ALLAN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 684)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2013

RESULTS

The board of directors of Allan International Holdings Limited announces the audited consolidated results of the Company and its subsidiaries ("the Group") for the year ended 31 March 2013 together with the comparative figures for the year ended 31 March 2012, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013

	Notes	**2013** *HK$'000*	2012 *HK$'000*
Revenue	2	**2,356,362**	2,416,920
Cost of sales		**(2,072,739)**	(2,105,080)
Gross profit		**283,623**	311,840
Other income		**8,346**	6,717
Other gains and losses	3	**(5,625)**	(7,970)
Selling and distribution expenses		**(38,044)**	(37,743)
Administrative expenses		**(143,347)**	(137,671)
Increase in fair value of investment properties		**31,111**	20,747
Interest on bank borrowings		**(2,934)**	(2,469)
Profit before tax		**133,130**	153,451
Income tax expense	4	**(24,304)**	(26,314)
Profit for the year attributable to owners of the Company	5	**108,826**	127,137
Other comprehensive income			
Exchange differences arising on translation		**6,335**	9,666
Net adjustments on available-for-sale investments		**(56)**	(597)
Gain on revaluation		**–**	17,638
Deferred tax liability arising on gain on revaluation		**–**	(5,346)
Other comprehensive income for the year, net of income tax		**6,279**	21,361
Total comprehensive income for the year		**115,105**	148,498
Earnings per share	7		
Basic		**HK32.4 cents**	HK37.9 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2013

	Notes	**2013**	2012
		HK$'000	*HK$'000*
Non-current assets			
Investment properties		**242,100**	210,989
Property, plant and equipment		**397,277**	406,419
Prepaid lease payments		**27,835**	28,185
Club debentures		**13,866**	13,866
Available-for-sale investments		**12,467**	8,561
Financial assets designated at fair value through profit or loss ("FVTPL")		**5,342**	6,565
Deposits paid for acquisition of property, plant and equipment		**2,878**	10,135
		701,765	684,720
Current assets			
Inventories		**85,888**	93,781
Trade receivables and bills receivable	*8*	**517,386**	509,353
Other receivables	*8*	**128,335**	107,334
Mould deposits paid		**18,563**	22,245
Prepaid lease payments		**706**	693
Available-for-sale investments		**3,096**	–
Financial assets designated at FVTPL		**–**	1,513
Tax recoverable		**962**	2,210
Time deposits and deposits placed with banks and financial institutions		**139,377**	169,683
Bank balances and cash		**159,261**	188,700
		1,053,574	1,095,512
Current liabilities			
Trade payables and bills payable	*9*	**334,825**	384,420
Other payables and accruals		**175,090**	182,108
Mould deposits received		**34,052**	35,094
Tax payable		**41,468**	41,251
Secured bank loans – due within one year		**54,129**	33,779
		639,564	676,652
Net current assets		**414,010**	418,860
Total assets less current liabilities		**1,115,775**	1,103,580

	2013	2012
	HK$'000	*HK$'000*
Non-current liabilities		
Deferred tax liabilities	**17,719**	16,185
Secured bank loans		
– due after one year	**91,528**	145,657
	109,247	161,842
Net assets	**1,006,528**	941,738
Capital and reserves		
Share capital	**33,543**	33,543
Reserves	**972,985**	908,195
	1,006,528	941,738

Notes:

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

Amendments to HKFRSs applied in current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to HKFRS 7	Financial Instruments: Disclosures – Transfers of Financial Assets

The Group has early adopted the amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets" in prior year.

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

New and revised HKFRSs issued but not yet effective

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

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycle[1]
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[2]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[4]
HKFRS 9	Financial Instruments[2]
HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosure of Interests in Other Entities[1]
HKFRS 13	Fair Value Measurement[1]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[3]
HKAS 19 (Revised 2011)	Employee Benefits[1]
HKAS 27 (Revised 2011)	Separate Financial Statements[1]
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures[1]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[4]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[1]

[1] Effective for annual periods beginning on or after 1 January 2013
[2] Effective for annual periods beginning on or after 1 January 2015
[3] Effective for annual periods beginning on or after 1 July 2012
[4] Effective for annual periods beginning on or after 1 January 2014

Annual Improvements to HKFRSs 2009-2011 Cycle issued in June 2012

The Annual Improvements to HKFRSs 2009 – 2011 Cycle include a number of amendments to various HKFRSs. Amendments to HKFRSs include the amendments to HKAS 16 *Property, Plant and Equipment* and the amendments to HKAS 32 *Financial Instruments: Presentation*.

The amendments to HKAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in HKAS 16 and as inventory otherwise. The directors anticipate that the amendments to HKAS 16 will have no material impact on the consolidated financial statements.

The amendments to HKAS 32 clarify that income tax on distributions to holders of an equity instrument and transaction costs of an equity transaction should be accounted for in accordance with HKAS 12 *Income Taxes*. The directors anticipate that the amendments to HKAS 32 will have no effect on the Group's consolidated financial statements as the Group has already adopted this treatment.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

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

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

The directors anticipate that HKFRS 9 will be adopted in the Group's consolidated financial statements for the annual period beginning on 1 April 2015. Based on the analysis of the Group's financial assets and financial liabilities as at 31 March 2013, the adoption of HKFRS 9 will affect the classification and measurement of the Group's available-for-sale investments and is not likely to have significant impact on the amounts of the Group's other financial assets and financial liabilities. Regarding the Group's available-for-sale investments, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

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

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of standards relevant to the Group are described below.

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements. HK(SIC) – Int 12 *Consolidation – Special Purpose Entities* will be withdrawn upon effective date of HKFRS 10. Under HKFRS 10, there is only one basis for consolidation, that is, control. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these five HKFRSs for the first time.

These five standards, together with the amendments relating to the transitional guidance, will be adopted in the Group's consolidated financial statements for the annual period beginning on 1 April 2013. The application of these five standards is not likely to have significant impact on amounts reported in the consolidated financial statements.

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 *Financial Instruments: Disclosures* will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning on 1 April 2013 and that the application of the new Standard is not likely to have material impact to the amounts reported in the consolidated financial statements but result in more extensive disclosures in the consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income* introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a 'statement of comprehensive income' is renamed as a 'statement of profit or loss and other comprehensive income' and an 'income statement' is renamed as a 'statement of profit or loss'. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments to HKAS 1 are effective for the Group's annual period beginning on 1 April 2013. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in future accounting periods.

The directors anticipate that the application of the other new and revised HKFRSs will have no material impact on the consolidated financial statements.

2. SEGMENT INFORMATION

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

The principal activities of the Group are manufacture and distribution of household electrical appliance. The Group is currently organised into four operating divisions – Europe sales, Asia sales, America sales and other sales. The information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of performance is based on these operating divisions.

Segment Revenues and Results

The following is an analysis of the Group's revenues and results for each of the reportable and operating segments.

Year ended 31 March 2013

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

Year ended 31 March 2012

	Europe *HK$'000*	Asia *HK$'000*	America *HK$'000*	Others *HK$'000* *(Note a)*	Consolidated *HK$'000*
Segment revenue	1,281,429	658,332	356,780	120,379	2,416,920
Segment profit	108,863	55,928	30,310	10,227	205,328
Other gains and losses (except gain on disposal of property, plant and equipment and net exchange loss)					(107)
Depreciation (except moulds)					(50,209)
Increase in fair value of investment properties					20,747
Finance costs					(2,469)
Unallocated income and expenses, net *(Note b)*					(19,839)
Profit before tax					153,451

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

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

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of other income, central administration cost and directors' salaries, other gains and losses (except gain on disposal of property, plant and equipment and net exchange loss), depreciation (except moulds), increase in fair value of investment properties and finance costs. This is the measure reported to the Group's chief operating maker for the purposes of resource allocation and performance assessment. Revenue reported above represents revenue generated from external customers. There were no inter-segment sales in both years.

Segment Assets and Liabilities

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

Segment Assets

	2013	2012
	HK$'000	*HK$'000*
Europe	**310,586**	339,218
Asia	**154,430**	170,205
America	**139,197**	91,654
Others	**23,720**	32,164
Segment assets	**627,933**	633,241
Unallocated assets		
Available-for-sale investments	**15,563**	8,561
Financial assets designated as FVTPL	**5,342**	8,078
Time deposits and deposits placed with banks and financial institutions	**139,377**	169,683
Bank balances and cash	**159,261**	188,700
Investment properties	**242,100**	210,989
Plant, equipment and machinery (except moulds)	**391,181**	398,557
Club debentures	**13,866**	13,866
Other receivables	**128,335**	107,334
Tax recoverable	**962**	2,210
Other unallocated assets *(Note)*	**31,419**	39,013
Consolidated assets	**1,755,339**	1,780,232

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

Segment Liabilities

	2013	2012
	HK$'000	*HK$'000*
Europe	**17,098**	19,194
Asia	**7,615**	8,786
America	**8,124**	5,306
Others	**1,215**	1,808
Segment liabilities *(Note)*	**34,052**	35,094
Unallocated liabilities		
Trade payables and bills payable	**334,825**	384,420
Other payables and accruals	**175,090**	182,108
Secured bank loans	**145,657**	179,436
Tax payable	**41,468**	41,251
Deferred tax liabilities	**17,719**	16,185
Consolidated liabilities	**748,811**	838,494

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

Other Segment Information

Year ended 31 March 2013

	Europe HK$'000	Asia HK$'000	America HK$'000	Others HK$'000	Total segment HK$'000	Unallocated HK$'000	Consolidated HK$'000
Amounts included in the measure of segment profit or loss or segment assets:							
Additions to non-current assets	**1,309**	**630**	**733**	**71**	**2,743**	**57,827**	**60,570**
Depreciation	**2,202**	**1,013**	**1,120**	**142**	**4,477**	**70,269**	**74,746**
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:							
Interest income on bank deposits	**–**	**–**	**–**	**–**	**–**	**1,505**	**1,505**
Interest income on available-for-sale investments	**–**	**–**	**–**	**–**	**–**	**342**	**342**
Rental income	**–**	**–**	**–**	**–**	**–**	**3,921**	**3,921**

Year ended 31 March 2012

	Europe HK$'000	Asia HK$'000	America HK$'000	Others HK$'000	Total segment HK$'000	Unallocated HK$'000	Consolidated HK$'000
Amounts included in the measure of segment profit or loss or segment assets:							
Additions to non-current assets	2,479	1,115	647	238	4,479	202,982	207,461
Depreciation	2,106	977	608	196	3,887	50,209	54,096
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	–	–	–	–	–	845	845
Interest income on available-for-sale investments	–	–	–	–	–	430	430
Rental income	–	–	–	–	–	3,771	3,771

Information about major customers

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

	2013 ***HK$'000***	2012 *HK$'000*
Customer A (Europe, Asia, America and Others)	**1,046,162**	1,006,530
Customer B (Europe, Asia, America and Others)	**590,502**	711,565
Customer C (Europe, Asia, America and Others)	**318,500**	269,031

3. OTHER GAINS AND LOSSES

	2013	2012
	HK$'000	*HK$'000*
Net foreign exchange loss	**(7,106)**	(7,863)
Gain on disposal of property, plant and equipment	**537**	1,773
Write-off of property, plant and equipment	**(95)**	(2,597)
Net gain on disposal of available-for-sale investments	**400**	489
Net gain on financial assets designated at FVTPL	**639**	228
	(5,625)	(7,970)

4. INCOME TAX EXPENSE

	2013	2012
	HK$'000	*HK$'000*
Current tax:		
Hong Kong	**18,343**	17,357
PRC Enterprise Income Tax	**4,792**	7,880
	23,135	25,237
Over (under)-provision in prior years:		
Hong Kong	**(379)**	(113)
PRC Enterprise Income Tax	**14**	–
	(365)	(113)
Deferred tax:		
Current year	**1,534**	1,190
	24,304	26,314

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

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

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

	2013	2012
	HK$'000	*HK$'000*
Profit before tax	**133,130**	153,451
Tax at the Hong Kong Profits Tax rate of 16.5%	**21,966**	25,320
Tax effect of expenses that are not deductible for tax purpose	**996**	1,067
Tax effect of income that is not taxable for tax purpose	**(6,165)**	(5,455)
Effect of different tax rates in the PRC	**2,635**	1,905
Overprovision in respect of prior years	**(365)**	(113)
Tax effect of tax losses not recognised	**4,081**	2,520
Withholding tax on undistributed earnings	**982**	920
Others	**174**	150
Tax charge for the year	**24,304**	26,314

5. PROFIT FOR THE YEAR

	2013	2012
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging:		
Staff salaries and allowances	**325,880**	274,575
Contributions to retirement benefits schemes net of forfeited amount of nil (2012: HK$66,960)	**13,419**	12,352
Total staff costs, including directors' emoluments	**339,299**	286,927
Depreciation for property, plant and equipment	**74,746**	54,096
Release of prepaid lease payments	**706**	809
Auditor's remuneration	**2,390**	2,333
Interest on bank borrowings wholly repayable within five years	**2,190**	1,708
Interest on bank borrowings not wholly repayable after five years	**744**	761

6. DIVIDENDS

	2013	2012
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year		
2013 Interim dividend of HK2.5 cents (2012: 2012 interim dividend of HK2.5 cents) per ordinary share	**8,386**	8,386
2012 final dividend of HK12.5 cents (2012: 2011 final dividend of HK15 cents) per ordinary share	**41,929**	50,315
	50,315	58,701

Subsequent to the end of the reporting period, a final dividend of HK10.3 cents in respect of the year ended 31 March 2013 (2012: final dividend of HK12.5 cents in respect of the year ended 31 March 2012) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming Annual General Meeting. The final dividend will be paid on 18 September 2013 to shareholders whose names appear on the Register of Members of the Company on 30 August 2013.

7. EARNINGS PER SHARE

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

	2013	2012
	HK$'000	*HK$'000*
Earnings for the purpose of basic earnings per share (Profit for the year attributable to owners of the Company)	**108,828**	127,137

	Number of shares	
	2013	2012
	'000	*'000*
Number of ordinary shares for the purpose of basic earnings per share	**335,433**	335,433

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

8. TRADE RECEIVABLES AND BILLS RECEIVABLE/OTHER RECEIVABLES

	2013	2012
	HK$'000	*HK$'000*
Trade receivables	**515,745**	509,016
Bills receivable	**1,641**	337
	517,386	509,353
Other receivables *(Note)*	**128,335**	107,334
Total trade and other receivables	**645,721**	616,687

Note: As at 31 March 2013, the Group's other receivables mainly include value added tax recoverable of HK$119,203,000 (2012: HK$97,608,000), which will be repayable within one year.

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

	2013	2012
	HK$'000	*HK$'000*
0 – 90 days	**431,117**	485,266
91 – 120 days	**86,210**	24,032
Over 120 days	**59**	55
	517,386	509,353

Before accepting any new customer, the Group has assessed the potential customer's credit quality and defines credit limits by customer. In addition, the Group reviews the repayment history of receivables by each customer with reference to the payment terms stated in contracts. In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. In the opinion of directors, the trade receivables that are neither past due nor impaired were of good credit quality based on good repayment history at the end of the reporting period and no impairment is necessary for these balances.

Included in the Group's trade receivable balance are debtors with an aggregate carrying amount of HK$106,647,000 (2012: HK$35,740,000) which are past due at the reporting date for which the Group has not provided for impairment loss as there has not been significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

Aging of trade receivables which are past due but not impaired presented based on the overdue date:

	2013	2012
	HK$'000	*HK$'000*
Overdue 0 – 90 days	**105,110**	35,740
Overdue 91 – 120 days	**1,535**	–
Overdue more than 120 days	**2**	–
	106,647	35,740

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

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

9. TRADE PAYABLES AND BILLS PAYABLE

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

	2013	2012
	HK$'000	*HK$'000*
0 – 90 days	**298,375**	352,202
91 – 120 days	**30,385**	28,461
Over 120 days	**6,065**	3,757
	334,825	384,420

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 19 August 2013 to 21 August 2013 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for attending the annual general meeting of the Company to be held on 21 August 2013, all transfers accompanied with the relevant share certificates must be deposited with the Company's share registrar, Tricor Standard Limited, whose address is at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration no later than 4:00 p.m. on 16 August 2013.

Subject to shareholders' approval at the Annual General Meeting, the proposed final dividend will be distributed to the shareholders whose names appear on the Register of Members of the Company on 30 August 2013. The Register of Members of the Company will be closed from 28 August 2013 to 30 August 2013. In order to qualify for payment of the recommended final dividend, all transfers accompanied with the relevant share certificates must be deposited with the Company's share registrar, Tricor Standard Limited, whose address is at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration no later than 4:00 p.m. on 27 August 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

CHAIRMAN'S STATEMENT

For the year ended 31 March 2013, the Group's sales turnover decreased by 2.5% to HK$2.36 billion (2012: HK$2.42 billion) and the consolidated net profit decreased by 14.4% to HK$108.8 million (2012: HK$127.1 million). Basic earnings per share of the Group for the year ended 31 March 2013 was HK32.4 cents (2012: HK37.9 cents). The Board of Directors has resolved to recommend at the forthcoming Annual General Meeting the payment of a final dividend of HK10.3 cents (2012: HK12.5 cents) per share for the year ended 31 March 2013. Together with the interim dividend of HK2.5 cents per share paid in January this year, the total dividend for the year ended 31 March 2013 will be HK12.8 cents per share (2012: HK15 cents).

BUSINESS REVIEW

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

For the year ended 31 March 2013, the overall business environment continued to be competitive and challenging. Sales turnover improved significantly in the America market. However, this improvement was more than offset by the drop in sales in the Europe, Asia and other markets. Although the commodity and raw material prices have generally stablized, our profit margins were eroded by increase in labour costs and operating costs in the PRC, increase in depreciation charges and appreciation of Renminbi.

During the year under review, sales turnover decreased by 2.5% to HK$2.36 billion. The Eurozone continued to be shadowed by the sluggish economy and the lingering political and economic uncertainties. Sales turnover to Europe decreased by 10% to HK$1.15 billion representing 48.9% of the Group's sales turnover. Sales turnover to Asia decreased by 12.6% to HK$575.1 million representing 24.4% of the Group's sales turnover. Sales turnover to America showed significant improvements under the recovering economy. Sales turnover to America increased by 53.1% to HK$546.2 million representing 23.2% of the Group's sales turnover. Sales turnover to other markets decreased by 31.7% to HK$82.2 million representing 3.5% of the Group's sales turnover.

Gross profit for the year ended 31 March 2013 decreased by 9% to HK$283.6 million. Gross profit margin dropped from 12.9% to 12.0%. The drop in gross profit margin was mainly attributed by the increase in labour costs and operating costs in the PRC, increase in depreciation charges and appreciation of Renminbi.

Selling and distribution expenses increased by 0.8% to HK$38.0 million. As a percentage to sales turnover, selling and distribution expenses remained at 1.6% compared to last year. Administration expenses increased by 4.1% to HK$143.3 million. As a percentage to sales turnover, administration expenses increased from 5.7% to 6.1% compared to last year.

The investment property located in Wanchai, Hong Kong was revaluated at HK$210.6 million (2012: HK$181.1 million) giving rise to an increase in fair value of HK$29.5 million (2012: HK$20.7 million) in the income statement. Currently, all units in this investment property are leased to third parties.

Net Profit for the year decreased by 14.4% to HK$108.8 million (2012: HK$127.1 million). Net profit margin decreased from 5.3% to 4.6% compared to corresponding period last year.

PROSPECTS

Looking ahead, we are still being confronted with difficult and uncertain economic and business environment. Fierce competition, sluggish consumer sentiments, rising labour costs and operating costs in the PRC, appreciation of the Renminbi and shortage of labour supply in the PRC are amongst our biggest challenges. We continue to seek growth opportunities through new customers and new product categories. At the operations level, costs and productivity efficiency improvements continue to be our top priorities. Stringent cost control measures and lean concepts would be applied to all aspects of our operations. Semi-automation would continue to be implemented to raise productivity and efficiency at the manufacturing level.

The Group celebrates its 50th anniversary in business this year. With our prudent and pragmatic business approach, healthy financial conditions and commitment to excel, we are confident that we would sail through the challenges and uncertainties ahead of us in the coming future.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2013, the Group had total assets of HK$1.76 billion (2012: HK$1.78 billion) which was financed by current liabilities of HK$639.6 million (2012: HK$676.7 million), long-term liabilities and deferred taxation of HK$109.2 million (2012: HK$161.8 million) and shareholders' equity of HK$1,006.5 million (2012: HK$941.7 million).

The Group continued to maintain a strong balance sheet and a healthy liquidity position. As at 31 March 2013, the Group held HK$298.6 million (2012: HK$358.4 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 2013, the Group generated net cash inflow from operating activities of HK$79.7 million (2012: HK$227.9 million). As at the same date, total borrowings were HK$145.7 million (2012: HK$179.4 million) and the gearing ratio (ratio of total borrowings to shareholders' equity) was 14% (2012: 19%).

We continue to apply stringent control over the working capital cycle. The inventory balance as at 31 March 2013 decreased from HK$93.8 million to HK$85.9 million in line with the decrease in sales turnover. The trade receivables balance as at 31 March 2013 increased from HK$509.4 million to HK$517.4 million. The trade payables balance as at 31 March 2013 decreased from HK$384.4 million to HK$334.8 million.

Funding for day-to-day operational working capital and capital expenditures are to be serviced by internal cash flow and available banking facilities. For the year ended 31 March 2013, the group invested HK$61 million (2012: HK$207 million) in plant and machinery, moulds and tools, equipment, computer systems and other tangible assets for expansion and upgrade to our manufacturing facilities. The Group's capital expenditures were funded by internal resources and bank loans. The capital expenditure budget for 2013/14 is approximately HK$44 million. With a healthy financial position and available banking facilities, the Group is able to provide sufficient financial resources for our current commitments, working capital requirements, further expansions of the Group's business operations and future investment opportunities, as and when required.

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

EMPLOYEE AND REMUNERATION POLICIES

Currently, the Group employs approximately 5,200 employees. The majority of our employees work in the PRC. The Group remunerated our employees based on their performances, experiences and prevailing market rates while performance bonuses are granted on a discretionary basis. Share options may also be granted to employees based on individual performance and attainment of certain set targets.

CORPORATE GOVERNANCE

The Company has complied with the code provisions as set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 to the Listing Rules throughout the financial year ended 31 March 2013, save for the following deviations:

Code Provision A.4.1

Under this code provision, the non-executive directors should be appointed for a specific term, subject to re-election.

Currently, none of the three independent non-executive directors is appointed for a specific term. However, all independent non-executive directors, are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Bye-laws of the Company, and the terms of their appointment will be reviewed when they are due for re-election. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those set out in the Code.

Code Provision A.4.2

Under this code provision, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

According to the Bye-laws of the Company, one third of the directors are subject to rotation at each annual general meeting and the Chairman and/or the Managing Director of the Company is not subject to retirement by rotation, which constitutes a deviation from Code Provision A.4.2. The reason for the deviation is that the Directors of the Company do not consider that arbitrary term limits on Director's service are appropriate and the retirement by rotation has given the Company's shareholders the right to approve continuation of the service of the directors.

Code Provision A.5.1

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

At 31 March 2013, the Company had not set up a Nomination Committee. Pursuant to the Company's Bye-laws, any director appointed by the Board either to fill a casual vacancy or as an addition to the Board shall retire and be eligible for re-election at the next following general meeting after appointment. Executive directors identify potential new directors and recommend to the Board for decision. In considering the nomination of a new director, the Board will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates. In determining the independence of independent non-executive directors, the Board follows the requirements set out in the Listing Rules.

Code Provision A.6.7

Under this provision, independent non-executive directors and other non-executive directors shall attend general meetings and develop a balanced understanding of the views of shareholders.

Two independent non-executive directors, Dr. Chan How Chun and Professor Lo Chung Mau, did not attend the annual general meeting of the Company held on 8 August 2012 due to other business engagements.

Code Provision E.1.2

Under this code provision, the Chairman of the Board and the Chairman of the Audit Committee should attend the annual general meeting.

Both the Chairman of the Board and the Chairman of the Audit Committee had not attended the annual general meeting of the Company held on 8 August 2012. The Chairmen will endeavour to attend all future annual general meetings of the Company unless unexpected or special circumstances prevent them from doing so.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" as set out in Appendix 10 to the Listing Rules as its own code for dealing in securities of the Company by the directors (the "Model Code"). Having made specific enquiry to all directors, the Company confirmed that all directors have complied with the required standard as set out in the Model Code during the year ended 31 March 2013.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 March 2013, there was no purchase, sale or redemption of the shares by the Company or any of its subsidiaries.

REVIEW OF ACCOUNTS BY AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") has reviewed with the management and the Company's auditors the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the audited financial statements for the year ended 31 March 2013. The Audit Committee currently comprises three independent non-executive directors, namely Dr. Chan How Chun, Mr. Lai Ah Ming, Leon and Professor Lo Chung Mau.

PUBLICATION OF FINAL RESULTS

All the information of the annual results of the Group for the year ended 31 March 2013 required by paragraphs 45(1) to 45(8) of Appendix 16 to the Listing Rules will be published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.allan.com.hk) in due course.

APPRECIATION

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

On behalf of the Board
Cheung Shu Wan
Managing Director

Hong Kong, 24 June 2013

As at the date of this announcement, the Executive Directors are Mr. Cheung Lun (Chairman), Mr. Cheung Shu Wan (Managing Director), Ms. Cheung Lai Chun, Maggie, Ms. Cheung Lai See, Sophie, and Mr. Cheung Pui. The Independent Non-Executive Directors are Dr. Chan How Chun, Mr. Lai Ah Ming, Leon and Professor Lo Chung Mau.