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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)

SAME STORE SALES GROWTH FOR THE SECOND QUARTER OF 2019/20 FINANCIAL YEAR AND THE SIX MONTHS ENDED 30 SEPTEMBER 2019 AND PROFIT WARNING

SAME STORE SALES PERFORMANCE

Bauhaus International (Holdings) Limited (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce the same store sales growth* of the Group's self-managed offline shops for (1) the three months ended 30 September 2019 and (2) the six months ended 30 September 2019.

The same store sales performance of the Group's self-managed retail business in various operating segments and the weighted average number of corresponding shops were as follows:

	Same store sales growth Year-on-year change		**Weighted average number of corresponding shops**	
	Three months ended 30 September 2019	**Six months ended 30 September 2019**	**Three months ended 30 September 2019**	**Six months ended 30 September 2019**
Hong Kong and Macau	-17%	-15%	67	66
Taiwan	-46%	-39%	63	62
Mainland China	-3%	-6%	27	24
Group	**-21%**	**-19%**	**157**	**152**

Remark:

* *Same store sales growth represents a comparison of sales of the same self-managed shop having full month operations in the comparable periods; and such data does not include sales of any shop that was newly opened during the respective covering periods of the above mentioned same store sales growth.*

As at 30 September 2019, the Group had a total of 184 self-managed offline shops in the following operating segments:

	Number of self-managed shops		
	As at 30 September 2019	**As at 31 March 2019**	**Change**
Hong Kong and Macau	**73**	77	-4
Taiwan	**69**	73	-4
Mainland China	**42**	46	-4
	184	196	-12

PROFIT WARNING

In addition, the following is made by the Company pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company and potential investors that based on the preliminary assessment of the Group's operating data and unaudited management accounts of the Group's principal subsidiaries, the Group's net loss for the six months ended 30 September 2019 is expected to **increase to approximately between HK$60 million to HK$95 million** as compared to the same period last year (2018: HK$55.9 million).

The unfavourable results were primarily attributed to adverse sales performance in its core markets, particularly in Hong Kong and Taiwan. The sales performance in Hong Kong was seriously hit by the ongoing social incidents in Hong Kong since June 2019, leading to significant decline in tourist traffic and very sluggish consumer sentiment. In addition, the sales in the Group's Taiwan operating segment dropped substantially as well, mainly due to the prolonged weak consumption atmosphere in the region and the Group proactively contracting its offline retail network to reduce loss-making and under-performing stores in Taiwan.

At present, the Group has sufficient cash on hand to meet current business needs. Yet facing the great challenges, the Group adopts a prudent finance management approach with proactive implementation of a number of cost control measures, including but not limited to negotiating for rental reduction with landlords, reducing operational expenses such as staff costs, marketing expenses, other selling and administration costs and shop renovation expenditures, etc. The Group has also been launching more promotional campaigns with attractive discounts to boost sales, lower inventory level and preserve liquidity. The Group considers the measures can help the Group to sustain its operations through this difficult time.

CAUTION STATEMENT

The Company is in the process of finalising the interim results of the Group for the six months ended 30 September 2019. The above operating data and information contained in this announcement is only based on the preliminary assessment by the Board with reference to the Company's internal records and information currently available, which have not been audited by the Company's auditors. The Group's interim results for the six months ended 30 September 2019 are expected to be published on or about 29 November 2019.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 9 October 2019

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