

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Bauhaus International (Holdings) Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

bauhaus

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)

**PAYMENT OF THE SECOND SPECIAL DIVIDEND
OUT OF CONTRIBUTED SURPLUS
RE-ELECTION OF DIRECTORS
GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice of annual general meeting of Bauhaus International (Holdings) Limited to be held at 3:00 p.m. on Wednesday, 18 August 2021 at Room 501, Sino Industrial Plaza, 9 Kai Cheung Road, Kowloon Bay, Kowloon, Hong Kong is set out on pages 14 to 18 of this circular. Whether or not you are able to attend the meeting in person, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable and in any event not later than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

To safeguard the health and safety of the Shareholders, staff and stakeholders and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the Annual General Meeting:

- (1) Compulsory temperature checks
- (2) Mandatory use of surgical face masks
- (3) Mandatory health declaration – anyone subject to quarantine, has any flu-like symptoms or has travelled outside Hong Kong within 14 days immediately before the Annual General Meeting (“**recent travel history**”), or has close contact with any person under quarantine or with recent travel history will not be permitted to attend the Annual General Meeting
- (4) Appropriate distancing and spacing in line with the guidance from the Hong Kong Government will be maintained and as such, the Company may limit the number of attendees at the Annual General Meeting as may be necessary to avoid over-crowding, to the extent permitted by law
- (5) No provision of refreshments or drinks

Attendees who do not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the meeting venue. The Company would like to encourage the Shareholders to exercise their rights to vote at the Annual General Meeting by appointing the chairman of the meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting as an alternative to attending the meeting in person.

15 July 2021

TABLE OF CONTENTS

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

	<i>Page</i>
Definitions	1
Letter from the Board	3
Appendix I – Details of retiring Directors proposed for re-election	8
Appendix II – Explanatory Statement	11
Notice of Annual General Meeting	14

DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context indicates otherwise:

“Annual General Meeting”	the annual general meeting of the Company for the year ended 31 March 2021 to be held at 3:00 p.m. on Wednesday, 18 August 2021 at Room 501, Sino Industrial Plaza, 9 Kai Cheung Road, Kowloon Bay, Kowloon, Hong Kong or any adjournment thereof
“Articles”	the articles of association of the Company, as amended from time to time
“Associates”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company”	Bauhaus International (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, and the securities of which are listed on the main board of the Stock Exchange
“Contributed Surplus”	the contributed surplus within the equity section of the Company’s statement of financial position
“Contributed Surplus Reduction”	the proposed reduction of the amount of HK\$136,518,000 standing at the credit of the Contributed Surplus
“Director(s)”	the director(s) of the Company
“Final Dividend”	the final dividend of 6.0 HK cents per ordinary share for the year ended 31 March 2021 recommended by the Board
“Group”	the Company and its Subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Latest Practicable Date”	9 July 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Second Special Dividend”	the second special dividend of 40.5 HK cents per ordinary share for the year ended 31 March 2021 recommended by the Board
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	a subsidiary for the time being of the Company within the meaning of the Companies Ordinance whether incorporated in Hong Kong or elsewhere and “Subsidiaries” shall be construed accordingly
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.



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)

Executive Directors:

Dr. Wong Yui Lam

(Chairman)

Madam Tong She Man, Winnie

(Vice-Chairlady)

Mr. Yeung Yat Hang

(Chief Executive Officer)

Independent non-executive Directors:

Mr. Chu To Ki

Mr. Mak Wing Kit

Mr. Wong Man Tai

Registered office:

P.O. Box 902

Second Floor, Century Yard

Cricket Square

Grand Cayman KY1-1103

Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Room 501

Sino Industrial Plaza

9 Kai Cheung Road

Kowloon Bay

Kowloon

Hong Kong

15 July 2021

To the Shareholders

Dear Sir/Madam,

**PAYMENT OF THE SECOND SPECIAL DIVIDEND
OUT OF CONTRIBUTED SURPLUS
RE-ELECTION OF DIRECTORS
GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give Shareholders the notice of the Annual General Meeting and provide the Shareholders with details regarding (i) payment of the second special dividend out of contributed surplus; (ii) the re-election of Directors retiring at the Annual General Meeting; and (iii) the grant of general mandates to the Directors to issue and repurchase the Shares. Such proposals will be dealt with at the Annual General Meeting.

LETTER FROM THE BOARD

PAYMENT OF THE SECOND SPECIAL DIVIDEND OUT OF CONTRIBUTED SURPLUS

As announced by the Company in its announcement dated 28 June 2021 regarding the final results of the Group for the year ended 31 March 2021, the Board recommended the Final Dividend and the Second Special Dividend. The Second Special Dividend is intended to be declared through the Contributed Surplus Reduction. Subject to the shareholders' approval by ordinary resolution, the Second Special Dividend will be paid partly out of the Contributed Surplus pursuant to Article 137 of the Articles and in accordance with the Companies Law of the Cayman Islands, as amended from time to time.

(1) Reasons for the payment of the Second Special Dividend out of the Contributed Surplus by way of Contributed Surplus Reduction

As at 31 March 2021, based on the audited consolidated financial accounts of the Company, the amount standing at the credit of the Contributed Surplus excluding the Second Special Dividend was HK\$136,518,000. By way of the Contributed Surplus Reduction, the Board proposed to use the amount of HK\$136,518,000 standing at the credit of the Contributed Surplus, for the payment of the Second Special Dividend. Following such payment, the Contributed Surplus will be used up.

The Board considers it unnecessary to maintain the Contributed Surplus at its current level. The Board believes that the Contributed Surplus Reduction and the use of HK\$136,518,000 from the Contributed Surplus, for the payment of the Second Special Dividend are beneficial to the Company and the Shareholders as a whole.

(2) Effect of the Contributed Surplus Reduction

The implementation of the Contributed Surplus Reduction does not involve any reduction in the authorised or issued share capital of the Company nor does it involve any reduction in the nominal value of the Shares or the trading arrangements concerning the Shares. The implementation of the Contributed Surplus Reduction will not cause any loss in the Shareholders' funds of the Company and will not have a material adverse effect on the financial position of the Company.

The Directors are of the view that the implementation of the Contributed Surplus Reduction and payment of the Second Special Dividend out of the Contributed Surplus will not, in itself, have a material adverse effect on the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the Shareholders in the underlying assets of the Company.

The Directors are of the view that there are no reasonable grounds for believing that the Company is, or after the Contributed Surplus Reduction becoming effective and payment of the Second Special Dividend out of the Contributed Surplus would be, unable to pay its debts as they fall due in the ordinary course of business.

LETTER FROM THE BOARD

(3) Conditions of the Contributed Surplus Reduction and payment of the Second Special Dividend

The Contributed Surplus Reduction and the payment of the Second Special Dividend out of the Contributed Surplus, are conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the Annual General Meeting to approve the Contributed Surplus Reduction and the payment of the Second Special Dividend out of the Contributed Surplus; and
- (b) the Directors being satisfied that there are no reasonable grounds for believing that the Company is, immediately following the date on which the Second Special Dividend is paid, unable to pay its debts as they fall due in the ordinary course of business.

(4) Payment of the Final Dividend and Second Special Dividend

Subject to the approval of the Shareholders at the Annual General Meeting, the Final Dividend and the Second Special Dividend are payable on or before Friday, 3 September 2021 to shareholders whose names appear on the register of members on Thursday, 26 August 2021. For determining the entitlement to the proposed final and the second special dividends, the register of members of the Company will be closed from Tuesday, 24 August 2021 to Thursday, 26 August 2021, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final and the second special dividends, 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, for registration not later than 4:30 p.m. on Monday, 23 August 2021.

RE-ELECTION OF DIRECTORS

Pursuant to Article 87 of the Articles, at each annual general meeting, one-third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years.

Pursuant to Article 86(3) of the Articles, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a vacancy on the Board or as an addition to the existing Board. Any Director so appointed by the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election.

Accordingly, Dr. Wong Yui Lam, Mr. Chu To Ki and Mr. Wong Man Tai, who have to retire by rotation pursuant to the Articles, shall retire by rotation at the Annual General Meeting, and being eligible, will offer themselves for re-election at the Annual General

LETTER FROM THE BOARD

Meeting. Details of the Directors who are proposed to be re-elected at the Annual General Meeting are set out in Appendix I to this circular.

The nomination committee of the Company has reviewed the biographical details of each of Dr. Wong Yui Lam, Mr. Chu To Ki and Mr. Wong Man Tai and their fulfilment of nomination criteria set out in the nomination policy of the Company and considered the diversity aspects set out in the board diversity policy of the Company. Accordingly, the nomination committee of the Company and Board recommends each of Dr. Wong Yui Lam, Mr. Chu To Ki and Mr. Wong Man Tai to be re-elected at the Annual General Meeting.

GENERAL MANDATES

At the Annual General Meeting, separate ordinary resolutions will be proposed to grant the general mandates to the Directors (i) to allot, issue and otherwise deal with Shares not exceeding in aggregate 20% of the number of issued shares of the Company as at the date of the passing of such resolution (the “**Issue Mandate**”); (ii) to repurchase issued and fully paid Shares on the Stock Exchange up to a maximum of 10% of the number of issued shares of the Company as at the date of passing of such resolution (the “**Repurchase Mandate**”); and (iii) to add the aggregate number of the Shares repurchased by the Company to the Issue Mandate.

As at the Latest Practicable Date, the Company had 367,380,000 Shares in issue. Subject to the passing of the proposed resolutions for the grant of the general mandates as mentioned above and on the basis that no Shares are issued or repurchased by the Company prior to the Annual General Meeting, the exercise of the Repurchase Mandate in full would result in up to 36,738,000 Shares being repurchased by the Company during the period prior to the next annual general meeting of the Company following the passing of the resolution referred to herein or the date upon which the Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company, and the Directors will be authorised to allot and issue under the Issue Mandate as mentioned above up to 73,476,000 Shares, and to the extent the Repurchase Mandate is exercised, plus the number of Shares representing the aggregate number of shares of the Company repurchased by the Company under the Repurchase Mandate.

The Directors wish to state that they have no present intention to repurchase any Shares or to issue any new Shares pursuant to the relevant mandates.

The explanatory statement required by the Listing Rules to provide requisite information to you for your consideration of the Repurchase Mandate is set out in Appendix II to this circular.

ANNUAL GENERAL MEETING

A notice of Annual General Meeting is set out in pages 14 to 18 of this circular.

A form of proxy for use at the Annual General Meeting is also enclosed with this circular. To be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be

LETTER FROM THE BOARD

lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting.

VOTE BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, at the Annual General Meeting, all votes will be taken by way of poll.

RECOMMENDATION

The Directors consider that the proposals for re-election of Directors and the grant of the general mandates to issue and repurchase Shares are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all the Shareholders to vote in favour of the resolutions as set out in the notice of Annual General Meeting.

Yours faithfully,
For and on behalf of the Board
Bauhaus International (Holdings) Limited
Dr. Wong Yui Lam
Chairman

The details of the retiring Directors proposed for re-election at the Annual General Meeting are set out below:

(a) Dr. Wong Yui Lam

Dr. Wong Yui Lam, aged 63, is the founder, the Chairman and the Authorised Representative of the Group. He is responsible for the overall management and strategic planning of the Group. Dr. Wong conceived the concept and brand name “TOUGH”, the first in-house brand of the Group, and is responsible for overall development including design and direction of the brand. Dr. Wong has more than 25 years of experience in fashion industry. He was awarded the Teacher’s Certificate by Sir Robert Black College of Education in 1981 and obtained an Executive Master degree in Business Administration from the Chinese University of Hong Kong in 2014. In March 2015, Dr. Wong was awarded the Honorary Fellowship by The Hong Kong Institute of Education to salute his outstanding achievement and devotion. In February 2021, Dr. Wong was awarded the degree of Doctor of Business Administration by The City University of Hong Kong.

As at the Latest Practicable Date, Dr. Wong is interested in (i) 212,100,000 Shares, representing approximately 57.73% of the Company’s issued share capital, within the meaning of Part XV of the SFO, which comprise (a) 2,200,000 held by Dr. Wong as direct beneficial owner; (b) 29,900,000 Shares held by Wonder View Limited, the entire issued capital of which is owned by Dr. Wong; and (c) 180,000,000 Shares held by New Huge Treasure Investments Limited, which in turn is held by Yate Enterprises Limited as to 100%. Yate Enterprises Limited is in turn held by East Asia International Trustees Limited as to 100% as the trustee of The Tong & Wong Family Trust, a discretionary trust established by Madam Tong She Man Winnie, an executive director of the Company and Dr. Wong; (ii) 50% of the issued non-voting deferred shares in Bauhaus Holdings Limited, an associated corporation of the Company within the meaning of Part XV of the SFO; and (iii) 60% of the issued non-voting deferred shares in Tough Jeans Limited, an associated corporation of the Company within the meaning of Part XV of the SFO. Dr. Wong is also one of the beneficiaries of The Tong & Wong Family Trust.

Dr. Wong renewed his service agreement with the Company for a term of three years commencing from 1 May 2020, which may be terminated by either party thereto by giving to the other six months’ prior notice in writing. Under the service contract, after each completed year of service, the remuneration payable to him may, subject to the discretion of the Directors, be adjusted and he will be entitled to a discretionary bonus provided that the total amount of bonuses payable to all Directors for such year shall not exceed HK\$5 million. He will be entitled to all reasonable out-of-pocket expenses, the use of cars and fuel and maintenance (including insurance) expenses in respect of the cars used by him. The fixed remuneration (excluding discretionary bonus, share option and benefits in kind) expected to be payable to him for the year ending 31 March 2022 is approximately HK\$1,370,000. His remuneration is determined by the Board with reference to his qualification, experience and responsibilities to be undertaken. Dr. Wong was not aware of any other matters that need to be brought to the attention of the Shareholders.

Save being an executive Director and Chairman of the Group, Dr. Wong was also a director of certain subsidiaries of the Group. Save as disclosed above, Dr. Wong does not hold any other position with the Group. Dr. Wong does not hold, and has not held other directorships in listed public companies during the last three years. Save as disclosed herein, Dr. Wong did not have any relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company as at the Latest Practicable Date.

Dr. Wong confirmed that there is no other information that needs to be disclosed pursuant to any of the requirements as set out in Rules 13.51(2)(h) to (v) of the Listing Rules. The Company is not aware of any other matters that need to be brought to the attention of the Shareholders and the Stock Exchange in relation to the re-election of Dr. Wong.

(b) Mr. Chu To Ki

Mr. Chu To Ki, aged 55, was appointed as an Independent Non-Executive Director on 1 May 2005. He is also a member of the audit committee, remuneration committee and nomination committee of the Company. Mr. Chu graduated from the University of Hong Kong in June 1998 with Postgraduate Certificate in Laws and obtained from Manchester Metropolitan University a Bachelor Degree in Laws in September 1999. Mr. Chu was admitted as a solicitor of the High Court of Hong Kong in March 2000. Mr. Chu has more than 25 years of working experience in the legal field in Hong Kong. Mr. Chu is currently a principal of the solicitors firm TKC Lawyers.

As at the Latest Practicable Date, Mr. Chu was not interested in any interests or short position in the Shares, underlying Shares and debentures of the Company within the meaning of Part XV of the SFO. The term of service of Mr. Chu has been renewed for a term of one year commencing from 1 May 2021, which may be terminated by either party thereto by giving to the other three months' prior notice in writing and is subject to rotation in accordance with the Articles. Mr. Chu is entitled to a director's fee of about HK\$164,000 per annum, which is determined by the Board with reference to his qualification, experience and responsibilities to be undertaken.

Save as being an independent non-executive Director, Mr. Chu did not hold any other positions with the other members of the Group. Mr. Chu also did not hold other directorship in listed public companies during the last three years. He did not have any relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company as at the Latest Practicable Date.

Mr. Chu has served as an Independent Non-Executive Director of the Company for more than nine years. Mr. Chu has exercised judgment in the best interests of the Company when discharging his duties as an Independent Non-Executive Director of the Company. Despite his length of service, there is no evidence that the independence of Mr. Chu, especially in terms of exercising independent judgment and objective challenges to the management, has been or will be in any way compromised or affected. Mr. Chu has also provided an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board is therefore satisfied that Mr. Chu meets the independence guidelines set out in Rule 3.13 of the Listing Rules and continues to be independent.

Mr. Chu confirmed that there is no other information that needs to be disclosed pursuant to any of the requirements as set out in Rules 13.51(2)(h) to (v) of the Listing Rules. The Company is not aware of any other matters that need to be brought to the attention of the Shareholders and the Stock Exchange in relation to the re-election of Mr. Chu.

(c) Mr. Wong Man Tai

Mr. Wong Man Tai, aged 47, was appointed as an Independent Non-Executive Director on 29 December 2020. He is a qualified accountant with over 20 years of working experience in the financial service industry, including experience in mergers and acquisition transactions and business management. He has over 10 years of management experience in financial and investment groups in Hong Kong SAR and Mainland China, and has, in the past, held senior executive positions in a number of financial institution groups and has taken key roles to manage investment transactions, business strategy and corporate restructuring. He holds a Finance degree from The City University of Hong Kong and an Executive MBA from The Chinese University of Hong Kong. He also holds professional certifications including Fellow Certified Public Accountant (FCPA) from The Hong Kong Institute of Certified Public Accountants.

As at the Latest Practicable Date, Mr. Wong was not interested in any interests or short position in the Shares, underlying Shares and debentures of the Company within the meaning of Part XV of the SFO. Mr. Wong entered into an appointment letter with the Company for a term of one year commencing from 29 December 2020, which may be terminated by either party thereto by giving to the other three months' prior notice in writing and is subject to rotation in accordance with the Articles. Mr. Wong is entitled to a director's fee of about HK\$78,000 per annum, which is determined by the Board with reference to his qualification, experience and responsibilities to be undertaken.

Save as being an independent non-executive Director, Mr. Wong did not hold any other positions with the other members of the Group. Mr. Wong also did not hold other directorship in listed public companies during the last three years. He did not have any relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company as at the Latest Practicable Date.

Mr. Wong has confirmed that he meets the independence criteria as set out in Rule 3.13 of the Listing Rules. The Board is satisfied that Mr. Wong meets the independence guidelines set out in Rule 3.13 of the Listing Rules and he is independent.

Mr. Wong confirmed that there is no other information that needs to be disclosed pursuant to any of the requirements as set out in Rules 13.51(2)(h) to (v) of the Listing Rules. The Company is not aware of any other matters that need to be brought to the attention of the Shareholders and the Stock Exchange in relation to the re-election of Mr. Wong.

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide all the information in relation to the Repurchase Mandate for your consideration.

1. LISTING RULES FOR REPURCHASES OF SHARES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their fully-paid shares on the Stock Exchange subject to certain restrictions, the more important of which are summarised below:

(a) Shareholders' approval

All proposed repurchases of shares on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by the shareholders by an ordinary resolution, either by way of a general mandate or by a specific approval in relation to a specific transaction.

(b) Share capital

Under the Repurchase Mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the number of issued shares of the Company as at the date of the passing of the proposed resolution granting the Repurchase Mandate.

As at the Latest Practicable Date, the Company had 367,380,000 Shares in issue. Subject to the passing of the proposed resolution for the grant of the Repurchase Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the Annual General Meeting, the exercise of the Repurchase Mandate in full would result in up to 36,738,000 Shares being repurchased by the Company during the period prior to the next annual general meeting of the Company following the passing of the resolution granting the Repurchase Mandate or the date upon which the Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

(c) Reason for repurchase

The Directors believe that it is in the interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase shares of the Company on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

(d) Funding of repurchase

In repurchasing shares, a company may only apply funds legally available for such purpose in accordance with its constitutive documents and the laws of the jurisdiction in which the company was incorporated.

As compared with the financial position of the Company as at 31 March 2021 (being date of its latest audited accounts), the Directors consider that there might be a material adverse impact on the working capital or gearing position of the Company if the Repurchase Mandate was to be exercised in full during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing level of the Company (as compared with the position disclosed in its most recent published audited accounts) which in the opinion of the Directors are from time to time appropriate for the Company.

(e) Connected parties

None of the Directors nor, to the best of the knowledge of the Directors having made all reasonable enquiries, any of their close Associates has any present intention to sell Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

As at the Latest Practicable Date, no core connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

(f) Undertaking by Directors

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

(g) Takeovers Code

If as a result of a share repurchase, a Shareholder's proportionate interest in the voting rights of the repurchasing company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code.

As at the Latest Practicable Date, the substantial Shareholder (as defined in the Listing Rules), together with their parties acting in concert and their respective Associates, were beneficially interested in 246,168,000 Shares representing approximately 67.01% of the issued shares. In the event that the Directors exercise the Repurchase Mandate in full in accordance with the terms of the ordinary resolution to be proposed at the Annual General Meeting, the interests of the substantial Shareholder, together with their respective Associates, in the Company would be increased to approximately 74.45% of the issued shares, which will not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

The Directors have no intention to exercise the Repurchase Mandate to an extent as may result in the amount of Shares held by the public being reduced to less than 25% of the total issued shares of the Company nor to an extent as would result in an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

2. SHARE REPURCHASE AND MARKET PRICES

During the six months preceding the Latest Practicable Date, no Shares have been repurchased or redeemed by the Company.

During each of the previous 12 months, the highest and lowest prices at which the Shares have been traded on the Stock Exchange were as follows:

Month	Per Share	
	Highest (HK\$)	Lowest (HK\$)
2020		
July	0.99	0.79
August	0.96	0.51
September	0.70	0.49
October	0.73	0.56
November	0.75	0.57
December	0.79	0.50
2021		
January	0.64	0.52
February	0.65	0.57
March	0.61	0.53
April	0.60	0.50
May	0.68	0.50
June	1.45	0.59
July (up to Latest Practicable Date)	1.34	1.24

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

To safeguard the health and safety of the Shareholders, staff and stakeholders and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the Annual General Meeting:

- (1) Compulsory temperature checks
- (2) Mandatory use of surgical face masks
- (3) Mandatory health declaration – anyone subject to quarantine, has any flu-like symptoms or has travelled outside Hong Kong within 14 days immediately before the Annual General Meeting (“**recent travel history**”), or has close contact with any person under quarantine or with recent travel history will not be permitted to attend the Annual General Meeting
- (4) Appropriate distancing and spacing in line with the guidance from the Hong Kong Government will be maintained and as such, the Company may limit the number of attendees at the Annual General Meeting as may be necessary to avoid over-crowding, to the extent permitted by law
- (5) No provision of refreshments or drinks

Attendees who do not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the meeting venue. The Company would like to encourage the Shareholders to exercise their rights to vote at the Annual General Meeting by appointing the chairman of the meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting as an alternative to attending the meeting in person.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Bauhaus International (Holdings) Limited (the “**Company**”) will be held at Room 501, Sino Industrial Plaza, 9 Kai Cheung Road, Kowloon Bay, Kowloon, Hong Kong on Wednesday, 18 August 2021 at 3:00 p.m. to consider and, if thought fit, transact the following business:

ORDINARY BUSINESS

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 March 2021 and the reports of the directors of the Company (the “**Director**”) and auditors of the Company for the year ended 31 March 2021.
2. To declare a final dividend of 6.0 HK cents per ordinary share for the year ended 31 March 2021.
3. To declare a second special dividend of 40.5 HK cents per ordinary share for the year ended 31 March 2021 partly paid by way of the Contributed Surplus Reduction in the amount of HK\$136,518,000.

NOTICE OF ANNUAL GENERAL MEETING

4. A. To re-elect Dr. Wong Yui Lam as a Director.
- B. To re-elect Mr. Chu To Ki as a Director.
- C. To re-elect Mr. Wong Man Tai as a Director.
- D. To authorise the board of Directors to fix the remuneration of the Directors.
5. To re-appoint the Company's auditor and to authorise the board of Directors to fix its remuneration.

SPECIAL BUSINESS

6. To consider as special business and, if thought fit, pass the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

- A. **"THAT:**
 - (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such power after the end of the Relevant Period;
 - (c) the aggregate number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to: (i) a Rights Issue (as defined below); (ii) the exercise of the subscription rights or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company; (iii) any share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iv) any scrip dividend on shares of the Company in accordance with the articles of association of the Company, shall not exceed 20 per cent. of the number of shares of the Company in

NOTICE OF ANNUAL GENERAL MEETING

issue as at the date of passing this resolution and the said approval shall be limited accordingly; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; or
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to the holders of shares of the Company or any class of the Company thereof on the register on a fixed record date in proportion to their then holdings of such shares or any class thereof as at that date (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

B. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to repurchase the issued shares in the share capital of the Company on The Stock Exchange of Hong Kong Limited, and that the exercise by the Directors of all the powers of the Company to repurchase such shares, subject to and in accordance with all applicable laws or the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, be and is hereby generally and unconditionally approved;
- (b) in addition, the approval in paragraph (a) above shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the Directors;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate number of shares repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the number of shares of the Company in issue as at the date of passing this resolution, and the authority pursuant to paragraph (a) above shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; or
 - (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
- C. “**THAT** conditional upon the passing of Resolutions no. 6A and 6B as set out in the notice convening the meeting of which this resolution forms part, the aggregate number of shares of the Company which are repurchased by the Company pursuant to and in accordance with the said Resolution no. 6B shall be added to the aggregate number of shares of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with Resolution no. 6A as set out in the notice convening the meeting of which this resolution forms part.”

By Order of the Board
Li Kin Cheong
Company Secretary

Hong Kong, 15 July 2021

As at the date of this notice, the executive Directors are Dr. Wong Yui Lam, Madam Tong She Man, Winnie and Mr. Yeung Yat Hang; the independent non-executive Directors are Mr. Chu To Ki, Mr. Mak Wing Kit and Mr. Wong Man Tai.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person duly authorised to sign the same.
2. Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his/her stead. A proxy need not be a member of the Company.
3. In order to be valid, the form of proxy must be lodged at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, not less than 48 hours before the time for holding the meeting or any adjourned meeting.
4. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or at any adjourned meeting (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
5. Where there are joint holders of any shares in the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such shares as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the meeting, the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.
6. The register of members of the Company will be closed from Friday, 13 August 2021 to Wednesday, 18 August 2021, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for voting at the annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m., on Thursday, 12 August 2021.
7. The register of members of the Company will be closed from Tuesday, 24 August 2021 to Thursday, 26 August 2021, both days inclusive, during which period no transfer of shares will be effected. In order to determine the entitlement of shareholders to receive the final dividend and the second special dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m., on Monday, 23 August 2021.