**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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

- ➢ Turnover of the Group decreased by approximately 9.6% to approximately HK$74.6 million (2024: approximately HK$82.5 million).

- ➢ Sales by operating segment were as follows:

| | **Six months ended 30 September 2025** ***HK$ million*** | Six months ended 30 September 2024 *HK$ million* | Changes |
|---|---|---|---|
| Offline | **73.0** | 81.2 | -10.1% |
| Online | **1.6** | 1.3 | +23.1% |
| Total | **74.6** | 82.5 | -9.6% |

- ➢ Gross profit decreased by approximately 13.4% to approximately HK$52.5 million (2024: approximately HK$60.6 million) and the gross margin decreased to approximately 70.4% (2024: approximately 73.4%).

- ➢ The Group recorded a net loss for the six months ended 30 September 2025 of approximately HK$6.7 million (2024: approximately HK$2.5 million).

- ➢ Basic and diluted loss per share was approximately 1.8 HK cent (2024: approximately 0.7 HK cent).

The board of directors (the "**Board**" or "**Directors**") of Bauhaus International (Holdings) Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 September 2025, prepared on the basis set out in Note 1.2 to the Interim Financial Statements below, together with the comparative figures of the corresponding period, as follows.

The condensed consolidated interim results have not been audited, but have been reviewed by the Company's audit committee.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 September 2025*

| | Notes | Six months ended 30 September **2025** **(Unaudited)** ***HK$'000*** | 2024 (Unaudited) *HK$'000* |
|---|---|---|---|
| REVENUE | *4* | **74,618** | 82,535 |
| Cost of sales | *6* | **(22,075)** | (21,980) |
| GROSS PROFIT | | **52,543** | 60,555 |
| Other income | *4* | **1,438** | 1,445 |
| Selling and distribution expenses | | **(44,014)** | (45,968) |
| Administrative expenses | | **(14,847)** | (15,820) |
| Other expenses | *6* | **(100)** | (862) |
| Finance costs | *5* | **(1,729)** | (1,820) |
| LOSS BEFORE TAX | *6* | **(6,709)** | (2,470) |
| Income tax | *7* | **–** | – |
| **LOSS FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT** | | **(6,709)** | (2,470) |
| **OTHER COMPREHENSIVE INCOME/ (EXPENSE)** | | | |
| Other comprehensive income/(expense) that will not be reclassified subsequently to profit or loss: | | | |
| Remeasurement of long service payment ("**LSP**") liabilities | | **295** | (162) |
| **TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD** | | **(6,414)** | (2,632) |
| **TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT** | | **(6,414)** | (2,632) |
| LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT | *8* | | |
| Basic and diluted | | **(1.8) HK cent** | (0.7) HK cent |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 September 2025*

| | *Notes* | **As at 30 September 2025 (Unaudited)** ***HK$'000*** | As at 31 March 2025 (Audited) *HK$'000* |
|---|---|---|---|
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | | **16,623** | 15,662 |
| Right-of-use assets | | **57,822** | 53,807 |
| Intangible assets | | **17** | 23 |
| Equity investment at fair value through other comprehensive income | | **–** | – |
| Rental, utility and other non-current deposits | | **10,771** | 10,866 |
| Deferred tax assets | | **7,138** | 7,138 |
| **TOTAL NON-CURRENT ASSETS** | | **92,371** | 87,496 |
| CURRENT ASSETS | | | |
| Inventories | | **42,433** | 35,589 |
| Trade receivables | *10* | **2,315** | 2,935 |
| Prepayments, deposits and other receivables | | **12,339** | 12,370 |
| Tax recoverable | | **39** | 39 |
| Time deposits | *11* | **58,029** | 67,175 |
| Cash and cash equivalents | | **29,604** | 29,965 |
| Total current assets | | **144,759** | 148,073 |
| CURRENT LIABILITIES | | | |
| Trade payables | *12* | **5,959** | 1,256 |
| Other payables and accruals | | **9,079** | 8,815 |
| Lease liabilities | | **37,421** | 31,858 |
| Total current liabilities | | **52,459** | 41,929 |
| **NET CURRENT ASSETS** | | **92,300** | 106,144 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | **184,671** | 193,640 |
| NON-CURRENT LIABILITIES | | | |
| Accruals | | **2,100** | 1,800 |
| Lease liabilities | | **12,869** | 15,538 |
| Long service payment obligations | | **381** | 567 |
| **TOTAL NON-CURRENT LIABILITIES** | | **15,350** | 17,905 |
| **NET ASSETS** | | **169,321** | 175,735 |
| EQUITY | | | |
| Equity attributable to equity holders of the parent | | | |
| Share capital | *13* | **36,738** | 36,738 |
| Reserves | | **132,583** | 138,997 |
| **TOTAL EQUITY** | | **169,321** | 175,735 |

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*30 September 2025*

### 1.1 CORPORATE 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 and 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.

### 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 2025 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 2025, 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 2025 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 HKAS 21 | *Lack of Exchangeability* |

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 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, 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 deferred tax liabilities, tax payable and other unallocated corporate liabilities as these liabilities are managed on a group basis. Segment non-current assets exclude equity investments at fair value through other comprehensive income, deferred tax assets and other unallocated corporate non-current assets as these assets are managed on a group basis.

Intersegment sales are transacted with reference to the selling prices used for sales made to third parties at the prevailing market prices.

### Information about major customers

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

## 3. OPERATING SEGMENT INFORMATION (continued)

| | Offline<br>*HK$'000* | Online<br>*HK$'000* | Total<br>*HK$'000* |
|---|---|---|---|
| **For the six months ended 30 September 2025 (Unaudited)** | | | |
| **Segment revenue:** | | | |
| Sales to external customers | **73,047** | **1,571** | **74,618** |
| **Segment results:** | **4,967** | **(474)** | **4,493** |
| *Reconciliation:* | | | |
| Interest income | | | **1,407** |
| Finance costs (other than interest on lease liabilities) | | | **(9)** |
| Unallocated expenses, net | | | **(12,600)** |
| Loss before tax | | | **(6,709)** |
| **Other segment information:** | | | |
| Capital expenditure* | **4,054** | **–** | **4,054** |
| Unallocated capital expenditure* | | | **38** |
| Total capital expenditure* | | | **4,092** |
| Depreciation of property, plant and equipment | **2,445** | **5** | **2,450** |
| Unallocated depreciation | | | **659** |
| Total depreciation | | | **3,109** |
| **As at 30 September 2025 (Unaudited)** | | | |
| **Segment assets:** | **195,782** | **303** | **196,085** |
| *Reconciliation:* | | | |
| Deferred tax assets | | | **7,138** |
| Tax recoverable | | | **39** |
| Unallocated assets | | | **33,868** |
| Total assets | | | **237,130** |
| **Segment liabilities:** | **63,921** | **287** | **64,208** |
| *Reconciliation:* | | | |
| Unallocated liabilities | | | **3,601** |
| Total liabilities | | | **67,809** |
| **Segment non-current assets:** | **62,572** | **96** | **62,668** |
| *Reconciliation:* | | | |
| Deferred tax assets | | | **7,138** |
| Unallocated non-current assets | | | **22,565** |
| Total non-current assets | | | **92,371** |

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

### 3. OPERATING SEGMENT INFORMATION (continued)

| | Offline *HK$'000* | Online *HK$'000* | Total *HK$'000* |
|---|---|---|---|
| **For the six months ended 30 September 2024 (Unaudited)** | | | |
| **Segment revenue:** | | | |
| Sales to external customers | 81,249 | 1,286 | 82,535 |
| **Segment results:** | 11,830 | (495) | 11,335 |
| *Reconciliation:* | | | |
| Interest income | | | 1,411 |
| Finance costs (other than interest on lease liabilities) | | | (7) |
| Unallocated expenses, net | | | (15,209) |
| Profit before tax | | | (2,470) |
| **Other segment information:** | | | |
| Capital expenditure* | 4,328 | – | 4,328 |
| Unallocated capital expenditure* | | | 2,688 |
| Total capital expenditure* | | | 7,016 |
| Depreciation of property, plant and equipment | 1,986 | – | 1,986 |
| Unallocated depreciation | | | 789 |
| Total depreciation | | | 2,775 |
| **As at 31 March 2025 (Audited)** | | | |
| **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 |

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

## 4. REVENUE AND OTHER INCOME

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

| | Six months ended 30 September | |
|---|---|---|
| | **2025** | 2024 |
| | **(Unaudited)** | (Unaudited) |
| | ***HK$'000*** | *HK$'000* |
| **Revenue** | | |
| Sale of garment products and accessories transferred at a point in time | **74,618** | 82,535 |
| **Disaggregated revenue information** | | |
| Segments | | |
| **Retail Business** | | |
| Offline | **73,047** | 81,249 |
| Online | **1,571** | 1,286 |
| Total revenue from contracts with customers | **74,618** | 82,535 |

**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.

## 4. REVENUE AND OTHER INCOME (continued)

| | Six months ended 30 September | |
|---|---|---|
| | **2025** | 2024 |
| | **(Unaudited)** | (Unaudited) |
| | ***HK$'000*** | *HK$'000* |
| **Other income** | | |
| Bank interest income | **1,407** | 1,411 |
| Others | **31** | 34 |
| | **1,438** | 1,445 |

## 5. FINANCE COSTS

An analysis of finance costs is as follows:

| | Six months ended 30 September | |
|---|---|---|
| | **2025** | 2024 |
| | **(Unaudited)** | (Unaudited) |
| | ***HK$'000*** | *HK$'000* |
| Interest on lease liabilities | **1,720** | 1,813 |
| Interest on LSP obligations | **9** | 7 |
| | **1,729** | 1,820 |

## 6. LOSS BEFORE TAX

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

| | Six months ended 30 September | |
|---|---|---|
| | **2025** | 2024 |
| | **(Unaudited)** | (Unaudited) |
| | ***HK$'000*** | *HK$'000* |
| **Cost of sales:** | | |
| Cost of inventories sold | **22,075** | 21,980 |
| Provision for inventories, net | **–** | – |
| | **22,075** | 21,980 |
| **Lease expenses:** | | |
| Depreciation of right-of-use assets | **18,231** | 17,327 |
| Lease payments for short term leases and contingent rents not included in the measurement of lease liabilities | **1,932** | 3,787 |
| Interest on lease liabilities | **1,720** | 1,813 |
| | **21,883** | 22,927 |
| **Employee benefit expenses (including Directors' remuneration):** | | |
| Wages, salaries and other benefits | **21,182** | 22,241 |
| Contribution to pension scheme | **769** | 791 |
| Expenses arising from LSP obligations | **100** | 116 |
| Refund from pension scheme | **(238)** | – |
| | **21,813** | 23,148 |
| **Other expenses:** | | |
| Amortisation of intangible assets | **6** | 9 |
| Loss on disposal of items of property, plant and equipment, net | **22** | 276 |
| Write-off of right-of-use assets, net | **–** | 586 |
| Foreign exchange losses/(gain), net | **72** | (9) |
| | **100** | 862 |
| Depreciation of property, plant and equipment | **3,109** | 2,775 |

## 7. INCOME TAX

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 six months ended 30 September 2025, 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.

| | **Six months ended 30 September** | |
|---|---|---|
| | **2025** | 2024 |
| | **(Unaudited)** | (Unaudited) |
| | ***HK$'000*** | *HK$'000* |
| Current tax | | |
| − Hong Kong | **–** | – |
| − Elsewhere | **–** | – |
| Deferred tax | **–** | – |
| Total tax for the period | **–** | – |

## 8. LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share is based on the loss for the period attributable to equity holders of the parent of approximately HK$6,709,000 (2024: approximately HK$2,470,000) and the weighted average number of ordinary shares of 367,380,000 (2024: 367,380,000).

The Group had no dilutive potential ordinary shares in issue during the six months ended 30 September 2025 and 2024.

The calculation of the basic earnings per share attributable to the equity holders of the parent is based on:

| | **Six months ended 30 September** | |
|---|---|---|
| | **2025** | 2024 |
| | **(Unaudited)** | (Unaudited) |
| | ***HK$'000*** | *HK$'000* |
| **Loss** | | |
| Loss attributable to equity holders of the parent, used in the basic earnings per share calculation | **(6,709)** | (2,470) |
| | **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 |

## 9. DIVIDEND

The board of directors of the Company (the "**Board**") did not declare the payment of an interim dividend for the six months ended 30 September 2025 and 2024.

## 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 2025 (Unaudited)** | As at 31 March 2025 (Audited) |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Within 90 days | **2,313** | 2,929 |
| 91 to 180 days | **1** | 4 |
| 181 to 365 days | **1** | 2 |
| | **2,315** | 2,935 |

## 11. TIME DEPOSITS

Time deposits include the following component:

| | **As at 30 September 2025 (Unaudited)** | As at 31 March 2025 (Audited) |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Unpledged but with original maturity of more than three months when acquired | **58,029** | 67,175 |

## 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:

| | **As at 30 September 2025 (Unaudited)** | As at 31 March 2025 (Audited) |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Within 90 days | **5,959** | 1,256 |

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

## 13. SHARE CAPITAL

**Shares**

| | **Company** | |
|---|---|---|
| | **As at 30 September 2025 (Unaudited)** | As at 31 March 2025 (Audited) |
| | ***HK$'000*** | *HK$'000* |
| Authorised: | | |
| 2,000,000,000 (31 March 2025: 2,000,000,000) ordinary shares of HK$0.1 each | **200,000** | 200,000 |
| Issued and fully paid: | | |
| 367,380,000 (31 March 2025: 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 14 to the Interim Financial Statements.

## 14. 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 2025 (2024: Nil). As at the date of this announcement, the total number of securities available for issue under the Scheme was 36,738,000, representing 10% of the issued shares of the Company.

## 15. 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 2025 (Unaudited)** ***HK$'000*** | As at 31 March 2025 (Audited) *HK$'000* |
|---|---|---|
| Bank guarantees given in lieu of utility and property rental deposits | **1,886** | 2,636 |

## 16. CAPITAL COMMITMENTS

| | **As at 30 September 2025 (Unaudited)** ***HK$'000*** | As at 31 March 2025 (Audited) *HK$'000* |
|---|---|---|
| Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of the acquisition of property, plant and equipment | **7,488** | – |

## 17. PLEDGE OF ASSETS

As at 30 September 2025, the Group's general banking facilities were secured by the Group's property, plant and equipment and right-of-use assets situated in Hong Kong, which had aggregate carrying values at the end of the reporting period of approximately HK$4,756,000 and HK$12,010,000, respectively (31 March 2025: approximately HK$4,836,000 and HK$12,178,000).

## 18. RELATED PARTY TRANSACTIONS

**Compensation of key management personnel of the Group**

| | Six months ended 30 September | |
|---|---|---|
| | **2025** | 2024 |
| | **(Unaudited)** | (Unaudited) |
| | ***HK$'000*** | *HK$'000* |
| Short-term employee benefits | **1,585** | 1,576 |
| Post-employment benefits | **9** | 9 |
| Total compensation paid to key management personnel | **1,594** | 1,585 |

## 19. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The Interim Financial Statements were approved and authorised for issue by the Board on 28 November 2025.

## BUSINESS REVIEW

The Group is principally engaged in the design and retail of trendy apparel, bags and fashion accessories for more than twenty years. The Group's turnover is mostly contributed by its major in-house labels like "SALAD", "TOUGH", some trendy design brands and certain international labels.

As at 30 September 2025, the Group had a total of 34 self-managed offline shops in operation (31 March 2025: 31).

| | **As at 30 September 2025** | As at 31 March 2025 | Changes |
|---|---|---|---|
| Hong Kong | **28** | 25 | +3 |
| Macau | **6** | 6 | – |
| **TOTAL** | **34** | 31 | +3 |

During the period from April to September 2025, Hong Kong's overall retail sector exhibited mixed performance amid persistent economic headwinds. According to provisional data from the Hong Kong Census and Statistics Department (C&SD), total retail sales value for the first nine months of 2025 decreased by 1.0% year-on-year, while sales volume fell by 2.3%. Furthermore, the apparel and footwear segment underperformed significantly, with a year-on-year decline of 10.2% in September alone. This reflects subdued domestic demand in apparel retail sector, aligning with the overall business trends of the Group.

The underlying causes of the downturn in the retail sector encompass multiple structural and cyclical factors.

In terms of local consumption, ongoing economic instability has led to weakened consumer confidence. On the other hand, persistently high rents have intensified pressure on retailers, resulting in frequent store closures; as of the first half of 2025, over 300 retail stores have shut down, creating a bleak atmosphere that further dampens local spending sentiment and accelerates the shift among Hong Kong residents towards cross-border consumption. Under these converging pressures, Hong Kong's retail industry has fallen into a severe negative cycle.

Regarding inbound consumption, tourists' travel patterns have undergone a structural shift, moving from shopping-oriented to experiential consumption. According to reports from the Hong Kong Census and Statistics Department and industry sources, per capita shopping expenditure by visitors to Hong Kong (particularly Mainland tourists) has continued to decline, with a preference instead for cultural immersion, culinary exploration, and leisure activities; for instance, while total spending by long-haul overnight visitors increased by 15% year-on-year in the first half of 2025, sales in luxury goods and apparel categories recorded double-digit declines, indicating a redirection of funds towards experiential consumption and thereby further impacting the retail sector.

Despite the challenging situation, in recent years, the Group has continued to refine its retail operations, restructured its cost hierarchy and becomes 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 confident in the future development attributed to the solid foundation and the continued support from our beloved customers.

The Group recorded a net loss of approximately HK$6.7 million (2024: approximately HK$2.5 million) for the six months ended 30 September 2025. The decline of the financial performance was due to the combined effect of the decrease in retail sales revenue by approximately 9.6% (2025: approximately HK$74.6 million; 2024: approximately HK$82.5 million) and the decrease in gross margin to approximately 70.4% (2024: approximately 73.4%) during the period under review.

**Offline**

The offline retail operations are the key operating segment of the Group accounting for almost all of the Group's turnover. As at 30 September 2025, the Group had 34 (30 September 2024: 35) physical stores in operation across Hong Kong and Macau.

In Hong Kong, as previously mentioned, the overall retail sector has been underperforming attributed to subdued local consumer sentiment and structural shifts in inbound tourism patterns. During the reporting period, offline retail sales revenue in Hong Kong declined by 10.2% to approximately HK$59.0 million (2024: approximately HK$65.7 million). Nevertheless, the Group remains proactive in optimizing its operations to navigate the current challenges. Through diversified marketing campaigns and promotional activities tied to various holidays and festivals, the Group is committed to attracting new customers while maintaining strong connections with existing ones, thereby sustaining its competitive edge.

Due to seasonality, typically more than 50% of the Group's annual sales and the majority of its operating profit are generated in the second half of the financial year, which encompasses key holiday periods such as Christmas, New Year, and Lunar New Year. As such, the Group is confident in achieving stronger performance in the second half of the year and offsetting the modest shortfall from the first half.

The Group's offline retail revenue in Macau decreased by 9.7% to approximately HK$14.0 million (2024: approximately HK$15.5 million). Similar to the situation in Hong Kong, consumer confidence in Macau remains subdued, resulting in weak retail sales performance. Macau retailers generally report cautious spending by tourists, which has impacted overall business results, mirroring the Group's experience. Nevertheless, Macau is a premier travel and entertainment destination, with its economic performance closely tied to tourism. With the Macau government implementing various policies such as international promotion to diversify the visitors sources; regional integration and customs clearance facilitation; and extension of year-round free/preferential policies, etc… to bolster the local tourism industry, the Group remains optimistic about achieving stronger 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

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. 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.

The segment incurred a loss of approximately HK$0.6 million (2024: approximately HK$0.5 million) while sales revenue has increased by approximately 23% to approximately HK$1.6 million during the six months ended 30 September 2025 (2024: approximately HK$1.3 million).

## FINANCIAL REVIEW

### Turnover and Segment Information

Turnover of the Group decreased by approximately 9.6% to approximately HK$74.6 million (2024: approximately HK$82.5 million) for the six months ended 30 September 2025. The decline in sales was mainly attributable to the sluggish retail sentiment and structural shift in inbound tourism patterns in Hong Kong and Macau during the period under review. Details of the Group's segmental turnover and results are shown in Note 3 to the consolidated financial statements.

**Gross Profit and Gross Margin**

The Group's gross profit decreased by approximately 13.4% to approximately HK$52.5 million (2024: approximately HK$60.6 million) for the six months ended 30 September 2025 and the gross margin was slightly decreased to approximately 70.4% (2024: approximately 73.4%). Given the sluggish retail sentiment in Hong Kong and Macau during the period under review, more promotion activities with price discounts offered have been implemented during the period under review to boost the sales and thus a slightly decrease in gross margin was noted.

**Operating Expenses**

Contributed to the strict cost control to operations, the Group's operating expenses during the six months ended 30 September 2025 has decreased approximately 5.9% to approximately HK$60.7 million (2024: approximately HK$64.5 million). The Group has proactively minimized operating costs to an optimal level, while preserving sustained competitiveness, positioning itself to seize superior growth opportunities as they arise.

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 six months ended 30 September 2025 decreased by approximately 4.4% to approximately HK$21.9 million (2024: approximately HK$22.9 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.

The staff cost decreased by approximately 5.6% to approximately HK$21.8 million (2024: approximately HK$23.1 million) during the six months ended 30 September 2025. The total number of staff decreased to 151 at the end of the reporting period (31 March 2025: 164).

The above two major expenditures have already accounted for approximately 72.0% (2024: approximately 71.3%) of the Group's core operating expenses.

Depreciation of property, plant and equipment increased to approximately HK$3.1 million (2024: approximately HK$2.8 million) for the period under review, as a result of the full year effect of the relocation of the Hong Kong office since mid July 2024. The Group's finance costs, mainly representing interest on lease liabilities, remained stable at approximately HK$1.7 million (2024: approximately HK$1.8 million) during the period under review.

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 Loss

The Group recorded a net loss for the six months ended 30 September 2025 of approximately HK$6.7 million (2024: approximately HK$2.5 million). The decline of operating performance was primarily due to the subdued local consumer sentiment and structural shifts in inbound tourism patterns.

## SEASONALITY

Seasonality has heavy bearing on the sales and results of the Group as its track record shows. The first-half of each financial year has historically been less important than the second-half. In general, more than 50% of the Group's annual sales and most of its operating profit are derived in the second-half of the financial year, within which the holiday seasons of Christmas, New Year and the Lunar New Year fall.

## CAPITAL STRUCTURE

As at 30 September 2025, the Group had net assets of approximately HK$169.3 million (31 March 2025: approximately HK$175.7 million), comprising non-current assets of approximately HK$92.4 million (31 March 2025: approximately HK$87.5 million), net current assets of approximately HK$92.3 million (31 March 2025: approximately HK$106.1 million) and non-current liabilities of approximately HK$15.4 million (31 March 2025: approximately HK$17.9 million).

## LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2025, the Group had cash and cash equivalents and time deposits of approximately HK$29.6 million (31 March 2025: approximately HK$30.0 million) and HK$58.0 million (31 March 2025: approximately HK$67.2 million), respectively. At the end of the reporting period, the Group had aggregate banking facilities of approximately HK$30.2 million (31 March 2025: approximately HK$30.2 million) comprising interest-bearing bank overdraft, revolving loans, rental and utility guarantees as well as import facilities, of which approximately HK$28.3 million had not been utilised (31 March 2025: approximately HK$27.3 million). The Group had no bank borrowings as at 30 September 2025 (31 March 2025: 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 2025: zero).

## CASH FLOWS

During the period under review, net cash flows from operating activities decreased to approximately HK$15.2 million (2024: approximately HK$36.0 million), which was mainly attributable to decline of the operating performance during the reporting period as a result of the sluggish retail sentiment and structural shift in inbound tourism patterns in Hong Kong and Macau.

The net cash flows from investing activities of approximately HK$5.1 million (2024: net cash flows used in investing activities of approximately HK$44.7 million) was mainly attributed to the increase in time deposits with original maturity more than three months of approximately HK$9.1 million, offsetting by the acquisition of items of property, plant and equipment of approximately HK$4.1 million.

Net cash flows used in financing activities slightly decreased to approximately HK$20.6 million (2024: approximately HK$22.6 million) was mainly due to the decrease in lease payments for the physical stores in operation during the reporting period.

## SECURITY

As at 30 September 2025, the Group's general banking facilities were secured by the Group's property, plant and equipment and right-of-use assets situated in Hong Kong, which had aggregate carrying values at the end of the reporting period of approximately HK$4.8 million and HK$12.0 million, respectively (31 March 2025: approximately HK$4.8 million and HK$12.2 million).

## COMMITMENTS

As at 30 September 2025, the Group had approximately HK$7,488,000 (31 March 2025: Nil) of capital commitments in respect of the acquisition of property, plant and equipment, which will be funded by internal resources of the Group.

## CONTINGENT LIABILITIES

As at 30 September 2025, the Group had contingent liabilities in respect of bank guarantees given in lieu of utility and property rental deposits amounting to approximately HK$1.9 million (31 March 2025: approximately HK$2.6 million).

## HUMAN RESOURCES

Including the Directors, the Group had 151 (31 March 2025: 164) employees as at 30 September 2025. To attract and retain high quality staff, the Group provided 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 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 and United States dollars. 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

Despite economic headwinds impacting Hong Kong's retail sector in the first half of the year, the Group remains positive and optimistic about its business outlook. With a resilient operational foundation and proactive strategies, the Group is confident in navigating current challenges and well-prepared for the coming recovery. Looking ahead to the second half, the Group will spare no effort to drive revenue growth, capitalizing on peak holiday seasons including Christmas, New Year, and Lunar New Year.

Looking ahead, the Group is committed to adaptability in the face of ongoing global and local economic uncertainties. The retail landscape continues to grapple with structural shifts, such as weakened domestic demand due to economic instability, as well as evolving tourist preferences favoring experiential over shopping-focused consumption. To counter these, the Group has optimized its cost structure to minimize operating expenses while preserving core competitiveness through inventory optimization, improved operational efficiency, and product innovation. This forward-thinking approach includes diversified marketing campaigns and targeted promotions aligned with holidays and festivals, aimed at attracting new customers and strengthening ties with existing ones.

In Hong Kong specifically, where the apparel retail sector has faced significant pressure with a 10.2% year-on-year decline in September 2025 sales, the Group is leveraging support from government initiatives, societal resilience, and its loyal customer base to adapt and thrive. Government efforts to stimulate local consumption and tourism, combined with community-driven shifts towards supporting homegrown brands, provide a supportive backdrop.

On the digital front, the Group will continue to expand its e-commerce platform and foster greater synergy between online and offline (O2O) sales channels. By harnessing targeted social media campaigns, influencer partnerships, and data-driven personalization, the Group aims to bridge the gap between physical stores and e-commerce platforms. This digital integration not only boosts visibility amid reduced in-person shopping but also captures the growing preference for convenient, experiential retail. Through these efforts, the Group expects to amplify sales efficiency, expand reach to different demographics, and create synergistic growth between its digital and traditional operations.

Moving forward, the Group plans to seize expansion opportunities in Southeast Asian markets like Singapore, to diversify its footprint beyond Hong Kong and Macau. This strategic move is driven by the region's burgeoning middle class, rising disposable incomes, and increasing demand for affordable fashion amid economic recovery. By leveraging the Group's expertise in adaptive retail models and established supply chains, such expansion will mitigate risks from localized challenges in Hong Kong and Macau, while tapping into Southeast Asia's vibrant tourism and consumer growth, ultimately fostering long-term revenue diversification and resilience.

In conclusion, the Group will stay committed to its customer-first philosophy, delivering high-quality fashion products and services. We believe that with improving market conditions and the successful execution of our strategies, we will continue to create value and generate sustainable returns for our shareholders. None of this would be possible without the unwavering support of our shareholders, business partners, and valued customers. The Group sincerely extends its heartfelt gratitude for your continued trust and patronage, and looks forward to achieving even greater success together.

## MODEL CODE OF SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 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 2025.

## DIVIDEND

The Board did not declare the payment of an interim dividend for the six months ended 30 September 2025 and 2024.

## PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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 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 applicable code provisions of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules throughout the six months ended 30 September 2025.

## REVIEW OF FINANCIAL INFORMATION

The Board has established an audit committee of the Company (the "**Audit Committee**") with written terms of reference and comprising at least three independent non-executive Directors throughout the six months ended 30 September 2025. 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 2025, 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 announcement.

## PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT 2025

This interim results announcement is published on the websites of the Hong Kong Exchanges and Clearing Limited (the "**HKEx**") (www.hkexnews.hk) and the Company (www.bauhaus.com.hk). The Interim Report 2025 will be despatched to the shareholders of the Company and will be published on the websites of the HKEx and the Company in due course.

## 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**
**Tong She Man, Winnie**
*Chairlady*

Hong Kong, 28 November 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 Ms. Choi Sze Man, Mandy, Mr. Tsui Ka Yiu and Ms. Chan Wing Yau Venise.*