# ALLAN INTERNATIONAL HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 684)**

# ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2026

## 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 2026 together with the comparative figures for the year ended 31 March 2025, as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
*FOR THE YEAR ENDED 31 MARCH 2026*

| | Notes | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|---|
| Revenue | 2 | **572,844** | 465,170 |
| Cost of sales | | **(513,958)** | (453,535) |
| Gross profit | | **58,886** | 11,635 |
| Other income | 3 | **26,472** | 36,110 |
| Other gains and losses | 4 | **(549)** | (1,825) |
| Selling and distribution expenses | | **(17,766)** | (16,025) |
| Administrative expenses | | **(79,167)** | (78,248) |
| Loss on fair value changes of investment properties | | **(24,670)** | (45,258) |
| Impairment loss under expected credit loss model, net | | **(325)** | (134) |
| Finance costs | | **(125)** | (434) |
| Loss before tax | | **(37,244)** | (94,179) |
| Income tax expense | 5 | **(524)** | (1,957) |
| Loss for the year attributable to owners of the Company | 6 | **(37,768)** | (96,136) |
| **Other comprehensive income (expense):** | | | |
| ***Items that may be reclassified subsequently to profit or loss:*** | | | |
| Exchange differences arising on translation of foreign operations | | **13,259** | (903) |
| Net fair value gain on debt instruments at fair value through other comprehensive income ("FVTOCI") | | **–** | 50 |
| Reclassification of investment revaluation reserve upon disposal of debt instruments at FVTOCI | | **–** | (69) |
| Other comprehensive income (expense) for the year | | **13,259** | (922) |
| Total comprehensive expense for the year attributable to owners of the Company | | **(24,509)** | (97,058) |
| Loss per share | 8 | | |
| Basic | | **HK(11.3) cents** | HK(28.9) cents |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*AT 31 MARCH 2026*

| | *Notes* | **2026** **HK$'000** | 2025 *HK$'000* |
|---|---|---|---|
| Non-current assets | | | |
| Investment properties | | **368,327** | 382,789 |
| Property, plant and equipment | | **2,695** | 3,603 |
| Right-of-use assets | | **3,215** | 3,398 |
| Club debentures | | **10,343** | 10,343 |
| Deferred tax assets | | **566** | 631 |
| | | **385,146** | 400,764 |
| Current assets | | | |
| Inventories | | **55,376** | 41,732 |
| Trade receivables | *9* | **156,452** | 91,079 |
| Other receivables | *9* | **21,603** | 27,051 |
| Mould deposits paid | | **2,584** | 3,307 |
| Tax recoverable | | **231** | 284 |
| Short-term deposits | | **191,261** | 225,897 |
| Bank balances and cash | | **100,833** | 147,493 |
| | | **528,340** | 536,843 |
| Current liabilities | | | |
| Trade payables | *10* | **53,737** | 55,975 |
| Other payables and accruals | | **78,513** | 74,804 |
| Mould deposits received | | **28,888** | 22,591 |
| Tax liabilities | | **32,774** | 32,671 |
| Secured bank loan | | **417** | 5,124 |
| | | **194,329** | 191,165 |
| Net current assets | | **334,011** | 345,678 |
| Total assets less current liabilities | | **719,157** | 746,442 |

| | 2026 | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Non-current liabilities | | |
| Deferred tax liabilities | **26,070** | 28,695 |
| Secured bank loan | **–** | 417 |
| | **26,070** | 29,112 |
| Net assets | **693,087** | 717,330 |
| Capital and reserves | | |
| Share capital | **33,305** | 33,305 |
| Reserves | **659,782** | 684,025 |
| | **693,087** | 717,330 |

*Notes* :

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

**Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as 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 2025 for the preparation of the consolidated financial statements:

| | |
|---|---|
| Amendments to HKAS 21 | Lack of Exchangeability |

The application of the amendments to an HKFRS Accounting Standard 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[2] |
| Amendments to HKFRS 9 and HKFRS 7 | Contracts Referencing Nature-dependent Electricity[2] |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1] |
| Amendments to HKAS 21 | Translation to a Hyperinflationary Presentation Currency[3] |
| Amendments to HKFRS Accounting Standards | Annual Improvements to HKFRS Accounting Standards – Volume 11[2] |
| HKFRS 18 | Presentation and Disclosure in Financial Statements[3] |

[1] Effective for annual periods beginning on or after a date to be determined.
[2] Effective for annual periods beginning on or after 1 January 2026.
[3] 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 *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 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of HKFRS 18) and HKFRS 7 *Financial Instruments*: *Disclosures*. 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. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

## 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 2026 and 2025, 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 2026***

| | Europe | Asia | America | Other regions | Consolidated |
|---|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Segment revenue *(Note a)* | **89,856** | **76,564** | **389,775** | **16,649** | **572,844** |
| Segment loss | **(3,616)** | **(3,081)** | **(15,688)** | **(670)** | **(23,055)** |
| Other gains and losses (except net foreign exchange loss) | | | | | **50** |
| Depreciation | | | | | **(1,817)** |
| Loss on fair value changes of investment properties | | | | | **(24,670)** |
| Finance costs | | | | | **(125)** |
| Impairment loss under ECL model, net | | | | | **(325)** |
| Unallocated income and expenses, net *(Note b)* | | | | | **12,698** |
| Loss before tax | | | | | **(37,244)** |

*Year ended 31 March 2025*

| | Europe<br>*HK$'000* | Asia<br>*HK$'000* | America<br>*HK$'000* | Other regions<br>*HK$'000* | Consolidated<br>*HK$'000* |
|---|---|---|---|---|---|
| Segment revenue *(Note a)* | 68,933 | 81,331 | 296,581 | 18,325 | 465,170 |
| Segment loss | (10,257) | (12,101) | (44,129) | (2,727) | (69,214) |
| 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 ECL model, net | | | | | (134) |
| Unallocated income and expenses, net *(Note b)* | | | | | 22,533 |
| Loss before tax | | | | | (94,179) |

*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 ECL 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***

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Europe | **37,624** | 27,664 |
| Asia | **11,757** | 11,000 |
| America | **158,293** | 92,343 |
| Other regions | **6,738** | 5,111 |
| Segment assets | **214,412** | 136,118 |
| Unallocated assets | | |
| Short-term deposits | **191,261** | 225,897 |
| Bank balances and cash | **100,833** | 147,493 |
| Investment properties | **368,327** | 382,789 |
| Property, plant and equipment | **2,695** | 3,603 |
| Other receivables | **21,603** | 27,051 |
| Other unallocated assets *(Note)* | **14,355** | 14,656 |
| Consolidated assets | **913,486** | 937,607 |

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

*Segment Liabilities*

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Europe | **4,531** | 3,348 |
| Asia | **3,861** | 3,950 |
| America | **19,656** | 14,403 |
| Other regions | **840** | 890 |
| Segment liabilities *(Note)* | **28,888** | 22,591 |
| Unallocated liabilities | | |
| Trade payables | **53,737** | 55,975 |
| Other payables and accruals | **78,513** | 74,804 |
| Secured bank loan | **417** | 5,541 |
| Tax liabilities | **32,774** | 32,671 |
| Deferred tax liabilities | **26,070** | 28,695 |
| Consolidated liabilities | **220,399** | 220,277 |

*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:

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Customer A (Europe, Asia, America and Other regions) | **289,059** | 146,068 |
| Customer B (Europe, Asia, America and Other regions) | **145,903** | 130,321 |
| Customer C (Europe, Asia, America and Other regions) | **65,131** | 95,741 |
| Customer D (Europe, Asia, America and Other regions) | **N/A**[1] | 53,185 |

[1] The corresponding revenue did not contribute over 10% of the total revenue of the Group.

**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 deferred tax assets, is presented based on the geographical location of the assets.

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Hong Kong | **189,522** | 208,744 |
| The PRC | **195,058** | 191,389 |
| | **384,580** | 400,133 |

**Other Segment Information**

***Year ended 31 March 2026***

| | **Europe** | **Asia** | **America** | **Other regions** | **Total segment** | **Unallocated** | **Consolidated** |
|---|---|---|---|---|---|---|---|
| | ***HK$'000*** | ***HK$'000*** | ***HK$'000*** | ***HK$'000*** | ***HK$'000*** | ***HK$'000*** | ***HK$'000*** |
| 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 | **–** | **–** | **–** | **–** | **–** | **6,499** | **6,499** |
| Rental income | **–** | **–** | **–** | **–** | **–** | **14,333** | **14,333** |

*Year ended 31 March 2025*

| | Europe | Asia | America | Other regions | Total segment | Unallocated | Consolidated |
|---|---|---|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| 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 | – | – | – | – | – | 12,874 | 12,874 |
| Interest income on debt instruments | – | – | – | – | – | 143 | 143 |
| Rental income | – | – | – | – | – | 16,652 | 16,652 |

## 3. OTHER INCOME

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Rental income | **14,333** | 16,652 |
| Interest income | **6,499** | 13,017 |
| Building management fee income | **5,284** | 6,157 |
| Scrap sales | **209** | 208 |
| Government grants *(Note)* | **20** | 9 |
| Others | **127** | 67 |
| | **26,472** | 36,110 |

*Note:* The Group recognised government assistance and tax refunds of approximately HK$20,000 (2025: HK$9,000) in the PRC during the year. There are no unfulfilled conditions or contingencies in relation to these grants.

## 4. OTHER GAINS AND LOSSES

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Net foreign exchange loss | **(599)** | (2,056) |
| Gain on disposal of property, plant and equipment | **50** | 125 |
| Write-off of property, plant and equipment | **–** | (7) |
| Cumulative gain reclassified from investment revaluation reserve upon disposal of debt instruments at FVTOCI | **–** | 69 |
| Net gain on fair value changes of financial assets at FVTPL | **–** | 48 |
| Others | **–** | (4) |
| | **(549)** | (1,825) |

## 5. INCOME TAX EXPENSE

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Current tax: | | |
| Hong Kong | **64** | 220 |
| PRC Enterprise Income Tax | **4,388** | 2,664 |
| | **4,452** | 2,884 |
| Overprovision in prior years: | | |
| Hong Kong | **(355)** | (263) |
| Deferred tax | **(3,573)** | (664) |
| | **524** | 1,957 |

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

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Loss before tax | **(37,244)** | (94,179) |
| Tax at the Hong Kong Profits Tax rate of 16.5% | **(6,145)** | (15,540) |
| Tax effect of expenses not deductible for tax purpose | **8,292** | 13,003 |
| Tax effect of income not taxable for tax purpose | **(4,148)** | (1,975) |
| Effect of different tax rates of subsidiaries operating in the PRC | **1,492** | 906 |
| Overprovision in prior years | **(355)** | (263) |
| Tax effect of tax losses not recognised | **3,242** | 3,818 |
| Utilisation of tax losses previously not recognised | **(131)** | (80) |
| Others | **(1,723)** | 2,088 |
| Income tax expense for the year | **524** | 1,957 |

## 6. LOSS FOR THE YEAR

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Loss for the year has been arrived at after charging (crediting): | | |
| Employee benefit expenses, including directors' remunerations | | |
| – Salaries and allowances | **158,195** | 145,039 |
| – Retirement benefit scheme contributions | **14,270** | 13,131 |
| Total employee benefit expenses | **172,465** | 158,170 |
| Less: amount capitalised in inventories | **(5,560)** | (3,918) |
| | **166,905** | 154,252 |
| Depreciation of property, plant and equipment | **1,634** | 1,719 |
| Depreciation of right-of-use assets | **183** | 184 |
| Total depreciation | **1,817** | 1,903 |
| Gross rental income from investment properties | **(14,333)** | (16,652) |
| Less: direct operating expenses incurred for investment properties that generated rental income during the year | **989** | 984 |
| | **(13,344)** | (15,668) |
| Auditor's remuneration | **2,101** | 2,106 |
| Cost of inventories recognised as an expense (including reversal of allowance for inventory provision, net amounting to HK$5,132,000 (2025: allowance for inventory provision, net amounting to HK$5,473,000)) | **513,958** | 453,535 |

## 7. DIVIDENDS

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Dividends for ordinary shareholders of the Company recognised as distribution during the year: | | |
| 2025 interim dividend of HK2 cents per share | **–** | 6,661 |
| 2024 final dividend of HK2 cents per share | **–** | 6,661 |
| 2024 special dividend of HK13 cents per share | **–** | 43,297 |
| | **–** | 56,619 |

The board of directors does not propose a final dividend for the year ended 31 March 2026 (2025: nil).

## 8. LOSS PER SHARE

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

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Loss for the purpose of basic loss per share (loss for the year attributable to owners of the Company) | **(37,768)** | (96,136) |

| | **Number of shares** | |
|---|---|---|
| | **2026** | 2025 |
| | ***'000*** | *'000* |
| Weighted average number of ordinary shares for the purpose of basic loss per share | **333,055** | 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

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Trade receivables - sales of goods | **157,367** | 91,669 |
| Less: Allowance for credit loss | **(915)** | (590) |
| | **156,452** | 91,079 |
| Other receivables *(Note)* | **21,603** | 27,051 |
| Total trade and other receivables | **178,055** | 118,130 |

*Note:* As at 31 March 2026, the Group's other receivables mainly include value added tax recoverable of HK$11,085,000 (2025: HK$13,823,000), which will be recovered within one year.

As at 1 April 2024, trade receivables from contracts with customers amounted to HK$91,461,000.

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

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| 0 – 90 days | **90,294** | 56,129 |
| 91 – 120 days | **30,584** | 9,634 |
| Over 120 days | **35,574** | 25,316 |
| | **156,452** | 91,079 |

As at 31 March 2026, included in the Group's trade receivables balance are debtors with aggregated carrying amount of HK$27,132,000 (2025: HK$1,981,000) which are past due at the reporting date. Out of the past due balances, HK$3,346,000 (2025: HK$281,000) 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.

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| 0 – 90 days | **52,574** | 55,132 |
| 91 – 120 days | **506** | 360 |
| Over 120 days | **657** | 483 |
| | **53,737** | 55,975 |

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, 14 August 2026. 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, 11 August 2026 to Friday, 14 August 2026 (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, 10 August 2026.

## MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 31 March 2026, the Group's sales turnover increased by 23% to HK$572.8 million (2025: HK$465.2 million) and the consolidated net loss was HK$37.8 million (2025: HK$96.1 million). Basic loss per share of the Group for the year ended 31 March 2026 was HK11.3 cents (2025: HK28.9 cents). The Board of Directors has resolved not to recommend any dividend (2025: interim dividend of HK2 cents) for the year ended 31 March 2026.

## 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 2026, global business environment continued to be challenging and difficult against a backdrop of geopolitical unrest, US-China trade tension, US tariffs, appreciating RMB foreign exchange rates, high inflation and sluggish consumer sentiments. Competition within the industry remained intense and our customers are adopting an even more price-sensitive, stringent and conservative procurement and inventory policy.

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 Donald 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. On 30 October 2025, following a meeting between President Donald Trump and President Xi Jinping in Busan, South Korea, the US agreed to reduce the fentanyl tariff to 10% effective from 10 November 2025 and the 10% reciprocal tariff rate extended for one year until 10 November 2026. As such, the effective tariff will be 20% in total. To alleviate the impact of tariff which are borne by our customers, we worked closely together with our customers on sub-contracting arrangements in Malaysia to manufacture some of our products to the US.

Sales turnover increased by 23% to HK$572.8 million. Sales turnover to America increased by 31% to HK$389.8 million representing 68% of the Group's sales turnover. Sales turnover to Europe increased by 30% to HK$89.9 million representing 16% of the Group's sales turnover. Sales turnover to Asia slightly decreased by 6% to HK$76.6 million representing 13% of the Group's sales turnover. Sales turnover to other markets decreased by 9% to HK$16.6 million representing 3% of the Group's sales turnover.

Gross profit for the year ended 31 March 2026 increased by 406% to HK$58.9 million. Gross profit margin increased from 2.5% to 10.3%. The increase in gross profit margin was mainly due to lower cost of materials and a more favorable product mix. 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 11% to HK$17.8 million. As a percentage to sales turnover, selling and distribution expenses decreased from 3.4% to 3.1% compared to last year. Administrative expenses increased by 1.2% to HK$79.2 million. As a percentage to sales turnover, administrative expenses decreased from 16.8% to 13.8% compared to last year.

For the year ended 31 March 2026, other income amounted to HK$26.5 million which primarily comprised rental and building management fee income and interest income. The decrease of HK$9.6 million was mainly due to decrease in interest income, and rental and building management fee income.

At 31 March 2026, the investment property located in Wanchai, Hong Kong was revaluated at HK$178.6 million (2025: HK$198 million) resulting in a decrease in fair value of HK$19.4 million for the year.

At 31 March 2026, the investment property located in the PRC at Hui Nam Hi-Tech Industrial Park was revaluated at RMB167,900,000 (HK$189,727,000) (2025: RMB179,400,000 (HK$184,789,000)) resulting in a decrease in fair value of HK$5,270,000 and a translation gain of HK$10,208,000 for the period.

For the year ended 31 March 2026, the rental and building management fee income generated from the investment properties in Hong Kong and the PRC was approximately HK$19.6 million (2025: HK$22.8 million).

Net loss for the year ended 31 March 2026 was HK$37.8 million (2025: HK$96.1 million). Net loss margin improved from 20.7% to 6.6% compared to last year.

## BUSINESS OUTLOOK

Going forward, we expect the global economy to be unpredictable and challenging with continuing geopolitical unrest, US-China trade tension, US tariffs, appreciating RMB foreign exchange rates, rising material costs, high inflation and sluggish consumer sentiments.

Despite the easing of trade tensions, the outbreak of the war in the Middle East in March 2026 has sparked further uncertainties and challenges to the global business environment and dampened consumer sentiments. The conflict and volatile situation in the Middle East has led to increase in energy costs, freight costs and oil-related material costs, all of which would have adverse effect on our operations.

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 2026, the Group had total assets of HK$913.5 million (2025: HK$937.6 million) which was financed by current liabilities of HK$194.3 million (2025: HK$191.2 million), long-term liabilities and taxation of HK$26.1 million (2025: HK$29.1 million) and shareholders' equity of HK$693.1 million (2025: HK$717.3 million).

The Group continued to maintain a strong balance sheet and a healthy liquidity position. As at 31 March 2026, the Group held HK$292.1 million (2025: HK$373.4 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 2026, the Group incurred net cash outflow from operating activities of HK$88.5 million (2025: HK$62.5 million). As at the same date, total borrowings were HK$0.4 million (2025: HK$5.5 million) and the gearing ratio (ratio of total borrowings to shareholders' equity) was 0.1% (2025: 0.8%).

We continue to apply stringent control over the working capital cycle. The inventory balance as at 31 March 2026 was HK$55.4 million (2025: HK$41.7 million). Inventory increased by HK$13.6 million and inventory turnover increased slightly from 32 days to 34 days. The trade receivables balance as at 31 March 2026 was HK$156.5 million (2025: HK$91.1 million). Trade receivables turnover increased from 71 days to 100 days. The trade payables balance as at 31 March 2026 was HK$53.7 million (2025: HK$56.0 million). Trade payables decreased by HK$2.2 million and trade payables turnover decreased from 45 days to 38 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 2026, the Group spent approximately HK$390,000 on addition of 1 motor vehicle 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 2026, the Group employed approximately 1,550 employees (2025: 1,530). 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 2026.

## 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 2026.

## PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 March 2026, 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 2026. 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 2026 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 2026. 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 2026

*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.*