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 2026

- Turnover of the Group decreased by 8.9% to HK$177.2 million (2025: HK$194.5 million).

- Sales by operating segment were as follows:

	Year ended 31 March 2026 ***HK$ million***	Year ended 31 March 2025 *HK$ million*	Changes
Offline	**174.2**	191.5	−9.0%
Online	**3.0**	3.0	−

- Gross profit decreased by 9.0% to HK$126.5 million (2025: HK$139.0 million), while gross margin slightly declined to 71.4% (2025: 71.5%).

- The Group recorded a net loss for the year ended 31 March 2026 of HK$3.0 million (2025: net profit of HK$11.7 million).

- Basic and diluted loss per share were 0.8 HK cents (2025: Basic and diluted earnings per share of 3.2 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 2026, 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 2026

	Notes	**2026** *HK$'000*	2025 *HK$'000*
REVENUE	4	**177,183**	194,500
Cost of sales	6	**(50,733)**	(55,464)
GROSS PROFIT		**126,450**	139,036
Other income and gains	4	**3,301**	5,242
Selling and distribution expenses		**(92,817)**	(95,835)
Administrative expenses		**(28,563)**	(32,085)
Other expenses	6	**(8,321)**	(1,535)
Finance costs	5	**(3,121)**	(3,472)
(LOSS)/PROFIT BEFORE TAX	6	**(3,071)**	11,351
Income tax credit	7	**37**	320
(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**(3,034)**	11,671
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that will not be reclassified subsequently to profit or loss:			
Remeasurement of long service payment ("**LSP**") liabilities		**176**	27
TOTAL COMPREHENSIVE (EXPENSE)/ INCOME FOR THE YEAR		**(2,858)**	11,698
TOTAL COMPREHENSIVE (EXPENSE)/ INCOME FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**(2,858)**	11,698
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Basic and diluted	8	**(0.8) HK cents**	3.2 HK cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 March 2026

	Notes	**2026** **HK$'000**	2025 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**21,745**	15,662
Right-of-use assets		**48,993**	53,807
Intangible assets		**14**	23
Equity investment at fair value through other comprehensive income		**–**	–
Rental, utility and other non-current deposits		**8,037**	10,866
Deferred tax assets		**7,333**	7,138
TOTAL NON-CURRENT ASSETS		**86,122**	87,496
CURRENT ASSETS			
Tax recoverable		**31**	39
Inventories	10	**32,162**	35,589
Trade receivables	11	**2,385**	2,935
Prepayments, deposits and other receivables		**11,945**	12,370
Time deposits with maturity over 3 months		**66,162**	67,175
Cash and cash equivalents		**32,514**	29,965
Total current assets		**145,199**	148,073
CURRENT LIABILITIES			
Tax payable		**150**	–
Trade payables	12	**1,278**	1,256
Other payables and accruals		**9,803**	8,815
Lease liabilities		**27,449**	31,858
Total current liabilities		**38,680**	41,929
NET CURRENT ASSETS		**106,519**	106,144
TOTAL ASSETS LESS CURRENT LIABILITIES		**192,641**	193,640
NON-CURRENT LIABILITIES			
Accruals		**1,600**	1,800
Lease liabilities		**17,634**	15,538
Long service payment obligations		**530**	567
TOTAL NON-CURRENT LIABILITIES		**19,764**	17,905
NET ASSETS		**172,877**	175,735
EQUITY			
Equity attributable to equity holders of the parent			
Share capital		**36,738**	36,738
Reserves		**136,139**	138,997
TOTAL EQUITY		**172,877**	175,735

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 March 2026

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 the Third Floor, Century Yard, Cricket Square, 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 annual consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards (which term collectively includes Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also include the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). They have been prepared under the historical cost convention, except for equity investments which have been measured at fair value. 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 2026. 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 2025

In the current year, the Group has applied for the first time the Amendments to HKAS 21 "Lack of Exchangeability" which are effective for the Group's consolidated financial statements for the period beginning on 1 April 2025:

The amendments to HKAS 21 specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. Besides, the amendments also require an entity to disclose additional information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments do not have a material impact on the consolidated financial statements of the Group.

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*[2]
HKFRS 19	*Subsidiaries without Public Accountability: Disclosures and related amendments*[2]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to HKFRS 9 and HKFRS 7	*Contacts Referencing Nature-dependent Electricity*[1]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to HKAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Amendments to HKFRS Accounting Standards	*Annual Improvements to HKFRS Accounting Standards − Volume 11*[1]
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*[2]

1 Effective for annual periods beginning on or after 1 April 2026

2 Effective for annual periods beginning on or after 1 April 2027

3 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. The directors of the Group are currently working to identify all the impacts of HKFRS 18, particularly with respect to the structure of the Group's consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact of how information is grouped in the consolidated financial statements, including the items currently labelled as "other".

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 (loss)/profit before tax. The adjusted (loss)/profit before tax is measured consistently with the Group's (loss)/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 tax payable and other unallocated corporate liabilities as these liabilities are managed on a group basis. Segment non-current assets exclude equity investments at fair value through other comprehensive income, deferred tax assets and other unallocated corporate non- current assets as these assets are managed on a group basis.

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

Information about major customers

Since there was no customer to which the Group's sales amounted to 10% or more of the Group's revenue during the years ended 31 March 2026 and 2025, no major customer information is presented.

3. **OPERATING SEGMENT INFORMATION** *(Continued)*

	Offline *HK$'000*	Online *HK$'000*	Total *HK$'000*
Year ended 31 March 2026			
Segment revenue:			
Sales to external customers	**174,203**	**2,980**	**177,183**
Segment results:	**19,274**	**(1,002)**	**18,272**
Reconciliation:			
Interest income			**2,529**
Amortisation of intangible assets			**9**
Write-back of lease liabilities, net			**(2)**
Finance costs (other than interest on lease liabilities)			**(11)**
Unallocated expenses, net			**(23,868)**
Loss before tax			**(3,071)**
Segment assets:	**183,068**	**680**	**183,748**
Reconciliation:			
Deferred tax assets			**7,333**
Tax recoverable			**31**
Unallocated assets			**40,209**
Total assets			**231,321**
Segment liabilities:	**52,383**	**1,017**	**53,400**
Reconciliation:			
Tax payable			**150**
Unallocated liabilities			**4,894**
Total liabilities			**58,444**
Segment non-current assets:	**47,327**	**91**	**47,418**
Reconciliation:			
Deferred tax assets			**7,333**
Unallocated non-current assets			**31,371**
Total non-current assets			**86,122**

3. OPERATING SEGMENT INFORMATION *(Continued)*

	Offline *HK$'000*	Online *HK$'000*	Total *HK$'000*
Other segment information:			
Capital expenditure*	**4,762**	**–**	**4,762**
Unallocated capital expenditure*			**9,182**
			13,944
Depreciation of property, plant and equipment	**4,936**	**10**	**4,946**
Unallocated depreciation			**1,381**
			6,327
Depreciation of right-of-use assets	**35,296**	**–**	**35,296**
Unallocated depreciation			**521**
			35,817
Loss on disposal of items of property, plant and equipment, net	**24**	**–**	**24**
Write off of rental deposits and prepayment	**1,190**	**–**	**1,190**
Impairment of right-of-use assets, net	**5,559**	**–**	**5,559**
Impairment of property, plant and equipment, net	**1,510**	**–**	**1,510**

* 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*
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)*

The Group's revenue from external customers and its non-current assets (other than deferred tax assets) are divided into the following geographical areas:

	Revenue from external customers		Non-current assets	
	Year ended 31 March 2026	Year ended 31 March 2025	**As at 31 March 2026**	As at 31 March 2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**144,384**	160,697	**69,280**	74,907
Macau	**31,809**	33,803	**9,205**	5,451
South-east Asia	**990**	–	**304**	–
Total	**177,183**	194,500	**78,789**	80,358

The geographical location of customers is based on the location at which the goods delivered. The geographical location of the non-current assets is based on the physical location of the asset.

4. **REVENUE, OTHER INCOME AND GAINS**

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

	2026	2025
	HK$'000	*HK$'000*
Revenue		
Sale of garment products and accessories transferred at a point in time	**177,183**	194,500
Disaggregated revenue information		
Segments		
Retail business		
Offline	**174,203**	191,472
Online	**2,980**	3,028
Total revenue from contracts with customers	**177,183**	194,500

4. REVENUE, OTHER INCOME AND GAINS *(Continued)*

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

	2026	2025
	HK$'000	*HK$'000*
Revenue recognised that was included in contract liabilities at 1 April		
− Sale of garment products and accessories	**595**	550

Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of garment products and accessories

The Group sells garment products and accessories directly to retail customers via retail stores, department stores and internet. The performance obligation is satisfied when the product is transferred to the customers upon delivery of goods. Payment of the transaction price is due immediately when the customers purchase the goods. The payment is usually settled in cash or using credit cards.

The transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2026 and 31 March 2025 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)*

	2026	2025
	HK$'000	*HK$'000*
Other income		
Bank interest income	**2,529**	3,126
Government grant (note)	**720**	–
Others	**50**	56
	3,299	3,182
Gains		
Reversal of impairment of right-of-use assets, net	**–**	1,416
Write-back of lease liabilities, net	**2**	458
Gain on liquidation of a subsidiary	**–**	156
Foreign exchange gains, net	**–**	30
	2	2,060
	3,301	5,242

Note:

The Group was entitled to receive a grant from the Hong Kong Productivity Council under the Dedicated Fund on Branding, Upgrading and Domestic Sales (the "**BUD Fund**") for its business project implemented in Mainland China.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2026	2025
	HK$'000	*HK$'000*
Interest on lease liabilities	**3,110**	3,458
Interest on LSP obligations	**11**	14
	3,121	3,472

6. (LOSS)/PROFIT BEFORE TAX

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

	2026	2025
	HK$'000	*HK$'000*
Cost of sales:		
Cost of inventories sold	**50,991**	55,647
Reversal of provision for inventories, net	**(258)**	(183)
	50,733	55,464
Lease expenses:		
Depreciation of right-of-use assets	**35,817**	33,153
Lease payments for short term leases and contingent rents not included in the measurement of lease liabilities	**8,616**	8,456
Interest on lease liabilities	**3,110**	3,458
	47,543	45,067
Employee benefit expenses (including directors' remuneration):		
Wages, salaries and other benefits	**42,690**	47,132
Pension scheme expenses		
– Contribution to pension scheme*	**1,780**	1,951
– Expenses arising from LSP obligations	**128**	167
Refund from pension scheme	**–**	(300)
	44,598	48,950
Other expenses:		
Amortisation of intangible assets	**9**	18
Write-off of rental deposits and prepayment, net	**1,190**	737
Loss on disposal of property, plant and equipment, net	**24**	576
Foreign exchange losses, net	**29**	–
Impairment of right-of-use assets, net	**5,559**	–
Impairment of property, plant and equipment, net	**1,510**	204
	8,321	1,535
Auditor's remuneration	**1,409**	1,233
Depreciation of property, plant and equipment	**6,327**	5,977
Write-back of lease liabilities, net	**(2)**	(458)
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 (2025: Nil).

7. INCOME TAX CREDIT

Hong Kong profits tax has been provided at the rate of 16.5% (2025: 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 2025. 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 years ended 31 March 2026 and 2025.

	2026	2025
	HK$'000	*HK$'000*
Current tax – Hong Kong		
Under provision in prior years	**8**	–
Current tax – Elsewhere		
Provision for the year	**150**	–
Deferred tax credit	**(195)**	(320)
Total tax credit for the year	**(37)**	(320)

8. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

The calculation of the basic (loss)/earnings per share is based on:

	2026	2025
	HK$'000	*HK$'000*
(Loss)/Profit		
(Loss)/Profit attributable to equity holders of the parent, used in the basic (loss)/earnings per share calculation	**(3,034)**	11,671

	Number of shares	
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic (loss)/earnings per share calculation	**367,380,000**	367,380,000

Diluted (loss)/earnings per share is the same as basic (loss)/earnings per share as the Group had no potentially dilutive ordinary shares in issue during the years ended 31 March 2026 and 2025.

9. DIVIDENDS

No dividend was paid or proposed for the year ended 31 March 2026, nor has any dividend been proposed since the end of the reporting period (2025: Nil).

10. INVENTORIES

	2026	2025
	HK$'000	*HK$'000*
Finished goods at cost	**32,555**	36,240
Less: provision for inventories	**(393)**	(651)
	32,162	35,589

11. TRADE RECEIVABLES

	2026	2025
	HK$'000	*HK$'000*
Trade receivables	**2,385**	2,935

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:

	2026	2025
	HK$'000	*HK$'000*
Within 90 days	**2,380**	2,929
91 to 180 days	**3**	4
181 to 365 days	**2**	2
	2,385	2,935

11. TRADE RECEIVABLES *(Continued)*

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. 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 2026 and 2025, 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:

	2026	2025
	HK$'000	*HK$'000*
Within 90 days	**1,278**	1,256

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", certain trendy design brands and selected international labels.

As at 31 March 2026, the Group operated a total of 35 (31 March 2025: 31) self-managed offline stores across Hong Kong, Macau and South-east Asia.

	As at 31 March 2026	As at 31 March 2025	Change
Hong Kong	**28**	25	+3
Macau	**6**	6	−
South-east Asia	**1**	−	+1
TOTAL	**35**	31	+4

Group Performance Overview

During the year under review, the overall retail market in Hong Kong showed the first signs of stabilisation after several years of contraction. According to the Census and Statistics Department, the total value of retail sales for 2025 edged up by around 1% year-on-year following a 7.3% decline in 2024, indicating a gradual but uneven recovery. The momentum strengthened into early 2026, with combined retail sales in January and February recording a nearly 12% year-on-year increase, and March 2026 retail sales further rising by about 12.8% year-on-year. However, the recovery remained highly differentiated across categories. Industry data indicated that the apparel and footwear segment continued to lag behind the broader market, recording a year-on-year decline of about 10% in December 2025, reflecting ongoing pressure on fashion spending despite the headline recovery in aggregate retail sales. At the same time, structural trends such as persistent northbound consumption by local residents and a shift in tourist spending preferences towards experiential activities continued to weigh on mid-market fashion retail.

Against this backdrop, the Group's turnover for the year ended 31 March 2026 decreased by 8.9% to approximately HK$177.2 million (2025: approximately HK$194.5 million). The decline in revenue primarily reflected the continued softness of the apparel segment, intensifying competition from both offline and online channels, as well as the Group's prudent strategy of focusing on quality revenue and a more efficient store portfolio rather than pursuing sales growth at the expense of profitability. Notwithstanding the lower turnover, the Group was able to maintain a healthy gross profit margin of approximately 71.4% (2025: approximately 71.5%), demonstrating effective pricing discipline and ongoing efforts in merchandising and inventory management.

Offline

Offline retail operations remain the Group's key operating segment, accounting for the substantial majority of its turnover. As at 31 March 2026, the Group operated 35 (31 March 2025: 31) physical stores across Hong Kong, Macau and South-east Asia. The Group's total offline retail sales revenue for the year ended 31 March 2026 was approximately HK$174.2 million (2025: approximately HK$191.5 million).

Hong Kong

In Hong Kong, the Group operated 28 (31 March 2025: 25) stores during the reporting period. While consumer sentiment remained cautious in the first half of the financial year, conditions gradually improved in the second half, supported by government consumption-stimulus initiatives and the broader positive retail momentum that emerged in late 2025 and extended into early 2026. The Group continued to exercise stringent cost discipline, carefully managing lease renewals to secure more favourable terms and rationalising store operations to maximise per-store productivity.

Macau

The Group's Macau operations, maintained 6 (31 March 2025: 6) stores, benefited from strong tourist flows during the reporting period. According to published data, total visitor arrivals to Macau in 2025 reached approximately 40.1 million, a new record high and about 14.7% higher than the previous year, surpassing the pre-pandemic peak. However, similar to Hong Kong, visitor spending has increasingly shifted towards experiential consumption such as dining and entertainment, with fashion retail benefiting more moderately from the headline visitor growth. The Group therefore continued to emphasise disciplined cost control and targeted merchandising to capture the evolving preferences of customers.

The Group remains steadfast in its strategic focus on operating qualitative and profitable retail platforms, driven by brand equity and customer loyalty rather than purely by sales volume. Consistent with prior years, the Group continued to manage its operating costs effectively, aligning rental and staff cost structures more flexibly with actual sales performance.

Online

Digital retail and omnichannel engagement remain important strategic priorities for the Group as it navigates an evolving consumer landscape. The Group has a dedicated team to foster the development of its e-commerce operations. During the year ended 31 March 2026, the online segment recorded sales of approximately HK$3.0 million (2025: approximately HK$3.0 million). The Group firmly believes that continued and targeted investment in e-commerce – encompassing platform enhancement, social-media marketing, influencer partnerships and data-driven personalisation – will progressively unlock the significant growth potential of this channel. By fostering seamless interactions between online and offline channels (O2O), the Group aims to generate synergies that enhance both market reach and operational efficiency, ultimately delivering greater value to its shareholders.

FINANCIAL REVIEW

Turnover and Segment Information

Turnover of the Group decreased by 8.9% to approximately HK$177.2 million (2025: approximately HK$194.5 million) for the year ended 31 March 2026. The decrease in turnover primarily reflected the continued challenging retail environment in the Group's core markets of Hong Kong and Macau. Despite the broader retail market returning to modest positive growth in 2025, the apparel and footwear segment continued to underperform, weighed down by persistent structural shifts in consumer behaviour, including the ongoing trend of northbound consumption to nearby Mainland cities and a prolonged shift in tourist spending towards experiential activities rather than discretionary fashion purchases, which continued to suppress local foot traffic and overall sales volumes during the year. However, with the collaborative efforts of our experienced management team and colleagues through exceptional operational management and effective promotional activities, the Group is cautiously optimistic that it is gradually regaining its footing and is well positioned to deliver improved performance in the periods ahead. 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 decreased by 9.0% to approximately HK$126.5 million (2025: approximately HK$139.0 million) for the year ended 31 March 2026 which was in line with the decrease in turnover during the year. Gross margin declined slightly to 71.4% (2025: 71.5%).

Operating Expenses and Cost Control

The Group continued to manage operating expenses very cautiously during the year ended 31 March 2026.

For the year under review, the Group's core operating expenses (which includes the selling expenses and administrative expenses) recorded a 5.1% decrease to approximately HK$121.4 million (2025: approximately HK$127.9 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 2026 increased by 5.3% to approximately HK$47.5 million (2025: approximately HK$45.1 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 significantly decreased by 9.0% to approximately HK$44.6 million (2025: approximately HK$49.0 million) during the year under review, reflecting the Group's optimised and disciplined approach to workforce deployment and its proactive utilisation of available government support schemes to manage employment-related costs. The above two major expenditures have already accounted for 75.9% (2025: 73.6%) of the Group's core operating expenses.

Depreciation of property, plant and equipment slightly increased to approximately HK$6.3 million (2025: approximately HK$6.0 million) for the year under review as a result of the refurbishment of certain existing and new stores.

The Group's finance costs, mainly representing interest on lease liabilities, decreased to approximately HK$3.1 million (2025: approximately HK$3.5 million) 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 Loss

The Group recorded a net loss for the year ended 31 March 2026 of approximately HK$3.0 million (2025: net profit of approximately HK$11.7 million). The net loss was mainly attributable to the combined effect of (i) the decrease in turnover and gross profit as a result of the continued challenging retail environment in the Group's core markets of Hong Kong and Macau; (ii) an impairment provision on the Group's right-of-use assets of approximately HK$5.6 million (2025: reversal of impairment provision of approximately HK$1.4 million); and (iii) a significant increase in impairment provision on the Group's property, plant and equipment to approximately HK$1.5 million (2025: approximately HK$0.2 million), reflecting the deterioration in asset performance of certain retail stores that have not met the Group's expected operational thresholds amid the prevailing difficult trading conditions.

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 2026, the Group had net assets of approximately HK$172.9 million (2025: approximately HK$175.7 million), comprising non-current assets of approximately HK$86.1 million (2025: approximately HK$87.5 million), net current assets of approximately HK$106.5 million (2025: approximately HK$106.1 million) and non-current liabilities of approximately HK$19.8 million (2025: approximately HK$17.9 million).

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2026, the Group had cash and cash equivalents and time deposits of approximately HK$32.5 million (2025: approximately HK$30.0 million) and approximately HK$66.2 million (2025: approximately HK$67.2 million), respectively. At the end of the reporting period, the Group had aggregate banking facilities of HK$30.2 million (2025: 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$28.3 million had not been utilised (2025: approximately HK$27.5 million). The Group had no borrowings as at 31 March 2025 and 31 March 2026. 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 (2025: zero).

CASH FLOWS

During the year ended 31 March 2026, net cash flows from operating activities slightly increased by 0.6% to approximately HK$53.7 million (2025: approximately HK$53.4 million). Net cash flows used in investing activities decreased by 72.0% to approximately HK$12.9 million (2025: approximately HK$46.0 million), which was mainly due to no new uptake of time deposits with original maturity more than three months during the year. Net cash flows used in financing activities was approximately HK$38.2 million (2025: approximately HK$35.1 million) which were used for repaying the principal portion of the lease payments.

SECURITY

As at 31 March 2026, 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$4.6 million and approximately HK$11.8 million, respectively (2025: approximately HK$4.8 million and approximately HK$12.2 million).

CAPITAL COMMITMENT

As at 31 March 2026, the Group has approximately HK$5.6 million (2025: Nil) of capital commitments in respect of the acquisition of property, plant and equipment, which will be funded by the internal resources of the Group.

CONTINGENT LIABILITIES

As at 31 March 2026, the Group had contingent liabilities regarding bank guarantees given in lieu of utility and property rental deposits amounting to approximately HK$1.8 million (2025: approximately HK$2.6 million).

HUMAN RESOURCES

As at 31 March 2026, the Group had 147 (2025: 164) 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

Looking ahead, the operating environment for the Group's core markets is expected to gradually improve. Various market indicators and industry observations suggest that Hong Kong's retail sector is likely to build on the recovery momentum seen in late 2025, supported by a firmer renminbi, gradual stabilisation of the Mainland economy, government measures to stimulate local consumption and a further recovery in inbound tourism. After several years of underperformance relative to the broader market, the apparel and footwear segment is generally expected to enter a "catch-up" phase in 2026, progressively closing the gap with the overall retail recovery. In Macau, the record visitor arrivals in 2025 and the authorities' continued efforts to diversify tourism sources and develop non-gaming attractions have laid a solid foundation for sustained tourism-driven consumption growth.

While recognising that structural changes in consumer behaviour and competitive dynamics will continue to pose challenges, the Group believes that its strengthened cost base, refined store portfolio and enhanced brand positioning will enable it to participate effectively in the next phase of market normalisation. The Group will remain disciplined yet agile, focusing on improving same-store productivity, deepening engagement with its loyal customer base and accelerating its omnichannel development. Management remains cautiously optimistic that, as the macroeconomic backdrop and sector-specific conditions continue to normalise, the Group will be well positioned to deliver sustainable value to shareholders over the medium term.

DIVIDEND

The directors do not recommend the payment of a final dividend for the year ended 31 March 2026.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting of the Company (the "**AGM**") is scheduled on **Monday, 17 August 2026**. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from **Wednesday, 12 August 2026** to **Monday, 17 August 2026**, 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, 11 August 2026**.

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 2026.

The Board confirms that during the year ended 31 March 2026, the Group did not enter into any material related party transactions or connected transactions (as defined under Chapter 14A of the Listing Rules).

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 2026.

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 2026.

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. Tsui Ka Yiu, Ms. Choi Sze Man, Mandy and Ms. Chan Wing Yau, Venise. 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 2026.

The figures in respect of this preliminary announcement of the Group's results for the year ended 31 March 2026 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.

PUBLICATION OF THE RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The results announcement for the year ended 31 March 2026 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 2025/26 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
Tong She Man, Winnie
Chairlady

Hong Kong, 26 June 2026

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.