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ALLAN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 684)

INTERIM RESULTS 2013/2014

RESULTS

The board of directors of Allan International Holdings Limited (the "Company") announces the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2013 together with the comparative figures for the six months ended 30 September 2012, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2013

		Six months ended 30 September	
		2013	2012
		(Unaudited)	(Unaudited)
	NOTES	***HK$'000***	*HK$'000*
Revenue	*3*	**1,121,339**	1,233,924
Cost of sales		**(984,647)**	(1,083,384)
Gross profit		**136,692**	150,540
Other income		**4,934**	4,755
Other gains and losses		**(2,892)**	(1,370)
Selling and distribution expenses		**(17,518)**	(18,862)
Administrative expenses		**(74,031)**	(71,845)
Increase in fair value of investment properties		**31,166**	9,500
Interest on bank borrowings		**(1,103)**	(1,542)
Profit before tax		**77,248**	71,176
Income tax expense	*4*	**(9,411)**	(11,620)
Profit for the period		**67,837**	59,556

	NOTES	Six months ended 30 September 2013 (Unaudited) HK$'000	2012 (Unaudited) HK$'000
Other comprehensive income (expense):			
Items that may be subsequently reclassified to profit or loss:			
Exchange difference arising on translation		**4,504**	(339)
Net adjustments on available-for-sale investments		**(26)**	223
Other comprehensive income (expense) for the period		**4,478**	(116)
Total comprehensive income for the period		**72,315**	59,440
Earnings per share			
Basic	*5*	**HK20.22 cents**	HK17.75 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2013

	NOTES	30 September 2013 (Unaudited) HK$'000	31 March 2013 (Audited) HK$'000
Non-current assets			
Investment properties	7	**218,000**	242,100
Property, plant and equipment	8	**371,657**	397,277
Prepaid lease payments		**27,828**	27,835
Club debentures		**13,866**	13,866
Available-for-sale investments		**13,260**	12,467
Financial assets designated at fair value through profit or loss ("FVTPL")		**5,263**	5,342
Deposits paid for acquisition of property, plant and equipment		**918**	2,878
		650,792	701,765
Current assets			
Inventories		**91,070**	85,888
Trade receivables and bills receivable	9	**554,621**	517,386
Other receivables		**124,088**	128,335
Mould deposits paid		**19,396**	18,563
Prepaid lease payments		**719**	706
Available-for-sale investments		**–**	3,096
Tax recoverable		**–**	962
Time deposits and deposits placed with banks and financial institutions		**229,190**	139,377
Bank balances and cash		**233,171**	159,261
		1,252,255	1,053,574
Current liabilities			
Trade payables and bills payable	10	**442,414**	334,825
Other payables and accruals		**195,478**	175,090
Mould deposits received		**32,026**	34,052
Tax payable		**47,969**	41,468
Secured bank loans – due within one year		**50,428**	54,129
		768,315	639,564

	NOTES	30 September 2013 (Unaudited) HK$'000	31 March 2013 (Audited) HK$'000
Net current assets		**483,940**	414,010
Total assets less current liabilities		**1,134,732**	1,115,775
Non-current liabilities			
Deferred tax liabilities		**12,100**	17,719
Secured bank loans – due after one year		**78,339**	91,528
		90,439	109,247
Net assets		**1,044,293**	1,006,528
Capital and reserves			
Share capital	*11*	**33,543**	33,543
Reserves		**1,010,750**	972,985
		1,044,293	1,006,528

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2013

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments which are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2013 are the same as with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2013.

In the current interim period, the Group has applied, for the first time, the following new or revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycle;
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities;
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities: Transition Guidance;
HKFRS 10	Consolidated Financial Statements;
HKFRS 11	Joint Arrangements;
HKFRS 12	Disclosure of Interests in Other Entities;
HKFRS 13	Fair Value Measurement;
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income;
HKAS 19 (as revised in 2011)	Employee Benefits;
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures; and
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine.

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current interim period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs. Consequential amendments have been made to HKAS 34 to require certain disclosures to be made in the interim condensed consolidated financial statements.

The scope of HKFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. HKFRS 13 contains a new definition for 'fair value' and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively.

Amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income*

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Amendments to HKAS 34 *Interim Financial Reporting*
(as part of the Annual Improvements to HKFRSs 2009 – 2011 Cycle)

The Group has applied the amendments to HKAS 34 *Interim Financial Reporting* as part of the Annual Improvements to HKFRSs 2009 – 2011 Cycle for the first time in the current interim period. The amendments to HKAS 34 clarify that the total assets and total liabilities for a particular reportable segment would be separately disclosed in the interim condensed consolidated financial statements only when the amounts are regularly provided to the chief operating decision maker ("CODM") and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment.

Since the CODM does not review assets and liabilities of the Group's reportable segments for performance assessment and resource allocation purposes, the Group has not included total asset information as part of segment information.

Except as described above, the application of the other new or revised HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

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

The principal activities of the Group are manufacture and distribution of household electrical appliance. The Group is currently organised into four operating divisions – Europe sales, America sales, Asia sales and other sales. The information reported to the Group's CODM for the purposes of resource allocation and assessment of performance is based on these operating divisions.

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

Six months ended 30 September 2013

	Europe (Unaudited) *HK$'000*	**America (Unaudited)** *HK$'000*	**Asia (Unaudited)** *HK$'000*	**Others (Unaudited)** *HK$'000* *(Note a)*	**Consolidated (Unaudited)** *HK$'000*
Segment revenue	**548,962**	**254,491**	**271,956**	**45,930**	**1,121,339**
Segment profit	**40,388**	**18,723**	**20,008**	**3,379**	**82,498**
Other gains and losses (except gain on disposal of property, plant and equipment and net exchange loss)					**68**
Depreciation (except moulds)					**(37,301)**
Increase in fair value of investment properties					**31,166**
Finance costs					**(1,103)**
Unallocated income and expenses, net *(note b)*					**1,920**
Profit before tax					**77,248**

Six months ended 30 September 2012

	Europe (Unaudited) *HK$'000*	America (Unaudited) *HK$'000*	Asia (Unaudited) *HK$'000*	Others (Unaudited) *HK$'000* *(Note a)*	Consolidated (Unaudited) *HK$'000*
Segment revenue	604,152	294,123	297,452	38,197	1,233,924
Segment profit	51,401	25,024	25,307	3,250	104,982
Other gains and losses (except gain on disposal of property, plant and equipment and net exchange loss)					275
Depreciation (except moulds)					(33,773)
Increase in fair value of investment properties					9,500
Finance costs					(1,542)
Unallocated income and expenses, net *(note b)*					(8,266)
Profit before tax					71,176

Notes:

(a) Segment revenue in others represents revenue from destinations of shipment of products which individually contributed less than 10% of total revenue of the Group.

(b) Unallocated income and expenses, net, represented other income, central administration costs and directors' salaries.

Segment profit represents the profit earned by each segment without allocation of other income, central administration costs and directors' salaries, other gains and losses (except gain on disposal of property, plant and equipment and net exchange loss), depreciation (except for moulds), increase in fair value of investment properties and finance costs. This is the measure reported to the Group's CODM for the purposes of resource allocation and performance assessment. Revenue reported above represents revenue generated from external customers. There is no inter-segment sales in both periods.

4. INCOME TAX EXPENSE

	Six months ended 30 September	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current tax		
– Hong Kong	**7,847**	9,230
– PRC Enterprise Income Tax	**1,837**	2,141
	9,684	11,371
Deferred tax (credit) charge	**(273)**	249
	9,411	11,620

The income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used is 16.5% for both periods. PRC Enterprise Income Tax is calculated at 25% for both periods.

5. EARNINGS PER SHARE

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

	Six months ended 30 September	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Earnings for the purpose of basic earnings per share (Profit for the period attributable to owners of the Company)	**67,837**	59,556

	Six months ended 30 September	
	2013	2012
	(Unaudited)	(Unaudited)
	Number of shares	*Number of shares*
Number of ordinary shares for the purpose of basic earnings per share	**335,432,520**	335,432,520

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

6. DIVIDENDS

	Six months ended 30 September	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Dividends paid		
2013 final dividend of HK10.3 cents (2012: HK12.5 cents for 2012 final dividend) per ordinary share	**34,550**	41,929

Subsequent to 30 September 2013, the board of directors has determined that a dividend of HK$2.5 cents per share (2012: HK2.5 cents per share) shall be paid on or before 22 January 2014 to the shareholders of the Company whose names appear on the Register of Members on 30 December 2013 as interim dividend for the current financial year. The aggregate amount of the interim dividend amounted to approximately HK$8,386,000 (2012: HK$8,386,000).

7. INVESTMENT PROPERTIES

	HK$'000
FAIR VALUE	
At 1 April 2013 (audited)	242,100
Increase in fair value recognised in profit or loss	31,166
On disposal of a subsidiary	(55,266)
At 30 September 2013 (unaudited)	218,000

The carrying amounts of investment properties shown above are situated on:

	30 September 2013 (Unaudited)	31 March 2013 (Audited)
Property in Hong Kong under long lease	**218,000**	210,600
Land outside Hong Kong under long lease	**–**	31,500
	218,000	242,100

During the current interim period, an investment property located outside Hong Kong under long lease was disposed of upon the disposal of a subsidiary. The investment property was measured at its fair value at disposal date and its fair value which, in the opinion of the directors, approximates the selling proceeds, of HK$55,266,000. The directors believe that the increase in fair value of HK$23,766,000 was mainly due to a premium paid by the buyer who is holding another plot of land adjacent to the land held by the subsidiary which might allow the buyer greater flexibility on his development plan.

The fair value of the Group's investment property at 30 September 2013, representing property in Hong Kong under long lease, has been arrived at on the basis of a valuation carried out on that date by RHL Appraisal Ltd., independent qualified professional valuers not connected with the Group. The valuation was arrived at by reference to market evidence of transaction prices for similar properties in the same locations and conditions. The resulting increase in fair value of HK$7,400,000 (2012: increase of HK$9,500,000) has been recognised directly in the condensed consolidated statement of profit or loss for the six months ended 30 September 2013.

8. PROPERTY, PLANT AND EQUIPMENT

For the six months ended 30 September 2013, the Group's additions on property, plant and equipment were HK$9,744,000 (six months ended 30 September 2012: HK$42,504,000). The acquisitions mainly comprised HK$3,329,000 spent on plant and machinery to upgrade the Group's manufacturing capabilities (six months ended 30 September 2012: HK$12,797,000) and HK$4,688,000 on furniture, fixtures and equipment (six months ended 30 September 2012: HK$24,043,000). No material disposal of property, plant and equipment was made during both periods.

9. TRADE RECEIVABLES AND BILLS RECEIVABLE

The Group allows an average credit period up to 90 days to its trade customers. The following is an aged analysis of trade receivables and bills receivable presented based on the invoice date at the end of the reporting period, which approximates the respective revenue recognition date:

	30 September 2013 (Unaudited) *HK$'000*	31 March 2013 (Audited) *HK$'000*
0 – 90 days	**527,619**	431,117
91 – 120 days	**26,236**	86,210
Over 120 days	**766**	59
Total	**554,621**	517,386

10. TRADE PAYABLES AND BILLS PAYABLE

The following is an aged analysis of trade payable and bills payable presented based on the invoice date at the end of the reporting period:

	30 September 2013 (Unaudited) *HK$'000*	31 March 2013 (Audited) *HK$'000*
0 – 90 days	**389,690**	298,375
91 – 120 days	**48,229**	30,385
Over 120 days	**4,495**	6,065
Total	**442,414**	334,825

11. SHARE CAPITAL

	Number of shares	**Amount** *HK$'000*
Ordinary shares of HK$0.10 each		
Authorised:		
At 1 April 2012, 30 September 2012, 1 April 2013 and 30 September 2013	600,000,000	60,000
Issued and fully paid:		
At 1 April 2012, 30 September 2012, 1 April 2013 and at 30 September 2013	335,432,520	33,543

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 September 2013, the Group's sales turnover decreased by 9.1% to HK$1,121.3 million (2012: HK$1,233.9 million) and the consolidated net profit increased by 13.9% to HK$67.8 million (2012: HK$59.6 million). Basic earnings per share of the Group for the six months ended 30 September 2013 was HK20.2 cents (2012: HK17.8 cents). The Board of Directors has resolved that an interim dividend of HK2.5 cents (2012: HK$2.5 cents) per share would be paid on 22 January 2014 to shareholders registered on 30 December 2013.

BUSINESS REVIEW

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

For the six months ended 30 September 2013, sales turnover decreased by 9.1% to HK$1,121.3 million. The European market still shows no sign of recovery and sales continues to suffer. Sales turnover to Europe decreased by 9.1% to HK$549.0 million representing 49.0% of the Group's sales turnover. Sales turnover to Asia decreased by 8.6% to HK$272.0 million representing 24.2% of the Group's sales turnover. The recovery in the American market is showing signs of slowing in pace. Sales turnover to America decreased by 13.5% to HK$254.5 million representing 22.7% of the Group's sales turnover. Sales turnover to other markets increased by 20.2% to HK$45.9 million representing 4.1% of the Group's sales turnover.

Gross profit for the six months ended 30 September 2013 decreased by 9.2% to HK$136.7 million (2012: HK$150.5 million). Gross profit margin was maintained at 12.2% for both periods. Although raw material and commodity prices have generally stablised, the increase in operating expenses, increase in statutory labour wages, shortage in labour supply and appreciation in Renminbi have put tremendous pressure on the gross margin. The issue of labour shortage has intensified which have caused OT wages to increase in order to fulfill confirmed orders to customers.

We continue to apply stringent cost control measures to all aspects of our operations. Selling and distribution costs decreased by 7.1% to HK$17.5 million (2012: HK$18.9 million). As a percentage to sales turnover, selling and distribution costs increased slightly from 1.5% to 1.6% as compared to corresponding period last year. Administrative expenses increased by 3% to HK$74.0 million (2012: HK$71.8 million). As a percentage to sales turnover, administrative expenses increased from 5.8% to 6.6% as compared to corresponding period last year.

During the current period, the Group entered into a sale agreement with an independent third party to dispose of the entire equity interest in a then wholly-owned subsidiary, Southern Well Holdings Limited ("Southern Well"), at a cash consideration of RMB43.88 million (equivalent to approximately HK$55.15 million). Southern Well's principle asset is two parcels of land located in the PRC. The transaction was completed on 30 August 2013. The transaction resulted in an increase in fair value of HK$23.77 million which was recognized in the condensed consolidated statement of profit or loss during the six months ended 30 September 2013 and the property revaluation reserve of HK$12.29 million arising from change of usage as evidenced by end of owner occupation on 1 December 2011, was transferred to retained profits accordingly.

The valuation of the investment property located in Wanchai, Hong Kong was revaluated at HK$218 million at 30 September 2013 giving rise to an increase in fair value of HK$7.4 million.

Net profit increased by 13.9% to HK$67.8 million (2012: HK$59.6 million). Net profit margin increased from 4.8% to 6.0%.

PROSPECTS

Business environment continues to be increasingly difficult and competitive and the outlook remains uncertain. We continue to seek growth opportunities through new customers and new product categories.

At the operations level, our main focus lies in productivity efficiency and cost control. We anticipate the problem of labour shortage to continue. On top of this, we still have to face difficulties and challenges such as possible fluctuations in raw material prices, rising operating costs and labour costs in the PRC and the appreciation of Renminbi. To alleviate the pressure on our margins and our operations, we would stay focused to exercise tight cost control in all aspects of our operations and raise productivity and efficiency through semi-automation and lean manufacturing concepts and projects

The Group celebrates its 50th anniversary in business this year. With our prudent and pragmatic business approach, healthy financial conditions and commitment to excel, we are confident that we would sail through the challenges and uncertainties ahead of us in the coming future to create value to our shareholders, employees and business partners.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2013, the Group had total assets of HK$1,903.0 million (31 March 2013: HK$1,755.3 million) which was financed by current liabilities of HK$768.3 million (31 March 2013: HK$639.6 million), long-term liabilities and deferred taxation of HK$90.4 million (31 March 2013: HK$109.2 million) and shareholders' equity of HK$1,044.3 million (31 March 2013: HK$1,006.5 million).

The Group continued to maintain a strong and healthy balance sheet and liquidity position. As at 30 September 2013, the Group held HK$462.4 million (31 March 2013: HK$298.6 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. As at the same date, total borrowings were HK$128.8 million (31 March 2013: HK$145.7 million) and the gearing ratio (ratio of borrowings to shareholders' equity) was 12.3% (31 March 2013: 14.5%).

We continue to apply stringent control over the working capital cycle. The inventory balance as at 30 September 2013 was HK$91.1 million (31 March 2013: HK$85.9 million). The trade receivables balance as at 30 September 2013 increased to HK$554.6 million (31 March 2013: HK$517.4 million). The trade payables balance as at 30 September 2013 increased to HK$442.4 million (31 March 2013: HK$334.8 million).

Funding for day-to-day operational working capital and capital expenditures are to be serviced by internal cash flow and available banking facilities. For the six months ended 30 September 2013, the Group invested approximately HK$9.7 million (2012: HK$42.5 million) in property, plant and machinery, mould and tools, equipment, computer systems and other tangible assets for expansion and upgrade to our manufacturing facilities. These investments were funded by internal resources. With our 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, Euros and British Pounds. 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.

CONTINGENT LIABILITIES

As at 30 September 2013, the Group did not have any significant contingent liability.

EMPLOYEE AND REMUNERATION POLICIES

Currently, the Group employs approximately 4,900 employees. The majority of our employees work in the PRC. The Group remunerated our employees based on their performances, experiences and prevailing market rates while performance bonuses are granted on a discretionary basis. Share options may also be granted to employees based on individual performance and attainment of certain set targets.

CLOSURE OF REGISTER

The Register of Shareholders will be closed from 23 December 2013 to 30 December 2013, both days inclusive, during which period no transfer of shares will be effected.

All transfers, accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share 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 20 December 2013 in order to qualify for the interim dividend above mentioned.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30 September 2013, there was no purchase, sale or redemption of the shares by the Company or any of its subsidiaries.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has applied the principles and complied with all the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") for the six month ended 30 September 2013, except for the deviations herein below mentioned:

The CG 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 ("INEDs") is appointed for a specific term. However, all INEDs, 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 CG Code.

The CG 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 the CG 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.

The CG Code Provision A.5.1

Under this code provision, the Company should establish a nomination committee.

Currently, the Company does not have a nomination committee. The Board will identify individuals suitably qualified to become board members when necessary. The Board will give due consideration to the suitability of a candidate for directorship after taking into account of his/her experience, qualification and other relevant factors. All candidates must also meet the standards as set forth in Rules 3.08 and 3.09 of the Listing Rules. A candidate who is to be appointed as an Independent Non-executive Director should also meet the independence criteria set out in Rule 3.13 of the Listing Rules.

The CG Code Provision A.6.7

Under this code provision, independent non-executive directors and other non-executive directors shall attend general meetings and develop a balanced understanding of the views of shareholders.

Two independent non-executive directors, Dr. Chan How Chun and Professor Lo Chung Mau, did not attend the annual general meeting of the Company held on 21 August 2013 due to other business engagements.

The CG 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 21 August 2013. 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 MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its Code of Conduct regarding directors' securities transactions. Having made specific enquiry of all directors, the directors have confirmed that they have complied with the required standards set out in the Model Code as provided in Appendix 10 of the Listing Rules.

REVIEW OF UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Audit Committee and the external auditors have reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2013. The Committee now comprises three independent non-executive directors of the Company.

PUBLICATION OF FINANCIAL INFORMATION

This results announcement is published on the website of The Stock Exchange of Hong Kong Limited at http://www.hkex.com.hk (the "HKEx website") and the Company's website at http://www.allan.com.hk.

The Company's interim 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 contribution and support throughout the year.

By Order of the Board
Allan International Holdings Limited
Cheung Lai See Sophie
Director

Hong Kong, 27 November 2013

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.