

# CHAIRMAN'S STATEMENT

To our valuable shareholders:

On behalf of Le Saunda Holdings Limited and its subsidiaries (“the Group”), I am delighted to present you with a set of satisfactory annual results in the fiscal year ended 28 February 2007 which the Group has achieved.

## ENCOURAGING PERFORMANCE

During the year, the Group continued to strengthen its foothold in the Mainland retail market by adding new stores for Le Saunda and CnE. For the year ended 28 February 2007, the Group has achieved turnover from continuing operations of HK\$739,722,000, represented an increase of 12% over last year. Profit attributable to shareholders rose 17% to HK\$105,726,000 encouragingly.

By all measures, 2007 was a very challenging yet fruitful year as we embarked on a sustainable growth path and, at the same time, confronted fierce competition in the retail market. Precise marketing strategies, relentless pursuit of quality and efficiency, and full-hearted commitment have been essential and attributable to our growing performance.

Through further penetrating China market, and thanks to our longstanding belief and commitment to quality and maximized customer satisfaction, we are now seen as one of well established premier footwear brands valued by our dear customers. We are well positioned to capture the opportunities brought by the fast growing purchasing power and the people’s pursuit for higher quality and sense of fashion and style in China, one of the most promising markets in the world.

## DIVIDENDS

In view of the Group’s healthy financial position, the Board of Directors proposed to recommend the payment of a final dividend of HK 4.5 cents per share at the forthcoming annual shareholders’ meeting. Together with the interim dividend of HK 3.0 cents, the total dividend for the year was HK 7.5 cents. (2006: total HK 7.3 cents)



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## **FUTURE OUTLOOK**

Looking forward, leveraging on the existing mixed product lines and wide-spread and ever-growing distribution network, we will continue focusing on brand image enhancement, product quality strengthening and further market penetration. Additionally, we will aim to further consolidate our distribution network and optimize brand visibility by opening more stores in large scale shopping malls in Mainland China.

We believe that quality, customer satisfaction and brand value are essential to a successful business, as we have unflaggingly demonstrated our commitment to the same since our founding years. I am confident that we possess distinguishing attributes that will power the building of a highly respected brand.

I would like to take this opportunity, on behalf of the management team and fellow staff, to express my gratitude to our valuable shareholders for their continued support and confidence. I also extend my utmost appreciation to our fellow directors, staff and business partners for their efforts and dedication in working and bringing further success in the years to come.

**Lee Tze Bun Marces**

*Chairman*

Hong Kong, 14 June 2007