Bauhaus International (Holdings) Limited

包浩斯國際（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 483)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2019

- ➢ Turnover of the Group decreased by about 6.3% to approximately HK$1,300.6 million (2018: HK$1,387.5 million).

- ➢ Sales by major operating segment are as follows:

	Year ended 31 March 2019 *HK$ million*	**Year ended 31 March 2018** *HK$ million*	*Changes*
Hong Kong, Macau and Elsewhere	**868.6**	912.9	–4.9%
Taiwan	**289.8**	339.5	–14.6%
Mainland China	**142.2**	135.1	+5.3%

- ➢ Gross profit decreased by about 14.0% to approximately HK$725.4 million (2018: HK$843.8 million) and gross margin reduced to about 55.8% (2018: 60.8%).

- ➢ The Group recorded a net loss for the year ended 31 March 2019 of about HK$62.1 million (2018: net profit of about HK$40.6 million) and net margin was about –4.8% (2018: +2.9%).

- ➢ Loss per share was about 16.9 HK cents (2018: earnings per share of 11.1 HK cents).

- ➢ A final dividend of HK6.0 cents (2018: HK7.5 cents) per ordinary share was proposed.

The Board of Directors (the "**Directors**" or "**Board**") of Bauhaus International (Holdings) Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 March 2019, prepared on the basis set out in Note 2 below, together with comparative figures of the previous year, as follows.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2019

	Notes	**2019** *HK$'000*	2018 *HK$'000*
REVENUE	*4*	**1,300,583**	1,387,524
Cost of sales		**(575,231)**	(543,716)
GROSS PROFIT		**725,352**	843,808
Other income and gains	*4*	**5,675**	3,231
Selling and distribution expenses		**(660,467)**	(667,702)
Administrative expenses		**(118,986)**	(116,797)
Other expenses		**(6,922)**	(5,293)
Finance costs	*6*	**(614)**	(437)
PROFIT/(LOSS) BEFORE TAX	*5*	**(55,962)**	56,810
Income tax expense	*7*	**(6,141)**	(16,207)
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**(62,103)**	40,603
Other comprehensive income/(loss)			
Item that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(3,516)**	8,242
Item that will not be reclassified to profit or loss in subsequent periods:			
Changes in fair value of equity investments at fair value through other comprehensive income		**3,030**	–
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		**(486)**	8,242
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**(62,589)**	48,845
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	*9*		
Basic and diluted		**(16.9) HK cents**	11.1 HK cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2019

	Notes	**2019** **HK$'000**	2018 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**197,152**	191,514
Investment property		**19,400**	19,000
Intangible assets		**431**	549
Available-for-sale investments		**–**	2,970
Equity investments at fair value through other comprehensive income		**6,000**	–
Rental, utility and other non-current deposits		**80,846**	85,767
Deferred tax assets		**15,212**	19,205
Total non-current assets		**319,041**	319,005
CURRENT ASSETS			
Inventories		**258,397**	318,879
Trade receivables	*10*	**42,828**	61,908
Prepayments, deposits and other receivables		**39,630**	54,121
Tax recoverable		**3,517**	814
Cash and bank balances		**198,744**	217,878
Total current assets		**543,116**	653,600
CURRENT LIABILITIES			
Trade payables	*11*	**36,611**	35,461
Other payables and accruals		**74,312**	90,219
Tax payable		**3,089**	7,887
Total current liabilities		**114,012**	133,567
NET CURRENT ASSETS		**429,104**	520,033
TOTAL ASSETS LESS CURRENT LIABILITIES		**748,145**	839,038
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**6,400**	7,150
NET ASSETS		**741,745**	831,888
EQUITY			
Equity attributable to equity holders of the parent			
Share capital		**36,738**	36,738
Reserves		**705,007**	795,150
TOTAL EQUITY		**741,745**	831,888

1. CORPORATE AND GROUP INFORMATION

Bauhaus International (Holdings) Limited is a limited liability company incorporated in the Cayman Islands. The principal place of business of the Company is located at Room 501, Sino Industrial Plaza, 9 Kai Cheung Road, Kowloon Bay, Kowloon, Hong Kong.

During the year, the Group was principally engaged in the design and retail of trendy apparel, bags and fashion accessories. It operates various retail channels (both online and offline) in Hong Kong, Macau, Taiwan and Mainland China. The Group's turnover is mostly contributed by its major in-house labels like "SALAD", "TOUGH" and "80/20" as well as some reputable licensed brands including "SUPERDRY".

The Company is a subsidiary of New Huge Treasure Investments Limited, a company incorporated in the British Virgin Islands. In the opinion of the directors, the ultimate holding company of the Company is Yate Enterprises Limited, which is incorporated in the British Virgin Islands and is beneficially and wholly-owned by a discretionary trust.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for an investment property and equity investments which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2019. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2.1 BASIS OF PREPARATION *(Continued)*

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 2	*Classification and Measurement of Share-based Payment Transactions*
Amendments to HKFRS 4	*Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts*
HKFRS 9	*Financial Instruments*
HKFRS 15	*Revenue from Contracts with Customers*
Amendments to HKFRS 15	*Clarification to HKFRS 15 Revenue from Contracts with Customers*
Amendments to HKAS 40	*Transfer of Investment Property*
HK(IFRIC)-Int 22	*Foreign Currency Transactions and Advance Consideration*
Annual Improvements 2014-2016 Cycle	Amendments to HKFRS 1 and HKAS 28

Other than as explained below regarding the impact of HKFRS 9, the adoption of the above new and revised HKFRSs has had no significant financial effect on the financial statements.

HKFRS 9 *Financial Instruments* replaces HKAS 39 *Financial Instruments*: *Recognition and Measurement* for annual periods beginning on or after 1 April 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting. The comparative information was not restated and continues to be reported under HKAS 39.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(Continued)*

Classification and measurement

The following information sets out the impacts of adopting HKFRS 9 on the statement of financial position.

A reconciliation between the carrying amounts under HKAS 39 and the balances reported under HKFRS 9 as at 1 April 2018 is as follows:

		HKAS 39 measurement			HKFRS 9 measurement	
		Category	Amount	Re-classification	Amount	Category
	Note		*HK$'000*	*HK$'000*	*HK$'000*	
Financial assets						
Trade receivables		L&R[1]	61,908	–	61,908	AC[2]
Financial assets included in prepayments, deposits and other receivables		L&R	93,275	–	93,275	AC
Available-for-sale investments	*(i)*	AFS[3]	2,970	(2,970)	–	N/A
Equity investments at fair value through other comprehensive income	*(i)*	N/A	–	2,970	2,970	FVOCI[4] (equity)
Cash and bank balances		L&R	217,878	–	217,878	AC
			376,031		376,031	
Financial liabilities						
Trade payables		AC	35,461	–	35,461	AC
Financial liabilities included in other payables and accruals		AC	53,326	–	53,326	AC
			88,787		88,787	

1 L&R: Loans and receivables
2 AC: Financial assets or financial liabilities at amortised cost
3 AFS: Available-for-sale investments
4 FVOCI: Financial assets at fair value through other comprehensive income

Note:

(i) The Group has elected the option to irrevocably designate its previous available-for-sale equity investments as equity investments at fair value through other comprehensive income.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 3	*Definition of a Business*[2]
Amendments to HKFRS 9	*Prepayment Features with Negative Compensation*[1]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
HKFRS 16	*Leases*[1]
HKFRS 17	*Insurance Contracts*[3]
Amendments to HKAS 1 and HKAS 8	*Definition of Material*[2]
Amendments to HKAS 19	*Plan Amendment, Curtailment or Settlement*[1]
Amendments to HKAS 28	*Long-term Interests in Associates and Joint Ventures*[1]
HK(IFRIC)-Int 23	*Uncertainty over Income Tax Treatments*[1]
Annual Improvements 2015-2017 Cycle	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23[1]

[1] Effective for the Group for annual periods beginning on or after 1 April 2019
[2] Effective for the Group for annual periods beginning on or after 1 April 2020
[3] Effective for the Group for annual periods beginning on or after 1 April 2021
[4] No mandatory effective date yet determined but available for adoption

Further information about those HKFRSs that are expected to be applicable and have significant impact to the Group's financial position and/or results of operations is described below.

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. HKFRS 16 requires lessees and lessors to make more extensive disclosures than under HKAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group will adopt HKFRS 16 from 1 April 2019. The Group plans to adopt the transitional provisions in HKFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 April 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts that were previously identified as leases applying HKAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before the date of initial application. The Group plans to use the exemptions allowed by the standard on lease contracts whose lease terms end within 12 months as of the date of initial application. At 31 March 2019, the Group had future minimum lease payments under non-cancellable operating leases in aggregate of approximately HK$440,324,000. Upon adoption of HKFRS 16, certain amounts included therein may need to be recognised as new right-of-use assets and lease liabilities. The Group is currently assessing the impact of HKFRS 16. Further analysis will be needed to determine the amount of new right-of-use assets and lease liabilities to be recognised, including, but not limited to, incremental borrowing rate to be applied for different leases.

3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the design and retail of trendy apparel, bags and fashion accessories. For management purposes, the Group is organised into business units that offer products to customers located in different geographical areas. In determining the Group's reportable operating segments, revenues, results, assets and liabilities attributable to the segment are based on the location of the customers.

In the prior year, the Group presented its segmental information in four separate reporting segments, namely "Hong Kong & Macau", "Taiwan", "Mainland China" and "Elsewhere". Because of insignificant business contribution from the "Elsewhere" segment, the Group has combined its "Hong Kong & Macau" segment and "Elsewhere" segment into one single reporting segment with effective from 1 April 2018 and the comparative figures are also combined and restated.

The Group's new reporting segments are as follows:

(a) Hong Kong, Macau and Elsewhere
(b) Taiwan
(c) Mainland China

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that interest income, finance costs, fair value gain on an investment property and unallocated expenses are excluded from this measurement.

Segment assets exclude an investment property, available-for-sale investments, equity investments at fair value through other comprehensive income, deferred tax assets, tax recoverable and other unallocated corporate assets as these assets are managed on a group basis.

Segment liabilities exclude deferred tax liabilities, tax payable and other unallocated corporate liabilities as these liabilities are managed on a group basis.

Segment non-current assets exclude an investment property, available-for-sale investments, equity investments at fair value through other comprehensive income, deferred tax assets and other unallocated corporate non-current assets as these assets are managed on a group basis.

Intersegment sales are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

3. OPERATING SEGMENT INFORMATION *(Continued)*

	Hong Kong, Macau and Elsewhere *HK$'000*	Taiwan *HK$'000*	Mainland China *HK$'000*	Total *HK$'000*
Year ended 31 March 2019				
Segment revenue:				
Sales to external customers	**868,552**	**289,813**	**142,218**	**1,300,583**
Intersegment sales	**6,723**	**95,832**	**12,517**	**115,072**
	875,275	**385,645**	**154,735**	**1,415,655**
Reconciliation:				
Elimination of intersegment sales				**(115,072)**
Revenue				**1,300,583**
Segment results:	**81,201**	**(46,624)**	**(31,815)**	**2,762**
Reconciliation:				
Interest income				**96**
Finance costs				**(614)**
Fair value gain on an investment property				**400**
Unallocated expenses, net				**(58,606)**
Loss before tax				**(55,962)**
Segment assets:	**334,215**	**123,931**	**143,536**	**601,682**
Reconciliation:				
Investment property				**19,400**
Equity investments at fair value through other comprehensive income				**6,000**
Deferred tax assets				**15,212**
Tax recoverable				**3,517**
Unallocated assets				**216,346**
Total assets				**862,157**
Segment liabilities:	**61,298**	**6,843**	**32,246**	**100,387**
Reconciliation:				
Deferred tax liabilities				**6,400**
Tax payable				**3,089**
Unallocated liabilities				**10,536**
Total liabilities				**120,412**
Other segment information:				
Capital expenditure*	**28,917**	**9,945**	**20,339**	**59,201**
Unallocated capital expenditure*				**2,171**
				61,372
Depreciation	**21,836**	**13,035**	**7,025**	**41,896**
Amortisation of intangible assets	**83**	**21**	**33**	**137**
Unallocated depreciation				**5,990**
				48,023
Loss on disposal of items of property, plant and equipment, net	**1,566**	**148**	**451**	**2,165**
Unallocated loss on disposal of items of property, plant and equipment, net				**690**
				2,855
Impairment of items of property, plant and equipment	**1,314**	**2,161**	**393**	**3,868**

* *Capital expenditure consists of additions to property, plant and equipment and intangible assets.*

3. OPERATING SEGMENT INFORMATION *(Continued)*

	Hong Kong, Macau and Elsewhere (Restated) *HK$'000*	Taiwan *HK$'000*	Mainland China *HK$'000*	Total *HK$'000*
Year ended 31 March 2018				
Segment revenue:				
Sales to external customers	912,917	339,532	135,075	1,387,524
Intersegment sales	7,991	160,270	–	168,261
	920,908	499,802	135,075	1,555,785
Reconciliation:				
Elimination of intersegment sales				(168,261)
Revenue				1,387,524
Segment results:	118,864	(3,108)	(2,305)	113,451
Reconciliation:				
Interest income				250
Finance costs				(437)
Fair value gain on an investment property				1,300
Unallocated expenses, net				(57,754)
Profit before tax				56,810
Segment assets:	350,235	219,350	131,761	701,346
Reconciliation:				
Investment property				19,000
Available-for-sale investments				2,970
Deferred tax assets				19,205
Tax recoverable				814
Unallocated assets				229,270
Total assets				972,605
Segment liabilities:	91,177	9,818	9,667	110,662
Reconciliation:				
Deferred tax liabilities				7,150
Tax payable				7,887
Unallocated liabilities				15,018
Total liabilities				140,717
Other segment information:				
Capital expenditure*	19,323	18,346	6,599	44,268
Unallocated capital expenditure*				3,453
				47,721
Depreciation	19,933	12,569	3,433	35,935
Amortisation of intangible assets	97	37	36	170
Unallocated depreciation				5,847
				41,952
Loss on disposal of items of property, plant and equipment, net	2,365	671	108	3,144
Unallocated gain on disposal of items of property, plant and equipment, net				(149)
				2,995
Write-off of deposits	444	–	–	444
Impairment of trade receivables	–	–	2	2
Impairment of items of property, plant and equipment	90	–	–	90

* *Capital expenditure consists of additions to property, plant and equipment and intangible assets.*

3. OPERATING SEGMENT INFORMATION *(Continued)*

Geographical information

Non-current assets

	2019	2018
		(Restated)
	HK$'000	*HK$'000*
Hong Kong, Macau and Elsewhere	**106,873**	109,917
Taiwan	**12,242**	21,168
Mainland China	**30,936**	15,500
	150,051	146,585

Information about major customers

Since there was no customer to which the Group's sales amounted to 10% or more of the Group's revenue during the year, no major customer information is presented.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue, other income and gains is as follows:

	2019	2018
	HK$'000	*HK$'000*
Revenue		
Sale of garment products and accessories transferred at a point in time	**1,300,583**	1,387,524

Disaggregated revenue information

Segments

Geographical markets		
Hong Kong, Macau and Elsewhere	**868,552**	912,917
Taiwan	**289,813**	339,532
Mainland China	**142,218**	135,075
Total revenue from contracts with customers	**1,300,583**	1,387,524

Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of garment products and accessories

The Group sells garment products and accessories directly to retail customers via retail stores, department stores and internet. The performance obligation is satisfied when the product is transferred to the customers upon delivery of goods. Payment of the transaction price is due immediately when the customers purchase the goods. The payment is usually settled in cash or using credit cards.

The Group also sells goods to wholesalers. The performance obligation is satisfied when control of the products has been transferred, being when the products are delivered to the wholesalers and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. The payment is generally due within one to two months from delivery, except for certain wholesalers, where payment in advance is normally required.

As a practical expedient, the transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2019 are not disclosed in the notes to the financial statements because all the remaining performance obligations in relation to the sale of garment products and accessories are a part of contracts that have an original expected duration of one year or less.

4. REVENUE, OTHER INCOME AND GAINS *(Continued)*

	2019	2018
	HK$'000	*HK$'000*
Other income		
Bank interest income	**96**	250
Rental income	**596**	361
Others	**2,575**	1,320
	3,267	1,931
Gains		
Foreign exchange differences, net	**2,008**	–
Fair value gain on investment property	**400**	1,300
	2,408	1,300
	5,675	3,231

5. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	2019	2018
	HK$'000	*HK$'000*
Cost of inventories sold*	**554,821**	541,120
Depreciation	**47,886**	41,782
Provision for inventories, net*	**20,410**	2,596
Minimum lease payments under operating leases	**244,506**	225,575
Contingent rents under operating leases	**61,582**	81,160
Auditor's remuneration	**2,263**	2,240
Employee benefit expenses (including directors' remuneration):		
Wages, salaries and other benefits	**225,180**	224,650
Pension scheme contributions**	**12,427**	12,710
	237,607	237,360
Loss on disposal of items of property, plant and equipment, net	**2,855**	2,995
Amortisation of intangible assets	**137**	170
Write-off of deposits	**–**	444
Loss on disposal of trademarks	**1**	5
Impairment of trade receivables	**–**	2
Fair value gain on an investment property	**(400)**	(1,300)
Impairment of items of property, plant and equipment	**3,868**	90
Foreign exchange losses/(gains), net	**(2,008)**	1,428
Direct operating expenses (including repairs and maintenance) arising from a rental-earning investment property	**129**	61

* Included in "cost of sales" on the face of the consolidated statement of profit or loss and other comprehensive income.

** At the end of the reporting period, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2018: Nil).

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2019	2018
	HK$'000	*HK$'000*
Interest on bank loans	**614**	437

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere had been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

The PRC corporate income tax ("**CIT**") is applicable to subsidiaries located in Mainland China. All of these subsidiaries were subject to the applicable CIT rate of 25% (2018: 25%) during the year ended 31 March 2019.

For the subsidiaries in Macau, one of them (2018: one) was incorporated under the Macau Offshore Business Law and exempted from the Macau complementary tax pursuant to the Macau Special Administrative Region's offshore law.

The Taiwan subsidiary was subject to the applicable tax rate of 20% (2018: 17%) during the year ended 31 March 2019.

	2019	2018
	HK$'000	*HK$'000*
Current tax – Hong Kong		
Provision for the year	**1,703**	3,339
Overprovision in prior years	**(123)**	(211)
Current tax – PRC		
Provision for the year	**102**	1,575
Overprovision in prior years	**(134)**	–
Current tax – Elsewhere		
Provision for the year	**1,634**	3,418
Overprovision in prior years	**–**	(118)
Deferred tax charge	**2,959**	8,204
Total tax charge for the year	**6,141**	16,207

8. DIVIDEND

	2019	2018
	HK$'000	*HK$'000*
Proposed final – **HK6.0 cents** (2018: HK7.5 cents) per ordinary share	**22,043**	27,554

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/(loss) per share is based on the loss for the year attributable to equity holders of the parent of HK$62,103,000 (2018: profit of HK$40,603,000) and the weighted average number of ordinary shares of 367,380,000 (2018: 367,380,000) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 March 2019 and 2018.

The calculation of the basic earnings/(loss) per share is based on:

	2019	2018
	HK$'000	*HK$'000*
Earnings/(loss)		
Profit/(loss) attributable to equity holders of the parent, used in the basic earnings/(loss) per share calculation	**(62,103)**	40,603
	Number of shares	
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings/(loss) per share calculation	**367,380,000**	367,380,000

10. TRADE RECEIVABLES

	2019	2018
	HK$'000	*HK$'000*
Trade receivables	**42,849**	61,929
Impairment	**(21)**	(21)
	42,828	61,908

Sales (both online and offline) are made on cash terms or with short credit terms, except for certain well-established customers with a long business relationship with the Group, where the general credit terms are ranging from 30 days to 60 days. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are regularly reviewed. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over these balances. Trade receivables are non-interest-bearing.

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

	2019	2018
	HK$'000	*HK$'000*
Within 90 days	**42,298**	61,794
91 to 180 days	**6**	7
181 to 365 days	**3**	–
Over 365 days	**521**	107
	42,828	61,908

11. TRADE PAYABLES

The ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2019	2018
	HK$'000	*HK$'000*
Within 90 days	**26,915**	33,239
91 to 180 days	**9,017**	1,984
181 to 365 days	**374**	207
Over 365 days	**305**	31
	36,611	35,461

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 60 days.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the design and retail of trendy apparel, bags and fashion accessories. It operates various retail channels (both online and offline) in Hong Kong, Macau, Taiwan and Mainland China. The Group's turnover is mostly contributed by its major in-house labels like "SALAD", "TOUGH" and "80/20" as well as some reputable licensed brands including "SUPERDRY".

As at 31 March 2019, the Group had a total of 196 self-managed offline retail shops/counters in operation (2018: 182).

	As at 31 March 2019	As at 31 March 2018	Change
Number of self-managed shops/counters			
Hong Kong and Macau	**77**	74	+3
Taiwan	**73**	82	–9
Mainland China	**46**	26	+20
TOTAL	**196**	182	+14

The financial year 2018/19 was very challenging for the Group. The intensifying trade protectionism and more rigidly enforced restrictions in major economic nations inevitably impose greater uncertainties on global economic prospects and have gradually led to a deterioration in retail climate regionally. The Group recorded an overall same-store-sales growth rate of about –10% (2018: +3%) for the year ended 31 March 2019. The sales performance in the first quarter of 2019 was particularly worse and recorded a substantial negative growth in same-store-sales of about 21%, possibly resulting from an abnormally warm winter season and diminishing economic prospects triggered by the US-China trade tensions. Hence, the turnover of the Group dropped by about 6.3% to approximately HK$1,300.6 million (2018: HK$1,387.5 million).

Under these adverse market dynamics, although the Group's performance in its home base, Hong Kong and Macau, remained relatively stable during the year ended 31 March 2019, the Group's business performance in Taiwan and Mainland China was disappointing. Eventually, the Group recorded a net loss of about HK$62.1 million for the year under review (2018: net profit of about HK$40.6 million). To confront the likely longer term challenges, the Group's core focus during the year under review was to eliminate its unproductive slow-moving inventories and to maintain healthy operating cash flows.

Hong Kong, Macau and Elsewhere

The combined geographical unit, contributed almost all from Hong Kong and Macau retail operations, makes up the largest operating segment of the Group. For the year ended 31 March 2019, the segment accounted for about 66.8% (2018: 65.8%) of the Group's turnover. The turnover of the segment declined slightly by about 4.9% to about HK$868.6 million for the year under review (2018: HK$912.9 million). As at 31 March 2019, the Group operated 77 (2018: 74) self-managed retail shops in Hong Kong and Macau. Although the Group orderly expanded its offline retail network in the region, the same-store-sales of the regions turned negative to about –6% (2018: +8%) for the year under review, outweighing the contribution from network expansion and eventually, led to the drop in overall turnover in the operating segment. The segmental profit for the year ended 31 March 2019 also declined by about 31.7% to about HK$81.2 million (2018: HK$118.9 million).

In Hong Kong and Macau, the retail market of apparel and fashion accessories in general remained relatively stable during the first half of the financial year while signs of weakening retail sentiment gradually became obvious since the second half of the financial year under review. Though the volume of tourist traffic remained promising, the respective spending was volatile. The warmer-than-expected winter possibly further deteriorated the region's sales performance in that season, which has historically contributed a significant portion of the Group's annual sales and operating profit as well. The Group remained cautious in controlling operating expenses as the cost pressure were still steep, in particular the rental in Hong Kong. As an on-going practice, the Group has strategically relocated, consolidated and adjusted its retail portfolio, including but not limited to its shop mix, brand mix, product mix, etc., from time to time in order to lower its operating leverage as well as to remain competitive.

Taiwan

The sales performance in Taiwan during the year ended 31 March 2019 was quite unfavourable. The Group recorded a significant negative growth in same-store-sales of about –18% (2018: –8%) during the year under review, where was particularly severe in the first quarter of 2019, recording a substantial negative same-store-sales growth rate of about 35%. The turnover of the operating segment decreased by about 14.6% to about HK$289.8 million (2018: HK$339.5 million) for the year ended 31 March 2019 and the region suffered a substantial loss of about HK$46.6 million (2018: HK$3.1 million) as compared with the same period last year.

In view of the prolonged weak consumption atmosphere and deteriorating business climate in Taiwan, the Group followed certain defensive strategies to overcome its adverse effects. The Group consolidated many loss-making or under-performing retail stores in Taiwan in the second half of the financial year. At the end of the reporting period, there was a total of 73 stores/counters/outlets (2018: 82) in operation, present mainly within reputable department stores in major Taiwanese cities. In addition, the Group cautiously managed its inventories at a healthy level, in particular, putting much greater effort into minimising its slow-moving items. The Group introduced more extensive promotional discounts to the markets and extended its bargain and outlet sales activities during the year under review in order to accelerate inventory clearance. Though the gross margin was inevitably trimmed, the Group managed to effectively stimulate customers' traffic, moderately stabilise its sales performance and progressively reduce its aged and off-season inventories. More importantly, the Group resumed its robust cash inflows in the region and equipped itself with more financial flexibility in order to promptly react to the uncertain market dynamics.

Mainland China

As at 31 March 2019, the Group operated 46 (2018: 26) self-managed retail shops in Mainland China. Apart from developing existing foundation in Shanghai, Beijing and Guangzhou, the Group further extended its offline retail coverage mostly in the first half of the financial year under review to other Greater Bay Area cities, including Shenzhen, Zhuhai, Zhongshan and also some peripheral areas of the Group's well-established presence, like Hangzhou.

Unfortunately, the international trade disputes between China and the United States and depreciation of the Renminbi has created many uncertainties on China's economic growth and was gradually undermining its domestic retail performance. The Group recorded a same-store-sales growth of about –12% (2018: +9%) in its offline retail business during the year ended 31 March 2019. The Group's e-commerce platforms in Mainland China, including Tmall, had a relatively stable performance during the period under review. However, the growth in the Group's online business in the region became more volatile. As a result, turnover from the Mainland China segment increased merely by about 5.3% to about HK$142.2 million (2018: HK$135.1 million) during the year under review despite the retail network doubling physically. With the depressed sales performance and increased capital expenditures as well as operating costs for an enlarged offline network, the segment recorded a larger loss of about HK$31.8 million (2018: HK$2.3 million) for the year under review. In view of the unfavourable sales performance, the Group had suspended all material new investment projects in the region since the second half of the financial year under review.

FINANCIAL REVIEW

Turnover and Segment Information

Turnover of the Group declined by about 6.3% to approximately HK$1,300.6 million (2018: HK$1,387.5 million) for the year ended 31 March 2019. The Group's same-store-sales growth also deteriorated to about –10% (2018: +3%) for the year under review. Hong Kong, Macau and Elsewhere remains the key operating segment of the Group's retail business, accounting for approximately 66.8% (2018: 65.8%) of the Group's turnover, which had relatively stable performance with a mild drop in the same-store-sales of about –6% (2018: +8%) during the year under review. Details of the Group's segmental turnover and results are shown in Note 3 to the financial statements.

Gross Profit and Gross Margin

The Group's gross profit was reduced by about 14.0% to approximately HK$725.4 million (2018: HK$843.8 million) for the year ended 31 March 2019. In view of the obvious gradually diminishing retail sales trend, the Group put greater efforts to galvanise customer traffic and reduce slow-moving inventories in particular regions through various promotional programs as well as bargain and outlet sales activities. The gross margin was inevitably trimmed to about 55.8% (2018: 60.8%) as compared with the same period last year.

Operating Expenses and Cost Control

The Group was cautious in managing expenses during the year ended 31 March 2019. As for controlling rental costs, a major component of its operating expenses, the Group regularly reviewed the performance of each retail store and consolidated loss-making or under-performing shops, especially in Taiwan during the year ended 31 March 2019. At the same time, the Group was cautious in identifying appropriate locations for new stores and re-allocated certain shops to less costly locations in Hong Kong to strike a balance between prospective sales opportunities and cost efficiency. Rental expenses for the year ended 31 March 2019 were controlled at a level comparable with the same period last year to about HK$306.1 million (2018: HK$306.7 million), which accounted for about 38.9% (2018: 38.8%) of the Group's total operating expenses. To mitigate market rental increment as well as attain a flexible cost structure, the Group adopts an on-going practice of strategically relocating, consolidating and transforming its retail portfolio.

Efforts to control costs in other areas are also important. Regular review of work procedures and performance is in place to raise effectiveness and to enhance efficiency. Although there was an increase in total number of staff mainly due to the expansion of its offline retail network in Mainland China, the staff cost in aggregate was also managed in a similar level as compared with the same period last year to approximately HK$237.6 million (2018: HK$237.4 million) during the year under review. Depreciation charges rose by about 14.6% to approximately HK$47.9 million (2018: HK$41.8 million) for the year under review, mainly due to more capital expenditure invested in retail network expansion, especially in Mainland China. Marketing and advertising expenses were cut substantially to approximately HK$34.9 million (2018: HK$46.5 million), representing about 2.7% (2018: 3.4%) of the Group's turnover. The Group intended to put prudently marketing efforts on key brands and products to capture optimum promotional benefits.

The Group's overall operating expenses decreased slightly to approximately HK$786.4 million (2018: HK$789.8 million) during the year under review.

Finance Costs

The Group incurred finance costs of about HK$0.6 million for the year ended 31 March 2019 (2018: HK$0.4 million), representing interest expenses paid for short-term bank borrowings to support a seasonal liquidity shortfall.

Net Loss

The Group recorded a net loss for the year ended 31 March 2019 of about HK$62.1 million (2018: net profit of about HK$40.6 million). The unfavourable results were primarily caused by the adverse business performance of the Group's retail operations in both Taiwan and Mainland China.

SEASONALITY

Seasonality has heavy bearing on the sales and results of the Group as its track record shows. The first half of each financial year has historically been less important than the second half. In general, more than 50% of the Group's annual sales and most of its net profit are derived in the second half of the financial year, within which the holiday seasons of Christmas, New Year and the Lunar New Year fall.

CAPITAL STRUCTURE

As at 31 March 2019, the Group had net assets of approximately HK$741.7 million (2018: HK$831.9 million), comprising non-current assets of approximately HK$319.0 million (2018: HK$319.0 million), net current assets of approximately HK$429.1 million (2018: HK$520.0 million) and non-current liabilities of approximately HK$6.4 million (2018: HK$7.1 million).

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2019, the Group had cash and bank balances of about HK$198.7 million (2018: HK$217.9 million). At the end of the reporting period, the Group had aggregate banking facilities of about HK$174.7 million (2018: HK$144.8 million) comprising interest-bearing bank overdraft, revolving loans, rental and utility guarantees as well as import facilities, of which about HK$170.4 million had not been utilised (2018: HK$135.9 million). The Group had no borrowings as at 31 March 2018 and 31 March 2019. The Group's gearing ratio at the end of the reporting period, representing a percentage of total interest-bearing bank borrowing to total assets, was zero (2018: zero).

CASH FLOWS

For the year ended 31 March 2019, net cash flows from operating activities improved significantly to approximately HK$72.2 million (2018: HK$3.6 million), which was mainly attributable to the clearance of the slow-moving inventories. Net cash flows used in investing activities increased by about 23.3% to approximately HK$61.4 million (2018: HK$49.8 million) mainly due to an increase in capital expenditure for store renovation and new shop openings, especially in Mainland China. Net cash flows used in financing activities reduced to about HK$27.6 million (2018: HK$33.5 million) resulted mainly from net repayment of bank borrowings during the year ended 31 March 2018.

SECURITY

As at 31 March 2019, the Group's general banking facilities were secured by certain of its land and buildings with aggregate carrying value of approximately HK$42.6 million (2018: HK$112.2 million).

CAPITAL COMMITMENT

The Group had no material capital commitment contracted, but not provided for as at 31 March 2019 (2018: Nil).

CONTINGENT LIABILITIES

As at 31 March 2019, the Group had contingent liabilities in respect of guarantees given in lieu of utility and property rental deposits amounting to approximately HK$5.0 million (2018: HK$4.1 million).

In addition, the Group early terminated certain leases for properties in prior years. Pursuant to the respective lease agreements, the Group might be required to compensate for losses or damages to the respective landlords subject to various conditions. As at the end of the reporting period, it is not practicable to estimate the related losses or damages as the outcome which could determine the compensation is not wholly within the control of the Group. In the opinion of the Directors, the likelihood of an outflow of resources embodying economic benefits by the Group is uncertain.

HUMAN RESOURCES

Including the Directors, the Group had 1,268 (2018: 1,220) employees as at 31 March 2019. To attract and retain high quality staff, the Group provided competitive remuneration packages with performance bonuses, mandatory provident fund, insurance and medical coverage as well as entitlements to share options to be granted under a share option scheme based on employees' performance, experience and the prevailing market rate. Remuneration packages were reviewed regularly. Regarding staff development, the Group provided regular in-house training to retail staff and subsidised external training programmes for their professional development.

FOREIGN EXCHANGE RISK MANAGEMENT

The Group's sales and purchases during the year have been mostly denominated in Hong Kong dollars, New Taiwan dollars, Renminbi and Pounds Sterling. The Group has been exposed to certain foreign currency exchange risks but it does not anticipate future currency fluctuations to cause material operational difficulties or liquidity problems. However, the Group continuously monitors its foreign exchange position and, when necessary, will hedge foreign exchange exposure arising from contractual commitments in sourcing apparel from overseas suppliers.

PROSPECTS

The trade war between China and the United States has been escalating, which leads to continued economic uncertainty and deteriorating retail sentiment in the markets where the Group operates. Under such circumstances, the Group will pursue a prudent strategy, including streamlining its retail network and reducing inventories, in order to strengthen its cash flows and financial conditions, equipping itself with added flexibility to respond to market changes.

The operations in Hong Kong and Macau, the major business segment of the Group, continues to be relatively stable and profitable. However, since the second half of the financial year under review, there have been signs of a weakening retail climate. Thus, the Group will remain prudent in terms of retail network expansion, while consolidating the retail network at the same time. In view of the rental expenses persisting at a high level, the Group will continue to strategically shift its retail portfolio to optimise its cost structure.

For Mainland China, its economic, as well as retail sentiment has been deeply impacted by the trade dispute and depreciation of the Renminbi. In view of these uncertainties, the Group has stopped the expansion plan in Mainland China and also comprehensively review the current retail network, in order to identify and close underperforming stores, in order to achieve a more efficient operation.

In Taiwan, due to the prolonged weakening of the economic and retail climate, the Group will extend its efforts to reduce the scale of its retail network, and offer extensive discounts to stimulate sales performance and clear slow-moving inventories, thereby reducing the structural costs and boosting its cash flows and financial strength.

Overall, the Group will also continue to rationalise its work procedures to increase efficiency, as well as control various expenses such as staff cost and marketing and advertising expenses at reasonable levels, in order to optimise its cost structure while operating in such a challenging environment.

In conclusion, facing an unfavourable operating environment stemming from various macroeconomic factors, in particular the Sino-US trade war, the Group will focus on streamlining its operations, structurally reducing operating costs, and reinforcing its financial strength. Meanwhile, the Group will leverage its unique brand portfolio and well-established market standing to cooperate with different brands and explore further collaboration opportunities, which it believes will enhance its brand awareness and leading market position, helping it to achieve sustainable growth and bring returns to shareholders in the long run.

DIVIDEND

The directors recommended the payment of a final dividend of **HK6.0 cents** (2018: HK7.5 cents) per ordinary share for the year ended 31 March 2019. Subject to the approval of shareholders at the forthcoming annual general meeting of the Company (the "**AGM**"), the proposed final dividend will be payable on or before **Friday, 20 September 2019** to shareholders whose names appear on the register of members on **Tuesday, 10 September 2019**.

CLOSURE OF REGISTER OF MEMBERS

The forthcoming AGM is scheduled on **Wednesday, 28 August 2019**. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from **Thursday, 22 August 2019** to **Wednesday, 28 August 2019**, 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, must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on **Wednesday, 21 August 2019**.

The proposed final dividend is subject to the passing of an ordinary resolution by the shareholders at the AGM. The record date for entitlement to the proposed final dividend is scheduled on **Tuesday, 10 September 2019**. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from **Friday, 6 September 2019** to **Tuesday, 10 September 2019**, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, for registration not later than 4:30 p.m. on **Thursday, 5 September 2019**.

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") as contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") throughout the year ended 31 March 2019 except for not having a separate chairman (the "**Chairman**") and chief executive officer (the "**CEO**") of the Company. Both positions are currently held by Mr. Wong Yui Lam ("**Mr. Wong**").

CG Code Provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. As the founder of the Group, Mr. Wong has substantial experience in the fashion industry and retail operations. The Board considers that the present structure provides the Group with strong and consistent leadership which facilitates the development of the Group's business strategies and execution of its business plans in the most efficient and effective manner. The Board believes that it is in the best interest of the Company and its shareholders as a whole that Mr. Wong continues to assume the roles of the Chairman and the CEO.

MODEL CODE OF SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 (the "**Model Code**") to the Listing Rules as its own code of conduct for dealing in securities of the Company by the Directors. Based on specific enquiry with the Directors, all the Directors confirmed that they have complied with the required standards as set out in the Model Code throughout the year ended 31 March 2019.

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

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 March 2019.

REVIEW OF FINANCIAL INFORMATION

An audit committee of the Company (the "**Audit Committee**") with written terms of reference comprises three independent non-executive directors. The Audit Committee has reviewed with management and external auditors the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the consolidated financial statements for the year ended 31 March 2019.

The figures in respect of this preliminary announcement of the Group's results for the year ended 31 March 2019 have been agreed by the Company's auditor, Ernst & Young, to the amounts set out in the Group's audited consolidated financial statements for the year under review. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this announcement.

CHANGES IN DIRECTORSHIP AND OTHER CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, there was no change in directorship and other changes in the information of the Directors since the publication of the interim report of the Company for the six months year ended 30 September 2018 up to the date of this announcement.

PUBLICATION OF THE RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The results announcement for the year ended 31 March 2019 is published on the website of the Company (www.bauhaus.com.hk) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). The Company's 2019 annual report will be dispatched to the shareholders of the Company and made available on the above websites in due course.

APPRECIATION

On behalf of the Board, I would like to express my deep gratitude to our shareholders, business partners and customers for their unstinting support. I would also like to extend our sincere appreciation to all the Group's employees for their dedication.

By order of the Board
Bauhaus International (Holdings) Limited
Wong Yui Lam
Chairman

Hong Kong, 27 June 2019

BOARD OF DIRECTORS

As at the date of this announcement, the board of directors comprises three executive directors, namely Mr. Wong Yui Lam, Madam Lee Yuk Ming and Mr. Yeung Yat Hang and three independent non-executive directors, namely Mr. Chu To Ki, Mr. Mak Wing Kit and Mr. Mak Siu Yan.