ALLAN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 684)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2015

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 2015 together with the comparative figures for the year ended 31 March 2014, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2015

	Notes	**2015** **_HK$'000_**	2014 *HK$'000*
Revenue	*2*	**1,946,003**	2,015,405
Cost of sales		**(1,724,655)**	(1,770,775)
Gross profit		**221,348**	244,630
Other income		**10,566**	10,207
Other gains and losses	*3*	**4,063**	(5,095)
Selling and distribution expenses		**(34,599)**	(35,370)
Administrative expenses		**(144,017)**	(138,171)
Gain arising on change in fair value of investment properties		**30,000**	31,166
Finance costs		**(1,428)**	(2,048)
Profit before tax		**85,933**	105,319
Income tax expense	*4*	**(15,453)**	(21,862)
Profit for the year attributable to owners of the Company	*5*	**70,480**	83,457
Other comprehensive (expense) income:			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translating foreign operations		**(613)**	219
Net adjustments on available-for-sale investments		**(364)**	(178)
Translation reserve released upon dissolution of a foreign operation		**(5,993)**	–
Other comprehensive (expense) income for the year, net of income tax		**(6,970)**	41
Total comprehensive income for the year attributable to owners of the Company		**63,510**	83,498
Earnings per share	*7*		
Basic		**HK21.0 cents**	HK24.9 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2015

	Notes	**2015**	2014
		HK$'000	*HK$'000*
Non-current assets			
Investment properties		**248,000**	218,000
Property, plant and equipment		**300,312**	337,705
Prepaid lease payments		**26,394**	27,104
Club debentures		**13,866**	13,866
Available-for-sale investments		**13,563**	9,217
Financial assets designated at fair value through profit or loss ("FVTPL")		**3,635**	5,480
Deposits paid for acquisition of property, plant and equipment		**2,967**	6,177
		608,737	617,549
Current assets			
Inventories		**103,724**	100,250
Trade receivables and bills receivable	*8*	**400,033**	380,221
Other receivables	*8*	**99,244**	60,878
Mould deposits paid		**16,457**	20,375
Prepaid lease payments		**716**	721
Available-for-sale investments		**1,617**	2,342
Tax recoverable		**7,692**	6,708
Time deposits and deposits placed with banks and financial institutions		**197,307**	280,761
Bank balances and cash		**208,304**	256,982
		1,035,094	1,109,238
Current liabilities			
Trade payables	*9*	**262,593**	301,786
Other payables and accruals		**140,540**	168,747
Mould deposits received		**33,912**	39,007
Tax payable		**40,294**	45,780
Secured bank loans – due within one year		**26,441**	46,728
		503,780	602,048
Net current assets		**531,314**	507,190
Total assets less current liabilities		**1,140,051**	1,124,739

	2015	2014
	HK$'000	*HK$'000*
Non-current liabilities		
Deferred tax liabilities	**12,939**	12,423
Secured bank loans – due after one year	**51,657**	65,150
	64,596	77,573
Net assets	**1,075,455**	1,047,166
Capital and reserves		
Share capital	**33,543**	33,543
Reserves	**1,041,912**	1,013,623
	1,075,455	1,047,166

Notes:

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

The Group has applied for the first time in the current year the following amendments to HKFRSs and a new Interpretation.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies

The application of the amendments to HKFRSs and a new interpretation 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 these consolidated financial statements.

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

HKFRS 9	Financial Instruments[1]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[5]
Amendments to HKAS 1	Disclosure Initiative[5]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[4]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[5]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[5]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle[6]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle[5]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016
3 Effective for annual periods beginning on or after 1 January 2017
4 Effective for annual periods beginning on or after 1 July 2014
5 Effective for annual periods beginning on or after 1 January 2016
6 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

HKFRS 9 *Financial Instruments*

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- 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. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting 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 fair value through profit or loss, 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 fair value through profit or loss was presented in profit or loss.

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- 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 the application of HKFRS 9 in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities (e.g. the Group's investments in unlisted investment fund and debt securities that are currently classified as available-for-sale investments may have to be measured at fair value at the end of subsequent reporting periods, with changes in the fair value being recognised in profit or loss). Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 15 *Revenue from Contracts with Customers*

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer

- Step 2: Identify the performance obligations in the contract

- Step 3: Determine the transaction price

- Step 4: Allocate the transaction price to the performance obligations in the contract

- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The Directors do not anticipate that the application of HKFRS 15 in the future will have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements.

Amendments to HKAS 16 and HKAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*

The amendments to HKAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) when the intangible asset is expressed as a measure of revenue; or

b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Group uses the straight-line method for depreciation for its property, plant and equipment. The Directors believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the Directors do not anticipate that the application of these amendments to HKAS 16 and HKAS 38 will have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 27 *Equity Method in Separate Financial Statements*

The amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements

- At cost

- In accordance with HKFRS 9 Financial Instruments (or HKAS 39 *Financial Instruments: Recognition and Measurement* for entities that have not yet adopted HKFRS 9), or

- Using the equity method as described in HKAS 28 *Investments in Associates and Joint Ventures*.

The accounting option must be applied by category of investments.

The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it shall account for the change from the date when the change in status occurred.

In addition to the amendments to HKAS 27, there are consequential amendments to HKAS 28 to avoid a potential conflict with HKFRS 10 *Consolidated Financial Statements* and to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards*.

The Directors do not anticipate that the application of these amendments to HKAS 27 will have a material impact on the Group's consolidated financial statements.

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. As the amendments do not contain any effective date, they are considered to be immediately effective.

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 these amendments 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 these amendments will have a material effect on the Group's consolidated financial statements.

Improvements to HKFRSs 2012 – 2014 Cycle

The *Annual Improvements to HKFRSs 2012 – 2014 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 introduce specific guidance in HKFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution accounting is discontinued. The amendments apply prospectively.

The amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets and clarify that the offsetting disclosures (introduced in the amendments to HKFRS 7 *Disclosure – Offsetting Financial Assets and Financial Liabilities* issued in December 2011 and effective for periods beginning on or after 1 January 2013) are not explicitly required for all interim periods. However, the disclosures may need to be included in condensed interim financial statements to comply with HKAS 34 *Interim Financial Reporting*.

The amendments to HKAS 19 clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level. The amendments apply from the beginning of the earliest comparative period presented in the financial statements in which the amendments are first applied. Any initial adjustment arising should be recognised in retained earnings at the beginning of that period.

The amendments to HKAS 34 clarify the requirements relating to information required by HKAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendments require that such information be incorporated by way of a cross-reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

The Directors do not anticipate that the application of these will have a material effect on the Group's consolidated financial statements.

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 2015

	Europe *HK$'000*	Asia *HK$'000*	America *HK$'000*	Others *HK$'000* *(Note a)*	Consolidated *HK$'000*
Segment revenue	**988,552**	**466,451**	**404,493**	**86,507**	**1,946,003**
Segment profit	**68,131**	**32,148**	**27,877**	**5,962**	**134,118**
Other gains and losses (except net foreign exchange gain)					**(1,397)**
Depreciation (except moulds)					**(67,166)**
Increase in fair value of investment properties					**30,000**
Finance costs					**(1,428)**
Unallocated income and expenses, net *(Note b)*					**(8,194)**
Profit before tax					**85,933**

Year ended 31 March 2014

	Europe *HK$'000*	Asia *HK$'000*	America *HK$'000*	Others *HK$'000* *(Note a)*	Consolidated *HK$'000*
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 net foreign 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

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 net foreign exchange gain (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 decision maker for the purposes of resource allocation and performance assessment. Revenue reported above represents revenue generated from external customers. There were no inter-segment sales in both years.

Segment Assets and Liabilities

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

Segment Assets

	2015	2014
	HK$'000	*HK$'000*
Europe	**263,600**	255,903
Asia	**131,652**	130,424
America	**106,876**	97,627
Others	**24,629**	23,421
Segment assets	**526,757**	507,375
Unallocated assets		
Available-for-sale investments	**15,180**	11,559
Financial assets designated as FVTPL	**3,635**	5,480
Time deposits and deposits placed with banks and financial institutions	**197,307**	280,761
Bank balances and cash	**208,304**	256,982
Investment properties	**248,000**	218,000
Plant, equipment and machinery (except moulds)	**293,769**	331,176
Club debentures	**13,866**	13,866
Other receivables	**99,244**	60,878
Tax recoverable	**7,692**	6,708
Other unallocated assets *(Note)*	**30,077**	34,002
Consolidated assets	**1,643,831**	1,726,787

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

Segment Liabilities

	2015	2014
	HK$'000	*HK$'000*
Europe	**17,496**	20,379
Asia	**7,747**	9,576
America	**7,194**	7,333
Others	**1,475**	1,719
Segment liabilities *(Note)*	**33,912**	39,007
Unallocated liabilities		
Trade payables	**262,593**	301,786
Other payables and accruals	**140,540**	168,747
Secured bank loans	**78,098**	111,878
Tax payable	**40,294**	45,780
Deferred tax liabilities	**12,939**	12,423
Consolidated liabilities	**568,376**	679,621

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

Other Segment Information

Year ended 31 March 2015

	Europe *HK$'000*	**Asia** *HK$'000*	**America** *HK$'000*	**Others** *HK$'000*	**Total segment** *HK$'000*	**Unallocated** *HK$'000*	**Consolidated** *HK$'000*
Amounts included in the measure of segment profit or loss or segment assets:							
Additions to non-current assets	**2,349**	**907**	**1,000**	**144**	**4,400**	**30,585**	**34,985**
Depreciation	**2,351**	**892**	**1,005**	**138**	**4,386**	**67,166**	**71,552**
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	**–**	**–**	**–**	**–**	**–**	**3,024**	**3,024**
Interest income on available-for-sale investments	**–**	**–**	**–**	**–**	**–**	**253**	**253**
Rental income	**–**	**–**	**–**	**–**	**–**	**4,964**	**4,964**

Year ended 31 March 2014

	Europe *HK$'000*	Asia *HK$'000*	America *HK$'000*	Others *HK$'000*	Total segment *HK$'000*	Unallocated *HK$'000*	Consolidated *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

Information about major customers

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

	2015 *HK$'000*	2014 *HK$'000*
Customer A (Europe, Asia, America and Others)	**743,101**	869,667
Customer B (Europe, Asia, America and Others)	**605,584**	525,876
Customer C (Europe, Asia, America and Others)	**208,638**	206,138

3. OTHER GAINS AND LOSSES

	2015 *HK$'000*	2014 *HK$'000*
Net foreign exchange gain (loss)	**2,666**	(6,259)
Gain on disposal of property, plant and equipment	**959**	1,080
Write-off of property, plant and equipment	**(104)**	(584)
Cumulative gain on disposal of available-for-sale investments	**507**	530
Gain arising on change in fair value of financial assets designated at FVTPL	**35**	138
	4,063	(5,095)

4. INCOME TAX EXPENSE

	2015 *HK$'000*	2014 *HK$'000*
Current tax:		
Hong Kong	**12,443**	13,958
PRC Enterprise Income Tax	**6,311**	3,684
	18,754	17,642
(Over)underprovision in prior years:		
Hong Kong	**(96)**	4,149
PRC Enterprise Income Tax	**(4,221)**	21
	(4,317)	4,170
Deferred tax:		
Current year	**1,016**	50
	15,453	21,862

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:

	2015	2014
	HK$'000	*HK$'000*
Profit before tax	**85,933**	105,319
Tax at the Hong Kong Profits Tax rate of 16.5%	**14,179**	17,378
Tax effect of expenses that are not deductible for tax purpose	**1,292**	2,379
Tax effect of income that is not taxable for tax purpose	**(6,013)**	(6,323)
Effect of different tax rates in the PRC	**4,117**	2,319
(Over)underprovision in respect of prior years	**(4,317)**	4,170
Tax effect of tax losses not recognised	**4,418**	2,496
Utilisation of tax losses previously not recognised	**(88)**	–
Withholding tax on undistributed earnings	**1,041**	512
Others	**824**	(1,069)
Tax charge for the year	**15,453**	21,862

5. PROFIT FOR THE YEAR

	2015	2014
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging:		
Staff salaries and allowances	**320,482**	311,683
Contributions to retirement benefits schemes (2014: net of forfeited amount of HK$33,131)	**19,138**	16,658
Total staff costs, including Directors' emoluments	**339,620**	328,341
Depreciation for property, plant and equipment	**71,552**	78,548
Release of prepaid lease payments	**716**	721
Auditor's remuneration	**2,177**	2,405

6. DIVIDENDS

	2015	2014
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year		
2015 Interim dividend of HK2.5 cents (2014: 2014 interim dividend of HK2.5 cents) per ordinary share	**8,386**	8,386
2014 final dividend of HK8 cents (2014: 2013 final dividend of HK10.3 cents) per ordinary share	**26,835**	34,550
	35,221	42,936

Subsequent to the end of the reporting period, a final dividend of HK7.5 cents in respect of the year ended 31 March 2015 (2014: final dividend of HK8 cents in respect of the year ended 31 March 2014) 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 23 September 2015 to shareholders whose names appear on the Register of Members of the Company on 1 September 2015.

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:

	2015	2014
	HK$'000	*HK$'000*
Earnings for the purpose of basic earnings per share (Profit for the year attributable to owners of the Company)	**70,480**	83,457

	Number of shares	
	2015	2014
	'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

	2015	2014
	HK$'000	*HK$'000*
Trade receivables	**398,772**	379,585
Bills receivable	**1,261**	636
	400,033	380,221
Other receivables *(Note)*	**99,244**	60,878
Total trade and other receivables	**499,277**	441,099

Note: As at 31 March 2015, the Group's other receivables mainly include value added tax recoverable of HK$88,298,000 (2014: HK$51,886,000), which will be repayable within one year.

The following is an aged analysis of trade receivables and bills receivable by age, presented based on the invoice date which approximated the respective revenue recognition dates.

	2015	2014
	HK$'000	*HK$'000*
0 – 90 days	**366,527**	361,090
91 – 120 days	**30,380**	19,128
Over 120 days	**3,126**	3
	400,033	380,221

The Group maintains defined credit period of up to 90 days. 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 approximately HK$48,929,000 (2014: HK$30,048,000) 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.

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

	2015	2014
	HK$'000	*HK$'000*
Overdue by:		
Overdue 0 – 90 days	**48,725**	30,048
Overdue 91 – 120 days	**204**	–
	48,929	30,048

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 required 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

The following is an aged analysis of trade payables by age based on the invoice date:

	2015	2014
	HK$'000	*HK$'000*
0 – 90 days	**240,360**	281,628
91 – 120 days	**19,507**	14,718
Over 120 days	**2,726**	5,440
	262,593	301,786

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 17 August 2015 to 19 August 2015 (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 19 August 2015, 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 14 August 2015.

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 1 September 2015. The Register of Members of the Company will be closed from 28 August 2015 to 1 September 2015. 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 27 August 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 31 March 2015, the Group's sales turnover decreased by 3.4% to HK$1,946.0 million (2014: HK$2,015.4 million) and the consolidated net profit decreased by 15.6% to HK$70.5 million (2014: HK$83.5 million). Basic earnings per share of the Group for the year ended 31 March 2015 was HK21.0 cents (2014: HK24.9 cents). The Board of Directors has resolved to recommend at the forthcoming Annual General Meeting the payment of a final dividend of HK7.5 cents (2014: HK8.0 cents) per share for the year ended 31 March 2015. Together with the interim dividend of HK2.5 cents per share paid in January this year, the total dividend for the year ended 31 March 2015 will be HK10.0 cents per share (2014: HK10.5 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 2015, sales turnover decreased due to slow recovery in the economies, weakened global market demand and fierce competition in the household of electrical appliance industry. The weak Euro and Japanese Yen also put pressure on the selling prices to our European and Japanese customers. Labour wages and manufacturing operating costs in the PRC continue to rise which eroded the gross profit margin and net profit margin. On top of this, customers place last minute orders to minimize their inventory level risks. This has made our production planning and workforce planning extremely difficult. The shortage of skilled labour had resulted in an increase in overtime working charges which placed further pressure on the margins.

During the year under review, sales turnover decreased by 3.4% to HK$1,946.0 million. Sales turnover to Europe decreased by 3.2% to HK$988.6 million representing 50.8% of the Group's sales turnover. Sales turnover to Asia decreased by 10.0% to HK$466.5 million representing 24.0% of the Group's sales turnover. Sales turnover to America increased by 5.4% to HK$404.5 million representing 20.8% of the Group's sales turnover. Sales turnover to other markets decreased by 5.5% to HK$86.5 million representing 4.4% of the Group's sales turnover.

Gross profit for the year ended 31 March 2015 decreased by 9.5% to HK$221.3 million. Gross profit margin decreased from 12.1% to 11.4%. The drop in gross profit was mainly attributed by the increase in labour costs and operating costs in the PRC.

The Group continued to apply stringent control on all costs and expenses. Selling and distribution expenses decreased by 2.2% to HK$34.6 million. As a percentage to sales turnover, selling and distribution expenses was maintained at 1.8% compared to last year. Administration expenses increased by 4.2% to HK$144.0 million. As a percentage to sales turnover, administration expenses increased from 6.9% to 7.4% compared to last year.

The investment property located in Wanchai, Hong Kong was revaluated at HK$248.0 million at 31 March 2015 (2014: HK$218.0 million) giving rise to an increase in fair value of HK$30.0 million in the income statement.

Net profit for the year decreased by 15.6% to HK$70.5 million (2014: HK$83.5 million). Net profit margin decreased from 4.1% to 3.6% compared to last year.

PROSPECTS

It has become immensely difficult to project into the future under the current set of economic and political conditions. Business environment remains difficult, unpredictable and highly competitive. We believe the labour wages and manufacturing operating costs in the PRC would continue to rise. To offset this rise in costs, our prime objective is to increase productivity and efficiency through further automation and manufacturing process improvements. We continue to seek growth opportunities through new customers and new product categories. We would also increase our R&D activities to provide unique and innovative platforms for our products. Stringent cost and expense control, productivity efficiency improvements, persistence in quality products and product mix optimization would continue to be our top priorities.

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 2015, the Group had total assets of HK$1,643.8 million (2014: HK$1,726.8 million) which was financed by current liabilities of HK$503.8 million (2014: HK$602.0 million), long-term liabilities and deferred taxation of HK$64.6 million (2014: HK$77.6 million) and shareholders' equity of HK$1,075.5 million (2014: HK$1,047.2 million).

The Group continued to maintain a strong balance sheet and a healthy liquidity position. As at 31 March 2015, the Group held HK$405.6 million (2014: HK$537.7 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 2015, the Group generated net cash outflow from operating activities of HK$32.7 million (2014: inflow HK$277.5 million) due to decrease in operating profit and higher working capital employed compared with the previous year. As at the same date, total borrowings were HK$78.1 million (2014: HK$111.9 million) and the gearing ratio (ratio of total borrowings to shareholders' equity) was 7.3% (2014: 10.7%).

We continue to apply stringent control over the working capital cycle. The inventory balance as at 31 March 2015 increased from HK$100.3 million to HK$103.7 million. The trade receivables balance as at 31 March 2015 increased from HK$380.2 million to HK$400.0 million. The trade payables balance as at 31 March 2015 decreased from HK$301.8 million to HK$262.6 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, 2015, the group invested HK$35 million (2014: HK$21 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 2015/16 is approximately HK$41.4 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 4,700 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 2015 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 2015, 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 22 August 2014 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 22 August 2014. 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 2015.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 March 2015, 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 2015. 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 2015 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, 26 June 2015

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.