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ALLAN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 684)

DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF PROPERTY

The Board announces that on 1 November 2010, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Vendors for the acquisition of the Property at a cash consideration of HK\$153,700,000.

The Property is located in Wanchai, Hong Kong and is currently leased to third parties independent of the Company and its connected persons for commercial purpose. It is currently the intention of the Directors that upon completion of the Acquisition, the Group shall continue to lease out the Property for rental income until the end of the existing tenancies in respect of the Commercial Property and the existing licence in respect of the Car Parking Spaces. After expiration of such existing tenancies and licence and depending on the then market circumstances, the Group shall either continue to lease the Property for investment purpose to strengthen its income base or use the Property by itself.

The Acquisition constitutes a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules.

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THE PROVISIONAL AGREEMENT

Date

1 November 2010

Parties

Purchaser: New Prestige Investments Limited

Commercial Property Vendor: Upper City Limited

Car Parking Spaces Vendor: City Plan Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendors and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

Assets to be acquired

(i) *Commercial Property: All that 9th Floor, AXA Centre, 151 Gloucester Road, Wanchai, Hong Kong*

The Commercial Property has a total gross floor area of approximately 14,025 square feet, consisting of all the 6 units on the floor, namely, 901, 902, 903, 904, 905 and 906, and is currently leased by the Commercial Property Vendor to third parties independent of and not connected with the Company and its connected persons for commercial purpose under the existing tenancy agreements as follows:

	Unit(s)	Monthly Rental	Expiry of Term
1.	901	HK\$81,624.00	30 September 2012
2.	902	HK\$42,000.00	30 November 2011
3.	903	HK\$64,030.50	1 January 2011
4.	904	HK\$45,760.00	31 August 2011
5.	905-906	HK\$82,280.00	7 August 2012

(ii) *Car Parking Spaces: Car Parking Space No. 303 and Car Parking Space No. 304 on 3rd Floor, AXA Centre, 151 Gloucester Road, Wanchai, Hong Kong*

The Car Parking Spaces are currently licensed by the Car Parking Spaces Vendor to Imperial Parking (Hong Kong) Limited, a third party independent of and not connected with the Company and its connected persons, for car parking purpose under an existing licence agreement for a monthly rental of HK\$4,000 in respect of the Car Parking Space No. 303 and HK\$4,000 in respect of the Car Parking Space No. 304, both of which will be expired on 31 August 2011.

Upon the completion of the Acquisition, the Purchaser shall acquire the Property on an "as is" basis and with the existing tenancy agreements and licence agreement.

All security deposits (less any lawful deduction) shall be transferred to the Purchaser on completion, except for those security deposits for the Car Parking Spaces.

On completion of the Acquisition, the Purchaser shall, by way of a written notice, irrevocably instruct Imperial Parking (Hong Kong) Limited to continue to pay such pro-rata share of the licence fee in respect of the Car Parking Spaces to the Car Parking Spaces Vendor (or its nominee(s)) until the expiry of the licence term. By way of compensation, the Car Parking Spaces Vendor agrees to reimburse such licence fee to the Purchaser at HK\$4,000 per month per car parking space from the date of completion until the expiry of the licence term. The total sum of such reimbursement shall be paid by the Car Parking Spaces Vendor to the Purchaser on completion against the delivery by the Purchaser to the Car Parking Spaces Vendor of such written notice to Imperial Parking (Hong Kong) Limited.

Consideration

Pursuant to the Provisional Agreement, the Consideration for the Acquisition is HK\$153,700,000 which will be satisfied in the following manner:

- (a) an initial deposit of HK\$5,000,000 shall be paid by the Purchaser to the Vendors upon the signing of the Provisional Agreement;
- (b) a further deposit of HK\$10,370,000 shall be paid by the Purchaser to the Vendors on or before 12 November 2010;
- (c) another part payment of the Consideration of HK\$7,685,000 shall be paid by the Purchaser to the Vendors on or before 24 December 2010;
- (d) the remaining balance of the Consideration of HK\$130,645,000 shall be paid by the Purchaser to the Vendors upon completion of the Acquisition on or before 8 April 2011.

The Consideration was determined after arm's length negotiations between the Vendors and the Purchaser with reference to the prevailing market value, such as the prices of similar properties in the proximity of the Property.

The Consideration will be satisfied by internal resources of the Group and/or banking facility.

Completion

Completion of the Acquisition shall take place on or before 8 April 2011.

REASONS FOR AND BENEFITS OF THE ACQUISITION

It is currently the intention of the Directors that upon completion of the Acquisition, the Group shall continue to lease out the Property for rental income until the end of the existing tenancies in respect of the Commercial Property and the existing licence in respect of the Car Parking Spaces. After expiration of such existing tenancies and licence and depending on the then market circumstances, the Group shall either continue to lease the Property for investment purpose to strengthen its income base or use the Property by itself. With the improving economic conditions of Hong Kong and its current low interest environment, the Directors believe that the commercial property market in Hong Kong will continue to boom and consider that it is an opportune time to acquire the Property to broaden the fixed asset base of the Group.

The Directors, including the independent non-executive Directors, consider that the terms of the Provisional Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As some of the applicable percentage ratios defined under Rule 14.07 of the Listing Rules in relation to the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

INFORMATION OF THE GROUP AND THE VENDORS

The Group is principally engaged in the designing, manufacturing and trading of household electrical appliances as well as property investments.

The Commercial Property Vendor is Upper City Limited.

The Car Parking Spaces Vendor is City Plan Limited.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the meanings set out below:

“Acquisition”	the acquisition of the Property by the Purchaser from the Vendors pursuant to the Provisional Agreement
“Board”	the board of Directors
“Car Parking Spaces”	Car Parking Space No. 303 and Car Parking Space No. 304 on 3rd Floor, AXA Centre, 151 Gloucester Road, Wanchai, Hong Kong
“Car Parking Spaces Vendor”	City Plan Limited, vendor in respect of the Car Parking Spaces
“Commercial Property”	All that 9th floor, AXA Centre, 151 Gloucester Road, Wanchai, Hong Kong, consisting of all the 6 units on the floor, namely, 901, 902, 903, 904, 905 and 906
“Commercial Property Vendor”	Upper City Limited, vendor in respect of the Commercial Property
“Company”	Allan International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning given to it by the Listing Rules
“Consideration”	the consideration of HK\$153,700,000 for the Acquisition
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Property”	the Commercial Property and the Car Parking Spaces
“Provisional Agreement”	the provisional agreement dated 1 November 2010 entered into between the Purchaser and the Vendors in relation to the Acquisition
“Purchaser”	New Prestige Investments Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	the Commercial Property Vendor and the Car Parking Spaces Vendor

By Order of the Board
Allan International Holdings Limited
Cheung Shu Wan
Managing Director

Hong Kong, 1 November 2010

As at the date of this announcement, the executive directors of the Company 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.