



BAUHAUS ANNOUNCES 2015/16 ANNUAL RESULTS

(Hong Kong, 24 June 2016) – **Bauhaus International (Holdings) Limited** (“Bauhaus” or “the Group”) (stock code: 483) today announced its annual results for the year ended 31 March 2016.

Under the backdrop of the sluggish retail markets where the Group principally operated, which was triggered by a combination of unfavorable factors, including the Mainland China’s uncertain economic prospects, instability of financial markets and the appreciation of Hong Kong dollars against other Asian currencies, the Group had experienced a difficult year in FY2015/16, with its financial results inevitably affected. During the period under review, the Group recorded turnover of HK\$1,513.0 million (2015: HK\$1,591.8 million) and net profit of HK\$52.9 million (2015: HK\$129.4 million).

Despite the tough environment, the Group has managed to retain its resilience and maintain a low gearing ratio as well as a strong balance sheet, owing to the Group’s efforts to improve productivity, reconstruct workflows, shorten the procurement cycle and tighten inventory control. In addition to maintaining organic business growth, the Group has also been exploring opportunities in prospective business development, as evidenced in its continued investment in brand building and marketing, with one of the successful moves being the renovation of the Group’s self-managed stores in Mainland China, turning them into “SALAD” specialty stores, which made relatively stable contribution to the Group in both sales and profit in the region.

Riding on the strong growth seen in the past few years in the e-commerce segment, the Group will further develop its e-commerce operation, including bolstering ties with major e-commerce platforms in Mainland China, such as Tmall. Also, the Group will encourage the take-up of its mobile application, which was introduced in March 2016.

The operating costs, especially rental expenses in Hong Kong, will likely remain high. In respect of controlling rental costs, underperforming stores will be closed in the coming year. At the same time, new sites in prime locations will be considered for store openings. By consolidating the Group’s retail network, the management will be able to maintain rental expense at a reasonable level while enhancing the Group’s market presence.

Looking forward, the global market and the Chinese economy are expected to slow down further, but even in such difficult times, Bauhaus remains confident to cope with the challenges ahead, and build on the solid foundation that it has laid down over the years to reinforce its leading position in 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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