiaries of the Company on letters of credit and bank loans to the extent of RMB60,700,000 (28 February 2025: RMB111,500,000), of which no credit amount was utilised as at 28 February 2026 (28 February 2025: Nil).

DIVIDEND

The Board has not recommended to declare a final dividend for the year ended 28 February 2026 (28 February 2025: no final dividend).

No interim dividend was paid for the six months ended 31 August 2025 (six months ended 31 August 2024: no interim dividend).

EMPLOYEES AND REMUNERATION POLICIES

As at 28 February 2026, the Group had a full-time staff force of 264 people (28 February 2025: 595 people), of which 11 and 253 were based in Hong Kong and the Chinese Mainland respectively. The remuneration level of the Group's employees was in line with market trends and commensurate with 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 2026, including Directors' emoluments and net pension contributions, amounted to RMB72,800,000 (2024/25: RMB124,700,000). The Group has all along organised structured and diversified training programmes for staff at different levels. External consultants will be invited to broaden the contents of the training programmes.

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

During the financial year ended 28 February 2026, the Company repurchased a total of 628,000 ordinary shares of the Company on the Stock Exchange. The details of the repurchases were disclosed as follows:

Month of Repurchase	No. of Shares Repurchased	Highest Price Paid	Lowest Price Paid	Aggregate Consideration
February 2026	628,000	HK\$0.280	HK\$0.242	HK\$163,578

AUDIT COMMITTEE

During the year under review, the audit committee (the “Audit Committee”) of the Board comprises four independent non-executive Directors, namely Mr. Lam Siu Lun, Simon (“Mr. Lam”) (chairman of the Audit Committee), Mr. Leung Wai Ki, George, Mr. Hui Chi Kwan and Ms. Chan Kit Yin. 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 Company’s 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 2026 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 annual general meeting of the Company (the “AGM”) is scheduled to be held on Monday, 13 July 2026. 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 2026 to Monday, 13 July 2026 (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 2026.

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 of the Company (the “Shareholders”) and create values for the Shareholders.

During the year under review, the Company has complied with the code provisions of, and applied the principles in, the Corporate Governance Code (the “CG Code”) as set out in Part 2 of Appendix C1 to the Listing Rules save for the deviations described below. Since October 2019, the position of Chief Executive Officer has been vacant. To ensure the roles of the Chairman and the Chief Executive Officer not to be performed by the same individual, while Mr. James Ngai, a non-executive Director, is the Chairman, the responsibilities of the Chief Executive Officer for the conduct of the business of the Company have been taken up by the incumbent executive Director, who has extensive knowledge of the Group’s operations and business issues, particularly on corporate strategy matters, that he can exercise the appropriate judgement and make proposal to the Board.

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 C3 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 enquiries 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 2026 and up to the date of this announcement.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

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 2026 as set out in this preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on this preliminary announcement.

PUBLICATION OF ANNUAL REPORT AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The annual report and environmental, social and governance report of the Company for the year ended 28 February 2026 containing all the information required by the Listing Rules will be despatched to the Shareholders (if printed copy is requested) 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 2026.

ACKNOWLEDGEMENT

The Board would also like to take this opportunity to express its gratitude to all our staff for their respective dedication and hard work, plus its sincere appreciation to all customers, business partners and Shareholders for their continuing support.

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

Hong Kong, 26 May 2026

As at the date of this announcement, the Company's executive Director is Mr. Li Wing Yeung, Peter; Chairman and non-executive Director is Mr. James Ngai; independent non-executive Directors are Mr. Lam Siu Lun, Simon, Mr. Leung Wai Ki, George, Mr. Hui Chi Kwan and Ms. Chan Kit Yin.

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