ALLAN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 684)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH, 2009

RESULTS

The board of directors of Allan International Holdings Limited announces the audited consolidated results of the Company and its subsidiaries ("the Group") for the year ended 31 March, 2009 together with the comparative figures for the year ended 31 March, 2008, as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March, 2009

	Notes	**2009** *HK$'000*	2008 *HK$'000*
Revenue	*2*	**1,869,529**	1,547,825
Cost of sales		**(1,573,637)**	(1,344,202)
Gross profit		**295,892**	203,623
Other income		**2,320**	1,007
Investment and other (loss) gain on investment	*3*	**(9,547)**	11,276
Selling and distribution expenses		**(34,213)**	(33,445)
Administrative expenses		**(122,041)**	(111,612)
(Decrease) increase in fair value of an investment property		**(700)**	4,960
Interest on bank borrowings wholly repayable within five years		**(830)**	(1,052)
Profit before tax		**130,881**	74,757
Income tax expense	*4*	**(23,943)**	(9,885)
Profit for the year	*5*	**106,938**	64,872

	Notes	2009 HK$'000	2008 HK$'000
Dividends paid	*6*		
2009 Interim dividend of HK2 cents (2008: 2008 interim dividend of HK4 cents) per ordinary share		**6,709**	13,417
2008 final dividend of HK6 cents (2008: 2007 final dividend of HK7 cents) per ordinary share		**20,126**	23,480
		26,835	36,897
Earnings per share	*7*		
Basic		**HK31.9 cents**	HK19.3 cents

CONSOLIDATED BALANCE SHEET

At 31 March, 2009

	Notes	2009 HK$'000	2008 HK$'000
Non-current assets			
Investment property		**8,800**	9,500
Property, plant and equipment		**188,654**	179,702
Prepaid lease payments		**42,040**	42,392
Available-for-sale investments		**8,417**	55,731
Other financial assets		**4,267**	5,463
Prepayment for acquisition of property, plant and equipment		**976**	435
		253,154	293,223
Current assets			
Inventories		**58,087**	132,902
Trade receivables and bills receivable	*8*	**350,218**	290,023
Other receivables	*8*	**25,270**	20,910
Mould deposits paid		**5,101**	6,496
Prepaid lease payments		**754**	746
Available-for-sale investments		**3,434**	3,898
Other financial assets		**3,858**	562
Tax recoverable		**1,156**	4,479
Time deposits and deposits placed with banks and a financial institution		**263,375**	91,791
Bank balances and cash		**71,789**	71,430
		783,042	623,237
Current liabilities			
Trade payables and bills payable	*9*	**155,925**	162,110
Other payables and accruals		**197,258**	148,245
Mould deposits received		**13,614**	14,375
Other financial liabilities		**–**	963
Tax payable		**15,938**	3,687
Secured bank loans – due within one year		**11,476**	13,439
		394,211	342,819
Net current assets		**388,831**	280,418
Total assets less current liabilities		**641,985**	573,641

	Notes	2009 HK$'000	2008 HK$'000
Non-current liabilities			
Deferred tax liabilities		**12,161**	13,059
Secured bank loans – due after one year		**8,279**	19,755
		20,440	32,814
Net assets		**621,545**	540,827
Capital and reserves			
Share capital		**33,543**	33,543
Reserves		**588,002**	507,284
		621,545	540,827

Notes:

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") which are or have become effective.

Hong Kong Accounting Standard ("HKAS") 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new and revised standards, amendments and interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 1 (Revised)	Presentation of Financial Statements[3]
HKAS 23 (Revised)	Borrowing Costs[3]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[4]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[3]
HKAS 39 (Amendment)	Eligible hedged items[4]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[3]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[3]
HKFRS 3 (Revised)	Business Combinations[4]
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments[3]
HKFRS 8	Operating Segments[3]
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives[5]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[6]
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate[3]
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation[7]
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners[4]
HK(IFRIC) – Int 18	Transfers of Assets from Customers[8]

[1] *Effective for annual periods beginning on or after 1 January, 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July, 2009*

[2] *Effective for annual periods beginning on or after 1 January, 2009, 1 July, 2009 and 1 January, 2010, as appropriate*

[3] *Effective for annual periods beginning on or after 1 January, 2009*
[4] *Effective for annual periods beginning on or after 1 July, 2009*
[5] *Effective for annual periods ending on or after 30 June, 2009*
[6] *Effective for annual periods beginning on or after 1 July, 2008*
[7] *Effective for annual periods beginning on or after 1 October, 2008*
[8] *Effective for transfers on or after 1 July, 2009*

The adoption of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after 1 April, 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary. The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

2. BUSINESS AND GEOGRAPHICAL SEGMENTS

Geographical segments

For management purposes, the Group is currently organised into three major geographical segments based on the destination of shipment of products. These segments are the basis on which the Group reports its primary segment information.

The following is an analysis of the Group's revenues and results by geographical market, irrespective of the origin of the goods:

Consolidated Income Statement
Year ended 31 March, 2009

	Europe	America	Asia	Others	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
			(Note)	*(Note)*	
Revenue	**1,060,763**	**359,249**	**401,370**	**48,147**	**1,869,529**
Segment result	**105,030**	**38,548**	**39,989**	**5,822**	**189,389**
Net investment loss					**(9,547)**
Decrease in fair value of an investment property					**(700)**
Finance costs					**(830)**
Unallocated corporate expenses					**(47,431)**
Profit before tax					**130,881**
Income tax expense					**(23,943)**
Profit for the year					**106,938**

Note: Segment revenue included in Asia and Others represent revenue from destination of shipment of products which individually contribute less than 10% of total revenue of the Group.

Consolidated Balance Sheet
At 31 March, 2009

	Europe *HK$'000*	America *HK$'000*	Asia *HK$'000*	Others *HK$'000*	Consolidated *HK$'000*
ASSETS					
Segment assets	**218,125**	**99,401**	**86,722**	**13,908**	**418,156**
Other segment assets *(Note 1)*					**145,705**
Unallocated corporate assets					**472,335**
Consolidated total assets					**1,036,196**
LIABILITIES					
Segment liabilities	**88,539**	**41,829**	**33,476**	**5,695**	**169,539**
Unallocated corporate liabilities					**245,112**
Consolidated total liabilities					**414,651**

Note 1: Other segment assets represent assets for production which cannot be allocated by destination of shipment of products as in the opinion of the directors, there is no appropriate basis on which allocation can be made.

Other Information
Year ended 31 March, 2009

	Europe *HK$'000*	America *HK$'000*	Asia *HK$'000*	Others *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Capital additions	**4,887**	**1,178**	**994**	**298**	**45,916**	**53,273**
Depreciation	**3,121**	**863**	**852**	**147**	**28,057**	**33,040**
Write-off of property, plant and equipment	**6,873**	**1,453**	**1,265**	**415**	**2**	**10,008**

Consolidated Income Statement
Year ended 31 March, 2008

	Europe *HK$'000*	America *HK$'000*	Asia *HK$'000* *(Note)*	Others *HK$'000* *(Note)*	Consolidated *HK$'000*
Revenue	897,473	266,145	342,372	41,835	1,547,825
Segment result	58,564	17,962	22,855	2,912	102,293
Net investment income					11,276
Increase in fair value of an investment property					4,960
Finance costs					(1,052)
Unallocated corporate expenses					(42,720)
Profit before tax					74,757
Income tax expense					(9,885)
Profit for the year					64,872

Note: Segment revenue included in Asia and Others represent revenue from destination of shipment of products which individually contribute less than 10% of total revenue of the Group.

Consolidated Balance Sheet
At 31 March, 2008

	Europe *HK$'000*	America *HK$'000*	Asia *HK$'000*	Others *HK$'000*	Consolidated *HK$'000*
ASSETS					
Segment assets	279,810	82,956	74,279	14,305	451,350
Other segment assets *(Note 1)*					162,220
Unallocated corporate assets					302,890
Consolidated total assets					916,460
LIABILITIES					
Segment liabilities	108,655	36,598	25,648	5,584	176,485
Unallocated corporate liabilities					199,148
Consolidated total liabilities					375,633

Note 1: Other segment assets represent assets for production which cannot be allocated by destination of shipment of products as in the opinion of the directors, there is no appropriate basis on which allocation can be made.

Other Information

Year ended 31 March, 2008

	Europe *HK$'000*	America *HK$'000*	Asia *HK$'000*	Others *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Capital additions	7,393	1,373	1,785	317	83,344	94,212
Depreciation	10,469	2,379	2,759	437	24,221	40,265
Write-off of property, plant and equipment	1,254	157	243	60	29	1,743

Substantially all of the carrying amount of segment assets and additions to property, plant and equipment, for both years were located or utilised in the PRC.

Business segments

No analysis of financial information by business segment is presented as all the Group's revenue and trading results are generated from the manufacture and sale of household electrical appliances representing the sole business segment of the Group.

3. INVESTMENT AND OTHER (LOSS) GAIN ON INVESTMENT

	2009 ***HK$'000***	2008 *HK$'000*
Interest on bank deposits	**1,173**	4,693
Interest on debt securities	**1,821**	1,347
Net (loss) gain on foreign currency forward contracts	**(9,390)**	5,142
Net (loss) gain on disposal of available-for-sale investments	**(2,733)**	78
Net (loss) gain on financial assets designated at fair value through profit or loss	**(418)**	16
	(9,547)	11,276

4. INCOME TAX EXPENSE

	2009	2008
	HK$'000	*HK$'000*
The charge comprises:		
Hong Kong Profits Tax calculated at 16.5% (2008: 17.5%)		
on the estimated assessable profits		
Current year	**12,242**	6,222
(Over) underprovision in prior years	**(73)**	143
	12,169	6,365
The PRC enterprise income tax calculated at the prevailing rate	**12,672**	4,054
Deferred tax:		
Current year	**(438)**	(534)
Attributable to a change in tax rate	**(460)**	–
	23,943	9,885

On 26 June, 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% (2008: 17.5%) of the estimated assessable profit for the year.

For both years, the profit of certain subsidiaries are subject to Hong Kong Profits Tax on a 50:50 apportionment basis.

The Group's subsidiaries operating in the PRC were eligible for certain tax holiday and concessions as an export oriented enterprise for the year ended 31 March, 2008. Under the tax holiday, certain Group's PRC subsidiaries are exempted from foreign enterprise income tax for two years starting from its first profit-making year, followed by a 50% reduction for the next three years. On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC. On 6 December 2007, the State Council of the PRC issued Implementation Regulation of the New Law. Under the New Law and Implementation Regulation effective from 1 January, 2008, the 50% tax reduction incentive provided to export oriented enterprise has been removed. Starting from 1 January, 2008, the statutory enterprise income tax rate of these subsidiaries became 25% as the previous tax holiday and concessions was expired.

The tax charge for the year can be reconciled to the profit before tax per the consolidated income statement as follows:

	2009	2008
	HK$'000	*HK$'000*
Profit before tax	**130,881**	74,757
Tax at the Hong Kong Profits Tax rate of 16.5% (2008: 17.5%)	**21,595**	13,082
Tax effect of income that is not taxable for tax purpose	**(1,218)**	(839)
Tax effect of expenses that are not deductible for tax purpose	**1,569**	833
Tax effect of offshore manufacturing profits on 50:50 apportionment basis	**(1,480)**	(2,190)
Effect of different tax rates in the PRC	**3,084**	(346)
(Over) underprovision in prior years	**(73)**	143
Tax effect of utilisation of tax losses previously not recognised	**(356)**	(643)
Decrease in opening deferred tax liability resulting from a decrease in applicable tax rate	**(460)**	–
Withholding tax on undistributed earnings	**986**	–
Others	**296**	(155)
Tax charge for the year	**23,943**	9,885

5. PROFIT FOR THE YEAR

	2009	2008
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging (crediting):		
Staff salaries and allowances	**227,449**	208,015
Contributions to retirement benefits schemes, net of forfeited amount of HK$40,000 (2008: HK$38,000)	**5,865**	18,382
Total staff costs, including directors' emoluments	**233,314**	226,397
Release of prepaid lease payments	**686**	716
Auditor's remuneration	**2,090**	2,080
Depreciation of property, plant and equipment	**33,040**	40,265
(Gain) loss on disposal of property, plant and equipment	**(296)**	2,203
Write-off of property, plant and equipment	**10,008**	1,743
Net foreign exchange losses	**3,698**	4,092
(Reversal of) provision for impairment of trade receivables	**(405)**	223

6. FINAL DIVIDENDS

A final dividend of HK12 cents (2008: HK6 cents) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming Annual General Meeting. The final dividend will be paid on 1 September, 2009 to shareholders whose names appear on the Register of Members of the Company on 19 August 2009.

7. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

	2009	2008
	HK$'000	*HK$'000*
Earnings for the purpose of basic earnings per share	**106,938**	64,872

	Number of shares	
	2009	2008
	'000	*'000*
Number of ordinary shares for the purpose of basic earnings per share	**335,433**	335,433

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

8. TRADE RECEIVABLES AND BILLS RECEIVABLE/OTHER RECEIVABLES

	2009	2008
	HK$'000	*HK$'000*
Trade receivables	**296,579**	215,692
Bills receivable	**53,639**	74,736
Less: allowance for doubtful debts	**–**	(405)
	350,218	290,023
Other receivables	**25,270**	20,910
	375,488	310,933

The Group maintains defined credit period of up to 90 days. The following is an aged analysis of trade receivables and bills receivable net of allowance for doubtful debts at the reporting date:

	2009	2008
	HK$'000	*HK$'000*
0 – 90 days	**350,071**	287,700
91 – 120 days	**147**	2,323
	350,218	290,023

Before accepting any new customer, the Group has assessed the potential customer's credit quality and defines credit limits by customer. In addition, the Group reviews the repayment history of receivables by each customer with reference to the payment terms stated in contracts to determine the recoverability of a trade receivable. In the opinion of the directors, the trade and bill receivables that are not past due nor impaired were of good credit quality at the balance sheet date.

Included in the Group's trade receivable balance are debtors with an aggregate carrying amount of HK$77,672,000 (2008: HK$31,800,000) which are past due at the reporting date for which the Group has not provided for impairment loss as there has not been significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

Aging of trade receivables which are past due but not impaired:

	2009	2008
	HK$'000	*HK$'000*
0 – 90 days	**77,525**	29,477
91 – 120 days	**147**	2,323
Total	**77,672**	31,800

The Company has provided fully for all receivables which are over 180 days because historical experience is such that receivables are generally not recoverable.

Movement in the allowance for doubtful debts

	2009	2008
	HK$'000	*HK$'000*
Balance at beginning of the year	**405**	182
Impairment losses reversed	**(405)**	–
Impairment losses recognised on receivables	**–**	223
Balance at end of the year	**–**	405

Included in the allowance for doubtful debts as at 31 March, 2008 were individually impaired trade receivables with an aggregate balance of HK$405,000 which had delinquent in payments. The Group did not hold any collateral over these balances.

The Group does not hold any collateral over other receivables. The Group has not provided for impairment loss as the directors assessed that the balance will be recovered base on their settlement records.

9. TRADE PAYABLES AND BILLS PAYABLE

All trade payables and bills payable were aged within 90 days as at 31 March 2009 (2008: aged within 90 days).

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Thursday, 13 August, 2009 to Wednesday, 19 August, 2009 both days inclusive, during which period no transfer of the Company's shares will be effected. In order to qualify for the proposed final dividend and to determine the identity of the Shareholders who are entitled to attend and vote at the annual general meeting, all share certificates with the duly completed transfer forms must be lodged with the Company's Registrars, Tricor Standard Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Wednesday, 12 August, 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 31 March 2009, the Group's sales turnover increased by 21% to HK$1,869,529,000 (2008: HK$1,547,825,000) and the consolidated net profit increased by 65% to HK$106,938,000 (2008: HK$64,872,000). Basic earnings per share of the Group for the year ended 31 March 2009 was HK31.9 cents (2008: HK19.3 cents). The Board of Directors has resolved to recommend at the forthcoming Annual General Meeting the payment of a final dividend of HK12 cents (2008: HK6 cents) per share for the year ended 31 March 2009. Together with the interim dividend of HK2 cents per share paid in February this year, the total dividend for the year ended 31 March 2009 will be HK14 cents per share (2008: HK10 cents) delivering a stable dividend return to our shareholders.

BUSINESS REVIEW

This year had been a turbulent year. In the first half, we achieved a 36% increase in turnover while operating under adverse factors such as the appreciation of RMB, the weakening of USD, the surge in energy and material prices, the rising labour costs and operating costs in the PRC. In September 2008, the financial meltdown came as a massive shock to the whole world. The global economy downturn and credit crunch caused the consumer markets to slow down tremendously. The business environment became unstable and difficult. As a result, turnover in the second half of the financial year slowed down as some customers delayed or cancelled some of the orders placed. At the end, we managed to achieve a 7% increase in turnover in the second half comparing to the same period last year. The subsequent correction of energy and material prices and the easing of rate of RMB appreciation allowed us to have a little bit more breathing room in the operating margin.

During the year under review, turnover increased by 21% to HK$1,869,529,000. Turnover increased across all major markets. Turnover to Europe increased by 18% to HK$1,060,763,000 representing 57% of the Group's turnover. Turnover to America increased by 35% to HK$359,249,000 representing 19% of the Group's turnover. Turnover to Asia increased by 17% to HK$401,370,000 representing 21% of the Group's turnover. Turnover to other markets increased by 15% to HK$48,147,000 representing 3% of the Group's turnover.

Gross profit for the year ended 31 March 2009 increased to HK$295,892,000 (2008: HK$203,623,000). Gross profit margin improved to 15.8%.

We continue to apply stringent cost control on all aspects of our operation. Distribution costs increased by 2% to HK$34,213,000 (2008: HK$33,445,000). As a percentage to turnover, distribution costs reduced from 2.2% to 1.8% compared to last year. Administration expenses increased by 9% to HK$122,041,000 (2008: HK$111,612,000). As a percentage to turnover, administrative expenses reduced from 7.2% to 6.5% compared to last year.

During the year under review, the Group had incurred a net investment loss of HK$9,547,000. The loss had been incurred mainly due to, as disclosed previously in the last annual report, a loss of HK$9,390,000 arising from structured foreign currency forward contracts.

Net Profit for the year increased by 65% to HK$106,938,000 (2008: HK$64,872,000).

PROSPECTS

The global financial and economic downturn has brought about many challenges and uncertainties. Looking ahead, the business environment is expected to be even more challenging and difficult. Consumer markets and sentiments are expected to deteriorate even further. However, we strongly believe the industry would consolidate towards manufacturers with solid financial position, economy of scale and flexibility. With our strong fundamentals and financial strength, we have confidence that we can meet the difficulties and challenges ahead.

In light of all these unfavorable conditions, we would strive on and continue to focus in cost and quality control, production efficiency, semi-automation, new product design and development and providing superior value-added service and products to our customers. We believe these are the key factors that have differentiated us from other manufacturers.

The construction of the 2 new factory blocks in the new plant in Huizhou city, Guangdong province was completed in June 2009. As the business environment is still very unpredictable, we are taking a slower pace in utilizing this new plant. We would review and monitor our existing manufacturing capabilities very closely and plan for the commencement in utilization of the new plant swiftly as and when the need arises.

All in all, the Group remains committed to product development and product quality. We are fully aware that we may be facing unprecedented challenges and difficulties lying ahead of us. The business environment and the global economy are volatile and full of uncertainties. Nonetheless, with our experience, know-how, financial strength and commitment, we will tread on cautiously and continue to stay focused in our core business.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2009, the Group had total assets of HK$1,036,196,000 (2008: HK$916,460,000) which was financed by current liabilities of HK$394,211,000 (2008: HK$342,819,000), long-term liabilities and deferred taxation of HK$20,440,000 (2008: HK$32,814,000) and shareholders' equity of HK$621,545,000 (2008: HK$540,827,000).

The Group continued to maintain a strong balance sheet and a healthy liquidity position. As at 31 March 2009, the Group held HK$335,164,000 (2008: HK$163,221,000) in cash and bank deposits. They were mainly placed in US dollar short term deposits, except for temporary balances held in such non-US currencies as required pending specific payments. For the year ended 31 March 2009, the Group generated net cash inflow from operating activities of HK$220,252,000 (2008: HK$95,853,000). As at the same date, total borrowings were HK$19,755,000 (2008: HK$33,194,000) and the gearing ratio (ratio of total borrowings to shareholders' equity) still remained low at 3% (2008: 6%).

We continue to apply stringent control over the working capital cycle. In view of the unstable business environment and sentiments, we scrutinized and reviewed our purchasing and inventory policies and trimmed down our inventory significantly and effectively. The inventory balance as at 31 March 2009 decreased from HK$132,902,000 to HK$58,087,000. The trade receivables balance as at 31 March 2009 increased by 21% from HK$290,023,000 to HK$350,218,000 which is in line with the turnover increase. The trade receivables turnover was maintained at 68 days. The trade payables balance as at 31 March 2009 decreased slightly by 4% from HK$162,110,000 to HK$155,925,000.

Funding for day-to-day operational working capital and capital expenditures are to be serviced by internal cash flow. For the year ended 31 March, 2009, the group invested approximately HK$53 million (2008: HK$94 million) in plant and machinery, moulds and tools, equipment, computer systems and other tangible assets for expansion and upgrade to existing manufacturing facilities. During the year, the Group had injected approximately HK$31 million for the construction of the new plant. The majority of the Group's capital expenditures were funded by internal resources except for some machinery which was funded by bank loans. The CAPEX budget for the 2009/10 is approximately HK$135 million. With a strong 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, Euros and British Pounds. To reduce the risk arising from fluctuations in foreign currency exchange rates, the Group had used structured foreign exchange forward contracts to hedge against major currency exposures. However, due to subsequent volatile market conditions, these contracts resulted in a net realized loss of HK$9,390,000 at their expiry in July 2008. Since then, the Group had not entered into any new structured foreign exchange forward contracts. Currently the Group does not have any outstanding structured foreign exchange forward contracts.

EMPLOYEE AND REMUNERATION POLICIES

Currently, the Group employs approximately 4,500 employees. The majority of our employees work in the PRC. The Group remunerates our employees based on their performances, experiences and prevailing market rates while performances bonus are granted on a discretionary basis. Share options may also be granted to employees based on individual performance and attainment of certain set targets.

CORPORATE GOVERNANCE

The Company has complied with the code provisions as set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 to the Listing Rules throughout the financial year ended 31 March, 2009, save for the following deviations:

Code Provision A.4.1

Under this code provision, the non-executive directors should be appointed for a specific term, subject to re-election.

Currently, none of the three independent non-executive directors is appointed for a specific term. However, all independent non-executive directors, are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Bye-Laws of the Company, and the terms of their appointment will be reviewed when they are due for re-election. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those set out in the Code.

Code Provision A.4.2

Under this code provision, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

According to the Bye-Laws of the Company, one third of the directors are subject to rotation at each annual general meeting and the Chairman and/or the Managing Director of the Company is not subject to retirement by rotation, which constitutes a deviation from Code Provision A.4.2. The reason for the deviation is that the Directors of the Company do not consider that arbitrary term limits on Director's service are appropriate and the retirement by rotation has given the Company's shareholders the right to approve continuation of the service of the directors.

Code Provision B.1.1

Under this code provision, the Company should establish a remuneration committee with terms of reference which deal clearly with its authority and duties.

The Board is in the opinion that the establishment of a remuneration committee as required by code provision B.1.1 is not justified after consideration of the size of the Group and the associated costs involved.

Code Provision E.1.2

Under this code provision, the Chairman of the Board and the Chairman of the Audit Committee should attend the annual general meeting.

Both the Chairman of the Board and the Chairman of the Audit Committee had not attended the annual general meeting of the Company held on 25 August 2008. The Chairmen will endeavour to attend all future annual general meetings of the Company unless unexpected or special circumstances prevent them from doing so.

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 10 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, 2009.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 March, 2009, there was no purchase, sale or redemption of the shares by the Company or any of its subsidiaries.

REVIEW OF ACCOUNTS

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 financial statements for the year ended 31 March, 2009. The Audit Committee currently comprises three independent non-executive directors, namely Dr. Chan How Chun, Mr. Lai Ah Ming, Leon and Professor Lo Chung Mau.

PUBLICATION OF FINAL RESULTS

All the information of the annual results of the Group for the year ended 31 March, 2009 required by paragraphs 45(1) to 45(8) of Appendix 16 to the Listing Rules will be published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.allan.com.hk) 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 contribution and support throughout the year.

On behalf of the Board
Cheung Shu Wan
Managing Director

Hong Kong, 8 July, 2009

As at the date of this announcement, the Executive Directors are Mr. Cheung Lun (Chairman), Mr. Cheung Shu Wan (Managing Director), Ms. Cheung Lai Chun, Maggie, Ms. Cheung Lai See, Sophie, and Mr. Cheung Pui. The Independent Non-Executive Directors are Dr. Chan How Chun, Mr. Lai Ah Ming, Leon and Professor Lo Chung Mau.