



BAUHAUS ANNOUNCES 2017/18 INTERIM RESULTS

(Hong Kong, 28 November 2017) – **Bauhaus International (Holdings) Limited** (“Bauhaus” or “the Group”) (stock code: 483) today announced its interim results for the six months ended 30 September 2017.

The first-half of financial year 2017/18 was still challenging for the Group. During the period, the Group recorded turnover of approximately HK\$475.4 million (2016: HK\$501.4 million) and net loss of approximately HK\$48.3 million (2016: HK\$60.0 million). Different from last year’s declining trend in most of the operating segments, however, some of them have delivered better performance in terms of the same store sales growth and segment results. Though the market sentiment mildly improved, there have not yet been sufficient signals to indicate persistent market rebound.

The business environment in Hong Kong is expected to remain challenging for all players in the retail sector in the near future. What is more, high operating costs are likely to persist, particularly with regard to rent. Given the challenges, the management will continue to put cost control high on its list of priorities. To combat rental costs, the Group will strategically relocate stores and consolidate certain retail locations – a strategy that has proven effective in the past.

The Group remains committed to developing its Mainland China business, and will employ various strategies to bolster its brick-and-mortar and online presence in the country as part of its O2O business model. Correspondingly, the Group aims to expand its store network in key areas of Mainland China in the near future. As for its online presence, the management will continue to enhance the e-commerce business to facilitate and encourage O2O operations. The online platform would also serve a myriad of functions, including supporting marketing efforts, promoting the Group’s brand image, complementing social media marketing efforts and encouraging retail network sales.

The management is equally enthusiastic about tapping the Macau market, a location where it has been performing favorably. With recent store openings by the Group delivering encouraging results, the management will seek to sustain sales momentum by expanding the local retail network progressively.

As the Hong Kong retail sector has yet to achieve full-scale recovery, with operating and rental costs expected to remain high, caution and pragmatism will continue to underpin all of the Group’s business efforts. The management believes that the Group possesses the flexibility and responsiveness to effectively adapt to challenging business conditions, which will stand it in good stead once a widespread market recovery is in full swing.

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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.

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

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