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)

PROFIT WARNING

This announcement is made by Bauhaus International (Holdings) Limited (the "**Company**", together with its subsidiaries collectively referred to as the "**Group**") 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 unaudited consolidated management accounts of the Group, the Group's net loss for the year ended 31 March 2020 is expected to significantly increase to **about HK$140 million to HK$210 million** as compared to that for the year ended 31 March 2019 (2019: HK$62.1 million).

The unfavourable results were primarily attributed to the adverse impact of (i) the social unrest in Hong Kong since June 2019; (ii) the pandemic of novel coronavirus (the "**COVID-19**") since January 2020; and (iii) the closure of the Group's Mainland China business as well as progressively downsizing retail operations in Hong Kong and Taiwan during the year under review.

As at the date of this announcement, the Group has sufficient cash on hand to meet current business needs. Yet facing the great challenges, the Group proactively implemented a number of cost control measures, including but not limited to negotiating for rental reduction with landlords, reducing operational expenses and shop renovation expenditures, etc.

In addition, as part of cost-cutting measures, all the executive directors of the Company have agreed to take a pay cut by 25% from April to June 2020 or to commit comparable amount of unpaid leave. Salaries for almost all of the other staff will be frozen for the year ending 31 March 2021, except for promotions. The Group has applied subsidies under HKSAR Government's Retail Sector Subsidy Scheme and Employment Support Scheme. The Board has committed that all these subsidies to be received, including the subsidies granted from the Retail Sector Subsidy Scheme, will be solely used on paying wages to the Group's employees.

The Group has also been launching more promotional campaigns with attractive discounts to boost sales and lower the inventory level and preserve cash. The Group believes the measures can help the Group to sustain its operations through this difficult time.

The Company is in the process of finalising the annual results of the Group for the year ended 31 March 2020. The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the year ended 31 March 2020, which have not been audited by the Company's auditors. The Group's annual results for the year ended 31 March 2020 are expected to be published on or before 30 June 2020.

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, 29 May 2020

As at the date of this announcement, the Board 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. Chu To Ki, Mr. Mak Wing Kit and Mr. Mak Siu Yan.