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## **ALLAN INTERNATIONAL HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 684)**

### **ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025**

#### **RESULTS**

The board of directors (the “Board”) of Allan International Holdings Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2025 together with the comparative figures for the year ended 31 March 2024, as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**  
*FOR THE YEAR ENDED 31 MARCH 2025*

		<b>2025</b>	2024
	<i>Notes</i>	<b>HK\$'000</b>	<i>HK\$'000</i>
Revenue	2	<b>465,170</b>	484,763
Cost of sales		<b>(453,535)</b>	(445,229)
Gross profit		<b>11,635</b>	39,534
Other income	3	<b>36,110</b>	46,279
Other gains and losses	4	<b>(1,825)</b>	(722)
Selling and distribution expenses		<b>(16,025)</b>	(14,023)
Administrative expenses		<b>(78,248)</b>	(73,193)
Loss on fair value changes of investment properties		<b>(45,258)</b>	(69,143)
Impairment loss under expected credit loss model, net		<b>(134)</b>	(158)
Finance costs		<b>(434)</b>	(697)
Loss before tax		<b>(94,179)</b>	(72,123)
Income tax (expense) credit	5	<b>(1,957)</b>	2,992
Loss for the year attributable to owners of the Company	6	<b>(96,136)</b>	(69,131)
<b>Other comprehensive (expense) income:</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<b>(903)</b>	(17,386)
Net fair value gain on debt instruments at fair value through other comprehensive income		<b>50</b>	119
Reclassification of investment revaluation reserve upon disposal of debt instruments at fair value through other comprehensive income		<b>(69)</b>	24
Other comprehensive expense for the year		<b>(922)</b>	(17,243)
Total comprehensive expense for the year attributable to owners of the Company		<b>(97,058)</b>	(86,374)
Loss per share	8		
Basic		<b>HK(28.9) cents</b>	HK(20.8) cents

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*AT 31 MARCH 2025*

	<i>Notes</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current assets			
Investment properties		<b>382,789</b>	429,752
Property, plant and equipment		<b>3,603</b>	3,785
Right-of-use assets		<b>3,398</b>	3,582
Club debentures		<b>10,343</b>	10,343
Debt instruments at fair value through other comprehensive income ("FVTOCI")		<b>–</b>	3,844
Deferred tax assets		<b>631</b>	787
		<b>400,764</b>	452,093
Current assets			
Inventories		<b>41,732</b>	37,550
Trade receivables	9	<b>91,079</b>	91,005
Other receivables	9	<b>27,051</b>	24,803
Mould deposits paid		<b>3,307</b>	2,120
Financial assets at fair value through profit or loss ("FVTPL")		<b>–</b>	1,540
Debt instruments at FVTOCI		<b>–</b>	3,901
Tax recoverable		<b>284</b>	97
Short-term deposits		<b>225,897</b>	304,696
Bank balances and cash		<b>147,493</b>	174,556
		<b>536,843</b>	640,268
Current liabilities			
Trade payables	10	<b>55,975</b>	53,608
Other payables and accruals		<b>74,804</b>	72,722
Mould deposits received		<b>22,591</b>	19,111
Tax liabilities		<b>32,671</b>	33,291
Secured bank loan		<b>5,124</b>	5,124
		<b>191,165</b>	183,856
Net current assets		<b>345,678</b>	456,412
Total assets less current liabilities		<b>746,442</b>	908,505

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current liabilities		
Deferred tax liabilities	28,695	31,957
Secured bank loan	417	5,541
	<u>29,112</u>	<u>37,498</u>
Net assets	<u>717,330</u>	<u>871,007</u>
Capital and reserves		
Share capital	33,305	33,305
Reserves	684,025	837,702
	<u>717,330</u>	<u>871,007</u>

Notes :

## 1. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

### New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>3</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature dependent Electricity <sup>3</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>3</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

### **HKFRS 18 Presentation and Disclosure in Financial Statements (“HKFRS 18”)**

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 April 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

## **2. REVENUE AND SEGMENT INFORMATION**

### **Performance obligations for contracts with customers and revenue recognition policies**

The principal activities of the Group are manufacturing and trading of household electrical appliances. Revenue of the Group is sales of household electrical appliances and the revenue is recognised at one point in time. Revenue is recognised when control of the goods has transferred, being when the goods have been departed from specific location. Transportation and handling activities that occur before customers obtain control are considered as fulfilment activities. Following the delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

As at 31 March 2025 and 2024, 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) 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, Asia sales, America sales and other regions 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 revenue and results for each of the reportable and operating segments.

### *Year ended 31 March 2025*

	<b>Europe</b> <i>HK\$'000</i>	<b>Asia</b> <i>HK\$'000</i>	<b>America</b> <i>HK\$'000</i>	<b>Other regions</b> <i>HK\$'000</i>	<b>Consolidated</b> <i>HK\$'000</i>
Segment revenue (Note a)	<u>68,933</u>	<u>81,331</u>	<u>296,581</u>	<u>18,325</u>	<u>465,170</u>
Segment loss	<u>(10,257)</u>	<u>(12,101)</u>	<u>(44,129)</u>	<u>(2,727)</u>	<u>(69,214)</u>
Other gains and losses (except net foreign exchange loss)					231
Depreciation					(1,903)
Loss on fair value changes of investment properties					(45,258)
Finance costs					(434)
Impairment loss under expected credit loss model, net					(134)
Unallocated income and expenses, net (Note b)					<u>22,533</u>
Loss before tax					<u>(94,179)</u>

***Year ended 31 March 2024***

	Europe <i>HK\$'000</i>	Asia <i>HK\$'000</i>	America <i>HK\$'000</i>	Other regions <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue ( <i>Note a</i> )	<u>116,175</u>	<u>36,819</u>	<u>323,692</u>	<u>8,077</u>	<u>484,763</u>
Segment loss	<u>(6,736)</u>	<u>(2,135)</u>	<u>(18,767)</u>	<u>(468)</u>	<u>(28,106)</u>
Other gains and losses (except net foreign exchange loss)					384
Depreciation					(2,258)
Loss on fair value changes of investment properties					(69,143)
Finance costs					(697)
Impairment loss under expected credit loss model, net					(158)
Unallocated income and expenses, net ( <i>Note b</i> )					<u>27,855</u>
Loss before tax					<u>(72,123)</u>

*Notes:*

- a) The allocation of segment revenue is determined based on destinations of shipment of products.
- b) Unallocated income and expenses mainly 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 loss), depreciation, loss on fair value changes of investment properties, finance costs, impairment loss under expected credit loss model, net. 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's assets and liabilities by reportable and operating segments:

### Segment Assets

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Europe	27,664	31,274
Asia	11,000	14,207
America	92,343	83,087
Other regions	5,111	2,107
Segment assets	136,118	130,675
Unallocated assets		
Financial assets as FVTPL	–	1,540
Debt instruments at FVTOCI	–	7,745
Short-term deposits	225,897	304,696
Bank balances and cash	147,493	174,556
Investment properties	382,789	429,752
Property, plant and equipment	3,603	3,785
Other receivables	27,051	24,803
Other unallocated assets ( <i>Note</i> )	14,656	14,809
Consolidated assets	937,607	1,092,361

*Note:* Other unallocated assets comprised tax recoverable, club debentures, right-of-use assets and deferred tax assets.

### ***Segment Liabilities***

	<b>2025</b>	2024
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Europe	<b>3,348</b>	4,580
Asia	<b>3,950</b>	1,451
America	<b>14,403</b>	12,762
Other regions	<b>890</b>	318
	<hr/>	<hr/>
Segment liabilities ( <i>Note</i> )	<b>22,591</b>	19,111
Unallocated liabilities		
Trade payables	<b>55,975</b>	53,608
Other payables and accruals	<b>74,804</b>	72,722
Secured bank loan	<b>5,541</b>	10,665
Tax liabilities	<b>32,671</b>	33,291
Deferred tax liabilities	<b>28,695</b>	31,957
	<hr/>	<hr/>
Consolidated liabilities	<b>220,277</b>	221,354
	<hr/>	<hr/>

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

### **Information About Major Customers**

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

	<b>2025</b>	2024
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Customer A (Europe, Asia, America and Other regions)	<b>146,068</b>	124,695
Customer B (Europe, Asia, America and Other regions)	<b>130,321</b>	200,916
Customer C (Europe, Asia, America and Other regions)	<b>95,741</b>	66,909
Customer D (Europe, Asia, America and Other regions)	<b>53,185</b>	50,727
	<hr/>	<hr/>

## Geographical Information

The Group's operations are located in Hong Kong and the People's Republic of China ("PRC").

Information about the Group's non-current assets, excluding debt instruments at FVTOCI and deferred tax assets, is presented based on the geographical location of the assets.

	<b>2025</b> <b>HK\$'000</b>	2024 HK\$'000
Hong Kong	<b>208,744</b>	246,329
The PRC	<b>191,389</b>	201,133
	<b><u>400,133</u></b>	<b><u>447,462</u></b>

## Other Segment Information

### Year ended 31 March 2025

	Europe HK\$'000	Asia HK\$'000	America HK\$'000	Other regions HK\$'000	Total segment HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Interest income on bank deposits	-	-	-	-	-	12,874	12,874
Interest income on debt instruments	-	-	-	-	-	143	143
Rental income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,652</u>	<u>16,652</u>

### Year ended 31 March 2024

	Europe HK\$'000	Asia HK\$'000	America HK\$'000	Other regions HK\$'000	Total segment HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Interest income on bank deposits	-	-	-	-	-	17,262	17,262
Interest income on debt instruments	-	-	-	-	-	362	362
Rental income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,259</u>	<u>17,259</u>

### 3. OTHER INCOME

	2025 HK\$'000	2024 HK\$'000
Rental income	16,652	17,259
Interest income	13,017	17,624
Building management fee income	6,157	6,272
Scrap sales	208	259
Government grants ( <i>Note</i> )	9	5
Others	67	4,860
	<u>36,110</u>	<u>46,279</u>

*Note:* The Group recognised government assistance and tax refunds of approximately HK\$9,000 (2024: HK\$5,000) in the PRC during the year. There are no unfulfilled conditions or contingencies in relation to these grants.

### 4. OTHER GAINS AND LOSSES

	2025 HK\$'000	2024 HK\$'000
Net foreign exchange loss	(2,056)	(1,106)
Gain on disposal of property, plant and equipment	125	180
Write-off of property, plant and equipment	(7)	–
Cumulative gain (loss) reclassified from investment revaluation reserve upon disposal of debt instruments at FVTOCI	69	(24)
Net gain on fair value changes of financial assets at FVTPL	48	231
Others	(4)	(3)
	<u>(1,825)</u>	<u>(722)</u>

## 5. INCOME TAX EXPENSE (CREDIT)

	2025 HK\$'000	2024 HK\$'000
Current tax:		
Hong Kong	220	436
PRC Enterprise Income Tax	2,664	2,714
	<u>2,884</u>	<u>3,150</u>
Overprovision in prior years:		
Hong Kong	(263)	(468)
Deferred tax	(664)	(5,674)
	<u>1,957</u>	<u>(2,992)</u>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

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

	2025 HK\$'000	2024 HK\$'000
Loss before tax	<u>(94,179)</u>	<u>(72,123)</u>
Tax at the Hong Kong Profits Tax rate of 16.5%	(15,540)	(11,900)
Tax effect of expenses not deductible for tax purpose	13,003	13,230
Tax effect of income not taxable for tax purpose	(1,975)	(3,229)
Effect of different tax rates of subsidiaries operating in the PRC	906	(1,374)
Overprovision in prior years	(263)	(468)
Tax effect of tax losses not recognised	3,818	2,705
Utilisation of tax losses previously not recognised	(80)	(234)
Others	<u>2,088</u>	<u>(1,722)</u>
Income tax expense (credit) for the year	<u>1,957</u>	<u>(2,992)</u>

## 6. LOSS FOR THE YEAR

	2025 HK\$'000	2024 HK\$'000
Loss for the year has been arrived at after charging (crediting):		
Employee benefit expenses, including directors' remunerations		
– Salaries and allowances	145,039	147,009
– Retirement benefit scheme contributions	13,131	12,552
Total employee benefit expenses	158,170	159,561
Less: amount capitalised in inventories	(3,918)	(3,733)
	154,252	155,828
Depreciation of property, plant and equipment	1,719	2,075
Depreciation of right-of-use assets	184	183
Total depreciation	1,903	2,258
Gross rental income from investment properties	(16,652)	(17,259)
Less: direct operating expenses incurred for investment properties that generated rental income during the year	984	931
	(15,668)	(16,328)
Auditor's remuneration	2,106	2,081
Cost of inventories recognised as an expense (including allowance for inventory provision, net amounting to HK\$5,473,000 (2024: reversal of allowance for inventory provision, net amounting to HK\$196,000))	453,535	445,229

## 7. DIVIDENDS

	2025 HK\$'000	2024 HK\$'000
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
– 2025 interim dividend of HK2 cents (2024: 2024 interim dividend of HK2 cents) per share	6,661	6,661
– 2025 interim special dividend of nil cents (2024: 2024 interim special dividend of HK13 cents) per share	–	43,297
– 2024 final dividend of HK2 cents (2024: 2023 final dividend of nil cents) per share	6,661	–
– 2024 special dividend of HK13 cents (2024: 2023 special dividend of nil cents) per share	43,297	–
	56,619	49,958

The board of directors does not propose a final dividend for the year ended 31 March 2025 (2024: final dividend in respect of the year ended 31 March 2024 of HK2 cents per ordinary share, in aggregate amount of HK\$6,661,000, and a special dividend in respect of the year ended 31 March 2024 of HK13 cents per ordinary share, in aggregate amount of HK\$43,297,000, respectively).

## 8. LOSS PER SHARE

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

	<b>2025</b> <b>HK\$'000</b>	2024 <b>HK\$'000</b>
Loss for the purpose of basic loss per share (loss for the year attributable to owners of the Company)	<b>(96,136)</b>	(69,131)
	<b>Number of shares</b>	
	<b>2025</b> <b>'000</b>	2024 <b>'000</b>
Weighted average number of ordinary shares for the purpose of basic loss per share	<b>333,055</b>	333,055

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

## 9. TRADE AND OTHER RECEIVABLES

	<b>2025</b> <b>HK\$'000</b>	2024 <b>HK\$'000</b>
Trade receivables - sales of goods	<b>91,669</b>	91,461
Less: Allowance for credit loss	<b>(590)</b>	(456)
	<b>91,079</b>	91,005
Other receivables ( <i>Note</i> )	<b>27,051</b>	24,803
Total trade and other receivables	<b>118,130</b>	115,808

*Note:* As at 31 March 2025, the Group's other receivables mainly include value added tax recoverable of HK\$13,823,000 (2024: HK\$13,185,000), which will be recovered within one year.

As at 1 April 2023, trade receivables from contracts with customers amounted to HK\$73,266,000.

The following is an aged analysis of trade receivables, presented based on the invoice dates:

	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
0 – 90 days	<b>56,129</b>	70,072
91 – 120 days	<b>9,634</b>	2,135
Over 120 days	<b>25,316</b>	18,798
	<b>91,079</b>	91,005

As at 31 March 2025, included in the Group's trade receivables balance are debtors with aggregated carrying amount of HK\$1,981,000 (2024: HK\$18,088,000) which are past due at the reporting date. Out of the past due balances, HK\$281,000 (2024: HK\$1,271,000) has been past due 90 days or more and is not considered as in default because there had not been significant changes in credit quality of the relevant debtors and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

#### **10. TRADE PAYABLES**

The following is an aged analysis of trade payables presented based on the invoice date.

	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
0 – 90 days	<b>55,132</b>	47,031
91 – 120 days	<b>360</b>	5,993
Over 120 days	<b>483</b>	584
	<b>55,975</b>	53,608

The credit period on purchase of goods is ranged from 30 to 90 days.



## **CLOSURE OF REGISTER OF MEMBERS**

### **To attend and vote at the AGM**

The annual general meeting (“AGM”) will be held on Friday, 15 August 2025. For the purpose of ascertaining shareholders’ entitlement to attend and vote at the AGM, the Register of Members of the Company will be closed from Tuesday, 12 August 2025 to Friday, 15 August 2025 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for attending and voting at the AGM, all transfers accompanied with the relevant share certificates must be deposited with the Company’s share registrar, Tricor Investor Service Limited, whose address is at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Monday, 11 August 2025.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

For the year ended 31 March 2025, the Group’s sales turnover decreased by 4% to HK\$465.2 million (2024: HK\$484.8 million) and the consolidated net loss was HK\$96.1 million (2024: HK\$69.1 million). Basic loss per share of the Group for the year ended 31 March 2025 was HK28.9 cents (2024: HK20.8 cents). The Board of Directors has resolved not to recommend any final dividend (2024: final dividend of HK2 cents and special dividend of HK13 cents) at the forthcoming Annual General Meeting. With the interim dividend of HK2 cents paid in January this year, the total dividend for the year ended 31 March 2025 is HK2 cents per share (2024: HK30 cents).

## **BUSINESS REVIEW**

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

For the year ended 31 March 2025, business environment continued to be unpredictable, challenging and difficult. Global economy continued to be plagued by high inflation, high interest rates, geopolitical conflicts in Russia-Ukraine and the Middle East and US-China tension. Consumer sentiments remained sluggish and our customers had been extremely cautious in their purchasing and inventory monitoring. In addition, competition within the industry had been very intense. Sales turnover decreased by 4% to HK\$465.2 million. Sales turnover to America decreased by 8% to HK\$296.6 million representing 64% of the Group’s sales turnover. Sales turnover to Europe decreased by 41% to HK\$68.9 million representing 15% of the Group’s sales turnover. The significant drop in sales turnover to Europe was mainly due to a change in sales destination from Europe to China for one specific customer. Sales turnover to Asia increased by 121% to HK\$81.3 million representing 17% of the Group’s sales turnover. Sales turnover to other markets increased by 127% to HK\$18.3 million representing 4% of the Group’s sales turnover.

Gross profit for the year ended 31 March 2025 decreased by 71% to HK\$11.6 million. Gross profit margin decreased from 8.2% to 2.5%. The intense pressure on selling price cuts and change in product mix had contributed to the drop in gross profit margin. We continue to apply stringent cost control on all costs as well as streamline and optimize the manufacturing processes to enhance production efficiency and reduce labour costs.

The Group continued to apply strict control and measures on all overhead costs and expenses. Selling and distribution expenses increased by 14% to HK\$16 million. As a percentage to sales turnover, selling and distribution expenses increased from 2.9% to 3.4% compared to last year. Administrative expenses increased by 6.9% to HK\$78.2 million. As a percentage to sales turnover, administrative expenses increased from 15.1% to 16.8% compared to last year.

For the year ended 31 March 2025, other income amounted to HK\$36.1 million which primarily comprised rental and building management fee income and interest income. The decrease of HK\$10.2 million was mainly due to decrease in interest income, rental and building management fee income and other miscellaneous income.

At 31 March 2025, the investment property located in Wanchai, Hong Kong was revaluated at HK\$198 million (2024: HK\$236 million) resulting in a decrease in fair value of HK\$38 million for the year.

At 31 March 2025, the investment property located in the PRC at Hui Nam Hi-Tech Industrial Park was revaluated at RMB172,700,000 (HK\$184,789,000) (2024: RMB179,400,000 (HK\$193,752,000)) resulting in a decrease in fair value of HK\$7,258,000 and a translation loss of HK\$1,705,000 for the period.

For the year ended 31 March 2025, the rental and building management fee income generated from the investment properties in Hong Kong and the PRC was approximately HK\$22.8 million (2024: HK\$23.5 million).

Net loss for the year ended 31 March 2025 was HK\$96.1 million (2024: HK\$69.1 million). Net loss margin deteriorated from 14.3% to 20.7% compared to last year.

## **BUSINESS OUTLOOK**

Going forward, it has become exceedingly difficult to predict the global economy and business outlook. We expect business environment would remain uncertain, difficult and challenging with sluggish consumer sentiments and intense competition within the industry.

Geopolitical problems in Russia/Ukraine and the Middle East are still lingering on and seem to be intensifying. The US and Europe, which are our major markets, are still facing high inflation and interest rates. The ongoing China/US tension has intensified. From 2 April 2025 onwards, we have witnessed an unprecedented rollercoaster ride of the tariffs imposed on China imports into the US. On 2 April 2025, US President Trump announces a 34% reciprocal tariff on China which would be effective on 9 April 2025. Together with the 20% Fentanyl tariff, that means total tariffs would be 54%. After several rounds of retaliations from both the US and China, the reciprocal tariff on China peaked to 125%, making the total tariffs 145% on 9 April 2025. On 12 May 2025, after diplomatic talks at Geneva, China and the US agreed to reduce reciprocal tariffs to 10% for 90 days, with the US fentanyl tariff of 20% remaining, bringing the effective tariffs to 30%. If no deal is reached after 90 days, the reciprocal tariff will revert to 34%. Subsequently, senior Chinese and US officials held a meeting in London on 9 and 10 June 2025. The two sides have agreed on a framework agreement to uphold the terms of the Geneva trade deal reached in May 2025. The high tariff imposed have a significant impact on our sales to the US. Although the tariff is not borne by us as our trading terms with our customers are FOB basis, the tariff borne by our customer would no doubt significantly drive up the pricing to end consumers. To alleviate this impact, we are working closely together with our customers on sub-contracting arrangements in Malaysia on manufacturing some of our products to the US.

Through continuous improvement, streamlining and consolidation across all aspects of operations, prudent supply chain management and stringent cost control measures, we will strive to further improve in cost reduction and efficiency. We will stay vigilant and versatile in our manufacturing capacity and resources planning in response to fluctuations in market demand. We will continue to introduce more automated equipment systems to boost efficiency. We will proactively 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 for 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 31 March 2025, the Group had total assets of HK\$937.6 million (2024: HK\$1,092.4 million) which was financed by current liabilities of HK\$191.2 million (2024: HK\$183.9 million), long-term liabilities and taxation of HK\$29.1 million (2024: HK\$37.5 million) and shareholders' equity of HK\$717.3 million (2024: HK\$871.0 million).

The Group continued to maintain a strong balance sheet and a healthy liquidity position. As at 31 March 2025, the Group held HK\$373.4 million (2024: HK\$479.3 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 2025, the Group incurred net cash outflow from operating activities of HK\$62.5 million (2024: HK\$38.4 million). As at the same date, total borrowings were HK\$5.5 million (2024: HK\$10.7 million) and the gearing ratio (ratio of total borrowings to shareholders' equity) was 0.8% (2024: 1.2%).

We continue to apply stringent control over the working capital cycle. The inventory balance as at 31 March 2025 was HK\$41.7 million (2024: HK\$37.6 million). Inventory increased by HK\$4.2 million and inventory turnover maintained at 32 days. The trade receivables balance as at 31 March 2025 was HK\$91.1 million (2024: HK\$91.0 million). Trade receivables turnover increased slightly from 69 days to 71 days. The trade payables balance as at 31 March 2025 was HK\$56.0 million (2024: HK\$53.6 million). Trade payables increased by HK\$2.4 million and trade payables turnover increased slightly from 44 days to 45 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 31 March 2025, the Group spent approximately HK\$1,769,000 on addition of 4 motor vehicles, all of which were for replacement purpose. There had been no other significant investment 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.

## **EMPLOYEE AND REMUNERATION POLICIES**

As at 31 March 2025, the Group employed approximately 1,530 employees (2024: 1,560). The majority of our employees work in the PRC. The Group remunerated our employees based on their performance, experiences and prevailing market rates while performance bonuses are granted on a discretionary basis.

## **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 C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) on the financial year ended 31 March 2025.

## **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 C3 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 2025.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

During the year ended 31 March 2025, 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 consolidated financial statements of the Group for the year ended 31 March 2025. The Audit Committee currently comprises three independent non-executive directors, namely Ms. Choy Wai Sheun, Susan, Mr. Lai Ah Ming, Leon and Mr. Lo Chor Cheong, Colin.

## **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in this preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year as approved by the Board of Directors on 26 June 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

## **PUBLICATION OF FINAL RESULTS**

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 annual 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 throughout the year.

On behalf of the Board  
**Allan International Holdings Limited**  
**Cheung Lai Chun, Maggie**  
*Chairman*

Hong Kong, 26 June 2025

*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.*