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 2025

- ➢ Turnover of the Group increased by 0.8% to HK$194.5 million (2024: HK$193.0 million).
- ➢ Sales by operating segment were as follows:

	Year ended 31 March 2025	Year ended 31 March 2024	Changes
	HK$ million	*HK$ million*	
Offline	**191.5**	189.8	+0.9%
Online	**3.0**	3.2	−6.3%

- ➢ Gross profit decreased by 2.9% to HK$139.0 million (2024: HK$143.2 million), while gross margin declined to 71.5% (2024: 74.2%).
- ➢ The Group recorded a net profit for the year ended 31 March 2025 of HK$11.7 million (2024: HK$1.2 million).
- ➢ Basic and diluted earnings per share were 3.2 HK cents (2024: 0.3 HK cents).

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 2025, prepared on the basis set out in Note 2.1 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 2025

	Notes	**2025** *HK$'000*	2024 *HK$'000*
REVENUE	4	**194,500**	192,996
Cost of sales	6	**(55,464)**	(49,755)
GROSS PROFIT		**139,036**	143,241
Other income and gains	4	**5,242**	3,231
Selling and distribution expenses		**(95,835)**	(99,579)
Administrative expenses		**(32,085)**	(31,534)
Other expenses	6	**(1,535)**	(9,832)
Finance costs	5	**(3,472)**	(4,154)
PROFIT BEFORE TAX	6	**11,351**	1,373
Income tax credit/(expense)	7	**320**	(159)
PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**11,671**	1,214
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that will not be reclassified subsequently to profit or loss:			
Remeasurement of long service payment (“**LSP**”) liabilities		**27**	301
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**11,698**	1,515
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**11,698**	1,515
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Basic and diluted	8	**3.2 HK cents**	0.3 HK cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2025

	Notes	**2025** **HK$'000**	2024 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**15,662**	14,137
Right-of-use assets		**53,807**	57,089
Intangible assets		**23**	29
Equity investment at fair value through other comprehensive income		**–**	–
Rental, utility and other non-current deposits		**10,866**	12,498
Deferred tax assets		**7,138**	6,818
TOTAL NON-CURRENT ASSETS		**87,496**	90,571
CURRENT ASSETS			
Tax recoverable		**39**	88
Inventories	10	**35,589**	41,056
Trade receivables	11	**2,935**	3,905
Prepayments, deposits and other receivables		**12,370**	9,044
Time deposits with maturity over 3 months		**67,175**	29,420
Cash and cash equivalents		**29,965**	57,710
Total current assets		**148,073**	141,223
CURRENT LIABILITIES			
Trade payables	12	**1,256**	735
Other payables and accruals		**8,815**	9,543
Lease liabilities		**31,858**	34,110
Total current liabilities		**41,929**	44,388
NET CURRENT ASSETS		**106,144**	96,835
TOTAL ASSETS LESS CURRENT LIABILITIES		**193,640**	187,406
NON-CURRENT LIABILITIES			
Accruals		**1,800**	2,203
Lease liabilities		**15,538**	20,753
Long service payment obligations		**567**	413
TOTAL NON-CURRENT LIABILITIES		**17,905**	23,369
NET ASSETS		**175,735**	164,037
EQUITY			
Equity attributable to equity holders of the parent			
Share capital		**36,738**	36,738
Reserves		**138,997**	127,299
TOTAL EQUITY		**175,735**	164,037

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 March 2025

1. CORPORATE AND GROUP INFORMATION

Bauhaus International (Holdings) Limited is a limited liability company incorporated in the Cayman Islands. The address of its registered office is P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands. The principal place of business of the Company is located at 1/F., WoFoo Building, 204–210 Texaco Road, Tsuen Wan, New Territories, Hong Kong. The Group is principally engaged in the design and retail of trendy apparel, bags and fashion accessories. The Group's turnover is mostly contributed by its major in-house labels like "SALAD" and "TOUGH", some trendy design brands as well as certain international labels.

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 as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), which collective term includes all applicable individual HKFRS accounting standards, Hong Kong Accounting Standards and Interpretations ("**HKFRS Accounting Standards**"), the 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. 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. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3 to the consolidated financial statements.

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 2025. 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;

2.1 BASIS OF PREPARATION *(Continued)*

Basis of consolidation *(Continued)*

(b) rights arising from other contractual arrangements; and

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

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

Profit or loss and each component of other comprehensive income is attributed to the owners of the parent of the Company 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 AMENDED HKFRS ACCOUNTING STANDARDS THAT ARE EFFECTIVE FOR ANNUAL PERIOD BEGINNING ON 1 APRIL 2024

In the current year, the Group has applied for the first time the following amended HKFRS Accounting Standards as issued by the HKICPA which are relevant to the Group's operation and effective for the Company's consolidated financial statements for the period beginning on 1 April 2024:

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)*
Amendments to HKAS 1	*Non-current Liabilities with Covenants*
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The adoption of the amended HKFRS Accounting Standards had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRS Accounting Standards have been published but not yet effective and have not been early adopted by the Group.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[3]
HKFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature - Dependent Electricity*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to HKAS 21	*Lack of Exchangeability*[1]
Amendments to HKFRS Accounting Standards	*Annual Improvements to HKFRS Accounting Standards–Volume 11*[2]
Amendments to Hong Kong Interpretation 5	*Presentation of Financial Statements–Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*[3]

1 Effective for annual periods beginning on or after 1 April 2025
2 Effective for annual periods beginning on or after 1 April 2026
3 Effective for annual periods beginning on or after 1 April 2027
4 Effective date not yet determined

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. Information on new and amended HKFRS Accounting Standards that are expected to have impact on the Group's accounting policies is provided below. Other new and amended HKFRS Accounting Standards are not expected to have a material impact on the Group's consolidated financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS *(Continued)*

HKFRS 18 "Presentation and Disclosure in Financial Statements" and related amendments to Hong Kong Interpretation 5

HKFRS 18 replaces HKAS 1 "Presentation of Financial Statements". It carries forward many of the existing requirements in HKAS 1, with limited changes, and some HKAS 1 requirements will be moved to HKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and HKFRS 7 "Financial Instruments: Disclosures".

HKFRS 18 will not impact the recognition and measurement of financial statements items but the presentation of them. It introduces three major new requirements, including:

- reporting newly defined subtotals (namely "operating profits" and "**profits before financing and income tax**"), and classifying items into five newly defined categories (namely "operating", "investing", "financing", "income tax" and "**discontinued operation**"), depending on the reporting entity's main business activities, in the statement of profit or loss;

- disclosure of management-defined performance measures ("**MPMs**") in a single note to the financial statements; and

- enhanced guidance of aggregation and disaggregation of information in the financial statements.

Besides, narrow-scope amendments have been made to HKAS 7 "Statement of Cash Flows", which includes:

- using "operating profit or loss" as the starting point for indirect method for the presentation of operating cash flows purposes; and

- the option for classifying interest and dividend cash flows as operating activities is eliminated.

In addition, there are consequential amendments to several other standards.

HKFRS 18, and the amendments to the other HKFRS Accounting Standards, are effective for annual period beginning on or after 1 April 2027 and must be applied retrospectively with specific transition provisions.

3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the design and retail of trendy apparel, bags and fashion accessories.

For management purpose and in a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker for the purpose of resource allocation and performance assessment, the Group's reportable segments are as follows:

1. **Offline:** management and operation of physical point-of-sale, including but not limited to retail stores, outlets, pop-up shops and seasonal bargain sales activities, etc. in different regions (at the end of the reporting periods, mainly in Hong Kong and Macau); and

2. **Online:** management and operation of cyber distribution channels to capture boundless online consumption.

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, (loss)/gain on disposal of properties (other than from leasehold improvements and equipment) and unallocated expenses, net are excluded from this measurement.

Segment assets exclude equity investments at fair value through other comprehensive income, deferred tax assets, tax recoverable and other unallocated corporate assets as these assets are managed on a group basis. Segment liabilities exclude 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 2025 and 2024, no major customer information is presented.

3. OPERATING SEGMENT INFORMATION *(Continued)*

	Offline *HK$'000*	Online *HK$'000*	Total *HK$'000*
Year ended 31 March 2025			
Segment revenue:			
Sales to external customers	**191,472**	**3,028**	**194,500**
Segment results:	**38,712**	**(813)**	**37,899**
Reconciliation:			
Interest income			**3,126**
Finance costs (other than interest on lease liabilities)			**(14)**
Loss on disposal of properties, net (other than from leasehold improvements and equipment)			**(35)**
Unallocated expenses, net			**(29,625)**
Profit before tax			**11,351**
Segment assets:	**197,927**	**616**	**198,543**
Reconciliation:			
Deferred tax assets			**7,138**
Tax recoverable			**39**
Unallocated assets			**29,849**
Total assets			**235,569**
Segment liabilities:	**56,554**	**855**	**57,409**
Reconciliation:			
Unallocated liabilities			**2,425**
Total liabilities			**59,834**
Segment non-current assets:	**59,051**	**156**	**59,207**
Reconciliation:			
Deferred tax assets			**7,138**
Unallocated non-current assets			**21,151**
Total non-current assets			**87,496**

3. OPERATING SEGMENT INFORMATION *(Continued)*

	Offline *HK$'000*	Online *HK$'000*	Total *HK$'000*
Other segment information:			
Capital expenditure*	**5,090**	**4**	**5,094**
Unallocated capital expenditure*			**3,601**
			8,695
Depreciation of property, plant and equipment	**4,429**	**12**	**4,441**
Unallocated depreciation			**1,536**
			5,977
Depreciation of right-of-use assets	**32,691**	**–**	**32,691**
Unallocated depreciation			**462**
			33,153
Amortisation of intangible assets	**5**	**–**	**5**
Unallocated amortisation			**13**
			18
Loss on disposal of items of property, plant and equipment and right-of-use assets, net	**541**	**–**	**541**
Unallocated loss on disposal of items of property, plant and equipment and right-of-use assets, net			**35**
			576
Write off of rental deposits	**737**	**–**	**737**
Write-back of lease liabilities, net	**(458)**	**–**	**(458)**
Reversal of impairment of right-of-use assets, net	**(1,416)**	**–**	**(1,416)**
Impairment of property, plant and equipment, net	**204**	**–**	**204**

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

3. OPERATING SEGMENT INFORMATION *(Continued)*

	Offline	Online	Total
	HK$'000	*HK$'000*	*HK$'000*
Year ended 31 March 2024			
Segment revenue:			
Sales to external customers	189,803	3,193	192,996
Segment results:	32,427	(609)	31,818
Reconciliation:			
Interest income			2,414
Finance costs (other than interest on lease liabilities)			(14)
Gain on disposal of properties (other than from leasehold improvements and equipment)			2,620
Unallocated expenses, net			(35,465)
Profit before tax			1,373
Segment assets:	194,732	820	195,552
Reconciliation:			
Deferred tax assets			6,818
Tax recoverable			88
Unallocated assets			29,336
Total assets			231,794
Segment liabilities:	64,639	878	65,517
Reconciliation:			
Unallocated liabilities			2,240
Total liabilities			67,757
Segment non-current assets:	63,841	82	63,923
Reconciliation:			
Deferred tax assets			6,818
Unallocated non-current assets			19,830
Total non-current assets			90,571

3. OPERATING SEGMENT INFORMATION *(Continued)*

	Offline *HK$'000*	Online *HK$'000*	Total *HK$'000*
Other segment information:			
Capital expenditure*	10,319	–	10,319
Unallocated capital expenditure*			1,451
			11,770
Depreciation of property, plant and equipment	2,778	15	2,793
Unallocated depreciation			1,045
			3,838
Depreciation of right-of-use assets	37,890	–	37,890
Unallocated depreciation			386
			38,276
Amortisation of intangible assets	5	–	5
Unallocated amortisation			22
			27
Loss on disposal of items of property, plant and equipment and right-of-use assets, net	1,960	–	1,960
Unallocated gain on disposal of items of property, plant and equipment and right-of-use assets, net			(2,620)
			(660)
Loss on disposal of trademark, net	12	–	12
Write off of rental deposits	647	–	647
Write-back of lease liabilities, net	(94)	–	(94)
Impairment of right-of-use assets	7,926	–	7,926
Impairment of property, plant and equipment	1,173	–	1,173

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

4. REVENUE, OTHER INCOME AND GAINS

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

	2025	2024
	HK$'000	*HK$'000*
Revenue		
Sale of garment products and accessories transferred at a point in time	**194,500**	192,996
Disaggregated revenue information		
Segments		
Retail business		
Offline	**191,472**	189,803
Online	**3,028**	3,193
Total revenue from contracts with customers	**194,500**	192,996

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

	2025	2024
	HK$'000	*HK$'000*
Revenue recognised that was included in contract liabilities at 1 April		
– Sale of garment products and accessories	**550**	545

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 online platforms. 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, using credit cards, or other forms of digital payments.

The transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2025 and 31 March 2024 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)*

	2025	2024
	HK$'000	*HK$'000*
Other income		
Bank interest income	**3,126**	2,414
Others	**56**	63
	3,182	2,477
Gains		
Reversal of impairment of right-of-use assets, net	**1,416**	–
Gain on disposal of items of property, plant and equipment and right-of-use assets, net	**–**	660
Write-back of lease liabilities, net	**458**	94
Gain on liquidation of a subsidiary	**156**	–
Foreign exchange gains, net	**30**	–
	2,060	754
	5,242	3,231

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2025	2024
	HK$'000	*HK$'000*
Interest on lease liabilities *(Note 6)*	**3,458**	4,140
Interest on LSP obligations	**14**	11
Other interest expenses	**–**	3
	3,472	4,154

6. PROFIT BEFORE TAX

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

	2025	2024
	HK$'000	*HK$'000*
Cost of sales:		
Cost of inventories sold	**55,647**	51,921
Reversal of provision for inventories, net	**(183)**	(2,166)
	55,464	49,755
Lease expenses:		
Depreciation of right-of-use assets	**33,153**	38,276
Lease payments for short term leases and contingent rents not included in the measurement of lease liabilities	**8,456**	10,810
Interest on lease liabilities *(Note 5)*	**3,458**	4,140
	45,067	53,226
Employee benefit expenses (including directors' remuneration):		
Wages, salaries and other benefits	**47,132**	51,365
Pension scheme expenses		
– Contribution to pension scheme*	**1,951**	1,679
– Expenses arising from LSP obligations	**167**	141
Refund from pension scheme	**(300)**	(5,525)
	48,950	47,660
Other expenses:		
Amortisation of intangible assets	**18**	27
Write-off of rental deposits, net	**737**	647
Loss on disposal of property, plant and equipment and right-of-use assets, net	**576**	–
Loss on disposal of trademarks	**–**	12
Foreign exchange losses, net	**–**	47
Impairment of right-of-use assets	**–**	7,926
Impairment of property, plant and equipment, net	**204**	1,173
	1,535	9,832
Auditor's remuneration	**1,233**	1,242
Depreciation of property, plant and equipment	**5,977**	3,838
Gain on disposal of items of property, plant and equipment and right-of-use assets, net	**–**	(660)
Write-back of lease liabilities, net	**(458)**	(94)
Reversal of impairment of right-of-use assets, net	**(1,416)**	–

* *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 (2024: Nil).*

7. INCOME TAX (CREDIT)/EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 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 2024. Taxes on profits assessable elsewhere had been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

No provision for Hong Kong tax has been made as the Group has available tax losses brought forward from prior years to offset the assessable profits generated during the year ended 31 March 2025.

	2025	2024
	HK$'000	*HK$'000*
Current tax – Hong Kong		
Provision for the year	**–**	9
Current tax – Elsewhere		
Under provision in prior years	**–**	88
Deferred tax (credit)/charge	**(320)**	62
Total tax (credit)/expense for the year	**(320)**	159

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

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

	2025	2024
	HK$'000	*HK$'000*
Profit		
Profit attributable to equity holders of the parent, used in the basic earnings per share calculation	**11,671**	1,214
	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

Diluted earnings per share is the same as basic earnings per share as the Group had no potentially dilutive ordinary shares in issue during the years ended 31 March 2025 and 2024.

9. DIVIDENDS

No dividend was paid or proposed for the year ended 31 March 2025, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

10. INVENTORIES

	2025	2024
	HK$'000	*HK$'000*
Finished goods at cost	**36,240**	41,890
Less: provision for inventories	**(651)**	(834)
	35,589	41,056

11. TRADE RECEIVABLES

	2025	2024
	HK$'000	*HK$'000*
Trade receivables	**2,935**	3,905

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 is as follows:

	2025	2024
	HK$'000	*HK$'000*
Within 90 days	**2,929**	3,804
91 to 180 days	**4**	35
181 to 365 days	**2**	66
	2,935	3,905

11. TRADE RECEIVABLES *(Continued)*

The ageing analysis of the trade receivables as at the end of the reporting period, based on the due date that were not considered to be impaired was as follows:

	2025	2024
	HK$'000	*HK$'000*
Neither past due nor impaired	**404**	648
Less than 30 days past due	**2,474**	3,125
31 to 90 days past due	**51**	31
91 to 180 days past due	**4**	35
181 to 365 days past due	**2**	66
Amounts past due	**2,531**	3,257
Total	**2,935**	3,905

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type and customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. In applying the forward-looking information, the Group has taken into account of the possible impacts associated with the overall change in the economic environment. Generally, trade receivables are written off if past due for more than two years and are not subject to enforcement activity. As at 31 March 2025 and 2024, the Group assessed the loss allowance and the expected credit loss rate under the application of HKFRS 9 were insignificant.

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:

	2025	2024
	HK$'000	*HK$'000*
Within 90 days	**1,256**	735

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For over twenty years, the Group has principally designed and retailed trendy apparel, bags, and fashion accessories. Its turnover is mainly contributed by its major in-house labels, such as "SALAD", "TOUGH," some trendy design brands and certain international labels.

As at 31 March 2025. The Group had a total of 31 self-managed offline stores in operation (31 March 2024: 33).

	As at 31 March 2025	As at 31 March 2024	Change
Hong Kong	**25**	27	-2
Macau	**6**	6	–
TOTAL	**31**	33	-2

According to the Hong Kong Census and Statistics Department's provisional statistics released in March 2025, the total estimated retail sales value in February 2025 reflecting a 13.0% year-on-year decline. This marked the 12th consecutive month of contraction, significantly exceeding market expectations of a 5.7% drop.

Under the above difficult circumstances, during the year, the retail market has been facing persistent challenges, with overall sentiment persistently subdued. The anticipated recovery following the reopening of borders and the easing of travel restrictions in Hong Kong and Macau since early 2023 has fallen short of expectations, with signs of stagnation emerging. Additionally, the surge in outbound "revenge travel" by local residents, coupled with the ongoing trend of northbound consumption particularly to mainland cities like Shenzhen, has further dampened local foot traffic. This decline was particularly pronounced on weekends and public holidays, periods that are critical to the performance of the retail sector.

In spite of the challenging situation, in recent years, the Group has refined its retail operations, restructured its cost hierarchy and become more competitive under difficult business conditions, especially on the core offline retail business. Even the recovering process might be a bit slower than expected, the Group remains cautiously optimistic in the future development attributed to the solid foundation and the continued support from our beloved customers.

As such, under the concerted efforts of our experience management team and colleagues and the continued support from the customers, the Group's financial performance improved during the reporting period despite the recent hard time of the retail market. For the year ended 31 March 2025. The Group recorded an increase in net profit of 875.0% to approximately HK$11.7 million (2024: approximately HK$1.2 million) and an increase of turnover of 0.8% to approximately HK$194.5 million (2024: approximately HK$193.0 million).

Offline

Offline retail operations are the key operating segment of the Group accounting for almost all of the Group's turnover. Despite the decrease in total number of physical stores (as at 31 March 2025: 31; as at 31 March 2024: 33) , the Group's turnover of the offline retail operations segment increased by 0.9% to approximately HK$191.5 million (2024: approximately HK$189.8 million) which was due to the continuous positive growth in the overall same-store-sales of 6% for the reporting period.

In Hong Kong, despite navigating a challenging retail market due to a slower-than-expected economic recovery and a surge in outbound "revenge travel," the Group has diligently optimized its operations. These efforts have delivered positive outcomes, with operating performance showing steady improvement. For the year ended 31 March 2025, the Group achieved a 6% growth in same-store sales compared to the prior year. When analyzed by quarter, the positive momentum is even more pronounced, with same-store sales growth of -6%, +1%, +10%, and +16% across the four quarters, respectively. Building on this strong momentum, the Group is committed to sustaining this positive trajectory and reinforcing its competitive edge in the market.

The Group's offline retail business in Macau has maintained stable performance during the reporting period, with same-store sales recording a 4% growth for the year. According to the report issued by the Statistics and Census Service (DSEC) of the Macau SAR Government in April 2025, Macau's tourism sector in the first quarter of 2025 showed significant improvement, welcoming approximately 9.86 million visitors, an increase of over 11% compared to the same period in the previous year. As a premier travel and entertainment destination, Macau's economic performance is closely tied to its tourism industry. Supported by the Macau government's proactive policies to bolster local tourism and the recent renovation of select stores, the Group is optimistic about achieving strong operational performance in the second half of the year.

The Group remains its strategic focus on running qualitative and profitable retail platforms instead of driven only by sales achievement. Consistent with prior years, the Group continued to manage its operating costs effectively and successfully adjusted high expenses, including rentals and staff costs, to align more flexibly with sales performance. The Group also responded promptly with appropriate contingency plans to address unfavorable incidents.

Online

Online sales and marketing is crucial for modern retail, driving customer engagement and sales through targeted online strategies, while digital technologies enhance operations, personalization, and data-driven decision-making across all aspects of the industry. As such, the online business is considered having immense potentials while the competition in the online market is also increasingly fierce. The Group has a designated team to foster the development of the Group's e-commerce business. Although still in the exploratory phase, the Group firmly believes that precise and continuous investment in e-commerce will unlock the significant growth potential. By fostering seamless interactions between online and offline channels, we are expecting to generate synergies that enhance both market impact and operational efficiency, delivering greater value to our shareholders. During the reporting period, the segment incurred a loss of approximately HK$0.8 million (2024: approximately HK$0.6 million) and sales declined by approximately 6.3% to approximately HK$3.0 million during the year ended 31 March 2025 (2024: approximately HK$3.2 million).

FINANCIAL REVIEW

Turnover and Segment Information

Turnover of the Group increased by 0.8% to approximately HK$194.5 million (2024: approximately HK$193.0 million) for the year ended 31 March 2025. The Group's same-store-sales growth further improved to +6% (2024: +11%) for the year under review. The slight improvement in sales during such challenging year was primarily due to the collaborative efforts of our experienced management team and colleagues, who achieved positive and encouraging operational results through exceptional operational management and effective promotional activities during the year. Details of the Group's segmental turnover and results are shown in Note 4 to the consolidated financial statements.

Gross Profit and Gross Margin

The Group's gross profit slightly decreased by 2.9% to approximately HK$139.0 million (2024: approximately HK$143.2 million) for the year ended 31 March 2025. Gross margin declined slightly to 71.5% (2024: 74.2%). Given the sluggish retail sentiment in Hong Kong and Macau, more promotion activities with price discounts offered have been implemented during the year under review to boost the sales and thus a slight decrease in gross margin was noted.

Operating Expenses and Cost Control

The Group continued to manage operating expenses very cautiously during the year ended 31 March 2025.

For the year under review, the Group's core operating expenses (which includes the selling expenses and administrative expenses) recorded a 2.4% decrease to approximately HK$127.9 million (2024: approximately HK$131.1 million). This achievement underscores the Group's commitment to prudent financial stewardship, ensuring that resources are allocated efficiently while maintaining operational effectiveness. By strategically controlling the operating expenses, the Group has demonstrated its ability to adapt to challenging market conditions without compromising the quality of its products or services.

Rental is one of the key operating expenses of the Group. Lease expenses (including depreciation of right-of-use assets, lease payment for short term leases and interest on lease liabilities) for the year ended 31 March 2025 decreased by 15.2% to approximately HK$45.1 million (2024: approximately HK$53.2 million). The Group cautiously managed lease negotiation processes and always leveraged the sales potentials and leasing costs in each tenancy renewal. To maintain competitive, the Group adopts an on-going practice of strategically relocating, consolidating and converting its retail portfolio. If necessary, upon tenancies renewal, the Group may turn down renewal offers with unacceptably high rental increment and may relocate offline shops to less costly locations with appropriate sales exposure.

Staff cost increased by 2.7% to approximately HK$49.0 million (2024: approximately HK$47.7 million) during the year under review due to an increasingly competitive labour market. The total number of staff reduced to 164 at the end of the reporting period (2024: 165). The above two major expenditures have already accounted for 73.6% (2024: 77.0%) of the Group's core operating expenses.

Depreciation of property, plant and equipment increased to approximately HK$6.0 million (2024: approximately HK$3.8 million) for the year under review as a result of the relocation of the Hong Kong office and the refurbishment of certain existing and new stores.

The Group's finance costs, mainly representing interest on lease liabilities, decreased to approximately HK$3.5 million (2024: approximately HK$4.1 million) as less tenancies being contracted and renewed during the year.

The Group used to manage operating expenses strictly. Efforts to control costs are in place. Regular review on work procedures is essential to enhance efficiency and in turn, to better moderate the cost increment.

Net Profit

The Group recorded a net profit for the year ended 31 March 2025 of approximately HK$11.7 million (2024: approximately HK$1.2 million). The increase in net profit was primarily attributable to the combined effect of (i) Reversal of impairment provision on the Group's right-of-use assets of approximately HK$1.4 million (2024: impairment provision on the Group's right-of-use assets of approximately HK$7.9 million) and (ii) impairment provision on the Group's property, plant and equipment decreased to approximately HK$0.2 million (2024: approximately HK$1.2 million) due to the enhanced operating efficiency of the Group which contributed to the improved asset performance.

SEASONALITY

As its track record shows, seasonality heavily affects the Group's sales and results. 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 2025, the Group had net assets of approximately HK$175.7 million (2024: approximately HK$164.0 million), comprising non-current assets of approximately HK$87.5 million (2024: approximately HK$90.6 million), net current assets of approximately HK$106.1 million (2024: approximately HK$96.8 million) and non-current liabilities of approximately HK$17.9 million (2024: approximately HK$23.4 million).

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2025, the Group had cash and cash equivalents and time deposits of approximately HK$30.0 million (2024: approximately HK$57.7 million) and approximately HK$67.2 million (2024: approximately HK$29.4 million), respectively. At the end of the reporting period, the Group had aggregate banking facilities of HK$30.2 million (2024: HK$30.2 million), comprised of interest-bearing bank overdraft, revolving loans, credit card facilities, rental and utility guarantees as well as import facilities, of which approximately HK$27.5 million had not been utilised (2024: approximately HK$27.1 million). The Group had no borrowings as at 31 March 2024 and 31 March 2025. 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 (2024: zero).

CASH FLOWS

During the year ended 31 March 2025, net cash flows from operating activities increased by 19.5% to approximately HK$53.4 million (2024: approximately HK$44.7 million), which was mainly due to the significant reduction in inventory levels (2025: approximately HK$35.6 million; 2024: approximately HK$41.1 million) as a result of the operational efficiencies. Net cash flows used in investing activities increased by 147.3% to approximately HK$46.0 million (2024: approximately HK$18.6 million), which was mainly due to increase in time deposits with original maturity more than three months placed during the year (2025: approximately HK$67.2 million; 2024: approximately HK$29.4 million). Net cash flows used in financing activities was approximately HK$35.1 million (2024:approximately HK$36.2 million) which were used for repaying the principal portion of the lease payments.

SECURITY

As at 31 March 2025, the Group's general banking facilities were secured by its property, plant and equipment, and right-of-use assets in Hong Kong. At the end of the reporting period, these assets had aggregate carrying values of approximately HK$4.8 million and approximately HK$12.2 million, respectively (2024: approximately HK$4.9 million and approximately HK$12.5 million).

CAPITAL COMMITMENT

The Group had no material capital commitment contracted but not provided for as at 31 March 2025 (2024: Nil).

CONTINGENT LIABILITIES

As at 31 March 2025, the Group had contingent liabilities regarding bank guarantees given in lieu of utility and property rental deposits amounting to approximately HK$2.6 million (2024: approximately HK$2.9 million).

HUMAN RESOURCES

As at 31 March 2025, the Group had 164 (2024: 165) employees, including the directors. To attract and retain high-quality staff, the Group provided competitive remuneration packages with performance bonuses, a mandatory provident fund, insurance coverage, and 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 primarily denominated in Hong Kong dollars and United States dollars. The Group has been exposed to certain foreign currency exchange risks, but it does not anticipate future currency fluctuations causing material operational difficulties or liquidity problems. However, the Group continuously monitors its foreign exchange position and, when necessary, will hedge foreign exchange exposure arising from contractual commitments in sourcing apparel from overseas suppliers.

PROSPECTS

The Group is cautiously optimistic about the retail market in Hong Kong and Macau for the year ahead. In the coming years, the Group will continue to drive the in-house brand development with renewed vigour, aiming to strengthen our brand equity, especially in our distinctively and creatively designed leather jackets, handbags, and ripped jeans with premium quality materials that offer exceptional values. We will focus on deepening our understanding of customer preferences, identifying emerging trends, and designing products that drive sustainable growth in the long term and meet customers' preferences. We are offering products with different price points to cater to consumers' changing spending patterns.

The impact of e-commerce on the apparel retail industry has been significant. Consumers now compare prices, read reviews, and make informed decisions online. They seek convenience, personalised recommendations, and a seamless shopping experience. To remain competitive, our Group aims to balance physical and digital channels. We plan to achieve this by gradually promoting Omnichannel retailing, enabling customers to confidently and efficiently shop in-store, online, and through social media platforms.

To maximize the interests, as always, the Group will endeavor to focus on enhancing operational efficiency and stringent cost controls so as to deliver greater values to the Shareholders.

DIVIDEND

The directors do not recommend the payment of a final dividend for the year ended 31 March 2025.

COMPARATIVES FIGURES

Certain comparative amounts have been reclassified to conform with current year's presentation.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting of the Company (the "**AGM**") is scheduled on **Monday, 18 August 2025**. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from **Wednesday, 13 August 2025** to **Monday, 18 August 2025**, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on **Tuesday, 12 August 2025**.

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 C1 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 2025.

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 C3 (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 2025.

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 2025.

REVIEW OF FINANCIAL INFORMATION

An audit committee of the Company (the "**Audit Committee**") with written terms of reference comprises three independent non-executive directors, namely Mr. Ong Benjamin Peng Liong, Ms. Choi Sze Man, Mandy and Mr. Wong Man Tai. 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 2025.

The figures in respect of this preliminary announcement of the Group's results for the year ended 31 March 2025 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.

CHANGES IN DIRECTORSHIP AND OTHER CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in directorship and related information concerning the Directors of the Company, as announced on 27 June 2025 and effective from 28 June 2025, since the publication of the interim report for the six months ended 30 September 2024, are set out below:

Name of Director	Details of changes
Mr. Wong Man Tai	• Resigned, as an Independent Non-executive Director of the Company and ceased to act as the chairman of the nomination committee of the Company ("the "**Nomination Committee**"), a member of each of the Audit Committee and remuneration committee of the Company (the "**Remuneration Committee**") with effect from 28 Jun 2025
Mr. Ong Benjamin Peng Liong	• Resigned, as an Independent Non-executive Director of the Company and ceased to act as the chairman of the Audit Committee, a member of each of the Nomination Committee and Remuneration Committee with effect from 28 Jun 2025

Name of Director	Details of changes
Ms. Hui Mei Sum Virginia Ann	• Appointed as an independent non-executive director, the chairman of the Nomination Committee, a member of each of the Audit Committee and Remuneration Committee with effect from 28 Jun 2025
Mr. Tsui Ka Yiu	• Appointed as an independent non-executive director, the chairman of the Audit Committee, a member of each of the Nomination Committee and Remuneration Committee with effect from 28 Jun 2025

PUBLICATION OF THE RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The results announcement for the year ended 31 March 2025 is published on the website of the Company (corporate.bauhaus.com.hk) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). The Company's 2024/25 annual report will be despatched 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 2025

BOARD OF DIRECTORS

As at the date of this announcement, the board of directors comprises two executive Directors, namely Madam Tong She Man, Winnie and Mr. Yeung Yat Hang and three independent non-executive Directors, namely Mr. Wong Man Tai, Ms. Choi Sze Man, Mandy, and Mr. Ong Benjamin Peng Liong.