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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)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2022

➤ Turnover of the Group declined by about 33.0% to approximately HK\$249.3 million (2021: HK\$371.9 million).

➤ Sales by operating segment were as follows:

	Year ended 31 March 2022 HK\$ million	Year ended 31 March 2021 HK\$ million	Changes
Hong Kong & Macau	248.7	343.9	-27.7%
Non-Hong Kong & Macau	0.6	28.0	-97.9%

➤ Gross profit reduced by about 33.7% to approximately HK\$159.6 million (2021: HK\$240.6 million), and gross margin slimmed to about 64.0% (2021: 64.7%).

➤ The Group recorded a net profit for the year ended 31 March 2022 of about HK\$142.6 million (2021: HK\$99.7 million).

➤ Basic and diluted earnings per share were about 38.8 HK cents (2021: 27.1 HK cents).

➤ A final dividend of 16.5 HK cents (2021: 6.0 HK 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 2022, 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 2022

	Notes	2022 HK\$'000	2021 HK\$'000
REVENUE	4	249,304	371,898
Cost of sales		<u>(89,660)</u>	<u>(131,313)</u>
GROSS PROFIT		159,644	240,585
Other income and gains	4	179,905	139,381
Selling and distribution expenses		(137,485)	(189,204)
Administrative expenses		(41,811)	(48,491)
Other expenses		(14,100)	(35,015)
Finance costs	5	<u>(3,165)</u>	<u>(9,401)</u>
PROFIT BEFORE TAX	6	142,988	97,855
Income tax (expense)/credit	7	<u>(377)</u>	<u>1,882</u>
PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		<u>142,611</u>	<u>99,737</u>
Other comprehensive income/(loss)			
Item that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		<u>3,584</u>	<u>(9,565)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		<u>3,584</u>	<u>(9,565)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		<u>146,195</u>	<u>90,172</u>
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Basic and diluted	8	<u>38.8 HK cents</u>	<u>27.1 HK cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2022

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		10,381	39,581
Right-of-use assets		40,174	163,912
Intangible assets		116	194
Equity investment at fair value through other comprehensive income		–	–
Rental, utility and other non-current deposits		24,350	32,423
Deferred tax assets		200	970
TOTAL NON-CURRENT ASSETS		75,221	237,080
CURRENT ASSETS			
Inventories		47,829	69,934
Trade receivables	10	1,733	2,900
Prepayments, deposits and other receivables		5,936	6,498
Property held for sale	11	201	–
Tax recoverable		384	596
Pledged time deposit		11,700	15,600
Cash and cash equivalents		108,465	266,695
Total current assets		176,248	362,223
CURRENT LIABILITIES			
Trade payables	12	784	1,504
Other payables and accruals		16,948	21,705
Lease liabilities		38,287	74,247
Tax payable		22	1,179
Total current liabilities		56,041	98,635
NET CURRENT ASSETS		120,207	263,588
TOTAL ASSETS LESS CURRENT LIABILITIES		195,428	500,668
NON-CURRENT LIABILITIES			
Lease liabilities		7,224	52,616
Deferred tax liabilities		10	100
TOTAL NON-CURRENT LIABILITIES		7,234	52,716
NET ASSETS		188,194	447,952
EQUITY			
Equity attributable to equity holders of the parent			
Share capital		36,738	36,738
Reserves		151,456	411,214
TOTAL EQUITY		188,194	447,952

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 March 2022

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 1/F., 163 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong. 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) primarily in Hong Kong and Macau. The Group's turnover is mostly contributed by its major in-house labels like "SALAD", "TOUGH", "80/20" and some seasonal in-house design brands as well as certain 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 was incorporated in the British Virgin Islands and is beneficially and wholly-owned by a discretionary trust.

2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all applicable individual 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 applicable disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also include the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). They have been prepared under the historical cost convention, except for equity investments which have been measured at fair value and non-current assets held for sale which are stated at the lower of carrying amount and fair value less costs to sell. These consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

It should be noted that accounting estimates and assumptions are used in the preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgment of current events and actions, actual results may ultimately differ from those estimates.

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 2022. 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.

2.1 BASIS OF PREPARATION (Continued)

Basis of consolidation (Continued)

Profit or loss and each component of other comprehensive income is 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.

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 revised HKFRSs for the first time for the current year's consolidated financial statements.

Amendments to HKFRS 9, HKAS 39 and *Interest Rate Benchmark Reform – Phase 2*
HKFRS 7, HKFRS 4 and HKFRS 16

The adoption of the above revised HKFRSs has had no significant financial effect on these consolidated financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs

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

HKFRS 17	<i>Insurance Contracts and related amendments</i> ²
Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i> ⁴
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)</i> ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i> ²
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i> ²
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> ²
Amendments to HKAS 16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i> ¹
Amendments to HKAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i> ¹
Amendments to HKFRSs	<i>Annual Improvements to HKFRS Standards 2018-2020</i> ¹
Accounting Guideline 5 (Revised)	<i>Merger Accounting for Common Control Combination</i> ⁴

¹ Effective for annual periods beginning on or after 1 April 2022

² Effective for annual periods beginning on or after 1 April 2023

³ Effective date not yet determined

⁴ Effective for business combination/common control combination for which the acquisition/combination date is on or after the beginning of the first annual period beginning on or after 1 April 2022

The Directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. The new and amended HKFRSs are not expected to have a material impact on the Group's consolidated financial statements.

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 segments are based on the locations of the customers.

The Group's reporting segments are as follows:

1. Hong Kong & Macau
2. Non-Hong Kong & Macau

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, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except for that interest income, non-lease-related finance costs, fair value loss on an investment property, loss on disposal of an investment property, gain on disposal of properties (other than from leasehold improvements and equipment), gain on disposal of a subsidiary and unallocated expenses, net are excluded from this measurement.

Segment assets exclude equity investments at fair value through other comprehensive income, deferred tax assets, property held for sale, 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 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 prevailing market prices.

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 years ended 31 March 2022 and 2021, no major customer information is presented.

3. OPERATING SEGMENT INFORMATION (Continued)

	Hong Kong & Macau HK\$'000	Non- Hong Kong & Macau HK\$'000	Total HK\$'000
Year ended 31 March 2022			
Segment revenue:			
Sales to external customers	248,688	616	<u>249,304</u>
Segment results:	15,634	(1,022)	14,612
<i>Reconciliation:</i>			
Interest income			57
Finance costs (other than interest on lease liabilities)			(341)
Gain on disposal of properties (other than from leasehold improvements and equipment)			153,412
Gain on disposal of a subsidiary			20,587
Unallocated expenses, net			<u>(45,339)</u>
Profit before tax			<u>142,988</u>
Segment assets:	173,037	4,126	177,163
<i>Reconciliation:</i>			
Deferred tax assets			200
Property held for sale			201
Tax recoverable			384
Unallocated assets			<u>73,521</u>
Total assets			<u>251,469</u>
Segment liabilities:	58,312	230	58,542
<i>Reconciliation:</i>			
Deferred tax liabilities			10
Tax payable			22
Unallocated liabilities			<u>4,701</u>
Total liabilities			<u>63,275</u>
Segment non-current assets:	53,608	154	53,762
<i>Reconciliation:</i>			
Deferred tax assets			200
Unallocated non-current assets			<u>21,259</u>
Total non-current assets			<u>75,221</u>

3. OPERATING SEGMENT INFORMATION (Continued)

	Hong Kong & Macau HK\$'000	Non- Hong Kong & Macau HK\$'000	Total HK\$'000
Other segment information:			
Capital expenditure*	1,085	–	1,085
Unallocated capital expenditure*			<u>1,307</u>
			<u>2,392</u>
Depreciation of property, plant and equipment	5,935	–	5,935
Unallocated depreciation			<u>1,692</u>
			<u>7,627</u>
Depreciation of right-of-use assets	58,878	–	58,878
Unallocated depreciation			<u>935</u>
			<u>59,813</u>
Amortisation of intangible assets	14	68	<u>82</u>
Loss on disposal of items of property, plant and equipment, net	1,115	–	1,115
Unallocated gains on disposal of items of property, plant and equipment and right-of-use assets, net			<u>(152,068)</u>
			<u>(150,953)</u>
Write-back of lease liabilities, net	(3,431)	(4,316)	<u>(7,747)</u>
Impairment of items of property, plant and equipment	1,202	–	<u>1,202</u>
Impairment of right-of-use assets	7,047	–	<u>7,047</u>

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

3. OPERATING SEGMENT INFORMATION (Continued)

	Hong Kong & Macau <i>HK\$'000</i>	Non- Hong Kong & Macau <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 March 2021			
Segment revenue:			
Sales to external customers	343,918	27,980	<u>371,898</u>
Segment results:			
	74,481	11,464	85,945
<i>Reconciliation:</i>			
Interest income			493
Finance costs (other than interest on lease liabilities)			(87)
Gain on disposal of properties (other than from leasehold improvements and equipment)			49,265
Loss on disposal of an investment property			(1,900)
Fair value loss on an investment property			(2,200)
Unallocated expenses, net			<u>(33,661)</u>
Profit before tax			<u>97,855</u>
Segment assets:			
	343,182	67,529	410,711
<i>Reconciliation:</i>			
Deferred tax assets			970
Tax recoverable			596
Unallocated assets			<u>187,026</u>
Total assets			<u>599,303</u>
Segment liabilities:			
	141,436	5,847	147,283
<i>Reconciliation:</i>			
Deferred tax liabilities			100
Tax payable			1,179
Unallocated liabilities			<u>2,789</u>
Total liabilities			<u>151,351</u>
Segment non-current assets:			
	139,134	164	139,298
<i>Reconciliation:</i>			
Deferred tax assets			970
Unallocated non-current assets			<u>96,812</u>
Total non-current assets			<u>237,080</u>

3. OPERATING SEGMENT INFORMATION *(Continued)*

	Hong Kong & Macau <i>HK\$'000</i>	Non- Hong Kong & Macau <i>HK\$'000</i>	Total <i>HK\$'000</i>
Other segment information:			
Capital expenditure*	3,125	–	3,125
Unallocated capital expenditure*			<u>397</u>
			<u>3,522</u>
Depreciation of property, plant and equipment	11,031	444	11,475
Unallocated depreciation			<u>2,873</u>
			<u>14,348</u>
Depreciation of right-of-use assets	101,854	–	101,854
Unallocated depreciation			<u>1,645</u>
			<u>103,499</u>
Amortisation of intangible assets	32	77	<u>109</u>
Loss on disposal of items of property, plant and equipment, net	4,235	928	5,163
Unallocated gains on disposal of items of property, plant and equipment and right-of-use assets, net			<u>(48,913)</u>
			<u>(43,750)</u>
Unallocated loss on disposal of an investment property			<u>1,900</u>
Write-back of lease liabilities, net	(49,012)	(9,085)	(58,097)
Unallocated write-back of lease liabilities, net			<u>(745)</u>
			<u>(58,842)</u>
Impairment/(reversal of impairment) of items of property, plant and equipment	2,479	(488)	<u>1,991</u>
Impairment of right-of-use assets	18,382	–	<u>18,382</u>

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

4. REVENUE, OTHER INCOME AND GAINS

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue		
Sale of garment products and accessories transferred at a point in time	<u>249,304</u>	<u>371,898</u>
Disaggregated revenue information		
Segments		
Geographical markets		
Hong Kong & Macau	248,688	343,918
Non-Hong Kong & Macau	<u>616</u>	<u>27,980</u>
Total revenue from contracts with customers	<u>249,304</u>	<u>371,898</u>

The following table shows the amounts of revenue recognised that were included in the contract liabilities at the beginning of the years:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue recognised that was included in contract liabilities at 1 April –		
Sale of garment products and accessories	<u>1,900</u>	<u>60</u>

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 distributors. The performance obligation is satisfied when control of the products has been transferred, being when the products are delivered to the distributors and there is no unfulfilled obligation that could affect the distributors' acceptance of the products. The payment is generally due within 30 to 60 days from delivery, except for certain distributors, where payment in advance is normally required.

The transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2022 and 31 March 2021 were not disclosed in the notes to the consolidated financial statements because all the remaining performance obligations in relation to the sale of garment products and accessories were a part of contracts that have an original expected duration of one year or less.

4. REVENUE, OTHER INCOME AND GAINS (Continued)

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Other income		
Bank interest income	57	493
Rental income	–	398
Government grants*	194	20,630
Others	122	197
	<u>373</u>	<u>21,718</u>
Gains		
Gain on disposal of items of property, plant and equipment and right-of-use assets, net	150,953	43,750
Gain on disposal of a subsidiary	20,587	–
Gain on liquidation of subsidiaries	245	503
Write-back of lease liabilities, net	7,747	58,842
Foreign exchange differences, net	–	14,568
	<u>179,532</u>	<u>117,663</u>
	<u>179,905</u>	<u>139,381</u>

* During the year ended 31 March 2022, the Group recognised subsidies of approximately HK\$194,000 (2021: HK\$20,630,000) from certain anti-epidemic funds provided by the Hong Kong and Macau governments as part of the relief measures on COVID-19 pandemic.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interest on lease liabilities	2,824	9,314
Interest on bank loans	10	–
Other interest expenses	331	87
	<u>3,165</u>	<u>9,401</u>

6. PROFIT BEFORE TAX

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Cost of inventories sold*	96,936	141,234
Reversal of provision for inventories, net*	(7,276)	(9,921)
Depreciation of property, plant and equipment	7,627	14,348
Depreciation of right-of-use assets	59,813	103,499
Lease payments for short term leases and contingent rents not included in the measurement of lease liabilities	19,804	25,752
COVID-19-Related rent concessions***	(8,236)	(49,219)
Auditor's remuneration	1,129	1,323
Employee benefit expenses (including directors' remuneration):		
Wages, salaries and other benefits	60,254	81,221
Pension scheme contributions**	1,225	3,387
	61,479	84,608
Gain on disposal of items of property, plant and equipment and right-of-use assets, net	(150,953)	(43,750)
Gain on disposal of a subsidiary	(20,587)	–
Loss on disposal of an investment property	–	1,900
Amortisation of intangible assets	82	109
Write-off of rental deposits, net	1,084	10,411
Write-back of lease liabilities, net	(7,747)	(58,842)
Loss on disposal of trademarks	3	4
Fair value loss on an investment property	–	2,200
Impairment of items of property, plant and equipment	1,202	1,991
Impairment of right-of-use assets	7,047	18,382
Expected credit loss on trade receivables	–	3
Foreign exchange losses/(gains), net	4,682	(14,568)
Direct operating expenses (including repairs and maintenance) arising from a rental-earning investment property	–	81

* Included in "cost of sales" on the face of the consolidated statement of profit or loss and other comprehensive income. The reversal of provision for inventories arose from the sale of obsolete inventories.

** 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 (2021: Nil).

*** Included in "selling and distribution expenses" on the face of the consolidated statement of profit or loss and other comprehensive income.

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying entities are taxed at 8.25%, and the profits above HK\$2,000,000 are taxed at 16.5%. The provision for Hong Kong profits tax for this subsidiary was calculated at the same basis in 2021. Taxes on profits assessable elsewhere had been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current tax – Hong Kong		
Provision for the year	333	1,057
Under/(over) provision in prior years	33	(626)
Current tax – Elsewhere		
Provision for the year	3	688
Overprovision in prior years	(272)	(461)
Deferred tax charge/(credit)	280	(2,540)
	<hr/>	<hr/>
Total tax expense/(credit) for the year	377	(1,882)

8. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share is based on the profit for the year attributable to equity holders of the parent of HK\$142,611,000 (2021: HK\$99,737,000) and the weighted average number of ordinary shares of 367,380,000 (2021: 367,380,000) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 March 2022 and 2021.

The calculation of the basic earnings per share is based on:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Profit		
Profit attributable to equity holders of the parent, used in the basic earnings per share calculation	142,611	99,737
	<hr/>	<hr/>
	Number of shares	
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	367,380,000	367,380,000
	<hr/>	<hr/>

9. DIVIDENDS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
First special – 12.5 HK cents (2021: 12.0 HK cents) per ordinary share	45,923	44,086
Second special – 18.5 HK cents (2021: 40.5 HK cents) per ordinary share	67,964	148,789
Third special 30.5 HK cents (2021: Nil) per ordinary share	112,050	–
Interim – 2.5 HK cents (2021: 2.5 HK cents) per ordinary share	9,184	9,184
Proposed final – 16.5 HK cents (2021: 6.0 HK cents) per ordinary share	60,618	22,043
	295,739	224,102

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

10. TRADE RECEIVABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade receivables	1,733	2,903
Expected credit loss	–	(3)
	1,733	2,900

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 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:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 90 days	1,609	2,862
91 to 180 days	92	38
181 to 365 days	32	–
	1,733	2,900

11. PROPERTY HELD FOR SALE AND EVENT AFTER THE REPORTING PERIOD

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Land and buildings	201	–

On 13 December 2021, a wholly-owned subsidiary of the Group has entered a provisional sale and purchase agreement with an independent third party to sell a car parking space at a total consideration of HK\$1,750,000 (before any related expenses). Accordingly, the carrying book value of the respective property, plant and equipment and right-of-use assets of aggregately HK\$201,000 has been reclassified to property held for sale.

The transaction has been completed on 19 April 2022 and the Group recorded a gain on disposal of the property of about HK\$1,549,000 upon completion in the year ending 31 March 2023.

12. 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:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 90 days	784	1,504

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

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) primarily in Hong Kong and Macau. The Group's turnover is mostly contributed by its major in-house labels like "SALAD", "TOUGH", "80/20" and some seasonal in-house design brands as well as certain reputable licensed brands including "SUPERDRY".

As at 31 March 2022, the Group had a total of 43 (2021: 49) self-managed retail shops/counters in operation.

	As at 31 March 2022	As at 31 March 2021	Change
Number of self-managed shops/counters			
Hong Kong	33	39	-6
Macau	10	10	–
TOTAL	43	49	-6

The COVID-19 pandemic (the "**Pandemic**") has raged for more than two years since early 2020. It has brought about an adverse impact on economic activities worldwide and imposes higher risks on business operations. However, people and corporations are gradually adapting to the "new normal" in their daily lives and usual businesses. As a robust retailer, the Group has also put effort to confront the challenges and to revamp its business models and strategies with an aim for sustaining its business and resuming its profitability.

In the past few years, the Group had scaled down its retail business and chopped many loss-making stores. Therefore, the Group's turnover slid by about 33.0% to about HK\$249.3 million (2021: HK\$371.9 million) for the year ended 31 March 2022. Fortunately, the decline in the Group's same-store-sales has gradually narrowed to about –16% (2021: –40%) during the year under review. Besides, the Group realised a significant portion of its property portfolio and disposed a property-holding subsidiary during the year under review. The Group recorded substantial gains on disposal of properties and a property-holding subsidiary of aggregately about HK\$174.0 million (2021: HK\$49.3 million). Eventually, the Group's net profit was further increased by about 43.0% to about HK\$142.6 million (2021: HK\$99.7 million) for the year ended 31 March 2022.

Hong Kong & Macau

The Hong Kong and Macau retail operations are the key operating segment of the Group. For the year ended 31 March 2022, the segment accounted for almost the Group's entire turnover (2021: 92.5%). Primarily because of the reduction in number of self-managed offline retail shops and negative growth in same-store-sales, the segmental turnover descended by about 27.7% to about HK\$248.7 million (2021: HK\$343.9 million). The Pandemic has depressed generally the retail atmosphere in Hong Kong and Macau while the unfavourable impact seems to be gradually moderated as compared to last year, probably because more effective disease-control measures were in place and the vaccination rate was increasing locally as well as across the globe. As at 31 March 2022, the Group operated 33 (2021: 39) and 10 (2021: 10) self-managed offline retail shops in Hong Kong and Macau, respectively.

In Hong Kong, the Group observed a progressive improvement in its same-store-sales growth rate from about -19% (2021: -39%) in the first quarter of 2021/22 financial year to about -8% (2021: -34%) in the third quarter of the financial year under review. With a well-controlled pandemic situation in Hong Kong and further fueled by the government's Consumption Voucher Scheme during the first three quarters of the financial year, the local retail sentiment has been obviously recovering. Unfortunately, the fifth wave outbreak of more transmissible COVID-19 variants in Hong Kong severely jeopardised economic activities, particularly during February to March 2022 (the "**5th Wave Outbreak**"). More than one million local infected cases have brought about unprecedented challenges to many retailers' business operations, including the Group. The Group had temporarily suspended certain parts of its operations in mid-March 2022. The offline retail sales in Hong Kong during the 5th Wave Outbreak slumped by about 65% as compared with the same period last year. As a result, the Group's same-store-sales in the fourth quarter of the financial year deteriorated as compared to the previous three quarters to about -26% (2021: -29%). Although the internal sales growth rate for the year ended 31 March 2022 remained negative of about -13% (2021: -37%), it still had some obvious year-on-year improvements.

Macau is a travel and entertainment city, where economic performance is highly correlated to tourism. Although Macau's Pandemic situation was relatively less serious as compared to Hong Kong and many regions, strict border controls and quarantine arrangements by the surrounding Mainland cities and Hong Kong seriously suppressed its inbound tourist traffic and in turn, poorly affected the local retail activities. The same-store-sales growth were worsening from about -11% (2021: -48%) in the first quarter of the year ended 31 March 2022 to about -37% (2021: -21%) in the last quarter of the financial year. Even worse than in Hong Kong, the Group's Macau operations recorded a negative internal sales growth of about -26% (2021: -46%) for the year ended 31 March 2022.

Resulting from the trimmed business scale and painful impact during the 5th Wave Outbreak in Hong Kong, the segmental profit was greatly reduced by about 79.1% to about HK\$15.6 million (2021: HK\$74.5 million) for the year ended 31 March 2022. Sales momentum was fragile and volatile in general. Therefore, the Group continued to strictly control its operating costs and to seek room for enhancing its efficiency and effectiveness.

Non-Hong Kong & Macau

In line with the Group's strategies to re-focus on its familiar markets in Hong Kong and Macau and to leverage risks for engaging in overseas markets under the ongoing Pandemic, the Group had closed all the segment's physical stores in the last financial year. Instead, the Group has transformed its business model and is intended to reach overseas markets through online and social media platforms. During the year under review, effective cyber distribution channels were still under development. Therefore, the segmental sales have not yet been significant. Because of the absence of material exchange gains and the lower net write-back of lease liabilities of about HK\$4.3 million (2021: HK\$9.1 million) recorded for the year under review, the segment incurred a loss before tax of about HK\$1.0 million (2021: segmental profit of HK\$11.5 million) during the year ended 31 March 2022.

Asset Realisation and Event After the Reporting Period

Following the streamlined operations and structurally lightened operating cost structure, the Group further adopted an asset-light strategy during the year ended 31 March 2022 with aims to realise the true value of its less productive assets and to improve the Group's asset returns in general.

On 3 June 2021 and 18 June 2021, the Group entered into a provisional sale and purchase agreement and a formal sale and purchase agreement respectively with an independent third party, Wealthy Linker Trading Limited, to sell a spare warehouse premise located at the 10th Floor of Wofoo Building, Nos. 204-210 Texaco Road, Tsuen Wan, New Territories, Hong Kong at a total consideration of HK\$48.0 million (before any related expenses). The sale of property transaction had been completed on 31 August 2021 and the Group recorded a gain on disposal of the respective property of about HK\$33.7 million in the year ended 31 March 2022.

(For further details, please refer to the respective announcement published on the website of the Stock Exchange (www.hkex.com.hk) and the Company's website (www.bauhaus.com.hk) on 3 June 2021.)

On 1 September 2021, the Group announced to dispose its owned head office premise located at the 5th Floor of Sino Industrial Plaza, 9 Kai Cheung Road, Kowloon Bay, Hong Kong and two spare car parking spaces to an independent third party, Asian Land (Hong Kong) Limited, at a total consideration of HK\$126.0 million (before any related expenses). The transaction had been completed on 1 November 2021 and the Group recorded a gain on disposal of the properties of about HK\$118.2 million upon completion.

(For further details, please refer to the respective circular published on the website of the Stock Exchange (www.hkex.com.hk) and the Company's website (www.bauhaus.com.hk) on 25 October 2021.)

On 14 September 2021, the Group entered into a sale and purchase agreement to sell (i) the entire issued share capital of a wholly-owned subsidiary of the Company (the “**Disposed Subsidiary**”); and (ii) to assign a loan owing by the Disposed Subsidiary on the completion date of the disposal transaction, at an aggregate consideration of HK\$71.0 million. The Disposed Subsidiary was previously a property holding company of the Group, which held a warehouse premise at the 2nd Floor of Wofoo Building, Nos. 204-210 Texaco Road, Tsuen Wan, New Territories, Hong Kong. The transaction had been completed on 30 September 2021 and the Group recorded a gain on disposal of the subsidiary of about HK\$20.6 million in the year ended under review.

(For further details, please refer to the respective announcement published on the website of the Stock Exchange (www.hkex.com.hk) and the Company’s website (www.bauhaus.com.hk) on 14 September 2021.)

On 30 November 2021, a wholly-owned subsidiary of the Group entered a provisional sale and purchase agreement with an independent third party to sell a car parking space at a total consideration of HK\$1.75 million (before any related expenses). The transaction had been completed on 15 March 2022 and the Group recorded a gain on disposal of the property of about HK\$1.5 million upon completion.

As a result, the Group recorded substantial gains on disposal of the aforesaid properties and the property-holding subsidiary aggregately of about HK\$174.0 million (2021: HK\$49.3 million).

In addition, on 13 December 2021, a wholly-owned subsidiary of the Group has entered a provisional sale and purchase agreement with an independent third party to sell another car parking space at a total consideration of HK\$1.75 million (before any related expenses). Accordingly, the carrying book value of the respective property, plant and equipment and right-of-use assets of aggregately about HK\$0.2 million has been reclassified to property held for sale. The transaction has been completed on 19 April 2022 and the Group recorded a gain on disposal of the property of about HK\$1.5 million upon completion in the year ending 31 March 2023.

The asset realisation exercises have been substantially completed. As at the date of this announcement, the Directors confirmed that it is not expected to have material adverse impact on the future operating earnings and operations of the Group as a result of the asset realisation.

FINANCIAL REVIEW

Turnover and Segment Information

Turnover of the Group declined by about 33.0% to approximately HK\$249.3 million (2021: HK\$371.9 million) for the year ended 31 March 2022. However, the Group’s negative same-store-sales growth eased to about –16% (2021: –40%) for the year under review. The unfavourable performance in sales was mainly attributable to the reduction in business scale and the adverse impact from the 5th Wave Outbreak in Hong Kong. Details of the Group’s segmental turnover and results are shown in Note 3 to the consolidated financial statements.

Gross Profit and Gross Margin

The Group's gross profit dropped by about 33.7% to approximately HK\$159.6 million (2021: HK\$240.6 million) for the year ended 31 March 2022 and the gross margin slimmed to about 64.0% (2021: 64.7%). As a result of effective clearance of slow moving and aged inventories through bargain outlets and some pop-up promotional activities, the Group recorded a net reversal of provision for inventories of about HK\$7.3 million (2021: HK\$9.9 million).

Operating Expenses and Cost Control

The Group continued to manage operating expenses cautiously during the year ended 31 March 2022 and its core operating expenses (excluding non-cash write-off, loss on disposal and impairment loss) were further slashed by about 28.0% to approximately HK\$188.3 million (2021: HK\$261.7 million) for the year under review.

Rental reduction is always the top priority. The Group has proactively restructured most of the existing lease arrangements with landlords for more flexible terms and strove for reasonable rent concessions in light of the ongoing Pandemic. Also, the Group regularly reviewed the performance of each retail store and promptly revamped or eliminated any loss-making stores. At the same time, the Group cautiously relocated certain shops to less costly locations with appropriate offline sales exposure. Lease expenses (including depreciation of right-of-use assets, lease payment for short term leases and contingent rents, COVID-19-Related rent concessions as well as interest on lease liabilities) for the year ended 31 March 2022 were sacked by about 16.9% to about HK\$74.2 million (2021: HK\$89.3 million). To maintain competitiveness, the Group adopts an on-going practice of strategically refining its retail portfolio to an optimal scale and combination.

Resulting from the downsizing of the Group's retail network and a series of cost-cut measures, the total number of staff was further reduced to 190 (2021: 262) at the end of the reporting period. The staff cost was shed by about 27.3% to approximately HK\$61.5 million (2021: HK\$84.6 million) during the year under review. The above two major expenditures have already accounted for about 72.1% (2021: 66.5%) of the Group's core operating expenses.

Depreciation of property, plant and equipment reduced to approximately HK\$7.6 million (2021: HK\$14.3 million) for the year under review. The Group's finance costs for the year ended 31 March 2022 mostly consisted of the interest on lease liabilities of about HK\$2.8 million (2021: HK\$9.3 million). Efforts to control costs in other areas are also in place. Regular review on work procedures is essential to enhance efficiency and in turn, to save costs.

Government Subsidies

The Group received certain pandemic relief and subsidies from The Government of Hong Kong Special Administrative Region and The Government of Macau Special Administrative Region and aggregately recognised about HK\$0.2 million (2021: HK\$20.6 million) during the year ended 31 March 2022.

Non-Cash Write-off, Loss on Disposal and Impairment Loss

Resulting from the downsizing measures and sluggish sales performance during the year under review, the Group incurred the following non-cash accounting losses:

	2022 <i>HK\$ million</i>	2021 <i>HK\$ million</i>
Loss on disposal of property, plant and equipment (excluding the gain on disposal of properties as mentioned above)	2.5	5.5
Impairment of items of property, plant and equipment	1.2	2.0
Impairment of right-of-use assets	7.0	18.4
	10.7	25.9

Net Profit

The Group recorded a net profit for the year ended 31 March 2022 of about HK\$142.6 million (2021: HK\$99.7 million). The favourable result was primarily attributable to the combined effect of (i) substantial gains on disposal of the properties and a property-holding subsidiary aggregately of about HK\$174.0 million (2021: HK\$49.3 million); and (ii) effective cost control measures in place.

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 operating 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 2022, the Group had net assets of approximately HK\$188.2 million (2021: HK\$448.0 million), comprising non-current assets of approximately HK\$75.2 million (2021: HK\$237.1 million), net current assets of approximately HK\$120.2 million (2021: HK\$263.6 million) and non-current liabilities of approximately HK\$7.2 million (2021: HK\$52.7 million).

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2022, the Group had cash and cash equivalents and a pledged time deposit of about HK\$108.5 million (2021: HK\$266.7 million) and HK\$11.7 million (2021: HK\$15.6 million), respectively. At the end of the reporting period, the Group had aggregate banking facilities of about HK\$10.0 million (2021: HK\$10.0 million), comprising interest-bearing bank overdraft, revolving loans, rental and utility guarantees as well as import facilities, which had not been utilised (2021: Nil). The Group had no borrowings as at 31 March 2021 and 31 March 2022. The Group's gearing ratio at the end of the reporting period, representing a percentage of total interest-bearing bank borrowings to total assets, was zero (2021: zero).

CASH FLOWS

During the year ended 31 March 2022, net cash flows from operating activities reduced significantly by about 60.4% to approximately HK\$59.5 million (2021: HK\$150.4 million), which was mainly attributable to weak sales performance and the streamlined retail operations. Net cash flows from investing activities jumped to about HK\$248.3 million (2021: HK\$49.4 million). The significant increase in cash inflows during the year under review mainly resulted from the proceeds aggregately of about HK\$246.8 million received from the disposal of properties and a property-holding subsidiary. Net cash flows used in financing activities climbed up to about HK\$466.0 million (2021: HK\$255.3 million) mainly due to the increase in dividend payments to return surplus cash to the Group's shareholders.

SECURITY

As at 31 March 2022, the Group's general banking facilities were secured by a time deposit, which had aggregate carrying values at the end of the reporting period of approximately HK\$11.7 million (2021: HK\$15.6 million).

CAPITAL COMMITMENT

The Group had no material capital commitment contracted, but not provided for as at 31 March 2022 (2021: Nil).

CONTINGENT LIABILITIES

As at 31 March 2022, the Group had contingent liabilities in respect of guarantees given for committed lease payments amounting to approximately HK\$0.3 million (2021: HK\$2.5 million).

HUMAN RESOURCES

Including the Directors, the Group had 190 (2021: 262) employees as at 31 March 2022. To attract and retain high quality staff, the Group provided competitive remuneration packages with performance bonuses, mandatory provident fund, insurance 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, United States dollars 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

This year is the second full year of the Group's operations under the impact of the Pandemic. It was still tough with pain points like sudden business interruption under the fifth wave of massive infection in Hong Kong, particularly in February and March 2022. However, the Group has equipped better and be more experienced in tackling the issues. In recent years, the Group has structurally eased its major cost burdens through progressive lease restructuring with more flexible and fair terms as well as rebuilding a lean management and operational workforce. These strategic moves enable the Group with robust durability and competency to confront unforeseeable headwinds from the Pandemic.

Looking forward, the path to the business normalisation and full market recovery is still visible, though it is likely to encounter turbulence in the processes. The Group will continue to maintain an effective scale of offline operations and to explore online and other innovative sales channels to capture the target market efficiently. The focus will be placed on fostering qualitative growth of the Group's retail business rather than quantitative expansion.

DIVIDEND

The directors recommended the payment of a final dividend of 16.5 HK cents (2021: 6.0 HK cents) per ordinary share for the year ended 31 March 2022. Subject to the approval of shareholders at the forthcoming annual general meeting of the Company (the "AGM"), the proposed final dividend will be fully distributed out of the share premium of the Company and payable on or before **Monday, 5 September 2022** to shareholders whose names appear on the register of members on **Friday, 26 August 2022**.

CLOSURE OF REGISTER OF MEMBERS

The forthcoming AGM is scheduled on **Thursday, 18 August 2022**. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from **Monday, 15 August 2022** to **Thursday, 18 August 2022**, 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 **Friday, 12 August 2022**.

The proposed final dividend is subject to the passing of respective ordinary resolution by the shareholders at the AGM. The record date for entitlement to the proposed final dividend is scheduled on **Friday, 26 August 2022**. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from **Wednesday, 24 August 2022** to **Friday, 26 August 2022**, 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 **Tuesday, 23 August 2022**.

CORPORATE GOVERNANCE

The Group is committed to maintaining a high standard of corporate governance, which serves as a vital element throughout the development of the Group. The Board emphasises on maintaining and conducting sound and effective corporate governance structure and practices.

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 2022.

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 2022.

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 2022.

The figures in respect of this preliminary announcement of the Group’s results for the year ended 31 March 2022 have been agreed by the Company’s auditor, Grant Thornton Hong Kong Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year under review. The work performed by Grant Thornton Hong Kong Limited 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 Grant Thornton Hong Kong Limited on this announcement.

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 2022.

CHANGES IN DIRECTORSHIP AND OTHER CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes 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 ended 30 September 2021 up to the date of this announcement are set out below:

Name of Director	Details of changes
Dr. Wong Yui Lam	➤ Retired as the chairman of the Company with effect from 26 November 2021
Madam Tong She Man, Winnie	➤ Appointed as the chairlady of the Company with effect from 26 November 2021

PUBLICATION OF THE RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The results announcement for the year ended 31 March 2022 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 2021/22 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
Madam Tong She Man, Winnie
Chairlady

Hong Kong, 27 June 2022

BOARD OF DIRECTORS

As at the date of this announcement, the board of directors comprises three executive Directors, namely Madam Tong She Man, Winnie, Dr. Wong Yui Lam, and Mr. Yeung Yat Hang and three independent non-executive Directors, namely Mr. Chu To Ki, Mr. Mak Wing Kit and Mr. Wong Man Tai.