



BAUHAUS ANNOUNCES 2015/16 INTERIM RESULTS

(Hong Kong, 23 November 2015) – **Bauhaus International (Holdings) Limited** (“Bauhaus” or “the Group”) (stock code: 483) today announced its interim results for the six months ended 30 September 2015.

Sharp swings of the Mainland stock market and an unexpected one-off depreciation in Renminbi during the second and third quarter of 2015 triggered a significant market correction and increased volatility in major Asian stock markets including Hong Kong, further impairing the fragile growth momentum in retail markets. The Group was inevitably adversely affected, recording an aggregate turnover of approximately HK\$585.4 million (2014: HK\$636.3 million) and a net loss of approximately HK\$26.6 million (2014: net profit of HK\$20.9 million). Adversely affected by the lingering growth of the retail market, a negative same-store-sales growth of about 8% has been recorded for the reporting period.

The Group expects to face many of the same adversities confronted over the past six months, owing to such factors as the economic slowdown in Mainland China, appreciation of the US dollar and lacklustre consumption sentiment. Overhead cost pressure, rental in particular, will also weigh on the Group’s margin level. The management will continue to carefully examine prime locations to maintain rental expense at a reasonable level while optimizing workflow, promoting more effective inventory restocking and further reining in advertising and promotion expenses.

Despite the aforementioned concerns, the second half year is the traditional peak season for the Group, with both the Christmas and Lunar New Year holidays drawing greater numbers of the public to its retail stores. While such festive seasons are important for stimulating sales, the management still has to be aware of the need to first and foremost be responsive to the latest market trends and introduce products in a timely manner to satisfy the needs of its customers. Though the Group’s unique market position and well-diversified product portfolio have been effective at minimizing its exposure to adverse market conditions, the management will continue to explore new development opportunities that reinforce its appeal among customers.

While the latest financial period has tested the mettle of the Group, it remains in robust health and the management is fully motivated to implement strategies that drive long-term growth, as well as reinforce Bauhaus’ position as among the leaders of the fashion industry.

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About Bauhaus International (Holdings) Limited

Bauhaus is principally engaged in the design and retail sales of apparel, bags and accessories with many in-house brands. It also sells apparel of third-party fashion brands. The Group runs self-operated retail stores in Hong Kong, Macau, Taiwan, the PRC, and franchise outlets in the PRC and exports “TOUGH Jeansmith” products to many countries around the world.

For more information, please visit: www.bauhaus.com.hk/ir/en

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