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ALLAN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 684)

PROFIT WARNING

This announcement is made by Allan International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 March 2023 and the information currently available to the Board, the Group is expected to record a net loss within the range of HK\$60 million to HK\$64 million as compared to a net loss of HK\$27 million recorded by the Group for the year ended 31 March 2022. The expected increase in loss was mainly due to:

- (a) the drastic decrease of approximately 47% in sales turnover due to weak demand and customer sentiments. The decrease was most severe in the European market due to high inflation, increase in energy costs and geopolitical issues surrounding the Russia-Ukraine conflict; and
- (b) decrease in gross profit margin due to
 - increase in material costs, particularly electronic components with shortage in supply; and
 - high staff cost level as a percentage to revenue; and
- (c) the fair value loss of investment properties for the year ended 31 March 2023 was approximately HK\$4.7 million as compared to a fair value gain of approximately HK\$15.2 million for the same period last year; and
- (d) a provision of approximately HK\$24.9 million for impairment of property, plant and equipment of the Group.

The Company is still in the course of finalizing its consolidated financial results of the Group for the year ended 31 March 2023. The information contained in this announcement is only a preliminary assessment by the Board based on the information currently available to the Board, which have not been audited or reviewed by the Company's auditor nor reviewed by the audit committee of the Company, and may be subject to amendments. The Group's audited results for the year ended 31 March 2023 are expected to be published on 27 June 2023.

Shareholders and potential investors are advised to exercise caution in dealing in the shares of the Company.

By Order of the Board
Allan International Holdings Limited
Cheung Lai Chun, Maggie
Chairman

Hong Kong, 16 June 2023

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.