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Bauhaus International (Holdings) Limited

包浩斯國際（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 483)

SECOND SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTY

Reference is made to the announcements of Bauhaus International (Holdings) Limited (the "**Company**") dated 5 September 2025 and 9 September 2025 (the "**Announcements**") in relation to disclosable transaction of the acquisition of property. Capitalised terms used herein without definition have the same meanings as in the Announcements unless the context otherwise requires.

The Company would like to provide further information in relation to the Acquisition as follows:

The Property currently accommodates the Company's frontline sales representatives working in its retail shops, including certain foreign workers retained under the Enhanced Supplementary Labor Scheme (the "**ESLS**"), an employment and imported labor initiative administered by the Government of the Hong Kong Special Administrative Region ("**Hong Kong**"). The Acquisition was partly driven by staff complaints regarding the substandard living conditions of staff quarters leased by the Company, including inadequate toilet and shower facilities shared by multiple occupants, which may result in foreign worker attrition. In assessing the Acquisition, after considering the following factors: (1) quality and motivated staff are essential drivers of the Group's core fashion retail business; (2) the recurring costs of arranging alternative accommodations of comparable quality would be significant; (3) the Company recorded a staff turnover rate of approximately 68% for the year ended 31 March 2025, as disclosed in its 2025 annual report published on 18 July 2025; and (4) compliance with the ESLS requirements and applicable laws and regulations, the Board believes that the Acquisition enhances the Group's ability to recruit and retain quality staff and maintain control over recurring costs, which in turn supports the long-term success of its retail operations. Accordingly, the Board considers the Acquisition to be in the interests of the Company and its Shareholders as a whole.

Against the backdrop of a challenging and volatile retail market in Hong Kong and the Macau Special Administrative Region, where the Group primarily operates, the Group has faced considerable challenges and volatility. In response, the Group's management has implemented pragmatic sales strategies and maintained strict cost controls. These measures have enabled the Company to return from a position of substantial losses to profitability.

For the financial year ended 31 March 2025, the Group recorded a profit. However, after careful consideration of prevailing market conditions and the weakened retail outlook, the Board has resolved not to declare a dividend for the period. Current business sentiment remains subdued and indications suggest that it is even weaker than in the previous year. Retaining earnings under these circumstances will strengthen the Company's balance sheet and enhance its ability to withstand potential market volatility. A strong cash position also enables the Company to respond swiftly when attractive opportunities for business expansion arise. This financial flexibility is essential for capturing growth prospects that contribute to long-term Shareholder returns.

The Board will continue to review the Company's capital management strategy, taking into account financial performance, market conditions and expansion opportunities, with the objective of enhancing Shareholder value over time, and will consider declaring dividends in accordance with the Company's dividend policy as and when appropriate.

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

By order of the Board
Bauhaus International (Holdings) Limited
Tong She Man, Winnie
Chairlady

Hong Kong, 14 November 2025

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 Ms. Choi Sze Man, Mandy, Mr. Tsui Ka Yiu and Ms. Chan Wing Yau, Venise.