

The background of the entire page is a dark, textured denim fabric. It features a prominent orange thread stitching that forms a curved, diagonal line across the frame, starting from the top right and moving towards the bottom left. The lighting is slightly uneven, creating a sense of depth and texture in the fabric.

bauhaus

interim report 2022

BAUHAUS INTERNATIONAL (HOLDINGS) LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code 483)

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Key Financial Ratios		Notes	Period 4-9/2022	Period 4-9/2021	Change +/-
Performance					
Gross Margin	(%)	1	+65.8	+60.7	+5.1 pts.
Net Profit Margin	(%)	2	+7.3	+29.2	-21.9 pts.
Return on Average Equity (Annualised)	(%)	3	+7.3	+19.1	-11.8 pts.
Return on Average Assets (Annualised)	(%)	4	+5.5	+14.1	-8.6 pts.
Operating					
Inventory Turnover Days (Annualised)		5	281	282	-1 day
Debtors' Turnover Days (Annualised)		6	5	5	-
Creditors' Turnover Days (Annualised)		7	11	19	-8 days
Liquidity and Gearing					
Current Ratio		8	3.1	2.9	+6.9%
Quick Ratio		9	2.0	2.1	-4.8%
Gearing Ratio	(%)	10	-	-	-
Per Share Data					
Book Value Per Share	(HK cents)	11	36.3	71.8	-49.4%
Basic Earnings Per Share	(HK cents)	12	1.6	9.3	-82.8%
Diluted Earnings Per Share	(HK cents)	13	1.6	9.3	-82.8%
Number of shop					
Hong Kong		14	33	40	-7 shops
Macau		14	9	10	-1 shop
		14	42	50	-8 shops
Aggregate sales footage	(in square feet)	15	67,956	78,496	-13.4%

Notes:

- 1 "Gross Margin" is based on gross profit divided by turnover for the period.
- 2 "Net Profit Margin" is calculated as the profit for the period attributable to equity holders of the parent divided by turnover for the period.
- 3 "Return on Average Equity" represents the annualised profit for the period attributable to equity holders of the parent divided by average of opening and closing balance of shareholders' equity.
- 4 "Return on Average Assets" represents the annualised profit for the period attributable to equity holders of the parent divided by average of opening and closing balance of total assets.
- 5 "Inventory Turnover Days" is based on average of opening and closing balance of inventories divided by cost of sales and then multiplied by number of days during the period.
- 6 "Debtors' Turnover Days" is based on average of opening and closing balance of trade receivables divided by turnover and then multiplied by number of days during the period.
- 7 "Creditors' Turnover Days" is based on average of opening and closing balance of trade payables divided by purchases and then multiplied by number of days during the period.
- 8 "Current Ratio" represents current assets divided by current liabilities.
- 9 "Quick Ratio" represents current assets less inventories then divided by current liabilities.
- 10 "Gearing Ratio" represents total interest-bearing bank borrowings divided by total assets.
- 11 "Book Value Per Share" represents shareholders' equity divided by the total number of issued shares at the end of reporting period of 367,380,000 (2021: 367,380,000).
- 12 "Basic Earnings Per Share" is calculated as the profit for the period attributable to equity holders of the parent divided by the weighted average number of ordinary shares in issue during the period under review of 367,380,000 (2021: 367,380,000).
- 13 "Diluted Earnings Per Share" is calculated as the profit for the period attributable to equity holders of the parent divided by the weighted average number of ordinary shares in issue during the period under review and all dilutive potential ordinary shares of 367,380,000 (2021: 367,380,000) in aggregate.
- 14 "Number of shop" includes self-managed regular offline stores, counters and outlets in operation as at the end of the reporting period, but excludes short-term pop-up stores and bargain sales outlets.
- 15 "Aggregate sales footage" includes floor areas in square feet of all self-managed regular offline stores, counters and outlets in operation as at the end of the reporting period, but excludes short-term pop-up stores and bargain sales outlets.

Name of the Company

Bauhaus International (Holdings) Limited
包浩斯國際(控股)有限公司
(the “Company”) and its subsidiaries
(collectively the “Group”)

Directors of the Company (The “Directors”)

Executive directors:

Madam Tong She Man, Winnie
(Chairlady and Chief Operating Officer)
Dr. Wong Yui Lam
Mr. Yeung Yat Hang
(Chief Executive Officer)

Independent non-executive directors:

Mr. Chu To Ki
Mr. Mak Wing Kit
Mr. Wong Man Tai

Authorised Representatives

Madam Tong She Man, Winnie
Dr. Wong Yui Lam

Company Secretary

Mr. Li Kin Cheong

Qualified Accountant

Mr. Li Kin Cheong

Audit Committee

Mr. Mak Wing Kit *(Chairman)*
Mr. Chu To Ki
Mr. Wong Man Tai

Remuneration Committee

Mr. Mak Wing Kit *(Chairman)*
Mr. Chu To Ki
Mr. Wong Man Tai

Nomination Committee

Mr. Wong Man Tai *(Chairman)*
Mr. Chu To Ki
Mr. Mak Wing Kit

Principal Auditors

Grant Thornton Hong Kong Limited
Certified Public Accountants
11th Floor, Lee Garden Two,
28 Yun Ping Road, Causeway Bay
Hong Kong

Principal Bankers

The Hongkong and Shanghai Banking
Corporation Limited
1 Queen’s Road Central
Hong Kong

Bank of China (Hong Kong) Limited
382-384 Prince Edward Road
Kowloon City
Kowloon
Hong Kong

Registered Office

Third Floor,
Century Yard,
Cricket Square, P.O. Box 902,
Grand Cayman, KY1-1103,
Cayman Islands

Head Office and Principal Place of Business in Hong Kong

1/F, 163 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

Principal Share Registrar and Transfer Office

Tricor Services (Cayman Islands) Limited
Third Floor,
Century Yard,
Cricket Square, P.O. Box 902,
Grand Cayman, KY1-1103,
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Listing information

Listing exchange	:	Main Board of The Stock Exchange of Hong Kong Limited (the “ Stock Exchange ”)
Listing date	:	12 May 2005
Stock code	:	483

Share information

Shares		As at 30 September 2022	As at 31 March 2022
		No. of shares	No. of shares
Authorised shares	:	2,000,000,000	2,000,000,000
Issued shares	:	367,380,000	367,380,000

Board lot size : 2,000 shares

Par value : HK\$0.10

Key dates

2021/22 Annual Results Announcement	:	27 June 2022
Closure of Register of Members for 2021/22 Annual General Meeting	:	15 August 2022 to 18 August 2022 (both days inclusive)
2021/22 Annual General Meeting	:	18 August 2022
Closure of Register of Members for 2021/22 proposed Final Dividend	:	24 August 2022 to 26 August 2022 (both days inclusive)
Payment of 2021/22 Final Dividend	:	5 September 2022
2022/23 Interim Results Announcement	:	28 November 2022
Closure of Register of Members for 2022/23 Interim Dividend	:	16 December 2022 to 21 December 2022 (both days inclusive)
Payable of 2022/23 Interim Dividend	:	11 January 2023

Official website : www.bauhaus.com.hk

Investor relation : ir@bauhaus.com.hk

Financial year end : 31 March

Interim period end : 30 September

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 30 September 2022, the Group had a total of 42 self-managed offline shops in operation (31 March 2022: 43).

	As at 30 September 2022	As at 31 March 2022	Changes
Hong Kong	33	33	–
Macau	9	10	-1
TOTAL	42	43	-1

The Group has managed a fashion retail business for nearly 30 years and is equipped with unique strengths to confront a difficult retail environment. Although the challenges brought by the COVID-19 pandemic are unprecedented and have raged for nearly three years since the outbreak in early 2020, robust entities can always refine their operating strategies and business tactics promptly to adapt to new business environments and maintain competitiveness. After about two years' internal restructuring, the Group successfully reformed its rigid cost structure, greatly reducing its operating leverage and effectively managing its retail business in a relatively stable manner.

The Group recorded a net profit of about HK\$5.9 million (2021: HK\$34.1 million) for the six months ended 30 September 2022. In the past year, the Group continued to adopt an asset-light strategy to realise its property portfolio and recorded a significant gain of aggregately about HK\$54.3 million from disposal of properties and a property-holding subsidiary in the six months ended 30 September 2021. As the asset realisation exercises have been substantially completed in the last financial year, the gain on disposal of properties reduced significantly to about HK\$1.5 million during the period under review.

On the other hand, the Group's core retail business performance has notably improved. The Group's key operating segment, Hong Kong & Macau, resumed its segmental profit of about HK\$16.5 million (2021: segmental loss of HK\$3.6 million) even during the Group's historically off-peak season (i.e. the first half of the financial year).

Hong Kong & Macau

The Hong Kong and Macau retail operations are the key operating segment of the Group, accounting for almost all of the Group's turnover. Turnover of the segment declined by about 32.2% to about HK\$79.1 million (2021: HK\$116.6 million) due to the reduction in total number of offline retail stores from around 50 in same period last year to 42 as at 30 September 2022. Furthermore, sluggish sales sentiment, particularly in Macau, resulted in a double-digit drop in overall same-store-sales to about -13% (2021: -11%) for the six months ended 30 September 2022. However, the Group aims to maintain a qualitative and profitable retail portfolio instead of quantitative sales network. As a result of eliminating many loss-making stores in previous years and successfully reducing its operating costs, the segment resumed its profitability despite encountering many difficulties during the period under review.

In Hong Kong, the Group performed relatively stable even though the local retail atmosphere remained weak and volatile in general. The same-store-sales growth rate improved to about -5% (2021: -10%) in the six months ended 30 September 2022. An improving pandemic environment and further stimulation by the Hong Kong government's Consumption Voucher Scheme, faster consumption was sparked off generally. Some crucial operating conditions also gradually became less unfavourable such as more landlords were willing to reduce their rental level and/or offered more flexible lease arrangements. Frankly, the move can achieve a win-win situation for both landlords and retailers as such friendly cooperation not only allows retailers with more rooms to stabilise their businesses, but also let landlords maintain a better rate of property occupancy and can fairly share retailers' results upon their sales recovery. The Group also proactively pursued opportunities to build its retail store strategically at locations with better sales-to-cost efficiency. In September 2022, the Group launched a new flagship store under the in-house brand name of "SALAD" on Canton Road, Tsim Sha Tsui. The flagship store not only enhanced the Group's brand equity, but will also allow the Group to capture sales potential upon recovery of tourism after loosening inbound travel restrictions.

The Group's operations in Macau remained challenging during the six months ended 30 September 2022. Macau is a travel and entertainment city, where economic performance is highly correlated to tourism. Resulting from strict disease control over COVID-19 pandemic by the governments in Macau and surrounding Mainland cities like Guangzhou, Zhuhai, etc., the tourist traffic was greatly suppressed. More unfortunately, after a sharp spike in infection cases since late June 2022, the Macau launched a citywide lockdown in July 2022, the Group had to temporarily suspend its operations in the city for almost an entire month. The same-store-sales growth severely deteriorated to about -43% (2021: -13%) and the sales contribution from Macau slumped by about 58.5% to about HK\$9.5 million (2021: HK\$22.9 million) during the period under review.

Generally, sales momentum was fragile and volatile. To better adapt to the sluggish retail environments and to moderate impact from unpredictable business interruption, the Group has put much effort in recent years to reduce its operating leverage and to remove its fixed cost burden. The Group successfully recalibrated its major operating costs, including rental and staff costs, to let them link more elastically with its sales and promptly reacted with appropriate contingent plans for any unfavourable incidence. The Group also continued to strictly control its operating expenditures and sought rooms to enhance its response and operational effectiveness.

Non-Hong Kong & Macau

The Group has revamped its business model and intends to tap the Mainland China and other overseas markets through online and social media platforms. The Group fostered several online distribution channels, including “Tmall”. Although the sales contribution has not yet been significant to the Group, the segmental sales increased remarkably to about HK\$1.1 million (2021: HK\$0.1 million) during the six months ended 30 September 2022. The segment incurred a loss of about HK\$0.4 million for the period under review (2021: profit of HK\$3.1 million). The segmental profit in same period last year was mainly attributable to certain one-off write-back of lease liabilities of subsidiaries in Mainland China upon liquidation and exchange gains arisen from appreciation of the New Taiwan dollar.

FINANCIAL REVIEW

Turnover and Segment Information

Turnover of the Group declined by about 31.3% to approximately HK\$80.2 million (2021: HK\$116.7 million) for the six months ended 30 September 2022. The Group’s same-store-sales growth slightly worsened to about -13% (2021: -11%) for the period under review. The unfavourable performance in sales was mainly attributable to the reduction in offline retail network and sluggish retail sentiment, particularly in Macau. Details of the Group’s segmental turnover and results are shown in Note 3 to the Interim Financial Statements.

Gross Profit and Gross Margin

The Group’s gross profit dropped by about 25.4% to approximately HK\$52.8 million (2021: HK\$70.8 million) for the six months ended 30 September 2022 while the gross margin enhanced significantly to about 65.8% (2021: 60.7%). Given reduced pressure on redundant inventories, the Group eased the scale of its bargain sales activities, offered fewer price discounts and was even able to upward-adjust the retail price for certain in-house brand products during the period under review.

Operating Expenses and Cost Control

The Group continued to manage operating expenses very cautiously during the six months ended 30 September 2022 and its core operating expenses (excluding non-cash write-off, loss on disposal and impairment loss) were slashed by about 38.2% to approximately HK\$58.5 million (2021: HK\$94.6 million) for the period under review.

Rental is one of the key operating expenses of the Group. The Group has proactively restructured lease arrangements with landlords for more flexible terms and strove for reasonable rent concessions. Also, the Group regularly reviewed the performance on 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 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 six months ended 30 September 2022 decreased by about 52.2% to about HK\$19.7 million (2021: HK\$41.2 million). To maintain competitiveness, the Group adopts an on-going practice of strategically relocating, consolidating and converting its retail portfolio.

Resulting from smaller retail network and performance-based cost-control measures, the staff cost was shed by about 25.4% to approximately HK\$21.2 million (2021: HK\$28.4 million) during the period under review. The total number of staff reduced to 173 at the end of the reporting period (31 March 2022: 190). The above two major expenditures accounted for about 69.9% (2021: 73.6%) of the Group's core operating expenses.

Depreciation of property, plant and equipment reduced to approximately HK\$1.9 million (2021: HK\$4.6 million) for the period under review. The Group's finance costs for the six months ended 30 September 2022 mostly consisted of the interest on lease liabilities of about HK\$0.5 million (2021: HK\$2.0 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.

Gain on disposal of properties

On 13 December 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 about HK\$1.8 million (before any related expenses). The transaction was completed on 19 April 2022 and the Group recorded a gain on disposal of the property of about HK\$1.5 million (before any related expenses) during the six months ended 30 September 2022. As the Group's asset realisation exercises had been substantially completed in the last financial year, the gain on disposal of properties reduced significantly during the period under review.

Government grants

The Group received certain COVID-19 pandemic relief and subsidies from The Government of Hong Kong Special Administrative Region and The Government of Macau Special Administrative Region during the six months ended 30 September 2022. Grants from the government are recognised at their fair value where there is a reasonable assurance that the grants will be received and the Group will comply with all attached conditions. Government grants are deferred and recognised in profit or loss over the period necessary to match them with the costs that the grants are intended to compensate. Government grants are presented in gross under “Other income” in the condensed consolidated statement of profit or loss and other comprehensive income. The Group recognised about HK\$4.2 million (2021: Nil) in aggregate during the period under review.

Write-back of lease liabilities

The Group successfully negotiated with landlords during the period under review to make lease modifications and eventually resulted in substantially reduction in the lease liabilities of the subject tenancies. The corresponding right-of-use assets had been fully impaired in previous year and the carrying amount of these right-of-use assets had been written down to their recoverable amount of nil as at 31 March 2022 since the Directors considered the underlying cash-generating units of the assets were non-performing and suffering from substantial losses for the years. As a result of the lease modifications, the Group recorded a net write-back of lease liabilities of about HK\$5.6 million (2021: HK\$4.5 million) in the six months ended 30 September 2022.

Net Profit

The Group recorded a net profit for the six months ended 30 September 2022 of about HK\$5.9 million (2021: HK\$34.1 million). The plummet in net profit was primarily attributable to the combined effect of (i) a substantial decrease in the gain on disposal of properties and a property-holding subsidiary from aggregately about HK\$54.3 million in the corresponding period last year to about HK\$1.5 million for the six months ended 30 September 2022 as the Group has substantially completed the asset realisation exercises in the last financial year; and (ii) the Group’s Macau sales declining significantly by more than 50% during the period under review resulting from COVID-19 pandemic and strict disease control measures in Macau.

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 from 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 30 September 2022, the Group had net assets of approximately HK\$133.4 million (31 March 2022: HK\$188.2 million), comprising non-current assets of approximately HK\$65.3 million (31 March 2022: HK\$75.2 million), net current assets of approximately HK\$72.8 million (31 March 2022: HK\$120.2 million) and non-current liabilities of approximately HK\$4.7 million (31 March 2022: HK\$7.2 million).

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2022, the Group had cash and cash equivalents and time deposits of approximately HK\$42.9 million (31 March 2022: HK\$108.5 million) and HK\$19.7 million (31 March 2022: HK\$11.7 million), respectively. At the end of the reporting period, the Group had aggregate banking facilities of approximately HK\$10.1 million (31 March 2022: HK\$10.0 million) comprising interest-bearing bank overdraft, revolving loans, rental and utility guarantees as well as import facilities, of which approximately HK\$10.0 million had not been utilised (31 March 2022: HK\$10.0 million). The Group had no bank borrowings as at 30 September 2022 (31 March 2022: Nil). 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 (31 March 2022: zero).

CASH FLOWS

During the period under review, net cash flows from operating activities reduced slightly to approximately HK\$22.0 million (2021: HK\$22.8 million), which was mainly attributable to weak sales performance and the streamlined retail operations. The net cash flows used in investing activities of about HK\$8.4 million (2021: net inflows of HK\$118.3 million) was mainly attributed to certain one-year term time deposits being placed during the six months ended 30 September 2022. Net cash flows used in financing activities dropped to about HK\$78.8 million (2021: HK\$251.3 million) was mainly due to the decrease in special dividends to its shareholders.

SECURITY

As at 30 September 2022, the Group's general banking facilities were secured by a time deposit of about HK\$11.7 million (31 March 2022: HK\$11.7 million).

COMMITMENT

The Group had no material capital commitment contracted, but not provided for as at 30 September 2022 (31 March 2022: Nil).

CONTINGENT LIABILITIES

As at 30 September 2022, the Group had no contingent liabilities in respect of guarantees given for committed lease payments (31 March 2022: HK\$0.3 million).

HUMAN RESOURCES

Including the Directors, the Group had 173 (31 March 2022: 190) employees as at 30 September 2022. To attract and retain high quality staff, the Group provides competitive remuneration packages with performance bonuses, mandatory provident fund and 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 period under review 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

Looking forward, the path to business normalisation and full market recovery is still visible, though it is likely to encounter turbulence in the process. Given a well-controlled pandemic situation allowing Hong Kong and Macau to loosen its travel restrictions and to reopen both domestically and internationally, the Group is cautiously optimistic on its retail performance in the second half of the financial year.

The Group will continue to maintain an optimal scale of offline operations and to develop online and other innovative sales channels to capture target markets efficiently. The focus will be placed on fostering qualitative growth of the Group's retail business rather than quantitative expansion and on improving margin.

13 Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2022

	Notes	Six months ended 30 September 2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
REVENUE	4	80,161	116,747
Cost of sales	6	(27,383)	(45,925)
GROSS PROFIT		52,778	70,822
Other income and gains	4	11,699	58,910
Selling and distribution expenses		(42,957)	(72,039)
Administrative expenses		(14,249)	(20,285)
Other expenses	6	(787)	(984)
Finance costs	5	(499)	(2,233)
PROFIT BEFORE TAX	6	5,985	34,191
Income tax expense	7	(116)	(126)
PROFIT FOR THE PERIOD			
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		5,869	34,065
Other comprehensive loss			
Item that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		-	(1,533)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		5,869	32,532
EARNINGS PER SHARE			
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	8		
Basic and diluted		1.6 HK cents	9.3 HK cents

14 Condensed Consolidated Statement of Financial Position

As at 30 September 2022

	Notes	As at 30 September 2022 (Unaudited) HK\$'000	As at 31 March 2022 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		10,604	10,381
Right-of-use assets		31,184	40,174
Intangible assets		89	116
Equity investment at fair value through other comprehensive income		–	–
Rental, utility and other non-current deposits		23,256	24,350
Deferred tax assets		200	200
NON-CURRENT ASSETS		65,333	75,221
CURRENT ASSETS			
Inventories		36,192	47,829
Trade receivables	10	2,770	1,733
Prepayments, deposits and other receivables		6,334	5,936
Property held for sale	11	–	201
Tax recoverable		397	384
Time deposits	12	19,700	11,700
Cash and cash equivalents		42,940	108,465
Total current assets		108,333	176,248
CURRENT LIABILITIES			
Trade payables	13	1,187	784
Other payables and accruals		14,520	16,948
Lease liabilities		19,778	38,287
Tax payable		21	22
Total current liabilities		35,506	56,041
NET CURRENT ASSETS		72,827	120,207
TOTAL ASSETS LESS CURRENT LIABILITIES		138,160	195,428
NON-CURRENT LIABILITIES			
Lease liabilities		4,715	7,224
Deferred tax liabilities		–	10
NON-CURRENT LIABILITIES		4,715	7,234
NET ASSETS		133,445	188,194
EQUITY			
Equity attributable to equity holders of the parent			
Share capital	14	36,738	36,738
Reserves		96,707	151,456
TOTAL EQUITY		133,445	188,194

15 Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2022

	Share capital HK\$'000	Share premium account HK\$'000	Contributed surplus HK\$'000	Exchange fluctuation reserve HK\$'000	Reserve funds HK\$'000	Fair value reserve of financial assets at fair value through other comprehensive income HK\$'000	Retained profits HK\$'000	Total equity HK\$'000
At 1 April 2021 (audited)	36,738	105,566	744	(3,584)	7,133	(2,970)	304,325	447,952
2020/21 final dividend declared	-	-	-	-	-	-	(22,043)	(22,043)
2020/21 second special dividend declared	-	-	(744)	-	-	-	(148,045)	(148,789)
2021/22 first special dividend declared	-	-	-	-	-	-	(45,923)	(45,923)
Profit for the period	-	-	-	-	-	-	34,065	34,065
Other comprehensive loss for the period:								
Exchange differences on translation of foreign operations	-	-	-	(1,533)	-	-	-	(1,533)
Total comprehensive income/(loss) for the period	-	-	-	(1,533)	-	-	34,065	32,532
At 30 September 2021 (unaudited)	36,738	105,566	-	(5,117)	7,133	(2,970)	122,379	263,729
At 1 April 2022 (audited)	36,738	105,566*	-*	-*	24*	(2,970)*	48,836*	188,194
2021/22 final dividend declared	-	(60,618)	-	-	-	-	-	(60,618)
Profit and total comprehensive income for the period	-	-	-	-	-	-	5,869	5,869
At 30 September 2022 (unaudited)	36,738	44,948*	-*	-*	24*	(2,970)*	54,705*	133,445

* These reserve accounts comprise the consolidated reserves of HK\$96,707,000 (31 March 2022: HK\$151,456,000) in the condensed consolidated statement of financial position.

16 Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2022

	Six months ended 30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash flows from operating activities	22,038	22,846
Net cash flows (used in)/from investing activities	(8,424)	118,296
Net cash flows used in financing activities	(78,770)	(251,334)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(65,156)	(110,192)
Cash and cash equivalents at beginning of period	108,465	266,695
Effect of foreign exchange rate changes, net	(369)	(1,469)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	42,940	155,034
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	35,920	147,234
Unpledged time deposits with original maturity of less than three months when acquired	7,020	7,800
	42,940	155,034

1.1 CORPORATE 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. During the period under review, 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) 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.

1.2 BASIS OF PRESENTATION AND PREPARATION

These unaudited condensed consolidated interim financial statements (the "**Interim Financial Statements**") of Bauhaus International (Holdings) Limited (the "**Company**") and its subsidiaries (collectively the "**Group**") for the six months ended 30 September 2022 have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34, "*Interim Financial Reporting*", issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), and the Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The accounting policies and basis of preparation adopted in the preparation of the Interim Financial Statements are the same as those used in the annual financial statements for the year ended 31 March 2022, except for the adoption of certain new and revised Hong Kong Financial Reporting Standards (which also include HKASs and Interpretations) (the "**Standards**") in current period for the first time as disclosed in Note 2 below. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

These Interim Financial Statements have not been audited, but have been reviewed by the Company's audit committee and should be read in conjunction with the 2022 annual report.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following Standards for the first time in the presentation of these Interim Financial Statements.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Amendments to HKFRSs	<i>Annual Improvements to HKFRS Standards 2018-2020</i>

The adoption of the above Standards has had no significant financial effect on these Interim 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 segment are based on the location 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/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, non-lease-related finance costs, gain on disposal of a property, gain on disposal of a subsidiary and unallocated expenses 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 and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Information about major customers

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

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3. OPERATING SEGMENT INFORMATION (continued)

	Hong Kong & Macau HK\$'000	Non-Hong Kong & Macau HK\$'000	Total HK\$'000
For the six months ended 30 September 2022 (Unaudited)			
Segment revenue:			
Sales to external customers	79,089	1,072	80,161
Segment results:	16,458	(352)	16,106
<i>Reconciliation:</i>			
Interest income			367
Finance costs (other than interest on lease liabilities)			(23)
Gain on disposal of a property (other than from leasehold improvements and equipment)			1,549
Unallocated expenses, net			(12,014)
Profit before tax			5,985
Other segment information:			
Capital expenditure*	1,893	–	1,893
Unallocated capital expenditure*			281
Total capital expenditure*			2,174
Depreciation of property, plant and equipment	1,321	–	1,321
Unallocated depreciation			576
Total depreciation			1,897
As at 30 September 2022 (Unaudited)			
Segment assets:	139,351	248	139,599
<i>Reconciliation:</i>			
Deferred tax assets			200
Tax recoverable			397
Unallocated assets			33,470
Total assets			173,666
Segment liabilities:	36,238	682	36,920
<i>Reconciliation:</i>			
Tax payable			21
Unallocated liabilities			3,280
Total liabilities			40,221
Segment non-current assets:	44,184	126	44,310
<i>Reconciliation:</i>			
Deferred tax assets			200
Unallocated non-current assets			20,823
Total non-current assets			65,333

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

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3. OPERATING SEGMENT INFORMATION (continued)

	Hong Kong & Macau HK\$'000	Non-Hong Kong & Macau HK\$'000	Total HK\$'000
For the six months ended 30 September 2021 (Unaudited)			
Segment revenue:			
Sales to external customers	116,677	70	116,747
Segment results:	(3,584)	3,056	(528)
<i>Reconciliation:</i>			
Interest income			34
Finance costs (other than interest on lease liabilities)			(189)
Gain on disposal of a property (other than from leasehold improvements and equipment)			33,680
Gain on disposal of a subsidiary			20,588
Unallocated expenses, net			(19,394)
Profit before tax			34,191
Other segment information:			
Capital expenditure*	970	–	970
Unallocated capital expenditure*			15
Total capital expenditure*			985
Depreciation of property, plant and equipment	3,427	–	3,427
Unallocated depreciation			1,142
Total depreciation			4,569
As at 31 March 2022 (Audited)			
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			73,521
Total assets			251,469
Segment liabilities:	58,312	230	58,542
<i>Reconciliation:</i>			
Deferred tax liabilities			10
Tax payable			22
Unallocated liabilities			4,701
Total liabilities			63,275
Segment non-current assets:	53,608	154	53,762
<i>Reconciliation:</i>			
Deferred tax assets			200
Unallocated non-current assets			21,259
Total non-current assets			75,221

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

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4. REVENUE, OTHER INCOME AND GAINS

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

	Six months ended	
	30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Revenue		
Sale of garment products and accessories transferred at a point in time	80,161	116,747
Disaggregated revenue information		
Segments		
Geographical markets		
Hong Kong & Macau	79,089	116,677
Non-Hong Kong & Macau	1,072	70
Total revenue from contracts with customers	80,161	116,747

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.

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4. REVENUE, OTHER INCOME AND GAINS (continued)

	Six months ended 30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Other income		
Government grants	4,185	–
Bank interest income	367	34
Others	31	36
	4,583	70
Gains		
Gain on disposal of items of property, plant and equipment and right-of-use assets, net	1,495	32,871
Gain on disposal of a subsidiary	–	20,588
Write-back of rental deposits	–	425
Write-back of lease liabilities, net	5,621	4,455
Foreign exchange gains, net	–	501
	7,116	58,840
	11,699	58,910

5. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest on lease liabilities	476	2,044
Other interest expenses	23	189
	499	2,233

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6. PROFIT BEFORE TAX

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

	Six months ended 30 September 2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Cost of sales:		
Cost of inventories sold	25,413	42,882
Provision for inventories, net	1,970	3,043
	27,383	45,925
Lease expenses:		
Depreciation of right-of-use assets	13,506	34,467
Lease payments for short term leases and contingent rents not included in the measurement of lease liabilities	7,077	8,503
COVID-19-Related rent concessions	(1,384)	(3,820)
Interest on lease liabilities	476	2,044
	19,675	41,194
Employee benefit expenses (including Directors' remuneration):		
Wages, salaries and other benefits (Refund from)/contribution to pension scheme, net	23,262	28,034
	(2,085)	370
	21,177	28,404
Depreciation of property, plant and equipment	1,897	4,569
Gain on disposal of items of property, plant and equipment and right-of-use assets, net	(1,495)	(32,871)
Gain on disposal of a subsidiary	–	(20,588)
Write-back of rental deposits	–	(425)
Write-back of lease liabilities, net	(5,621)	(4,455)
Foreign exchange gains, net	–	(501)
Other expenses:		
Amortisation of intangible assets	26	51
Loss on disposal of trademarks	1	1
Write-off of deposits	2	–
Impairment of right-of-use assets	–	932
Foreign exchange losses, net	758	–
	787	984

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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 six months ended 30 September 2022, 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 2022. Taxes on profits assessable elsewhere had been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	Six months ended	
	30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax (credit)/charge		
– Hong Kong	(14)	106
– Elsewhere	140	–
Deferred tax (credit)/charge	(10)	20
Total tax expense for the period	116	126

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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 period attributable to equity holders of the parent of HK\$5,869,000 (2021: HK\$34,065,000) and the weighted average number of ordinary shares of 367,380,000 (2021: 367,380,000) in issue during the six months ended 30 September 2022.

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 September 2022 and 2021.

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

	Six months ended	
	30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Profit		
Profit attributable to equity holders of the parent, used in the basic earnings per share calculation	5,869	34,065
Number of Shares		
Shares		
Weighted average number of ordinary shares in issue during the period under review used in the basic earnings per share calculation	367,380,000	367,380,000

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9. DIVIDENDS

A final dividend of HK\$60,618,000 for the year ended 31 March 2022 was paid on 5 September 2022 (2021: a final and a special dividend aggregately of HK\$170,832,000).

In addition, the board of directors of the Company (the “**Board**”) declared an interim dividend of 3.0 HK cents (2021: 2.5 HK cents) per ordinary share, in respect of the six months ended 30 September 2022, to the shareholders whose names appear on the register of members of the Company on Wednesday, 21 December 2022. The interim dividend will be payable on or before Wednesday, 11 January 2023.

10. TRADE RECEIVABLES

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 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:

	As at 30 September 2022 (Unaudited) HK\$'000	As at 31 March 2022 (Audited) HK\$'000
Within 90 days	2,705	1,609
91 to 180 days	50	92
181 to 365 days	15	32
	2,770	1,733

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11. PROPERTY HELD FOR SALE

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 as at 31 March 2022.

The transaction has been completed on 19 April 2022 and the Group recorded a gain on disposal of the property of HK\$1,549,000 (before any related expenses) during the six months ended 30 September 2022.

12. TIME DEPOSITS AND PLEDGE OF ASSETS

Time deposits include the following components:

	As at 30 September 2022 (Unaudited) HK\$'000	As at 31 March 2022 (Audited) HK\$'000
Pledged (<i>note</i>)	11,700	11,700
Unpledged but with original maturity of more than three months when acquired	8,000	–
	19,700	11,700

Note: As at 30 September 2022, the Group's general banking facilities were secured by the above time deposit of HK\$11,700,000 (31 March 2022: HK\$11,700,000).

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13. 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:

	As at 30 September 2022 (Unaudited) HK\$'000	As at 31 March 2022 (Audited) HK\$'000
Within 90 days	1,187	784

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

14. SHARE CAPITAL**Shares**

	Company As at 30 September 2022 (Unaudited) HK\$'000	As at 31 March 2022 (Audited) HK\$'000
Authorised:		
2,000,000,000 (31 March 2022: 2,000,000,000) ordinary shares of HK\$0.1 each	200,000	200,000
Issued and fully paid:		
367,380,000 (31 March 2022: 367,380,000) ordinary shares of HK\$0.1 each	36,738	36,738

Details of the Company's share option scheme and the share options issued under the scheme are included in Note 15 to the Interim Financial Statements.

15. SHARE OPTION SCHEME

On 27 August 2015, the Company adopted a share option scheme (the “**Scheme**”) to provide the Company with the flexibility of granting share options to eligible participants as incentives or rewards for their contribution or potential contribution to the Group. Eligible participants of the Scheme include the Company’s Directors, including independent non-executive Directors, other employees of the Group, any advisers, consultants, suppliers and customers of the Group and such other persons who, in the sole opinion of the Board, will contribute or have contributed to the Group. The Scheme will remain in force for 10 years from the effective date of 28 August 2015.

No share option was granted under the Scheme since its adoption and during the six months ended 30 September 2022 (2021: Nil). As at the date of this report, the total number of securities available for issue under the Scheme was 36,738,000, representing 10% of the issued shares of the Company.

16. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the Interim Financial Statements were as follows:

	As at 30 September 2022 (Unaudited) HK\$'000	As at 31 March 2022 (Audited) HK\$'000
Guarantees given for committed lease payments	–	274

17. COMMITMENT

The Group had no material capital commitment contracted, but not provided for as at 30 September 2022 (31 March 2022: Nil).

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18. RELATED PARTY TRANSACTIONS

- (a) During the period under review, the Group had the following transactions with related companies controlled either by a Director or a close family member of a Director:

	Six months ended 30 September 2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Purchase of a motor vehicle	250	–
Computer system maintenance charges	366	236
Purchases of computer equipment	28	13

(b) Compensation of key management personnel of the Group

Short-term employee benefits	1,801	2,095
Post-employment benefits	18	37
Total compensation paid to key management personnel	1,819	2,132

19. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The Interim Financial Statements were approved and authorised for issue by the Board on 28 November 2022.

DIRECTORS' INTERESTS IN SECURITIES

At 30 September 2022, the interests and short positions of the Directors in the shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”), were as follows:

(a) Long positions in ordinary shares of the Company

Name of director	Number of shares held, capacity and nature of interest				
	Directly beneficially owned	Through controlled corporation	Through a discretionary trust/as beneficiary and founder of trust	Total number of ordinary shares held	Percentage of the Company's issued share capital
Madam Tong She Man, Winnie (“Madam Tong”) (note 1)	–	34,068,000	180,000,000	214,068,000	58.27%
Dr. Wong Yui Lam (“Dr. Wong”) (note 2)	2,200,000	29,900,000	180,000,000	212,100,000	57.73%
Mr. Yeung Yat Hang	4,930,000	–	–	4,930,000	1.34%

Notes:

1. The 34,068,000 shares are held by Great Elite Corporation (“Great Elite”), the entire issued share capital of which is beneficially owned by Madam Tong, an executive director of the Company. The 180,000,000 shares are held by New Huge Treasure Investments Limited (“Huge Treasure”), which is held by Yate Enterprises Limited as to 100%. Yate Enterprises Limited is in turn held by East Asia International Trustees Limited (“EAIT”) as to 100% as trustee of The Tong & Wong Family Trust, a discretionary trust established by Dr. Wong, an executive director of the Company and Madam Tong, an executive director of the Company. Madam Tong is also one of the beneficiaries of The Tong & Wong Family Trust.
2. The 29,900,000 shares are held by Wonder View Limited (“Wonder View”), the entire issued share capital of which is beneficially owned by Dr. Wong, an executive director of the Company. The 180,000,000 shares are held by Huge Treasure, which is held by Yate Enterprises Limited as to 100%. Yate Enterprises Limited is in turn held by EAIT as to 100% as trustee of The Tong & Wong Family Trust, a discretionary trust established by Dr. Wong, an executive director of the Company and Madam Tong, an executive director of the Company. Dr. Wong is also one of the beneficiaries of The Tong & Wong Family Trust.

(b) Long positions in shares of associated corporations

Name of associated corporation	Name of director	Capacity	Number of shares held	Percentage of the associated corporation's issued share capital
Tough Jeans Limited	Madam Tong	Beneficial owner (note)	2 non-voting deferred shares of HK\$1 each	40% of the issued non-voting deferred shares
Tough Jeans Limited	Dr. Wong	Beneficial owner (note)	3 non-voting deferred shares of HK\$1 each	60% of the issued non-voting deferred shares
Bauhaus Holdings Limited	Madam Tong	Beneficial owner (note)	1 non-voting deferred shares of HK\$1 each	50% of the issued non-voting deferred shares
Bauhaus Holdings Limited	Dr. Wong	Beneficial owner (note)	1 non-voting deferred shares of HK\$1 each	50% of the issued non-voting deferred shares

Note: Dr. Wong and Madam Tong are non-voting shareholders of these companies. The holders of these non-voting deferred shares are not entitled to any dividends and have no voting rights.

Save as disclosed above, as at 30 September 2022, none of the Directors had registered an interest or short position in the shares or underlying shares of the Company or any of its associated corporation, that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section of "Share Option Scheme", at no time during the six months ended 30 September 2022 were rights to acquire benefits by means of the acquisition of shares in the Company granted to any of the Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 September 2022, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Number of shares held, capacity and nature of interest						
Name	Position	Directly beneficially owned	Through controlled corporation	Through discretionary trust/as beneficiary, founder or trustee of trust	Total number of ordinary shares held	Percentage of the Company's issued share capital
EAIT (note 1)	Long position	–	–	180,000,000	180,000,000	49.00%
Yate Enterprises Limited (note 2)	Long position	–	180,000,000	–	180,000,000	49.00%
Huge Treasure	Long position	180,000,000	–	–	180,000,000	49.00%
Great Elite (note 3)	Long position	34,068,000	–	–	34,068,000	9.27%
Wonder View (note 4)	Long position	29,900,000	–	–	29,900,000	8.14%
David Michael Webb (note 5)	Long position	10,386,000	15,228,000	–	25,614,000	6.97%

Notes:

1. EAIT holds 100% shareholding interest in Yate Enterprises Limited as trustee of The Tong & Wong Family Trust and Yate Enterprises Limited holds 100% shareholding interest in Huge Treasure. Therefore, EAIT is deemed to be interested in the shares in the Company by virtue of the SFO.
2. Yate Enterprises Limited holds 100% shareholding interest in Huge Treasure. Therefore, Yate Enterprises Limited is deemed to be interested in the shares in the Company held by Huge Treasure by virtue of the SFO.
3. Great Elite is a company incorporated in the British Virgin Islands, the entire issued share capital of which is owned by Madam Tong.
4. Wonder View is a company incorporated in the British Virgin Islands, the entire issued share capital of which is owned by Dr. Wong.
5. The 15,228,000 shares are held by Preferable Situation Assets Limited, which is incorporated in the British Virgin Islands, the entire issued share capital of which is owned by Mr. David Michael Webb.

Save as disclosed above, as at 30 September 2022, no person, other than the Directors, whose interests are set out in the section of "Directors' interests in securities" above, had an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

On 27 August 2015, the Company adopted a share option scheme (the “**Scheme**”) to provide the Company with the flexibility of granting share options to eligible participants as incentives or rewards for their contribution or potential contribution to the Group. Eligible participants of the Scheme include the Company’s Directors, including independent non-executive Directors, other employees of the Group, any advisers, consultants, suppliers and customers of the Group and such other persons who, in the sole opinion of the Board, will contribute or have contributed to the Group. The Scheme will remain in force for 10 years from the effective date of 28 August 2015.

No share option was granted under the Scheme since its adoption and during the six months ended 30 September 2022 (2021: Nil). As at the date of this report, the total number of securities available for issue under the Scheme was 36,738,000, representing 10% of the issued shares of the Company.

CHANGES IN DIRECTORSHIP AND OTHER CHANGES IN DIRECTORS’ INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the Company confirmed that there was no change in directorship and information of the Directors since the publication of the annual report of the Company for the year ended 31 March 2022 up to the date of this report.

MODEL CODE OF SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 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 six months ended 30 September 2022.

DIVIDENDS

A final dividend of HK\$60,618,000 for the year ended 31 March 2022 was paid on 5 September 2022 (2021: a final and a special dividend aggregately of HK\$170,832,000).

In addition, the Board declared an interim dividend of 3.0 HK cents (2021: 2.5 HK cents) per ordinary share, in respect of the six months ended 30 September 2022, to the shareholders whose names appear on the register of members of the Company on Wednesday, 21 December 2022. The interim dividend will be payable on or before Wednesday, 11 January 2023.

CLOSURE OF REGISTER OF MEMBERS

The record date for entitlement to the interim dividend is scheduled on Wednesday, 21 December 2022. For determining the entitlement to the interim dividend, the register of members of the Company will be closed from Friday, 16 December 2022 to Wednesday, 21 December 2022, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim 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, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 15 December 2022.

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 six months ended 30 September 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 of the Corporate Governance Code as contained in Appendix 14 of the Listing Rules throughout the six months ended 30 September 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 the accounting principles and practices adopted by the Group, including the review of the Interim Financial Statements for the six months ended 30 September 2022, and discussed risk management, internal control and financial reporting matters.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company’s total number of issued shares was held by the public as at the date of this report.

APPRECIATION

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

By Order of the Board
Bauhaus International (Holdings) Limited
Madam Tong She Man, Winnie
Chairlady & Chief Operating Officer

Hong Kong, 28 November 2022