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ALLAN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 684)

INTERIM RESULTS 2022/2023

RESULTS

The board of directors of Allan International Holdings Limited (the “**Company**”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 September 2022 together with the comparative figures for the six months ended 30 September 2021, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

		Six months ended	
		30 September	
		2022	2021
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Revenue	3	246,388	445,916
Cost of sales		(232,072)	(403,898)
Gross profit		14,316	42,018
Other income	4	16,754	19,541
Other gains and losses		5,504	(1,411)
Selling and distribution expenses		(10,492)	(12,978)
Administrative expenses		(46,252)	(47,965)
Gain from changes in fair value of investment properties		1,517	13,960
Reversal of impairment loss (Impairment loss) under expected credit model, net		55	(190)
Impairment loss on property, plant and equipment	9	(24,879)	–
Finance costs on bank loan		(148)	(110)
(Loss) profit before tax		(43,625)	12,865
Income tax expense	5	(1,855)	(3,480)
(Loss) profit for the period	6	(45,480)	9,385

	Six months ended	
	30 September	
	2022	2021
<i>NOTE</i>	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Other comprehensive (expense) income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	(39,573)	5,304
Net fair value loss on debt instruments measured at fair value through other comprehensive income	(83)	(214)
Reclassification of investment revaluation reserve upon disposal of debt instruments measured at fair value through other comprehensive income	(64)	31
	<u>(39,720)</u>	<u>5,121</u>
Other comprehensive (expense) income for the period	<u>(39,720)</u>	<u>5,121</u>
Total comprehensive (expense) income for the period	<u>(85,200)</u>	<u>14,506</u>
(Loss) earnings per share	<i>6</i>	
Basic	<u>HK(13.65) cents</u>	<u>HK2.80 cents</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER 2022

		30 September 2022	31 March 2022
	<i>NOTES</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
Non-current assets			
Investment properties	8	509,070	533,952
Property, plant and equipment	9	7,899	39,230
Right-of-use assets		3,857	3,948
Club debentures		10,343	10,343
Deposits paid for acquisition of property, plant and equipment		2,392	2,187
		<u>533,561</u>	<u>589,660</u>
Current assets			
Inventories		60,409	95,494
Trade receivables	10	89,743	165,587
Other receivables		19,672	22,680
Mould deposits paid		2,916	4,373
Financial assets at fair value through profit or loss (“FVTPL”)		11,570	20,284
Debt instruments at fair value through other comprehensive income (“FVTOCI”)		5,444	8,659
Tax recoverable		–	1,182
Short-term deposits		208,183	93,254
Bank balances and cash		345,373	411,377
		<u>743,310</u>	<u>822,890</u>
Current liabilities			
Trade payables	11	46,148	82,530
Other payables and accruals		94,680	104,023
Mould deposits received		36,823	32,028
Tax liabilities		32,431	33,191
Secured bank loan		5,124	5,124
		<u>215,206</u>	<u>256,896</u>
Net current assets		<u>528,104</u>	<u>565,994</u>
Total assets less current liabilities		<u>1,061,665</u>	<u>1,155,654</u>

		30 September	31 March
		2022	2022
	<i>NOTE</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
Non-current liabilities			
Deferred tax liabilities		37,752	37,318
Secured bank loan		13,227	15,789
		<u>50,979</u>	<u>53,107</u>
Net assets		<u>1,010,686</u>	<u>1,102,547</u>
Capital and reserves			
Share capital	<i>12</i>	33,305	33,315
Reserves		977,381	1,069,232
		<u>1,010,686</u>	<u>1,102,547</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2022 are the same as those presented in the Group’s annual financial statements for the year ended 31 March 2022.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2022 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment – Proceed before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 - 2020

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

The principal activities of the Group are manufacturing and trading of household electrical appliance. Revenue of the Group is sales of household electrical appliance.

As at 30 September 2022, all received purchase orders are expected to be completed within 1 year.

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

The Group is currently organised into four operating divisions – Europe sales, America sales, Asia sales and other regions sales. The information reported to the Group's CODM for the purposes of resource allocation and assessment of performance is based on these operating divisions. During the six months ended 30 September 2022, the Group had no material change in segment assets and segment liabilities.

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

Six months ended 30 September 2022

	Europe <i>HK\$'000</i> (Unaudited)	America <i>HK\$'000</i> (Unaudited)	Asia <i>HK\$'000</i> (Unaudited)	Other regions <i>HK\$'000</i> (Unaudited)	Consolidated <i>HK\$'000</i> (Unaudited)
Segment revenue (<i>Note a</i>)	<u>48,329</u>	<u>161,728</u>	<u>31,563</u>	<u>4,768</u>	<u>246,388</u>
Segment loss	<u>(3,735)</u>	<u>(12,500)</u>	<u>(2,439)</u>	<u>(369)</u>	<u>(19,043)</u>
Other gains and losses (except net foreign exchange gain)					(1,162)
Depreciation (except moulds and right-of-use assets)					(5,926)
Gain on fair value changes of investment properties					1,517
Finance costs on secured bank loan					(148)
Impairment loss on property, plant and equipment					(24,879)
Unallocated income and expenses, net (<i>Note b</i>)					<u>6,016</u>
Loss before tax					<u>(43,625)</u>

Six months ended 30 September 2021

	Europe <i>HK\$'000</i> (Unaudited)	America <i>HK\$'000</i> (Unaudited)	Asia <i>HK\$'000</i> (Unaudited)	Other regions <i>HK\$'000</i> (Unaudited)	Consolidated <i>HK\$'000</i> (Unaudited)
Segment revenue (<i>Note a</i>)	<u>206,381</u>	<u>186,511</u>	<u>33,955</u>	<u>19,069</u>	<u>445,916</u>
Segment loss	<u>(2,530)</u>	<u>(2,286)</u>	<u>(416)</u>	<u>(234)</u>	(5,466)
Other gains and losses (except net foreign exchange loss)					1,406
Depreciation (except moulds and right-of-use assets)					(5,680)
Gain on fair value changes of investment properties					13,960
Finance costs on secured bank loan					(110)
Unallocated income and expenses, net (<i>Note b</i>)					<u>8,755</u>
Profit before tax					<u>12,865</u>

Notes:

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

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

4. OTHER INCOME

	Six months ended 30 September	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Rental income	10,297	10,381
Interest income	1,120	2,653
Building management fee income	3,483	3,378
Others	1,854	3,129
	<u>16,754</u>	<u>19,541</u>

5. INCOME TAX EXPENSE

	Six months ended 30 September	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Current tax:		
Hong Kong	133	980
People's Republic of China ("PRC") Enterprise Income Tax	<u>1,288</u>	<u>2,083</u>
	1,421	3,063
Deferred taxation	<u>434</u>	<u>417</u>
	<u>1,855</u>	<u>3,480</u>

6. (LOSS) EARNINGS PER SHARE

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

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(Loss) earnings for the purpose of basic (loss) earnings per share		
(Loss) profit for the period attributable to owners of the Company	<u>(45,480)</u>	<u>9,385</u>

	Six months ended 30 September	
	2022	2021
	Number of shares '000	Number of shares '000
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	<u>333,081</u>	<u>335,208</u>

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

7. DIVIDENDS

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Dividends recognised as distribution during the period:		
Final dividend		
2022: HK2 cents (2021: HK8 cents) per ordinary share	6,661	26,814
Special dividend		
2022: HKnil cents (2021: HK15 cents) per ordinary share	<u>–</u>	<u>50,277</u>

Subsequent to 30 September 2022, the board of directors has declared that there is no interim dividend (2021: HK2 cents per share and amounting to HK\$6,687,000).

8. INVESTMENT PROPERTIES

The Group's investment properties as at the end of the current interim period were fair valued by RHL Appraisal Ltd., a firm of independent qualified professional surveyor not connected to the Group. The fair value of investment properties located in Hong Kong was determined based on the direct comparison method by reference to market evidence of transaction prices for properties in the similar location and conditions, and the fair value of investment properties located in the PRC was determined based on term and reversion analysis of investment method by capitalising rental income on a fully leased basis and the potential reversionary rental income at market level. The resulting increase in fair value of investment properties of HK\$1,517,000 (six months ended 30 September 2021: HK\$13,960,000) has been recognised directly in profit or loss for the six months ended 30 September 2022.

9. PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group's additions on property, plant and equipment were approximately HK\$4,103,000 (six months ended 30 September 2021: HK\$5,801,000). The additions mainly comprised HK\$505,000 on plant and machinery (six months ended 30 September 2021: HK\$4,235,000), HK\$nil on motor vehicles (six months ended 30 September 2021: HK\$370,000), HK\$1,969,000 on furniture, fixtures and equipment (six months ended 30 September 2021: HK\$981,000), HK\$1,629,000 on moulds and tools (six months ended 30 September 2021: HK\$215,000). No material disposal of property, plant and equipment was made during both periods.

Impairment assessment

At the end of each reporting period, the management assesses whether there is any indication for impairment and conducted impairment assessment on carrying amount of certain classes of property, plant and equipment. If any such indication exists, the management is required to estimate the recoverable amount of the asset which requires significant judgment.

In view of the adverse global business environment and the abrupt downturn in sales turnover from weakened demand and customer sentiments, some orders placed by customers were deferred or cancelled during the six month periods ended 30 September 2022. Management of the Group assessed that the estimated recoverable amount of certain property, plant and equipment determined under the value-in-use method are lower than their carrying amounts.

During the current interim period, business performance had been below management's expectation and the Group recognised impairment loss of HK\$24,879,000 (six months ended 30 September 2021: nil).

The impairment amount has been allocated to each category of property, plant and equipment such that the carrying amount of each category is not reduced below the highest of its fair value less cost of disposal, its value-in-use and zero. Key assumptions used in the value-in-use calculations for the recoverable amount of property, plant and equipment include expected product sales, gross profit margin and operating costs.

10. TRADE RECEIVABLES

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Trade receivables		
– sales of goods	90,074	165,973
Less: Allowance for credit loss	(331)	(386)
	<u>89,743</u>	<u>165,587</u>

The Group allows credit period ranging from 30 to 180 days to its trade customers. The following is an analysis of trade receivables by age, presented based on the invoice date, which approximated the revenue recognition date:

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
0 – 90 days	74,061	104,885
91 – 120 days	4,073	16,466
> 120 days	11,609	44,236
	<u>89,743</u>	<u>165,587</u>

11. TRADE PAYABLES

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

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
0 – 90 days	39,876	80,333
91 – 120 days	5,127	365
> 120 days	1,145	1,832
	<u>46,148</u>	<u>82,530</u>

12. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.10 each		
Authorised:		
At 1 April 2021, 30 September 2021, 1 April 2022 and 30 September 2022	<u>600,000,000</u>	<u>60,000</u>
Issued and fully paid:		
At 1 April 2021	335,432,520	33,543
Share repurchased and cancelled	<u>(1,084,000)</u>	<u>(108)</u>
At 30 September 2021	334,348,520	33,435
Share repurchased and cancelled	<u>(1,194,000)</u>	<u>(120)</u>
At 1 April 2022	333,154,520	33,315
Shares cancelled (<i>Note</i>)	<u>(100,000)</u>	<u>(10)</u>
At 30 September 2022	<u>333,054,520</u>	<u>33,305</u>

Note: The Company repurchased 100,000 of its own ordinary shares through The Stock Exchange of Hong Kong Limited in March 2022, the shares were cancelled in May 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 September 2022, the Group's sales turnover decreased by 45% to HK\$246.4 million (2021: HK\$445.9 million) and the consolidated net loss was HK\$45.5 million (2021: profit HK\$9.4 million). In view of the adverse global business environment and the loss situation of the Group brought about by the abrupt downturn in sales turnover, there is indication for impairment of property, plant and equipment and right-of-use assets of the Group. An assessment for impairment was conducted to assess the recoverable amount with reference to the higher of the assets' fair value less costs to disposal and value in use. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. As a result, the Group made a provision of impairment to property, plant and equipment of approximately HK\$24.9 million. Basic loss per share of the Group for the six months ended 30 September 2022 was HK13.65 cents (2021: earnings HK2.8 cents). The Board of Directors has resolved not to recommend any dividend (2021: HK2 cents per share) for the six months ended 30 September 2022.

BUSINESS REVIEW

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

For the six months ended 30 September 2022, the global situation and business environment remained difficult and turbulent. COVID-19 continued to cause disruptions in various aspects. Together with high inflation, rising interest rates, increasing energy costs, and geopolitical uncertainties under Russia-Ukraine conflict and US-China tension, demand and consumer sentiments continued to weaken at an alarming rate.

The Group's business had been severely affected during the period under review. Sales turnover decreased drastically by 45% to HK\$246.4 million. Orders placed by customers were being deferred repeatedly with some eventually being cancelled. This had caused significant impact on our resources and material planning. Sales turnover decreased across all markets. The drop in sales turnover to Europe was most severe, dropping by 77% to HK\$48.3 million representing 19% of the Group's sales turnover. Sales turnover to America decreased by 13% to HK\$161.7 million representing 66% of the Group's sales turnover. Sales turnover to Asia decreased by 7% to HK\$31.6 million representing 13% of the Group's sales turnover. Sales turnover to other markets decreased by 75% to HK\$4.8 million representing 2% of the Group's sales turnover.

Gross profit for the six months ended 30 September 2022 decreased by 66% to HK\$14.3 million. Gross profit margin decreased from 9.4% to 5.8%. COVID-19 outbreaks in certain provinces or cities in the PRC from time to time resulted in delay in transportation of raw materials and parts due to elevated and strict safety controls and measures, resulting in higher transportation costs and expenses. The increase in raw material costs, particularly electronic components due to shortage in supply, increase in electricity costs and high staff cost level in relation to the drastic drop in sales turnover have resulted in reduced margins.

The deferral and cancellation in sales orders resulted in huge decrease in sales turnover which adversely impacted on the efficiency due to loss in economy of scale. Although the Group has taken immediate cost control and streamlining measures to trim down the overhead expenses, the pace of the downturn in sales turnover was much quicker than expected. Selling and distribution expenses decreased by 19% to HK\$10.5 million. As a percentage to sales turnover, selling and distribution expenses increased from 2.9% to 4.3% compared to corresponding period last year. Administrative expenses decreased by 3.6% to HK\$46.3 million. As a percentage to sales turnover, administrative expenses increased from 10.8% to 18.8% compared to corresponding period last year.

At 30 September 2022, the investment property located in Wanchai, Hong Kong was revaluated at HK\$285 million (31 March 2022: HK\$285 million) and the investment property located in the PRC at Hui Nam Hi-Tech Industrial Park was revaluated at RMB203,700,000 (HK\$224,070,000) (31 March 2022: RMB202,400,000 (HK\$248,952,000)) resulting in an increase in fair value of HK\$1,517,000 and a translation loss of HK\$26,399,000 for the period.

In view of the adverse global business environment and the loss situation of the Group brought about by the abrupt downturn in sales turnover, there is indication for impairment of property, plant and equipment and right-of-use assets of the Group. An assessment for impairment was conducted to assess the recoverable amount with reference to the higher of the assets' fair value less costs to disposal and value in use. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. As a result, the Group made a provision of impairment to property, plant and equipment of approximately HK\$24.9 million.

Net loss for the six months ended 30 September 2022 was HK\$45.5 million (2021: profit HK\$9.4 million). Net profit/(loss) margin decreased from 2.1% to -18.5% compared to last year.

BUSINESS OUTLOOK

Going forward, we expect the overall business environment will continue to be extremely difficult and challenging. COVID-19 is still lingering and continues to cause disruption and the road to full recovery to normal is still remote and slow. With the recent increase in outbreak cases in the PRC, the travel restrictions within the PRC and between Hong Kong and the PRC are likely to continue. We expect demand and consumer sentiments to worsen as the adverse factors such as high inflation, rising interest rates, increasing energy costs, and geopolitical uncertainties under Russia-Ukraine conflict and US-China tension is still ongoing and not likely to improve in the near future.

To deal with the challenges during this difficult time, the Group will focus on stringent cost control, streamlining and consolidation across all aspects of operations to reduce expenses and improve in efficiency. The Group has a strong cash position with low gearing ratio. The overall financial position of the Group remains sound and solid. We will stay vigilant and versatile in our manufacturing capacity and resources planning in response to fluctuations in market demand. We will seek growth opportunities through new customers and new product categories as well as the mainland China market and online sales channels. We will also look for business opportunities to create higher value to our shareholders.

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

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2022, the Group had total assets of HK\$1,276.9 million (31 March 2022: HK\$1,412.6 million) which was financed by current liabilities of HK\$215.2 million (31 March 2022: HK\$256.9 million), long-term liabilities and taxation of HK\$51.0 million (31 March 2022: HK\$53.1 million) and shareholders' equity of HK\$1,010.7 million (31 March 2022: HK\$1,102.5 million).

The Group continued to maintain a strong balance sheet and a healthy liquidity position. As at 30 September 2022, the Group held HK\$553.6 million (31 March 2022: HK\$504.6 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 six months ended 30 September 2022, the Group generated net cash inflow from operating activities of HK\$69.2 million (2021: outflow of HK\$66.7 million). As at the same date, total borrowings were HK\$18.4 million (31 March 2022: HK\$20.9 million) and the gearing ratio (ratio of total borrowings to shareholders' equity) was 1.8% (31 March 2022: 1.9%).

We continue to apply stringent control over the working capital cycle. The inventory balance as at 30 September 2022 was HK\$60.4 million (31 March 2022: HK\$95.5 million). As compared with the corresponding period last year, inventory balance decreased by HK\$67.3 million and inventory turnover increased from 50 days to 61 days. The trade receivables balance as at 30 September 2022 was HK\$89.7 million (31 March 2022: HK\$165.6 million). As compared with the corresponding period last year, trade receivables decreased by HK\$192.3 million and trade receivables turnover decreased from 115 days to 66 days. The trade payables balance as at 30 September 2022 was HK\$46.1 million (31 March 2022: HK\$82.5 million). As compared with the corresponding period last year, trade payables decreased by HK\$107.7 million and trade payables turnover decreased from 70 days to 36 days.

Funding for day-to-day operational working capital and capital expenditures are to be serviced by internal cash flow and available banking facilities. For the year ended 30 September 2022, the group invested HK\$4.1 million (2021: HK\$5.8 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. With a healthy financial position and available banking facilities, the Group is able to provide sufficient financial resources for our current commitments, working capital requirements, further expansions of the Group's business operations and future investment opportunities, as and when required.

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

CONTINGENT LIABILITIES

As at 30 September 2022, the Group did not have any significant contingent liabilities.

EMPLOYEE AND REMUNERATION POLICIES

As at 30 September 2022, the Group employed approximately 1,680 employees (2021: 2,180). 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.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30 September 2022, there was no purchase, sale or redemption of the shares by the Company or any of its subsidiaries.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has applied the principles and complied with all the applicable code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) for the six months ended 30 September 2022, except for the following:

The former Company Secretary of the Company, Ms. Wong Lai Yung, has resigned as Company Secretary and Finance and Account Manager of the Company with effect from 1 November 2022, as such the Company no longer complied with the requirement under Rule 3.28 of the Listing Rules and the relevant code provisions of the CG Code. The Company is in the process of identifying a suitable candidate to fill the vacancy of company secretary.

DISCLOSURE UNDER RULE 13.51B(1) OF THE LISTING RULES

In accordance with Rule 13.51B(1) of the Listing Rules, the changes in information of Directors subsequent to the date of the Annual Report 2021/2022 up to the publication of this report are set out below:

During the six months ended 30 September 2022, the composition of the Board of Directors (“**Board**”) has changed. On 10 June 2022, Professor Lo Chung Mau resigned as an Independent Non-Executive Director and a member of the Audit Committee of the Company. Mr. Lo Chor Cheong, Colin was appointed as an Independent Non-Executive Director and a member of the Audit Committee of the Company with effect from 9 September 2022.

COMPLIANCE WITH MODEL CODE

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

REVIEW OF UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Audit Committee of the Company has reviewed and discussed with the management of the Company on the unaudited condensed consolidated interim results of the Group for the Reporting Period including the report of the Company and the accounting principles and practices adopted by the Group and is of the view that the financial information and report have been prepared in compliance with the applicable accounting standards, the Listing Rules and other applicable legal requirements, and that adequate disclosure has been made. During the Reporting Period, the Audit Committee comprises three independent non-executive directors, namely, Ms. Choy Wai Shuen, Susan, Mr. Lai Ah Ming, Leon, Professor Lo Chung Mau (resigned on 10 June 2022) and Mr. Lo Chor Cheong, Colin (with effect from 9 September 2022).

PUBLICATION OF FINANCIAL INFORMATION

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

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

APPRECIATION

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

By Order of the Board
Allan International Holdings Limited
Cheung Lai Chun, Maggie
Chairman

Hong Kong, 30 November 2022

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