ALLAN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 684)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2014

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 2014 together with the comparative figures for the year ended 31 March 2013, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2014

	Notes	**2014**	2013
		HK$'000	*HK$'000*
Revenue	*2*	**2,015,405**	2,356,362
Cost of sales		**(1,770,775)**	(2,072,739)
Gross profit		**244,630**	283,623
Other income		**10,207**	8,346
Other gains and losses	*3*	**(5,095)**	(5,625)
Selling and distribution expenses		**(35,370)**	(38,044)
Administrative expenses		**(138,171)**	(143,347)
Increase in fair value of investment properties		**31,166**	31,111
Interest on bank borrowings		**(2,048)**	(2,934)
Profit before tax		**105,319**	133,130
Income tax expense	*4*	**(21,862)**	(24,304)
Profit for the year attributable to owners of the Company		**83,457**	108,826
Other comprehensive income:			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation		**219**	6,335
Net adjustments on available-for-sale investments		**(178)**	(56)
Other comprehensive income for the year, net of income tax		**41**	6,279
Total comprehensive income for the year		**83,498**	115,105
Earnings per share	*7*		
Basic		**HK24.9 cents**	HK32.4 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2014

	Notes	**2014**	2013
		HK$'000	*HK$'000*
Non-current assets			
Investment properties		**218,000**	242,100
Property, plant and equipment		**337,705**	397,277
Prepaid lease payments		**27,104**	27,835
Club debentures		**13,866**	13,866
Available-for-sale investments		**9,217**	12,467
Financial assets designated at fair value through profit or loss ("FVTPL")		**5,480**	5,342
Deposits paid for acquisition of property, plant and equipment		**6,177**	2,878
		617,549	701,765
Current assets			
Inventories		**100,250**	85,888
Trade receivables and bills receivable	*8*	**380,221**	517,386
Other receivables	*8*	**60,878**	128,335
Mould deposits paid		**20,375**	18,563
Prepaid lease payments		**721**	706
Available-for-sale investments		**2,342**	3,096
Tax recoverable		**6,708**	962
Time deposits and deposits placed with banks and financial institutions		**280,761**	139,377
Bank balances and cash		**256,982**	159,261
		1,109,238	1,053,574
Current liabilities			
Trade payables and bills payable	*9*	**301,786**	334,825
Other payables and accruals		**168,747**	175,090
Mould deposits received		**39,007**	34,052
Tax payable		**45,780**	41,468
Secured bank loans – due within one year		**46,728**	54,129
		602,048	639,564
Net current assets		**507,190**	414,010
Total assets less current liabilities		**1,124,739**	1,115,775

	2014	2013
	HK$'000	*HK$'000*
Non-current liabilities		
Deferred tax liabilities	**12,423**	17,719
Secured bank loans – due after one year	**65,150**	91,528
	77,573	109,247
Net assets	**1,047,166**	1,006,528
Capital and reserves		
Share capital	**33,543**	33,543
Reserves	**1,013,623**	972,985
	1,047,166	1,006,528

Notes:

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

Application of new and revised HKFRSs

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year.

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 Interests 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 (Revised 2011)	Employee Benefits
HKAS 27 (Revised 2011)	Separate Financial Statements
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

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

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 *Consolidated Financial Statements*, HKFRS 11 *Joint Arrangements*, HKFRS 12 *Disclosure of Interests in Other Entities*, HKAS 27 (Revised 2011) *Separate Financial Statements* and HKAS 28 (Revised 2011) *Investments in Associates and Joint Ventures*, together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance.

HKAS 27 (Revised 2011) is not applicable to the Group as it deals only with separate financial statements. HKFRS 11, HKFRS 12 and HKAS 28 (Revised 2011) are also not applicable to the Group as there are no investments in joint ventures, subsidiaries that have non-controlling interests and associates.

The impact of the application of these standards is set out below.

Impact of the application of HKFRS 10

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements and HK(SIC) Int-12 *Consolidation – Special Purpose Entities*. HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

The Directors reviewed and assessed whether they have control over all the existing subsidiaries in accordance with the requirements of HKFRS 10. The Directors concluded that there is no impact on the Group's control over the subsidiaries after the application of HKFRS 10 and all the subsidiaries continue to be consolidated in the Group's consolidated financial statements.

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply 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, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of 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.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2013 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

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

The Group has applied the amendments to HKAS 1 "*Presentation of Items of Other Comprehensive Income*". Upon the adoption of the amendments to HKAS 1, the Group's "statement of comprehensive income" is renamed as the "statement of profit or loss and other comprehensive income". Furthermore, 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 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 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. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[1]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle[2]
HKFRS 9	Financial Instruments[3]
HKFRS 14	Regulatory Deferral Accounts[5]
HK(IFRIC) – Int 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014.
2 Effective for annual periods beginning on or after 1 July 2014.
3 Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.
4 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.
5 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016.

Annual Improvements to HKFRSs 2010 – 2012 Cycle

The *Annual Improvements to HKFRSs 2010 – 2012 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 2 (i) change the definitions of "vesting condition" and "market condition"; and (ii) add definitions for "performance condition" and "service condition" which were previously included within the definition of "vesting condition". The amendments to HKFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to HKFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of HKFRS 9 or HKAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to HKFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to HKFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to HKAS 16 and HKAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The Directors do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2010-2012 Cycle will have a material effect on the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2011 – 2013 Cycle

The *Annual Improvements to HKFRSs 2011 – 2013 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of HKAS 40; and

(b) the transaction meets the definition of a business combination under HKFRS 3.

The Directors do not anticipate that the application of the amendments included in the *Annual Improvements to HKFRSs 2011 – 2013 Cycle* will have a material effect on the Group's consolidated financial statements.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition and further amended in 2013 to include the new requirement of hedge accounting.

Key requirements of HKFRS 9 are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at FVTPL, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as FVTPL was presented in profit or loss.

The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Directors anticipate that HKFRS 9 will be adopted in the Group's consolidated financial statements for the annual period beginning on 1 April 2015. Based on the analysis of the Group's financial assets and financial liabilities as at 31 March 2014, the adoption of HKFRS 9 will affect the classification and measurement of the Group's available-for-sale investments and is not likely to have significant impact on the amounts of the Group's other financial assets and financial liabilities. Regarding the Group's available-for-sale investments, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

2. SEGMENT INFORMATION

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 principal activities of the Group are manufacture and distribution of household electrical appliance. The Group is currently organised into four operating divisions – Europe sales, Asia sales, America sales and other 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 revenues and results for each of the reportable and operating segments.

Year ended 31 March 2014

	Europe	Asia	America	Others	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Note a)	
Segment revenue	**1,021,305**	**518,726**	**383,816**	**91,558**	**2,015,405**
Segment profit	**81,292**	**41,289**	**30,550**	**7,288**	**160,419**
Other gains and losses (except gain on disposal of property, plant and equipment on moulds and net exchange loss)					**1,164**
Depreciation (except moulds)					**(74,070)**
Increase in fair value of investment properties					**31,166**
Finance costs					**(2,048)**
Unallocated income and expenses, net *(Note b)*					**(11,312)**
Profit before tax					**105,319**

Year ended 31 March 2013

	Europe	Asia	America	Others	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Note a)	
Segment revenue	1,152,856	575,078	546,208	82,220	2,356,362
Segment profit	93,102	46,442	44,110	6,640	190,294
Other gains and losses (except gain on disposal of property, plant and equipment on moulds and net exchange loss)					1,251
Depreciation (except moulds)					(70,269)
Increase in fair value of investment properties					31,111
Finance costs					(2,934)
Unallocated income and expenses, net *(Note b)*					(16,323)
Profit before tax					133,130

Note a: Segment revenue in others represent revenue from destinations of shipment of products which individually contributed less than 10% of total revenue of the Group.

Note b: Unallocated income and expenses represented other income, central administration costs and Directors' salaries.

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of other income, central administration cost and Directors' salaries, other gains and losses (except gain on disposal of property, plant and equipment on moulds and net exchange loss), depreciation (except moulds), increase in fair value of investment properties and finance costs. This is the measure reported to the Group's chief operating 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' assets and liabilities by reportable and operating segment:

Segment Assets

	2014 *HK$'000*	2013 *HK$'000*
Europe	**255,903**	310,586
Asia	**130,424**	154,430
America	**97,627**	139,197
Others	**23,421**	23,720
Segment assets	**507,375**	627,933
Unallocated assets		
Available-for-sale investments	**11,559**	15,563
Financial assets designated as FVTPL	**5,480**	5,342
Time deposits and deposits placed with banks and financial institutions	**280,761**	139,377
Bank balances and cash	**256,982**	159,261
Investment properties	**218,000**	242,100
Plant, equipment and machinery (except moulds)	**331,176**	391,181
Club debentures	**13,866**	13,866
Other receivables	**60,878**	128,335
Tax recoverable	**6,708**	962
Other unallocated assets *(Note)*	**34,002**	31,419
Consolidated assets	**1,726,787**	1,755,339

Note: Other unallocated assets comprised prepaid lease payments and deposits paid for acquisition of property, plant and equipment.

Segment Liabilities

	2014 *HK$'000*	2013 *HK$'000*
Europe	**20,379**	17,098
Asia	**9,576**	7,615
America	**7,333**	8,124
Others	**1,719**	1,215
Segment liabilities *(Note)*	**39,007**	34,052
Unallocated liabilities		
Trade payables and bills payable	**301,786**	334,825
Other payables and accruals	**168,747**	175,090
Secured bank loans	**111,878**	145,657
Tax payable	**45,780**	41,468
Deferred tax liabilities	**12,423**	17,719
Consolidated liabilities	**679,621**	748,811

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

Other Segment Information

Year ended 31 March 2014

	Europe	Asia	America	Others	Total segment	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Amounts included in the measure of segment profit or loss or segment assets:							
Additions to non-current assets	**2,650**	**1,229**	**843**	**187**	**4,909**	**16,142**	**21,051**
Depreciation	**2,397**	**1,115**	**788**	**178**	**4,478**	**74,070**	**78,548**
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	**–**	**–**	**–**	**–**	**–**	**2,063**	**2,063**
Interest income on available-for-sale investments	**–**	**–**	**–**	**–**	**–**	**306**	**306**
Rental income	**–**	**–**	**–**	**–**	**–**	**5,341**	**5,341**

Year ended 31 March 2013

	Europe	Asia	America	Others	Total segment	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Amounts included in the measure of segment profit or loss or segment assets:							
Additions to non-current assets	1,309	630	733	71	2,743	57,827	60,570
Depreciation	2,202	1,013	1,120	142	4,477	70,269	74,746
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	–	–	–	–	–	1,505	1,505
Interest income on available-for-sale investments	–	–	–	–	–	342	342
Rental income	–	–	–	–	–	3,921	3,921

Information about major customers

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

	2014	2013
	HK$'000	*HK$'000*
Customer A (Europe, Asia, America and Others)	**869,667**	1,046,162
Customer B (Europe, Asia, America and Others)	**525,876**	590,502
Customer C (Europe, Asia, America and Others)	**206,138**	318,500

3. OTHER GAINS AND LOSSES

	2014	2013
	HK$'000	*HK$'000*
Net foreign exchange loss	**(6,259)**	(7,106)
Gain on disposal of property, plant and equipment	**1,080**	537
Write-off of property, plant and equipment	**(584)**	(95)
Net gain on disposal of available-for-sale investments	**530**	400
Net gain on financial assets designated at FVTPL	**138**	639
	(5,095)	(5,625)

4. INCOME TAX EXPENSE

	2014	2013
	HK$'000	*HK$'000*
Current tax:		
Hong Kong	**13,958**	18,343
PRC Enterprise Income Tax	**3,684**	4,792
	17,642	23,135
Under(over)provision in prior years:		
Hong Kong	**4,149**	(379)
PRC Enterprise Income Tax	**21**	14
	4,170	(365)
Deferred tax:		
Current year	**50**	1,534
	21,862	24,304

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

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

	2014 *HK$'000*	2013 *HK$'000*
Profit before tax	**105,319**	133,130
Tax at the Hong Kong Profits Tax rate of 16.5%	**17,378**	21,966
Tax effect of expenses that are not deductible for tax purpose	**2,379**	996
Tax effect of income that is not taxable for tax purpose	**(6,323)**	(6,165)
Effect of different tax rates in the PRC	**2,319**	2,635
Under(over)provision in respect of prior years	**4,170**	(365)
Tax effect of tax losses not recognised	**2,496**	4,081
Withholding tax on undistributed earnings	**512**	982
Others	**(1,069)**	174
Tax charge for the year	**21,862**	24,304

5. PROFIT FOR THE YEAR

	2014 *HK$'000*	2013 *HK$'000*
Profit for the year has been arrived at after charging:		
Staff salaries and allowances	**311,683**	325,880
Contributions to retirement benefits schemes net of forfeited amount of HK$33,131 (2013: nil)	**16,658**	13,419
Total staff costs, including Directors' emoluments	**328,341**	339,299
Depreciation for property, plant and equipment	**78,548**	74,746
Release of prepaid lease payments	**721**	706
Auditor's remuneration	**2,405**	2,390
Interest on bank borrowings wholly repayable within five years	**1,400**	2,190
Interest on bank borrowings not wholly repayable within five years	**648**	744

6. DIVIDENDS

	2014 *HK$'000*	2013 *HK$'000*
Dividends recognised as distribution during the year		
2014 Interim dividend of HK2.5 cents (2013: 2013 interim dividend of HK2.5 cents) per ordinary share	**8,386**	8,386
2013 final dividend of HK10.3 cents (2013: 2012 final dividend of HK12.5 cents) per ordinary share	**34,550**	41,929
	42,936	50,315

Subsequent to the end of the reporting period, a final dividend of HK8 cents in respect of the year ended 31 March 2014 (2013: final dividend of HK10.3 cents in respect of the year ended 31 March 2013) 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 25 September 2014 to shareholders whose names appear on the Register of Members of the Company on 2 September 2014.

7. EARNINGS PER SHARE

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

	2014	2013
	HK$'000	*HK$'000*
Earnings for the purpose of basic earnings per share (Profit for the year attributable to owners of the Company)	**83,457**	108,826

	Number of shares	
	2014	2013
	'000	*'000*
Number of ordinary shares for the purpose of basic earnings per share	**335,443**	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

	2014	2013
	HK$'000	*HK$'000*
Trade receivables	**379,585**	515,745
Bills receivable	**636**	1,641
	380,221	517,386
Other receivables *(Note)*	**60,878**	128,335
Total trade and other receivables	**441,099**	645,721

Note: As at 31 March 2014, the Group's other receivables mainly include value added tax recoverable of HK$ 51,886,000 (2013: HK$119,203,000), which will be repayable within one year.

The Group maintains defined credit period of up to 90 days. The following is an aged analysis of trade receivables and bills receivable presented based on the invoice dates at the end of the reporting period, which approximated the respective revenue recognition dates.

	2014	2013
	HK$'000	*HK$'000*
0 – 90 days	**361,090**	431,117
91 – 120 days	**19,128**	86,210
Over 120 days	**3**	59
	380,221	517,386

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. In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. In the opinion of Directors, the trade receivables that are neither past due nor impaired were of good credit quality based on good repayment history at the end of the reporting period and no impairment is necessary for these balances.

Included in the Group's trade receivable balance are debtors with an aggregate carrying amount of HK$30,048,000 (2013: HK$106,647,000) 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 presented based on the overdue date:

	2014	2013
	HK$'000	*HK$'000*
Overdue 0 – 90 days	**30,048**	105,110
Overdue 91 – 120 days	**–**	1,535
Overdue more than 120 days	**–**	2
	30,048	106,647

The Group performed assessment on individual trade receivable balance and recognised allowance on specific balance when necessary. In the opinion of the Directors, there was no allowance for doubtful debts as at the end of both reporting periods.

The Group does not hold any collateral over trade and other receivables and bills receivable. The Group has not provided for impairment loss as the Directors assessed that these balances will be recovered base on their settlement records.

9. TRADE PAYABLES AND BILLS PAYABLE

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

	2014	2013
	HK$'000	*HK$'000*
0 – 90 days	**281,628**	298,375
91 – 120 days	**14,718**	30,385
Over 120 days	**5,440**	6,065
	301,786	334,825

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 20 August 2014 to 22 August 2014 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for attending the annual general meeting of the Company to be held on 22 August 2014, all transfers accompanied with the relevant share certificates must be deposited with the Company's share registrar, Tricor Standard Limited, whose address is at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on 19 August 2014.

Subject to shareholders' approval at the Annual General Meeting, the proposed final dividend will be distributed to the shareholders whose names appear on the Register of Members of the Company on 2 September 2014. The Register of Members of the Company will be closed from 29 August 2014 to 2 September 2014. 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on 28 August 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

CHAIRMAN'S STATEMENT

For the year ended 31 March 2014, the Group's sales turnover decreased by 14.5% to HK$2,015.4 million (2013: HK$2,356.4 million) and the consolidated net profit decreased by 23.3% to HK$83.5 million (2013: HK$108.8 million). Basic earnings per share of the Group for the year ended 31 March 2014 was HK24.9 cents (2013: HK32.4 cents). The Board of Directors has resolved to recommend at the forthcoming Annual General Meeting the payment of a final dividend of HK8 cents (2013: HK10.3 cents) per share for the year ended 31 March 2014. Together with the interim dividend of HK2.5 cents per share paid in January this year (2013: HK2.5 cents), the total dividend for the year ended 31 March 2014 will be HK10.5 cents per share (2013: HK12.8 cents).

BUSINESS REVIEW

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

For the year ended 31 March 2014, sales turnover decreased in all three major markets due to slow recovery in the economies and sluggish consumer sentiments. Although the commodity and raw material prices have stablized, the benefit was offset by the continuing increase in labour costs and operating costs in the PRC and increase in depreciation charges.

During the year under review, sales turnover decreased by 14.5% to HK$2,015.4 million. Sales turnover to Europe decreased by 11.4% to HK$1,021.3 million representing 50.7% of the Group's sales turnover. Sales turnover to Asia decreased by 9.8% to HK$518.7 million representing 25.7% of the Group's sales turnover. Sales turnover to America decreased by 29.7% to HK$383.8 million representing 19.1% of the Group's sales turnover. Sales turnover to other markets increased by 11.4% to HK$91.6 million representing 4.5% of the Group's sales turnover.

Gross profit for the year ended 31 March 2014 decreased by 13.7% to HK$244.6 million. Gross profit margin was maintained at 12.0% compared to last year. The drop in gross profit was mainly attributed by the increase in labour costs and operating costs in the PRC and increase in depreciation charges.

The Group continued to apply stringent control on all costs and expenses. Selling and distribution expenses decreased by 7.0% to HK$35.4 million. As a percentage to sales turnover, selling and distribution expenses increased from 1.6% to 1.8% compared to last year. Administration expenses decreased by 3.6% to HK$138.2 million. As a percentage to sales turnover, administration expenses increased from 6.1% to 6.9% compared to last year.

During the year, 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 was two parcels of land located in the People's Republic of China (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 consolidated statement of profit or loss and other comprehensive income for the year. 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 investment property located in Wanchai, Hong Kong was revaluated at HK$218.0 million at 31 March 2014 (2013: HK$210.6 million) giving rise to an increase in fair value of HK$7.4 million in the consolidated statement of profit or loss and other comprehensive income. Currently, all units in this investment property are leased to third parties.

Net Profit for the year decreased by 23.3% to HK$83.46 million (2013: HK$108.83 million). Net profit margin decreased from 4.6% to 4.1% compared to last year.

PROSPECTS

Going forward, we believe we would still be facing a lot of difficulties and uncertainties with regards to political, economic and business environment. We would continue to strive to face up to unfavorable conditions such as fierce competition, sluggish consumer sentiments, rising labour costs and operating costs in the PRC, appreciation of the Renminbi and shortage of labour supply in the PRC. We continue to seek growth opportunities through new customers and new product categories. Stringent cost and expense control, productivity efficiency improvements, persistence in quality products and providing excellent service to our customers continue to be our top priorities. Semi-automation would continue to be implemented to raise productivity and efficiency at the operations level.

The Group celebrated its 50th anniversary in business in year 2013. 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.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2014, the Group had total assets of HK$1,726.8 million (2013: HK$1,755.3 million) which was financed by current liabilities of HK$602.0 million (2013: HK$639.6 million), long-term liabilities and deferred taxation of HK$77.6 million (2013: HK$109.2 million) and shareholders' equity of HK$1,047.2 million (2013: HK$1,006.5 million).

The Group continued to maintain a strong balance sheet and a healthy liquidity position. As at 31 March 2014, the Group held HK$537.7 million (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. For the year ended 31 March 2014, the Group generated net cash inflow from operating activities of HK$277.5 million (2013: HK$79.7 million). As at the same date, total borrowings were HK$111.9 million (2013: HK$145.7 million) and the gearing ratio (ratio of total borrowings to shareholders' equity) was 10.7% (2013: 14.5%).

We continue to apply stringent control over the working capital cycle. The inventory balance as at 31 March 2014 increased from HK$85.9 million to HK$100.3 million. The increase in inventory was mainly due to an increase in stock-in-transit at the year-end date as compared to the same date in 2013. The trade receivables balance as at 31 March 2014 decreased from HK$517.4 million to HK$380.2 million. The trade payables balance as at 31 March 2014 decreased from HK$334.8 million to HK$301.8 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 year ended 31 March 2014, the group invested HK$21.0 million (2013: HK$60.6 million) in plant and machinery, moulds and tools, equipment, computer systems and other tangible assets for expansion and upgrade to our manufacturing facilities. The Group's capital expenditures were funded by internal resources and bank loans. The capital expenditure budget for 2014/15 is approximately HK$75 million. 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, 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.

EMPLOYEE AND REMUNERATION POLICIES

Currently, the Group employs approximately 4,800 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.

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 14 to the Listing Rules throughout the financial year ended 31 March 2014 except for the following deviation:

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 A.5.1

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

At 31 March 2014, the Company had not set up a Nomination Committee. Pursuant to the Company's Bye-laws, any director appointed by the Board either to fill a casual vacancy or as an addition to the Board shall retire and be eligible for re-election at the next following general meeting after appointment. Executive directors identify potential new directors and recommend to the Board for decision. In considering the nomination of a new director, the Board will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates. In determining the independence of independent non-executive directors, the Board follows the requirements set out in the Listing Rules.

Code Provision A.6.7

Under this 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.

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 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 2014.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 March 2014, 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 financial statements for the year ended 31 March 2014. 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 2014 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 continual contribution and support throughout the year.

On behalf of the Board
Cheung Shu Wan
Managing Director

Hong Kong, 25 June 2014

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.