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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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2026

FINANCIAL HIGHLIGHTS

		Six months ended 31 August			
		2026	2025	Change	Change in %
Revenue	*RMB million*	**68.1**	95.8	(27.7)	(28.9)
Gross profit	*RMB million*	**32.9**	55.6	(22.7)	(40.8)
Loss attributable to owners of the Company	*RMB million*	**(18.6)**	(31.4)		
Basic and diluted loss per share	*RMB cents*	**(2.68)**	(4.44)		
Dividend per share - interim	*HK cents*	**-**	-		

** For identification purpose only*

The board (the "Board") of directors (the "Directors") of Le Saunda Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (together the "Group") for the six months ended 31 August 2026. The unaudited condensed consolidated interim results for the six months ended 31 August 2026 have not been audited by the Company's auditors, but have been reviewed by the Company's audit committee.

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

For the six months ended 31 August 2026

		Unaudited	
		Six months ended 31 August	
		2026	2025
	Note	***RMB'000***	*RMB'000*
Revenue	*4*	**68,093**	95,808
Cost of sales	*6*	**(35,179)**	(40,223)
Gross profit		**32,914**	55,585
Other income	*5*	**2,397**	1,074
Other gains, net	*5*	**1,392**	1,509
Selling and distribution expenses	*6*	**(31,013)**	(50,455)
General and administrative expenses	*6*	**(24,928)**	(34,481)
Operating loss		**(19,238)**	(26,768)
Finance income, net	*7*	**2,740**	3,769
Loss before income tax		**(16,498)**	(22,999)
Income tax expense	*8*	**(2,122)**	(8,357)
Loss for the period		**(18,620)**	(31,356)
Loss for the period attributable to:			
- owners of the Company		**(18,620)**	(31,356)
Loss per share attributable to owners of the Company *(expressed in RMB cents)*			
- Basic and diluted	*9*	**(2.68)**	(4.44)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 31 August 2026

	Unaudited Six months ended 31 August	
	2026	2025
	RMB'000	*RMB'000*
Loss for the period	**(18,620)**	(31,356)
Other comprehensive loss		
Item that will be reclassified to profit or loss		
- Currency translation differences	**(5,906)**	(7,277)
Other comprehensive loss for the period	**(5,906)**	(7,277)
Total comprehensive loss for the period	**(24,526)**	(38,633)
Total comprehensive loss for the period, attributable to:		
- owners of the Company	**(24,526)**	(38,633)

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
As at 31 August 2026

	Note	**Unaudited 31 August 2026 *RMB'000***	Audited 28 February 2026 *RMB'000*
ASSETS			
Non-current assets			
Investment properties		**53,136**	54,327
Property, plant and equipment		**5,550**	5,841
Right-of-use assets		**15,413**	15,158
Long-term deposits and prepayments		**559**	480
Deferred income tax assets		**7,212**	9,511
		81,870	85,317
Current assets			
Inventories		**66,355**	75,462
Trade receivables and other receivables	*11*	**11,908**	16,794
Deposits and prepayments		**17,142**	18,251
Cash and bank balances		**267,209**	276,208
		362,614	386,715
Total assets		**444,484**	472,032
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		**59,010**	59,979
Reserves			
Others		**315,776**	346,307
Total equity		**374,786**	406,286

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (CONTINUED)
As at 31 August 2026

	Note	**Unaudited 31 August 2026** ***RMB'000***	Audited 28 February 2026 *RMB'000*
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**9,562**	9,691
Lease liabilities		**1,927**	2,115
		11,489	11,806
Current liabilities			
Trade payables, other payables and contract liabilities	*12*	**52,190**	48,625
Lease liabilities		**4,693**	3,634
Current income tax liabilities		**1,326**	1,681
		58,209	53,940
Total liabilities		**69,698**	65,746
Total equity and liabilities		**444,484**	472,032

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 Chinese Mainland.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Richmond House, 12 Par-la-Ville Road, Hamilton HM 08, Bermuda.

The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

This condensed consolidated interim financial information is presented in thousands of units of Renminbi (RMB'000), unless otherwise stated. This condensed consolidated interim financial information was approved for issue by the board ("the Board") of directors (the "Directors") on 26 October 2026.

This condensed consolidated interim financial information has not been audited or reviewed by the Company's external auditors, but has been reviewed by the Company's audit committee.

2 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information of the Group for the six months ended 31 August 2026 has been prepared in accordance with Hong Kong Accounting Standards ("HKAS") 34 'Interim Financial Reporting'. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 28 February 2026, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

3 PRINCIPAL ACCOUNTING POLICIES

The accounting policies applied in the condensed consolidated interim financial information for the six months ended 31 August 2026 are consistent with those adopted in the consolidated financial statements for the year ended 28 February 2026, except for the adoption of new and amended standards as set out below.

New and amended standards adopted by the Group

The Group has applied the following new and amended standards for the first time for their reporting period beginning on 1 March 2026 as set out below:

HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual improvements to HKFRS Accounting Standards – Volume 11
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature - dependent Electricity

The adoption of the above new and amended standards did not have any material impact on the Group's accounting policies.

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 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 result. Segment result is loss before income tax, excluding gross rental income from an investment property, other gains, net, 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.

(i) The segment information provided to the executive Directors for the reportable segments for the six months ended 31 August 2026 is as follows:

	Unaudited Six months ended 31 August 2026		
	Chinese Mainland ***RMB'000***	**Others** ***RMB'000***	**Total** ***RMB'000***
Revenue from external customers	**68,093**	**-**	**68,093**
Reportable segment loss	**(21,521)**	**(96)**	**(21,617)**
Gross rental income from an investment property			**992**
Other gains, net			**1,392**
Finance income, net			**2,740**
Unallocated items			**(5)**
Loss before income tax			**(16,498)**
Income tax expense			**(2,122)**
Loss for the period			**(18,620)**
Depreciation	**5,445**	**-**	**5,445**
Cost of sales	**35,179**	**-**	**35,179**
Reversal of impairment losses on inventories, net	**1,214**	**-**	**1,214**
Additions to non-current assets (Other than deferred income tax assets and long-term deposits and prepayments)	**5,748**	**-**	**5,748**

The segment information provided to the executive Directors for the reportable segments for the six months ended 31 August 2025 is as follows:

	Unaudited Six months ended 31 August 2025		
	Chinese Mainland *RMB'000*	Others *RMB'000*	Total *RMB'000*
Revenue from external customers	95,808	-	95,808
Reportable segment loss	(29,150)	(102)	(29,252)
Gross rental income from an investment property			980
Other gains, net			1,509
Finance income, net			3,769
Unallocated items			(5)
Loss before income tax			(22,999)
Income tax expense			(8,357)
Loss for the period			(31,356)
Depreciation	5,952	-	5,952
Cost of sales	40,223	-	40,223
Reversal of impairment losses on inventories, net	17,891	-	17,891
Additions to non-current assets (Other than deferred income tax assets and long-term deposits and prepayments)	5,484	-	5,484

For the six months ended 31 August 2026 and 31 August 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 31 August 2026 by reportable segment is set out below:

	Unaudited As at 31 August 2026		
	Chinese Mainland *RMB'000*	**Others** *RMB'000*	**Total** *RMB'000*
Segment assets	**212,920**	**202,108**	**415,028**
Deferred income tax assets			**7,212**
Unallocated assets			**22,244**
Total assets per condensed consolidated interim balance sheet			**444,484**
Segment liabilities	**54,240**	**4,553**	**58,793**
Current income tax liabilities			**1,326**
Deferred income tax liabilities			**9,562**
Unallocated liabilities			**17**
Total liabilities per condensed consolidated interim balance sheet			**69,698**

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

	Audited As at 28 February 2026		
	Chinese Mainland *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment assets	226,140	214,251	440,391
Deferred income tax assets			9,511
Unallocated assets			22,130
Total assets per consolidated balance sheet			472,032
Segment liabilities	53,002	1,337	54,339
Current income tax liabilities			1,681
Deferred income tax liabilities			9,691
Unallocated liabilities			35
Total liabilities per consolidated balance sheet			65,746

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

REVENUE

	Unaudited **Six months ended 31 August**	
	2026 ***RMB'000***	2025 *RMB'000*
Chinese Mainland	**68,093**	95,808

For the six months ended 31 August 2026 and 31 August 2025, there was no transaction with a single external customer that amounted to 10% or more of the Group's revenue.

(iii) 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

	Unaudited 31 August 2026	Audited 28 February 2026
	RMB'000	*RMB'000*
Chinese Mainland	**22,222**	23,045
Hong Kong	**1,180**	314
Macau	**51,256**	52,447
Total	**74,658**	75,806

5 OTHER INCOME AND OTHER GAINS, NET

	Unaudited Six months ended 31 August	
	2026	2025
	RMB'000	*RMB'000*
Other income		
Government incentives	**206**	94
Gross rental income from an investment property	**992**	980
Trademark licensing income	**1,199**	-
	2,397	1,074
Other gains, net		
Net exchange gains *(Note)*	**1,392**	1,509
	1,392	1,509

Note:

Net exchange gains arose from the settlement of transactions denominated in foreign currencies and from the translation at period-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, selling and distribution expenses and general and administrative expenses are analysed as follows:

	Unaudited Six months ended 31 August	
	2026	2025
	RMB'000	*RMB'000*
Auditors' remuneration	**681**	777
Depreciation of property, plant and equipment	**1,978**	2,028
Depreciation of right-of-use assets	**3,467**	3,924
Loss on write off/disposal of plant and equipment	**24**	478
Cost of sales	**35,179**	40,223
Expenses relating to short-term leases and variable lease payments	**10,905**	15,697
Freight charges	**667**	1,389
Postage and express charges	**655**	702
Advertising and promotional expenses	**4,874**	6,221
Employee benefit expenses (including directors' emoluments)	**24,660**	40,187
Reversal of impairment losses on inventories, net	**(1,214)**	(17,891)
Reversal of impairment losses on trade receivables, net	**(132)**	-
Direct operating expenses arising from an investment property that generated rental income	**82**	87

7 FINANCE INCOME, NET

	Unaudited Six months ended 31 August	
	2026	2025
	RMB'000	*RMB'000*
Interest income on bank deposits	**2,885**	3,948
Interest expense on lease liabilities	**(145)**	(179)
	2,740	3,769

8 INCOME TAX EXPENSE

The amount of income tax charged to the condensed consolidated interim income statement represents:

	Unaudited Six months ended 31 August	
	2026	2025
	RMB'000	*RMB'000*
Current income tax		
People's Republic of China ("the PRC") corporate income tax	**(177)**	(55)
Deferred income taxation	**2,299**	8,412
	2,122	8,357

No provision for Hong Kong profits tax has been made during the period (2025: Nil).

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

9 LOSS PER SHARE

Basic

Basic loss 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 period.

	Unaudited Six months ended 31 August	
	2026	2025
Loss attributable to owners of the Company *(RMB'000)*	**(18,620)**	(31,356)
Weighted average number of ordinary shares in issue *('000)*	**694,567**	705,895
Basic loss per share *(RMB cents)*	**(2.68)**	(4.44)

Diluted

For the six months ended 31 August 2026 and 31 August 2025, the diluted loss per share was the same as the basic loss per share as there was no dilutive potential ordinary share outstanding.

10 DIVIDEND

At the Board meeting held on 26 October 2026, the Directors did not recommend the payment of an interim dividend for the six months ended 31 August 2026 (2025: Nil).

11 TRADE RECEIVABLES AND OTHER RECEIVABLES

	Unaudited 31 August 2026	Audited 28 February 2026
	RMB'000	*RMB'000*
Trade receivables	**10,128**	14,730
Less: loss allowance	**(852)**	(984)
	9,276	13,746
Other receivables	**2,632**	3,048
	11,908	16,794

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

	Unaudited 31 August 2026	Audited 28 February 2026
	RMB'000	*RMB'000*
Current to 30 days	**9,343**	12,834
31 to 60 days	**155**	640
61 to 90 days	**190**	107
Over 90 days	**440**	1,149
	10,128	14,730

12 TRADE PAYABLES, OTHER PAYABLES AND CONTRACT LIABILITIES

	Unaudited 31 August 2026	Audited 28 February 2026
	RMB'000	*RMB'000*
Trade payables	**19,445**	11,848
Other payables	**28,873**	33,174
Value added tax payables	**2,831**	2,689
Contract liabilities	**1,041**	914
	52,190	48,625

The credit periods granted by suppliers generally range from 7 to 60 days. The carrying amounts of trade payables, other payables, value added tax payables and contract liabilities approximate their fair values.

The ageing analysis of the trade payables based on invoice date is as follows:

	Unaudited 31 August 2026	Audited 28 February 2026
	RMB'000	*RMB'000*
Current to 30 days	**19,445**	11,773
31 to 60 days	**-**	-
61 to 90 days	**-**	-
91 to 120 days	**-**	-
Over 120 days	**-**	75
	19,445	11,848

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 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.

In the first half of fiscal year 2026/27, the total revenue of the Group decreased by 28.9% year-on-year to RMB68,100,000 (2025/26: RMB95,800,000). Consolidated gross profit decreased by 40.8% year-on-year to RMB32,900,000 (2025/26: RMB55,600,000). The Group recorded an overall gross profit margin of 48.3%, representing a decrease of 9.7 percentage points as compared to the corresponding period of last year. During the period under review, consolidated loss attributable to owners of the Company was RMB18,600,000 (2025/26: consolidated loss of RMB31,400,000).

RMB (million)	**1H 2026/27**	**1H 2025/26**	**Change**
Revenue	**68.1**	95.8	(28.9%)
Gross profit	**32.9**	55.6	(40.8%)
Gross profit margin	**48.3%**	58.0%	(9.7 percentage points)
Consolidated loss attributable to owners	**(18.6)**	(31.4)	
Basic loss per share (RMB cents)	**(2.68)**	(4.44)	
Interim dividend (HK cents)	**-**	-	

PROFITABILITY ANALYSIS

During the period under review, although China's national economy maintained overall stability, consumer demand and confidence in the apparel and footwear sector have not yet shown a significant recovery. Coupled with increasingly fierce competition within the industry, this has adversely affected the Group's sales performance during the period. Hence, the total revenue of the Group decreased by 28.9% year-on-year to RMB68,100,000 (2025/26: RMB95,800,000). Consolidated gross profit decreased by 40.8% to RMB32,900,000 (2025/26: RMB55,600,000). Gross profit margin decreased by 9.7 percentage points to 48.3% as compared to the corresponding period of last year, mainly attributable to the aggressive clearance of off-season and slow-moving inventories, as well as an increased proportion of e-commerce sales during the period.

Amid the uncertain consumption recovery and continuous restructuring within the industry, the Group continued to optimise its sales network and closed underperforming outlets to save fixed selling and distribution expenses during the period under review. Hence, selling and distribution expenses decreased by 38.5% year-on-year to RMB31,000,000 (2025/26: RMB50,500,000). The ratio of selling and distribution expenses to total revenue decreased by 7.2 percentage points to 45.5% (2025/26: 52.7%).

During the period 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. General and administrative expenses decreased by 27.7% to RMB24,900,000 as compared to the corresponding period of last year (2025/26: RMB34,500,000). As most of the back office costs are fixed in nature and coupled with the significant decline in Group's sales, the ratio of general and administrative expenses to total revenue of the Group therefore slightly increased by 0.6 percentage point to 36.6% (2025/26: 36.0%).

The Group's other income increased by 123.2% to RMB 2,400,000 during the period under review (2025/26: RMB1,100,000), mainly from trademark licensing income and property rental income. Other gains comprised of exchange gains or losses, as the exchange rate of renminbi appreciated, the Group recorded exchange gains of RMB1,400,000 during the period (2025/26: RMB1,500,000).

Overall, in the first half of financial year 2026/27, the consolidated loss attributable to owners of the Company was RMB18,600,000 (2025/26: consolidated loss of RMB31,400,000). Basic loss per share was RMB2.68 cents (2025/26: loss of RMB4.44 cents). The Directors did not recommend the payment of an interim dividend for the six months ended 31 August 2026 (2025/26: Nil).

INCOME TAX EXPENSE

During the period under review, income tax expenses amounted to approximately RMB2,100,000 (2025/26: RMB8,400,000). The income tax expenses were mainly due to deferred tax expenses recorded for the reversal of provision items. Effective from 2012, all business entities of the Group in Chinese Mainland are subject to an income tax rate of 25% while the profit tax rate for the operations in Hong Kong remains at 16.5%. Pursuant to the Enterprise Income Tax Law of China, a withholding income tax of 5-10% shall be levied on the dividends remitted by a Chinese subsidiary to its foreign parent company starting from 1 January 2008. Excluding the effects of the items not subject to taxation, the effective income tax rate of the Group was 25.0% (2025/26: 24.9%).

INVENTORY MANAGEMENT

As at 31 August 2026, the Group's inventory balance was RMB66,400,000, representing a decrease of approximately 15.1% as compared to the inventory balance of RMB78,100,000 as at the corresponding date of last year.

A breakdown of inventory balance was as follows:

RMB (million)	As at 31 August 2026	As at 31 August 2025	Changes in value	Changes in %
Finished goods	**66.4**	78.1	(11.7)	(15.1%)

During the period under review, the Group adopted a prudent procurement strategy to purchase new season products and utilised diversified sales channels to mitigate the accumulation of off-season inventories. As at 31 August 2026, the proportion of the inventory of the Group aged less than one year therefore increased by 3.9 percentage points to 62.1% (31 August 2025: 58.2%). However, the persistently weak retail environment led to a significant decline in the Group's revenue during the period under review, the Group's inventory turnover of finished goods increased by 62 days to 360 days (31 August 2025: 298 days).

LIQUIDITY AND FINANCIAL RESOURCES

The Group's financial position remained strong and healthy. As at 31 August 2026, the Group's cash and bank balances amounted to RMB267,200,000 (28 February 2026: RMB276,200,000). With the sluggish retail market, the Group still maintains sufficient cash. Quick ratio was 4.8 times (28 February 2026: 5.4 times). When necessary, the Group would finance its operations and fulfil its working capital requirements by banking facilities provided by its principal bankers in Hong Kong, including but not limited to revolving loans and trade finance, which are primarily on a floating interest rate basis. During the period under review, the Group had not utilised any revolving loan or trade financing facilities. As at the end of the financial period, the Group had no outstanding bank loan (28 February 2026: 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 period under review.

During the period ended 31 August 2026, the Group's cash and bank balances were held in Hong Kong dollar, United States dollar and Renminbi, respectively, and all deposits maturing within one year were placed in several leading banks.

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

BUSINESS REVIEW

Overview

In the first half of 2026, international trade relations remained highly tense, and global supply chains continued to restructure to mitigate the impact. The ongoing uncertainty in the international geopolitical landscape has driven a sharp rise in international oil prices and intensified volatility in the raw materials market and production costs. Overall, persistent high inflation hindered global economic growth, resulting in a continued weak retail environment and dampened consumer confidence, which posed major challenges to the global economy. As for China, all regions and departments firmly implemented the policies of the State Council, adhered to the guiding principle of seeking progress while maintaining stability, effectively responded to various external shocks and internal difficulties, and focused on implementing more proactive and effective macro policies, thereby promoting steady growth in production and supply, maintaining a stable job market and overall price levels, and ensuring stable operation of the national economy. According to data from the National Bureau of Statistics of China, in the first half of 2026, China's gross domestic product ("GDP") grew by 4.7% year-on-year. Although it still faces many challenges in the short term, China's long-term economic fundamentals remain sound.

Although the economic environment in the Chinese Mainland is solid, the performance of the consumer market remained weak, while the garments and footwear retail industry, in particular, was still waiting for recovery. During the period under review, in response to the continued downturn of the footwear retail market, the Group has closed its underperforming physical stores, resulting in its total retail revenue decreased by 28.9% to RMB68,100,000 (2025/26: RMB95,800,000) as compared to that of last year. Same-store sales increased by 3.5% (2025/26: decreased by 13.2%), reflecting the results of the Group's continuous optimisation of individual store performance. In response to changes in consumption patterns, during the period under review, the Group flexibly implemented various management measures, including strengthening product quality control, thoroughly optimising the distribution of offline stores and exploring different sales channels.

In terms of operational management, the Group continued to strictly implement product quality control to consolidate customers' confidence in and loyalty to the brand through exceptional quality. In addition, the Group continued to optimise inventory management. Apart from adopting a prudent strategy for the procurement of products for the coming season, it also regularly reviewed and cleared off-season slow-moving inventory to ensure inventory levels remained at a healthy level, thereby accelerating cash conversion cycle. Amid the weak market environment, this provided a solid safeguard for the Group's operational stability and financial liquidity.

On the other hand, the Group continued to streamline its organisational structure, including optimising store operations, merging back-office departments and reducing headcount. 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. The above strategic shifts are not merely aimed at cost savings; rather, by optimising existing resources and corporate structure, the Group can utilise the saved resources and invest them in core business strategies centred on brand building, product development, process management and customer relations, laying a solid foundation for long-term development.

RETAIL BUSINESS

The Group's retail business is mainly in the Chinese Mainland. As at the end of the period under review, the Group had 61 physical stores in the Chinese Mainland, representing a net decrease of 30 stores compared to the same date last year. During the period under review, the number of self-owned stores decreased by 27, and the number of franchised stores decreased by 3.

The number of the Group's offline stores is as follows:

Number of offline stores	As at 31 August 2026	As at 31 August 2025	Year-on-year change
Chinese Mainland			
• Self-owned	41	68	(27)
• Franchised	20	23	(3)
Total	61	91	(30)

The performance of the consumer market in the Chinese Mainland remained sluggish. From January to August 2026, the total retail sales of consumer goods grew by 1.1% year-on-year; in August, it grew by 0.4% year-on-year, which was below market expectations, reflecting that domestic demand has not yet stabilised and there is a trend of continued slowdown. Among them, the retail sales of garments, footwear, hats and knitwear recorded year-on-year declines of 1.0% and 0.5% in July and August respectively, reflecting the sluggish market conditions of the garments and footwear retail industry. At the same time, consumers remained cautious in their spending and shifted to a more rational consumption pattern, focusing on value-for-money, product quality and shopping experience. In addition, the continued involution in the industry has intensified competition in the footwear retail market.

To respond to changes in consumer preferences, the Group reformed its retail store model to enhance interaction with consumers. The Group's current retail stores are mainly located in large-scale department stores with high customer traffic, and large shopping malls and outlets with dining and entertainment amenities. Among them, the Group's flagship stores feature spacious layouts and comprehensive product lineups to enrich customers' shopping experience. Through activities and in-person experience invitations, they reach local customer groups and enhance customer traffic and brand image. Not only do these stores feature rapid new product rollouts, but also provide professional services and styling solutions in stores through sales consultants who possess extensive footwear experience, gaining a deeper understanding of different customers' needs and feedback to develop footwear products that are popular in the market. During the period under review, stores in different cities were successively upgraded and renovated, offering an immersion into local culture, conveying fashion philosophy, and enhancing brand image and pipeline value.

The Group also actively reviewed and optimised its customer relationship management to foster closer interaction with members. Through the CRM system, it conducted a comprehensive analysis of sales data, covering dimensions such as customers' traffic, transaction data and consumer behaviour, to gain a deeper understanding of customers' consumption patterns, thereby enabling the relevant departments to more effectively formulate and execute precise marketing solutions, such as sending personalised promotional and reward programmes to target customer groups to increase product awareness. By integrating online and offline resources and the customer member database, it not only deepened engagement with members and their shopping experience, but also stimulated members' repeat purchases of products, enhanced customer loyalty to the brand.

E-COMMERCE BUSINESS

From January to August 2026, the e-commerce industry in the Chinese Mainland developed healthily, with online retail sales of physical goods increasing by 4.3% year-on-year, compared with an increase of 6.4% in the same period last year. However, the growth rate fell compared with the same period last year, reflecting overall market growth decelerated significantly. The development trend of the e-commerce industry is shifting from simply pursuing low-priced competition to placing greater emphasis on both quality and value. On the other hand, continuous refinement of regulatory policies can promote more standardised development of the industry, but, to a certain extent, have also placed certain pressure on the overall e-commerce business operation. In addition, the e-commerce industry is undergoing self-transformation and adjustment due to various factors, such as the rapid development of artificial intelligence technology, the restructuring of supply chains and logistics, and rising expectations for product quality and consumption experience. At the same time, involution in the e-commerce industry persists, and product return rates in the industry remain at a high level. Therefore, the difficulty and cost of customer acquisition for the Group have also continued to increase. During the period under review, the Group's e-commerce revenue decreased by 3.6% year-on-year.

As the e-commerce industry evolves, consumers are increasingly prioritising value-for-money, value alignment and emotional connections with products rather than simply pursuing low prices. The Group has also actively invested resources online, and through regularly holding online marketing activities, promoting products and optimising platform users' shopping experience, it has continuously enhanced brand awareness and market competitiveness. In addition to establishing close partnerships with major e-commerce platforms and social media platforms, the Group has also cooperated with various mainstream shopping malls to integrate their online shopping malls, opening up broader and more diversified online sales channels. By regularly running promotional campaigns on e-commerce platforms, the Group has effectively driven platform traffic and created mutually beneficial cooperation. Furthermore, the Group has expanded its presence on social media platforms such as Douyin and Xiaohongshu, using content marketing to create brand topics, and strengthening live-streaming commerce and enhancing online-offline synergies. Hosts can accurately describe product features and interact with online customers in real time, effectively stimulating online viewers' desire to purchase. At the same time, live-stream content can also drive traffic to offline stores, achieving synergies between online and offline channels.

OUTLOOK AND LONG-TERM STRATEGIES OF THE GROUP

The global economic environment is expected to remain complex and volatile in the second half of 2026. The ongoing impact of tariff policies, and persistent uncertainty brought by energy crises and international geopolitical landscape will disrupt global supply chains and affect global economic recovery. In the short term, the Chinese Mainland economy still faces pressures such as slowing domestic demand and overcapacity, but the long-term positive fundamentals remain unchanged. The foundation for economic improvement still needs to be consolidated. The Chinese government is expected to introduce a more proactive mix of macro policies in a timely manner, continue to expand domestic demand, optimise supply chains and focus on building a strong domestic market. The Group is confident in the medium- to long-term development prospects of China's consumer market. Adhering to a business philosophy of "seeking progress while maintaining stability", the Group will accurately capture future opportunities. In terms of design and development, product quality, sales networks and marketing strategies, the Group will continue to implement in-depth and all-around optimisation and enhancements, comprehensively strengthening brand resilience in response to future challenges.

Product quality is the core competitiveness of the brand. The Group has always refined its products to high standards, closely followed market trends and consumers' personalised and diversified needs, and continuously optimised its product portfolio. At the design and R&D level, it completely abandons the industry's homogenised and blind trend-chasing development mindset, but focuses on target customers' real-life styling scenarios and aesthetic needs instead to create a unique, consistent and highly recognisable fashion brand identity that focuses on creating footwear products with premium quality, extreme comfort and high versatility.

The Group will continue to optimise its store network layout, phase out stores with relatively low operating efficiency, and concentrate resources on developing mature and quality shopping malls and commercial districts. The Group will collaborate closely with shopping malls to launch various thematic promotions and customer outreach campaigns, which will boost foot traffic in the commercial district, drive sales growth, and achieve mutually beneficial partnership between the brand and shopping malls. Existing stores will also be gradually upgraded and renovated to strengthen brand displays in stores and create more modern spaces with brand characteristics, enhancing customer experience and increasing competitiveness, at the same time, the Group could also bring in high quality franchisees for collaboration, to expand its business and national market share together.

In terms of brand promotion, the Group will continue to adopt celebrity collaboration and social media matrix marketing models. By partnering with fashion artists and influencers from different fields, the Group will amplify brand voice and bolster its brand image. The Group will precisely cater to the styling needs of urban professional women and strengthen the brand's high-end business image. At the same time, it will also focus on young fashion trends and target core customers who value quality, comfort and aesthetics. Through scenario-based marketing, interpretation of product features and celebrity styling demonstrations, it will establish emotional connections with consumers, enhance customer recognition and loyalty, and reward customers through annual brand events and custom festive merchandise, enriching shopping experience. Through high-quality and heartwarming offline experiences and exclusive member services, it will continuously strengthen the connection between the brand and customers, improve customer loyalty, and comprehensively enhance the brand's soft power.

Next year, the Group will celebrate its 50th anniversary, a golden jubilee. By reinterpreting the brand image through its history, craftsmanship and quality, the Group will inject youthful vitality into the brand. To mark this significant milestone, we will launch a series of integrated online and offline multi-channel activities featuring celebrities and influencers to generate all-round social buzz and create collectible annual items. The Group has always adhered to its core brand philosophy of "building a brand with heart, developing products with integrity and approaching customers with sincerity". Supported by nearly half a century of industry experience, a solid market foundation, proven operational experience and risk response capabilities, it balances the Group's prudent operations and innovative development. During the interim market transition stage, it adheres to prudent operations while closely following policy trends and consumption changes, comprehensively strengthens brand resilience and market competitiveness, consolidates the Group's core position in the domestic women's footwear market.

IMPORTANT EVENTS

Save as disclosed in this announcement, there were no important events affecting the Group which occurred after 31 August 2026 and up to the date of this announcement.

PLEDGE OF ASSETS

As at 31 August 2026, the Group had no pledge of assets (28 February 2026: Nil).

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 RMB60,000,000 (28 February 2026: RMB60,700,000), of which no credit amount was utilised as at 31 August 2026 (28 February 2026: Nil).

INTERIM DIVIDEND

The Directors did not recommend the payment of an interim dividend for the six months ended 31 August 2026 (2025: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 August 2026, the Group had a staff force of 204 people (28 February 2026: 264 people) out of which, 11 were based in Hong Kong and 193 were based in Chinese Mainland. The remuneration level of the Group's employees was in line with market trends and commensurate to the level 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 six months ended 31 August 2026, including Directors' emoluments and net pension contributions, amounted to RMB24,700,000 (2025/26: RMB40,200,000). 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 six months ended 31 August 2026, the Company repurchased a total of 24,616,000 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
March 2026	10,516,000	HK$0.365	HK$0.290	HK$3,344,670
July 2026	1,186,000	HK$0.280	HK$0.260	HK$316,080
August 2026	12,914,000	HK$0.350	HK$0.285	HK$4,356,640

AUDIT COMMITTEE

As at 31 August 2026 and up to the date of this announcement, the audit committee of the Board (the "Audit Committee") 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 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 policies 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 this announcement, which was prepared based on (i) the accounting policies and practices adopted by the Group, and (ii) the unaudited condensed consolidated interim financial information for the six months ended 31 August 2026. After review and discussions, the Audit Committee recommended the Board to approve the unaudited condensed consolidated interim financial information for the six months ended 31 August 2026.

CORPORATE GOVERNANCE PRACTICES

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 shareholders of the Company (the "Shareholders") and create value for the Shareholders.

During the period 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 deviation described below. Since October 2019, the position of Chief Executive Officer of the Company 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 Company will continue to review the arrangement and will appoint a Chief Executive Officer when a suitable candidate is identified.

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 standards 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 the Directors, all Directors have confirmed that they have complied with the Code of Conduct and the requirements set out in the Model Code during the six months ended 31 August 2026 and up to the date of this announcement.

PUBLICATION OF INTERIM REPORT

The interim report of the Company for the six months ended 31 August 2026 containing all the information required by the Listing Rules will be despatched to the Shareholders (if a 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 November 2026.

ACKNOWLEDGEMENT

On behalf of the Board, I would also like to take this opportunity to express my gratitude to all our staff for their 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, 26 October 2026

As at the date of this announcement, the Company's executive Director is 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, Mr. Hui Chi Kwan and Ms. Chan Kit Yin.

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