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## **ALLAN INTERNATIONAL HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 684)**

### **ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024**

#### **RESULTS**

The board of directors (the “Board”) of Allan International Holdings Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2024 together with the comparative figures for the year ended 31 March 2023, as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**  
*FOR THE YEAR ENDED 31 MARCH 2024*

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	2	<b>484,763</b>	413,332
Cost of sales		<b>(445,229)</b>	(396,605)
Gross profit		<b>39,534</b>	16,727
Other income	3	<b>46,279</b>	44,757
Other gains and losses	4	<b>(722)</b>	5,640
Selling and distribution expenses		<b>(14,023)</b>	(16,337)
Administrative expenses		<b>(73,193)</b>	(81,491)
Loss on fair value changes of investment properties (Impairment loss) reversal of impairment loss under expected credit loss model, net		<b>(69,143)</b>	(4,719)
		<b>(158)</b>	88
Impairment loss recognised on property, plant and equipment		–	(24,879)
Finance costs		<b>(697)</b>	(491)
Loss before tax		<b>(72,123)</b>	(60,705)
Income tax credit (expense)	5	<b>2,992</b>	(1,348)
Loss for the year attributable to owners of the Company	6	<b>(69,131)</b>	(62,053)
<b>Other comprehensive (expense) income:</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<b>(17,386)</b>	(26,234)
Net fair value gain (loss) on debt instruments at fair value through other comprehensive income		<b>119</b>	(164)
Reclassification of investment revaluation reserve upon disposal of debt instruments at fair value through other comprehensive income		<b>24</b>	(96)
Other comprehensive expense for the year		<b>(17,243)</b>	(26,494)
Total comprehensive expense for the year attributable to owners of the Company		<b>(86,374)</b>	(88,547)
Loss per share	8		
Basic		<b>HK(20.8) cents</b>	HK(18.6) cents

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2024

	<i>Notes</i>	<b>2024</b>	2023
		<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Non-current assets</b>			
Investment properties		<b>429,752</b>	512,990
Property, plant and equipment		<b>3,785</b>	6,583
Right-of-use assets		<b>3,582</b>	3,765
Club debentures		<b>10,343</b>	10,343
Debt instruments at fair value through other comprehensive income (“FVTOCI”)		<b>3,844</b>	7,662
Deferred tax assets		<b>787</b>	–
		<b>452,093</b>	541,343
<b>Current assets</b>			
Inventories		<b>37,550</b>	41,066
Trade receivables	9	<b>91,005</b>	72,968
Other receivables	9	<b>24,803</b>	23,117
Mould deposits paid		<b>2,120</b>	5,869
Financial assets at fair value through profit or loss (“FVTPL”)		<b>1,540</b>	7,349
Debt instruments at FVTOCI		<b>3,901</b>	1,529
Tax recoverable		<b>97</b>	1,381
Short-term deposits		<b>304,696</b>	367,684
Bank balances and cash		<b>174,556</b>	186,575
		<b>640,268</b>	707,538
<b>Current liabilities</b>			
Trade payables	10	<b>53,608</b>	51,240
Other payables and accruals		<b>72,722</b>	76,425
Mould deposits received		<b>19,111</b>	28,784
Tax liabilities		<b>33,291</b>	32,460
Secured bank loan		<b>5,124</b>	5,124
		<b>183,856</b>	194,033
Net current assets		<b>456,412</b>	513,505
Total assets less current liabilities		<b>908,505</b>	1,054,848

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current liabilities		
Deferred tax liabilities	<b>31,957</b>	36,844
Secured bank loan	<b>5,541</b>	10,665
	<u>37,498</u>	<u>47,509</u>
Net assets	<b><u>871,007</u></b>	<b><u>1,007,339</u></b>
Capital and reserves		
Share capital	<b>33,305</b>	33,305
Reserves	<b>837,702</b>	974,034
	<b><u>871,007</u></b>	<b><u>1,007,339</u></b>

Notes :

**1. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)**

**New and amendments to HKFRSs that are mandatorily effective for the current year**

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 April 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

***Impacts on application of Amendments to HKAS 8 Definition of Accounting Estimates***

The Group has applied the amendments for the first time in the current year. The amendments define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. The amendments to HKAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

## ***Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies***

The Group has applied the amendments for the first time in the current year. HKAS 1 *Presentation of Financial Statements* is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* (the “Practice Statement”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies set out in Note 3 to the consolidated financial statements.

### **Amendments to HKFRSs in issue but not yet effective**

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>2</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>2</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2025.

The directors of the Company anticipate that the application of all amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

## 2. REVENUE AND SEGMENT INFORMATION

### Performance obligations for contracts with customers and revenue recognition policies

The principal activities of the Group are manufacturing and trading of household electrical appliances. Revenue of the Group is sales of household electrical appliances and the revenue is recognised at one point in time. Revenue is recognised when control of the goods has transferred, being when the goods have been departed from specific location. Transportation and handling activities that occur before customers obtain control are considered as fulfilment activities. Following the delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

As at 31 March 2024 and 2023, all received purchase orders are expected to be completed within 1 year.

Information reported to the Company's executive directors (the chief operating decision maker) for the purposes of resource allocation and assessment of segment performance focuses on geographical regions.

The Group is currently organised into four operating divisions – Europe sales, Asia sales, America sales and other regions sales. The information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of performance is based on these operating divisions.

### Segment Revenues and Results

The following is an analysis of the Group's revenue and results for each of the reportable and operating segments.

#### Year ended 31 March 2024

	Europe HK\$'000	Asia HK\$'000	America HK\$'000	Other regions HK\$'000	Consolidated HK\$'000
Segment revenue (Note a)	<u>116,175</u>	<u>36,819</u>	<u>323,692</u>	<u>8,077</u>	<u>484,763</u>
Segment loss	<u>(6,736)</u>	<u>(2,135)</u>	<u>(18,767)</u>	<u>(468)</u>	<u>(28,106)</u>
Other gains and losses (except net foreign exchange loss)					384
Depreciation					(2,258)
Loss on fair value changes of investment properties					(69,143)
Finance costs					(697)
Impairment loss under expected credit loss model, net					(158)
Unallocated income and expenses, net (Note b)					<u>27,855</u>
Loss before tax					<u>(72,123)</u>

**Year ended 31 March 2023**

	Europe <i>HK\$'000</i>	Asia <i>HK\$'000</i>	America <i>HK\$'000</i>	Other regions <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue <i>(Note a)</i>	<u>90,156</u>	<u>69,954</u>	<u>243,763</u>	<u>9,459</u>	<u>413,332</u>
Segment loss	<u>(8,783)</u>	<u>(6,815)</u>	<u>(23,747)</u>	<u>(921)</u>	(40,266)
Other gains and losses (except net foreign exchange gain)					(556)
Depreciation (except moulds)					(7,411)
Loss on fair value changes of investment properties					(4,719)
Finance costs					(491)
Impairment loss recognised on property, plant and equipment					(24,879)
Reversal of impairment loss under expected credit loss model, net					88
Unallocated income and expenses, net <i>(Note b)</i>					<u>17,529</u>
Loss before tax					<u>(60,705)</u>

*Notes:*

- a) The allocation of segment revenue is determined based on destinations of shipment of products.
- b) Unallocated income and expenses mainly represented certain other income, central administration costs and directors' salaries.

Segment loss represents the loss from each segment without allocation of certain other income, central administration costs and directors' salaries, other gains and losses (except net foreign exchange (loss) gain), depreciation (except moulds), loss on fair value changes of investment properties, finance costs, impairment loss recognised on property, plant and equipment and impairment loss (reversal of impairment loss) under expected credit loss model, net. This is the measure reported to the Group's chief operating decision maker for the purposes of resource allocation and performance assessment. Revenue reported above represents revenue generated from external customers. There were no inter-segment sales in both years.



## Segment assets and Liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

### Segment Assets

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Europe	<b>31,274</b>	26,737
Asia	<b>14,207</b>	24,776
America	<b>83,087</b>	65,376
Other regions	<b>2,107</b>	3,014
Segment assets	<b>130,675</b>	119,903
Unallocated assets		
Financial assets as FVTPL	<b>1,540</b>	7,349
Debt instruments at FVTOCI	<b>7,745</b>	9,191
Short-term deposits	<b>304,696</b>	367,684
Bank balances and cash	<b>174,556</b>	186,575
Investment properties	<b>429,752</b>	512,990
Property, plant and equipment	<b>3,785</b>	6,583
Other receivables	<b>24,803</b>	23,117
Other unallocated assets ( <i>Note</i> )	<b>14,809</b>	15,489
Consolidated assets	<b>1,092,361</b>	1,248,881

*Note:* Other unallocated assets comprised tax recoverable, club debentures, right-of-use assets and deferred tax assets.

### ***Segment Liabilities***

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Europe	<b>4,580</b>	6,278
Asia	<b>1,451</b>	4,872
America	<b>12,762</b>	16,975
Other regions	<b>318</b>	659
Segment liabilities ( <i>Note</i> )	<b>19,111</b>	28,784
Unallocated liabilities		
Trade payables	<b>53,608</b>	51,240
Other payables and accruals	<b>72,722</b>	76,425
Secured bank loan	<b>10,665</b>	15,789
Tax liabilities	<b>33,291</b>	32,460
Deferred tax liabilities	<b>31,957</b>	36,844
Consolidated liabilities	<b>221,354</b>	241,542

*Note:* Segment liabilities represented mould deposits received by each segment.

### **Information About Major Customers**

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Customer A (Europe, Asia, America and Other regions)	<b>200,916</b>	130,460
Customer B (Europe, Asia, America and Other regions)	<b>124,695</b>	121,156
Customer C (Europe, Asia, America and Other regions)	<b>66,909</b>	61,711
Customer D (Europe, Asia, America and Other regions)	<b>50,725</b>	45,054

## Geographical Information

The Group's operations are located in Hong Kong and the People's Republic of China ("PRC").

Information about the Group's non-current assets, excluding debt instruments at FVTOCI and deferred tax assets, is presented based on the geographical location of the assets.

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Hong Kong	<b>246,329</b>	290,582
The PRC	<b>201,133</b>	243,099
	<b><u>447,462</u></b>	<u>533,681</u>

## Other Segment Information

### Year ended 31 March 2024

	Europe	Asia	America	Other regions	Total segment	Unallocated	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000

Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:

Interest income on bank deposits	-	-	-	-	-	17,262	17,262
Interest income on debt instruments	-	-	-	-	-	362	362
Rental income	-	-	-	-	-	17,259	17,259
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,259</u>	<u>17,259</u>

### Year ended 31 March 2023

	Europe	Asia	America	Other regions	Total segment	Unallocated	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000

Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:

Interest income on bank deposits	-	-	-	-	-	7,363	7,363
Interest income on debt instruments	-	-	-	-	-	237	237
Rental income	-	-	-	-	-	19,584	19,584
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,584</u>	<u>19,584</u>

### 3. OTHER INCOME

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Rental income	<b>17,259</b>	19,584
Interest income	<b>17,624</b>	7,600
Building management fee income	<b>6,272</b>	6,699
Scrap sales	<b>259</b>	383
Government grants ( <i>Note</i> )	<b>5</b>	3,102
Others	<b>4,860</b>	7,389
	<b><u>46,279</u></b>	<u>44,757</u>

*Note:* The Group recognised government assistance and tax refunds of approximately HK\$5,000 (2023: HK\$1,543,000) in the PRC during the year. For the year ended 31 March 2023, the Group recognised government grants of approximately HK\$1,559,000 in relation to Employment Support Scheme provided by the Hong Kong government (2024: nil). There are no unfulfilled conditions or contingencies in relation to these grants.

### 4. OTHER GAINS AND LOSSES

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Net foreign exchange (loss) gain	<b>(1,106)</b>	6,196
Gain on disposal of property, plant and equipment	<b>180</b>	–
Write-off of property, plant and equipment	–	(66)
Cumulative (loss) gain reclassified of investment revaluation reserve upon disposal of debt instruments at FVTOCI	<b>(24)</b>	96
Net gain (loss) on fair value changes of financial assets at FVTPL	<b>231</b>	(583)
Others	<b>(3)</b>	(3)
	<b><u>(722)</u></b>	<u>5,640</u>

## 5. INCOME TAX (CREDIT) EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax:		
Hong Kong	436	395
PRC Enterprise Income Tax	<u>2,714</u>	<u>2,180</u>
	<u>3,150</u>	<u>2,575</u>
Overprovision in prior years:		
Hong Kong	<u>(468)</u>	<u>(753)</u>
Deferred tax	<u>(5,674)</u>	<u>(474)</u>
	<u>(2,992)</u>	<u>1,348</u>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

The tax (credit) charge for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss before tax	<u>(72,123)</u>	<u>(60,705)</u>
Tax at the Hong Kong Profits Tax rate of 16.5%	(11,900)	(10,016)
Tax effect of expenses not deductible for tax purpose	13,230	14,617
Tax effect of income not taxable for tax purpose	(3,229)	(2,258)
Effect of different tax rates of subsidiaries operating in the PRC	(1,374)	2,265
Overprovision in respect of prior years	(468)	(753)
Tax effect of tax losses not recognised	2,705	2,825
Utilisation of tax losses previously not recognised	(234)	–
Others	<u>(1,722)</u>	<u>(5,332)</u>
Income tax (credit) expense for the year	<u>(2,992)</u>	<u>1,348</u>

## 6. LOSS FOR THE YEAR

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss for the year has been arrived at after charging (crediting):		
Employee benefit expenses, including directors' remunerations		
– Salaries and allowances	<b>147,009</b>	125,289
– Retirement benefit scheme contributions	<b>12,552</b>	14,622
Total employee benefit expenses	<b>159,561</b>	139,911
Capitalised in inventories	<b>(3,733)</b>	(6,034)
	<b>155,828</b>	133,877
Depreciation of property, plant and equipment	<b>2,075</b>	7,980
Depreciation of right-of-use assets	<b>183</b>	183
Total depreciation	<b>2,258</b>	8,163
Gross rental income from investment properties	<b>(17,259)</b>	(19,584)
Less: direct operating expenses incurred for investment properties that generated rental income during the year	<b>931</b>	902
	<b>(16,328)</b>	(18,682)
Auditor's remuneration	<b>2,081</b>	2,126
Cost of inventories recognised as an expense (including reversal of allowance for inventory provision, net amounting to HK\$196,000 (2023: allowance for inventory provision, net amounting to HK\$800,000))	<b>445,229</b>	396,605

## 7. DIVIDENDS

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
– 2024 interim dividend of HK2 cents (2023: 2023 interim dividend of nil cents) per share	<b>6,661</b>	–
– 2024 interim special dividend of HK13 cents (2023: 2023 interim special dividend of nil cents) per share	<b>43,297</b>	–
– 2023 final dividend of nil cents (2023: 2022 final dividend of HK2 cents) per share	–	6,661
	<b>49,958</b>	6,661

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 March 2024 of HK2 cents (2023: final dividend in respect of the year ended 31 March 2023 of nil cents) per ordinary share, in aggregate amount of HK\$6,661,000 (2023: nil) and a special dividend in respect of the year ended 31 March 2024 of HK13 cents (2023: nil special dividend in respect of the year ended 31 March 2023) per ordinary share, in aggregate amount of HK\$43,297,000 (2023: nil), has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting. The final dividend is expected to be paid on 20 September 2024 to shareholders whose names appear on the Register of Members of the Company on 30 August 2024.

## 8. LOSS PER SHARE

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss for the purpose of basic loss per share (loss for the year attributable to owners of the Company)	<u><b>(69,131)</b></u>	<u>(62,053)</u>
	<b>Number of shares</b>	
	<b>2024</b> <i>'000</i>	2023 <i>'000</i>
Weighted average number of ordinary shares for the purpose of basic loss per share	<u><b>333,055</b></u>	<u>333,055</u>

No diluted loss per share has been presented for both years as there were no potential dilutive ordinary shares in issue.

## 9. TRADE AND OTHER RECEIVABLES

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables – sales of goods	<b>91,461</b>	73,266
Less: Allowance for credit loss	<u><b>(456)</b></u>	<u>(298)</u>
	<b>91,005</b>	72,968
Other receivables ( <i>Note</i> )	<u><b>24,803</b></u>	<u>23,117</u>
Total trade and other receivables	<u><b>115,808</b></u>	<u>96,085</u>

*Note:* As at 31 March 2024, the Group's other receivables mainly include value added tax recoverable of HK\$13,185,000 (2023: HK\$15,299,000), which will be recovered within one year.

As at 1 April 2022, trade receivables from contracts with customers amounted to HK\$165,973,000.

The following is an aged analysis of trade receivables, presented based on the invoice dates:

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
0–90 days	<b>70,072</b>	62,409
91–120 days	<b>2,135</b>	4,827
Over 120 days	<b>18,798</b>	5,732
	<b><u>91,005</u></b>	<u>72,968</u>

As at 31 March 2024, included in the Group's trade receivables balance are debtors with aggregated carrying amount of HK\$18,088,000 (2023: HK\$2,289,000) which are past due at the reporting date. Out of the past due balances, HK\$1,271,000 (2023: HK\$127,000) has been past due 90 days or more and is not considered as in default because there had not been significant changes in credit quality of the relevant debtors and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

#### **10. TRADE PAYABLES**

The following is an aged analysis of trade payables presented based on the invoice date.

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
0–90 days	<b>47,031</b>	50,216
91–120 days	<b>5,993</b>	219
Over 120 days	<b>584</b>	805
	<b><u>53,608</u></b>	<u>51,240</u>

The credit period on purchase of goods is ranged from 30 to 90 days.



## **CLOSURE OF REGISTER OF MEMBERS**

### **(i) To attend and vote at the AGM**

The annual general meeting (“AGM”) will be held on Friday, 23 August 2024. For the purpose of ascertaining shareholders’ entitlement to attend and vote at the AGM, the Register of Members of the Company will be closed from Tuesday, 20 August 2024 to Friday, 23 August 2024 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for attending and voting at the AGM, all transfers accompanied with the relevant share certificates must be deposited with the Company’s share registrar, Tricor Standard Limited, whose address is at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Monday, 19 August 2024.

### **(ii) To qualify for the proposed final dividend**

Subject to shareholders’ approval at the forthcoming Annual General Meeting, the proposed final dividend will be distributed to the shareholders on Friday, 20 September 2024 whose names appear on the Register of Members of the Company on Friday, 30 August 2024. The Register of Members of the Company will be closed from Wednesday, 28 August 2024 to Friday, 30 August 2024 (both days inclusive) . In order to qualify for payment of the recommended final dividend, all transfers accompanied with the relevant share certificates must be deposited with the Company’s share registrar, Tricor Standard Limited, whose address is at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, 27 August 2024.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

For the year ended 31 March 2024, the Group’s sales turnover increased by 17% to HK\$484.8 million (2023: HK\$413.3 million) and the consolidated net loss was HK\$69.1 million (2023: HK\$62.1 million). Basic loss per share of the Group for the year ended 31 March 2024 was HK20.8 cents (2023: HK18.6 cents). The net loss of HK\$69.1 million for the year ended 31 March 2024 included a loss on fair value changes of investment properties of HK\$69.1 million. As such, if the devaluation of investment properties was discounted, the operating business was at break even. In return for shareholders’ long-term support and to celebrate the 60th anniversary of the Group, the Board of Directors has resolved to recommend at the forthcoming Annual General Meeting the payment of a final dividend of HK2 cents (2023: nil) and a special dividend of HK13 cents (2023: nil) for the year ended 31 March 2024. Together with the interim dividend of HK2 cents and interim special dividend of HK13 cents paid in January this year, the total dividend for the year ended 31 March 2024 will be HK30 cents per share (2023: nil).

## **BUSINESS REVIEW**

The Group is engaged in design, manufacturing and trading of a wide range of household electrical appliances.

Founded in 1963, the Group celebrated its 60<sup>th</sup> anniversary in 2023.

For the year ended 31 March 2024, business environment continued to be challenging and difficult. Global economy continued to be plagued by high inflation, high interest rates and geopolitical uncertainties under Russia-Ukraine and Israel-Palestine conflicts and US-China tension. Overall market recovery was slower than expected and consumer sentiments remained sluggish. In addition, competition within the industry had been very intense. Despite the tough conditions, the Group's sales turnover recovered slightly from the sharp downturn in the previous financial year. Sales turnover increased by 17% to HK\$484.8 million. Sales turnover to America increased by 33% to HK\$323.7 million representing 66% of the Group's sales turnover. Sales turnover to Europe increased by 29% to HK\$116.2 million representing 24% of the Group's sales turnover. Sales turnover to Asia decreased by 47% to HK\$36.8 million representing 8% of the Group's sales turnover. Sales turnover to other markets decreased by 15% to HK\$8.1 million representing 2% of the Group's sales turnover.

Gross profit for the year ended 31 March 2024 increased by 136% to HK\$39.5 million. Gross profit margin increased from 4.0% to 8.2%. We continue to apply stringent cost control on all costs as well as streamline and optimize the manufacturing processes to enhance production efficiency and reduce labour costs. The depreciation of the Renminbi against US dollar and a change in product mix also attributed to the improvement in the gross profit margin.

The Group continued to apply strict control and measures on all overhead costs and expenses. Selling and distribution expenses decreased by 14% to HK\$14.0 million. As a percentage to sales turnover, selling and distribution expenses decreased from 4.0% to 2.9% compared to last year. Administrative expenses decreased by 10% to HK\$73.2 million. As a percentage to sales turnover, administrative expenses decreased from 19.7% to 15.1% compared to last year.

For the year ended 31 March 2024, other income amounted to HK\$46.3 million which primarily comprised rental and building management fee income and interest income. The increase of HK\$1.5 million was mainly due to an increase in interest income partly offset by a reduction in rental, building management fee income and the reduction or absence of subsidies received from the government. For the year ended 31 March 2023, the Group received subsidies of approximately HK\$1.6 million from the HKSAR government under the 2022 Employment Support Scheme and approximately HK\$1.5 million through government assistance and tax refunds in the PRC. For the year ended 31 March 2024, the group only received subsidies of approximately HK\$5,000 in the PRC.

At 31 March 2024, the investment property located in Wanchai, Hong Kong was revaluated at HK\$236 million (2023: HK\$280 million) resulting in a decrease in fair value of HK\$44 million for the year.

At 31 March 2024, the investment property located in the PRC at Hui Nam Hi-Tech Industrial Park was revaluated at RMB179,400,000 (HK\$193,752,000) (2023: RMB202,600,000 (HK\$232,990,000)) resulting in a decrease in fair value of HK\$25,143,000 and a translation loss of HK\$14,095,000 for the period.

For the year ended 31 March 2024, the rental and building management fee income generated from the investment properties in Hong Kong and the PRC was approximately HK\$23.5 million (2023: HK\$26.2 million).

In view of the adverse global business environment and the loss situation of the Group brought about by the abrupt downturn in sales turnover in the year ended 31 March 2023, there was indication of impairment of property, plant and equipment and right-of-use assets of the Group. An assessment for impairment was conducted to assess the recoverable amount with reference to the higher of the assets' fair value less costs to disposal and value in use. An impairment loss is recognized for, the amount by which the assets carrying amount exceeds its recoverable amount. As a result, the Group made a provision of impairment to property, plant and equipment of approximately HK\$24.9 million for the year ended 31 March 2023. No further provision of impairment to property, plant and equipment was made for the year ended 31 March 2024.

Net loss for the year ended 31 March 2024 was HK\$69.1 million (2023: HK\$62.1 million). Net loss margin improved from -15.0% to -14.3% compared to last year.

## **BUSINESS OUTLOOK**

It is extremely difficult to predict the global economy and business outlook. Geopolitical problems in Russia-Ukraine and Israel-Palestine conflicts and US-China tension are still ongoing showing no signs of resolution. At the same time, high inflation and high interest rates are easing at a slower pace than market expectations. The upcoming US presidential election can lead to changes in trade policies, such as imposing tariffs or trade barriers, which would potentially have an impact on our sales to the US market. As such, we expect business environment would remain uncertain, difficult and challenging with sluggish consumer sentiments and intense competition within the industry.

Through continuous improvement, streamlining and consolidation across all aspects of operations, prudent supply chain management and stringent cost control measures, we will strive to further improve in cost reduction and efficiency. We will stay vigilant and versatile in our manufacturing capacity and resources planning in response to fluctuations in market demand. We will introduce more automated equipment systems to boost efficiency. We will proactively seek growth opportunities through new customers and new product categories as well as the mainland China market and online sales channels. We will also look for business opportunities to create higher value for our shareholders.

With our prudent and pragmatic business approach, financial strength and commitment to excel, we will strive on and tread cautiously to ride through the current and coming difficulties and challenges.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 March 2024, the Group had total assets of HK\$1,092.3 million (2023: HK\$1,248.9 million) which was financed by current liabilities of HK\$183.9 million (2023: HK\$194.0 million), long-term liabilities and taxation of HK\$37.5 million (2023: HK\$47.5 million) and shareholders' equity of HK\$871.0 million (2023: HK\$1,007.3 million).

The Group continued to maintain a strong balance sheet and a healthy liquidity position. As at 31 March 2024, the Group held HK\$479.3 million (2023: HK\$554.3 million) in cash and bank deposits. They were mainly placed in Renminbi and US dollar short-term deposits, except for temporary balances held in other currencies as required pending specific payments. For the year ended 31 March 2024, the Group incurred net cash outflow from operating activities of HK\$38.4 million (2023: inflow of HK\$54.1 million). As at the same date, total borrowings were HK\$10.7 million (2023: HK\$15.8 million) and the gearing ratio (ratio of total borrowings to shareholders' equity) was 1.2% (2023: 1.6%).

We continue to apply stringent control over the working capital cycle. The inventory balance as at 31 March 2024 was HK\$37.6 million (2023: HK\$41.1 million). Inventory decreased by HK\$3.5 million and inventory turnover decreased from 63 days to 32 days. The trade receivables balance as at 31 March 2024 was HK\$91.0 million (2023: HK\$73.0 million). Trade receivables increased by HK\$18.0 million and trade receivables turnover increased from 64 days to 69 days. The trade payables balance as at 31 March 2024 was HK\$53.6 million (2023: HK\$51.2 million). Trade payables increased by HK\$2.4 million and trade payables turnover decreased from 47 days to 44 days.

Funding for day-to-day operational working capital and capital expenditures are to be serviced by internal cash flow and available banking facilities. For both years, the Group does not have material investments in plant and machinery, moulds and tools, equipment, computer systems and other tangible assets. The Group's capital expenditures were funded by internal resources and bank loans. With a healthy financial position and available banking facilities, the Group is able to provide sufficient financial resources for our current commitments, working capital requirements, further expansions of the Group's business operations and future investment opportunities, as and when required.

The majority of the Group's assets and liabilities and business transactions were denominated in Hong Kong dollars, US dollars, Renminbis. Currently the Group does not implement hedging activity to hedge against foreign currency exposure. However, we will closely monitor foreign currency exposure and consider hedging significant foreign currency exposure should the need arise.

## **EMPLOYEE AND REMUNERATION POLICIES**

As at 31 March 2024, the Group employed approximately 1,560 employees (2023: 1,540). The majority of our employees work in the PRC. The Group remunerated our employees based on their performance, experiences and prevailing market rates while performance bonuses are granted on a discretionary basis.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

In the opinion of the Board, the Company had complied with the code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") on the financial year ended 31 March 2024.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS**

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" as set out in Appendix C3 to the Listing Rules as its own code for dealing in securities of the Company by the directors (the "Model Code"). Having made specific enquiry to all directors, the Company confirmed that all directors have complied with the required standard as set out in the Model Code during the year ended 31 March 2024.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

During the year ended 31 March 2024, there was no purchase, sale or redemption of the shares by the Company or any of its subsidiaries.

## **REVIEW OF ACCOUNTS BY AUDIT COMMITTEE**

The audit committee of the Company (the “Audit Committee”) has reviewed with the management and the Company’s auditors the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the audited consolidated financial statements of the Group for the year ended 31 March 2024. The Audit Committee currently comprises three independent non-executive directors, namely Ms. Choy Wai Sheun, Susan, Mr. Lai Ah Ming, Leon and Mr. Lo Chor Cheong, Colin.

## **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2024 as set out in this preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group’s audited consolidated financial statements for the year as approved by the Board of Directors on 26 June 2024. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

## **PUBLICATION OF FINAL RESULTS**

This results announcement is published on the website of The Stock Exchange of Hong Kong Limited at <http://www.hkexnews.hk> (the “HKEx website”) and the Company’s website at <http://www.allan.com.hk>.

The Company’s annual report containing all information required by the Listing Rules will also be available for viewing on the HKEx website and the Company’s website, and dispatched to shareholders in due course.

## **APPRECIATION**

On behalf of the Board, I would like to take this opportunity to express our sincere appreciation to our employees, shareholders and business associates for their continual contribution and support throughout the year.

On behalf of the Board  
**Allan International Holdings Limited**  
**Cheung Lai Chun, Maggie**  
*Chairman*

Hong Kong, 26 June 2024

*As at the date of this announcement, the Executive Directors are Ms. Cheung Lai Chun, Maggie (Chairman), Mr. Cheung Shu Wan (Managing Director), Ms. Cheung Lai See, Sophie and Dr. Cheung Shu Sang, William. The Independent Non-Executive Directors are Ms. Choy Wai Sheun, Susan, Mr. Lai Ah Ming, Leon and Mr. Lo Chor Cheong, Colin.*