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ALLAN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

PLACEMENT OF EXISTING SHARES

The Board announces that it has been informed by Mr. Cheung Shu Wan, the Managing Director of the Company and AICL, a substantial shareholder of the Company, that they had entered into a placing arrangement with Kingsway on 1st August, 2003 pursuant to which they had sold to Independent Third Parties the Sale Shares, representing approximately 6.56% of the issued share capital of the Company for a cash consideration of HK\$30,580,000.

Placing of the Sale Shares by the Vendors

The Board noted the recent increase in the trading volume of the Shares and announces that it has been informed by the Vendors that they had entered into a placing arrangement with Kingsway on 1st August, 2003 pursuant to which they had sold to Independent Third Parties the Sale Shares, representing approximately 6.56% of the total issued Shares.

The Directors have been informed by the Vendors that their shareholding will have the following changes before and after the Disposal:–

	Before Disposal		After Disposal	
	Personal Interests	Corporate Interests	Personal Interests	Corporate Interests
	Number of Shares	Number of Shares	Number of Shares	Number of Shares
Cheung Shu Wan	49,744,400	6,694,935	37,744,400	6,694,935
AICL	–	144,821,960	–	134,821,960

As at 1st August, 2003, the total issued share capital of the Company is 335,432,520 shares. After the Disposal which completed on 1st August, 2003, Mr. Cheung Shu Wan will hold in aggregate personal and corporate interests of approximately 13.25% of the total issued Shares and AICL will hold approximately 40.19% of the total issued Shares.

Consideration

The consideration for the Sale Shares is HK\$1.39 per Share, representing (i) a discount of approximately 9.15% over the closing price of HK\$1.53 per Share as quoted on the Stock Exchange on 1st August, 2003, being the last trading day of the Shares prior to the publication of this announcement and (ii) a discount of approximately 6.21% over the average closing price of HK\$1.482 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including 1st August, 2003, being the last trading day of the Shares before publication of this announcement.

Save for the above, we confirm that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under paragraph 3 of the Listing Agreement, neither is the Board aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

Definitions

“AICL”	Allan Investment Company Limited, a company incorporated in Hong Kong and owned as to 89% by Mr. Cheung Lun, the Chairman of the Company and his spouse and the balance of 11% is owned by Mr. Cheung Pui, a Director;
“Disposal”	the disposal of the Sale Shares pursuant to the placing arrangement made between the Vendors and Kingsway on 1st August, 2003;
“Board”	the board of Directors;
“Company”	Allan International Holdings Limited, a company incorporated in Bermuda whose shares are listed on the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Independent Third Parties”	independent third parties not connected with the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Kingsway”	Kingsway SW Securities Limited, an Independent Third Party;
“Sale Shares”	22,000,000 Shares beneficially owned as to 10,000,000 Shares by AICL and 12,000,000 by Mr. Cheung Shu Wan;
“Shares”	ordinary shares of HK\$0.1 each in the capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Vendors”	AICL and Mr. Cheung Shu Wan, the Managing Director of the Company.

Made by the order of the Board, the Directors of which individually and jointly accept responsibility for the accuracy of this statement.

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

Hong Kong, 1st August, 2003

“Please also refer to the published version of this announcement in SCMP”.