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ALLAN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 684)

MAJOR TRANSACTION: DISPOSAL OF PROPERTY

DISPOSAL

The Board wishes to announce that on 29 December 2015, after trading hours, the Vendor (a wholly-owned subsidiary of the Company) and the Purchaser entered into the Provisional SPA pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to acquire, the Property, namely, all that 12th Floor of Zung Fu Industrial Building, No. 1067 King's Road, Hong Kong, at the Consideration of HK\$179,000,000.

It is provided in the Provisional SPA that subject to satisfaction of the condition precedent that the Purchaser having entered into binding agreements to purchase the whole of 5th, 9th and 11th Floors of Zung Fu Industrial Building, No. 1067 King's Road, Hong Kong with the respective owners of such properties, Completion shall take place on or before 3 March 2016. If this condition precedent is not satisfied by 3 March 2016, the Purchaser is entitled to choose in its absolute discretion either to proceed with Completion as originally scheduled or to annul the sale and purchase of the Property in which case all the deposits paid to the Vendor shall be returned to the Purchaser and the Provisional SPA shall be terminated and each party shall not have any rights or remedies against the other.

LEASEBACK ARRANGEMENT

It is also provided in the Provisional SPA that the Purchaser as the landlord and the Vendor as the tenant shall on Completion enter into a tenancy agreement for the Property for a term of 36 months commencing from the date of Completion at the monthly rental of HK\$1 for the first two years and at the market rate (but in any event not exceeding HK\$250,000 per month) for the third year, all exclusive of rates, government rent and management fee.

LISTING RULES IMPLICATIONS

As certain applicable percentage ratios (as defined under the Listing Rules) exceed 25% but are less than 75%, the Disposal constitutes a major transaction for the Company and is therefore subject to reporting, announcement and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

As no Shareholder has a material interest in the Disposal, none of the Shareholders is required to abstain from voting if the Company were to convene a general meeting for the approval of the Disposal. As at the date of this announcement, the Controlling Shareholders together hold directly or indirectly approximately 60.36% of the issued share capital of the Company. Pursuant to Rule 14.44 of the Listing Rules, the Company has sought a written approval of the Disposal from the Controlling Shareholders who constituted a closely allied group of Shareholders and together hold more than 50% of the voting rights of the Company in lieu of holding a general meeting for seeking the approval of the Disposal. Therefore, no general meeting of the Company will be held for approval of the same.

It is expected that the Company will despatch a circular containing further details of the Disposal and further information as required under the Listing Rules for the Shareholders' information on or before 20 January 2016.

As Completion is subject to fulfillment of the condition precedent that the Purchaser having entered into binding agreements to purchase the whole of 5th, 9th and 11th Floors of Zung Fu Industrial Building, No. 1067 King's Road, Hong Kong with the respective owners of such properties, the Disposal may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DISPOSAL

The Board wishes to announce that on 29 December 2015, after trading hours, the Vendor and the Purchaser entered into the Provisional SPA pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to acquire, the Property at the Consideration of HK\$179,000,000.

THE PROVISIONAL SPA

Set out below are the principal terms of the Provisional SPA:

Date: 29 December 2015

Parties:

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| Vendor: | Ever Sources Investment Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company |
| Purchaser: | Lead Harvest Group Limited, a company incorporated in British Virgin Islands with limited liability and principally engaged in the business of investment company. As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owners are Independent Third Parties. |

Property to be disposed of

The Property is all that 12th Floor of Zung Fu Industrial Building, No. 1067 King's Road, Hong Kong with approximate gross floor area of 16,500 square feet which was acquired by the Group in 1989 and is solely and beneficially owned by the Vendor.

The Property has since 1989 been and is still occupied and used by the Group as the Company's head office and principal place of business. Accordingly, no rental income has been generated since then. Therefore, no net profits were attributable to the Property for the two years immediately preceding the transaction.

As at 31 March 2015, the carrying value of the Property was approximately HK\$9,220,000.

Consideration

The Consideration of HK\$179,000,000 for the Disposal shall be payable by the Purchaser to the Vendor in the following manner:

- (a) an initial deposit in the sum of HK\$5,370,000 has been paid by the Purchaser to the Vendor's solicitors upon signing of the Provisional SPA;
- (b) a further deposit in the sum of HK\$12,530,000 shall be paid by the Purchaser to the Vendor's solicitors upon signing of the formal agreement for sale and purchase of the Property on or before 13 January 2016; and
- (c) the balance of the Consideration in the sum of HK\$161,100,000 shall be paid by the Purchaser to the Vendor upon Completion on or before 3 March 2016 and the initial deposit and further deposit shall be released to the Vendor upon Completion.

The Consideration was arrived at after arm's length negotiation between the Purchaser and the Vendor with reference to the prevailing market value of commercial properties of similar size and age as the Property in the same vicinity.

Condition Precedent

Pursuant the Provisional SPA, Completion is subject to satisfaction of the condition precedent that the Purchaser having entered into binding agreements (with provisions on specific performance) to purchase the whole of 5th, 9th and 11th Floors of Zung Fu Industrial Building, No. 1067 King's Road, Hong Kong with the respective owners of such properties. If this condition precedent is not satisfied by 3 March 2016, the Purchaser is entitled to choose in its absolute discretion either to proceed with Completion as originally scheduled or to annul the sale and purchase of the Property in which case all the deposits paid to the Vendor shall be returned to the Purchaser and the Provisional SPA shall be terminated and each party shall not have any rights or remedies against the other.

Completion

Pursuant the Provisional SPA, the formal agreement for sale and purchase of the Property shall be signed between the Purchaser and the Vendor on or before 13 January 2016 and Completion shall take place on or before 3 March 2016.

LEASEBACK ARRANGEMENT

Upon Completion, the Group would continue occupying the Property by the Vendor entering into a tenancy agreement with the Purchaser in respect of the Property with the following principal terms as provided in the Provisional SPA:

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| Term: | 36 months commencing from the date of Completion |
| Rental: | Monthly rental of HK\$1 for the first two years and at market rate (but in any event not exceeding HK\$250,000 per month) for the third year, all exclusive of rates, government rent and management fee |
| Termination: | During the lease term, the Vendor shall be entitled to terminate the tenancy by giving a written notice of not less than 6 months to the Purchaser. |
| Deposit: | The Vendor shall pay to the Purchaser a sum of HK\$1,000,000 as deposit upon signing of the tenancy agreement which shall be 100% refunded to the Vendor upon termination of the tenancy agreement. |

USE OF PROCEEDS

According to the Provisional SPA, the Consideration is HK\$179,000,000. It is estimated that the net proceeds from the Disposal will be approximately HK\$177,666,000 after deducting all relevant expenses. The Directors intend to utilise the net proceeds as the general working capital of the Group and for future investment and expansion of the Group's business.

REASONS FOR, AND BENEFITS OF, THE DISPOSAL

The Company is an investment holding company and its subsidiaries are principally engaged in manufacture and distribution of household electrical appliances.

The Property has been held by the Group for long term purpose as property, plant and equipment for self-use since 1989. The Directors consider that the Consideration for the Disposal has substantially reflected the long term investment potential of the Property, the Disposal provides an opportunity for the Company to realise its investment in the Property. According to the leaseback arrangement upon Completion as contemplated under the Provisional SPA, the Group would be able to continue occupying the Property as its head office and principal place of business in Hong Kong for 36 months after Completion at a nominal rental of HK\$1 per month for the first two years and at market rate for the third year with a cap of HK\$250,000 per month.

The gain expected to accrue to the Group from the Disposal is approximately HK\$168,446,000 before tax and subject to auditing of the financial statements of the Group for the financial year ending 31 March 2016. The estimated gain represents the difference between the Consideration and the Group's carrying value of the Property as at 31 March 2015 and the relevant fees expected to be payable by the Group. The Group intends to use the net proceeds from the Disposal, estimated to be approximately HK\$177,666,000, for general working capital of the Group and for future investment and expansion of the Group's business.

The Directors are of the view that the Disposal is fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As certain applicable percentage ratios (as defined under the Listing Rules) exceed 25% but are less than 75%, the Disposal constitutes a major transaction for the Company and is therefore subject to reporting, announcement and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

As no Shareholder has a material interest in the Disposal, none of the Shareholders is required to abstain from voting if the Company were to convene a general meeting for the approval of the Disposal. As at the date of this announcement, the Controlling Shareholders together hold directly or indirectly approximately 60.36% of the issued share capital of the Company. Pursuant to Rule 14.44 of the Listing Rules, the Company has sought a written approval of the Disposal from the Controlling Shareholders, who constituted a closely allied group of Shareholders and together hold more than 50% of the voting rights of the Company, in lieu of holding a general meeting for seeking the approval of the Disposal. Therefore, no general meeting of the Company will be held for approval of the same.

As at the date of this announcement, Unison Associates Limited holds 6,570,000 Shares (representing approximately 1.96% of the entire issued share capital of the Company), Commence Investment Limited holds 7,658,000 Shares (representing approximately 2.28% of the entire issued share capital of the Company), Allan Investment Company Limited holds 134,821,960 Shares (representing approximately 40.19% of the entire issued share capital of the Company), Mr. Cheung Shu Wan holds 49,675,335 Shares (representing approximately 14.81% of the entire issued share capital of the Company), Ms. Cheung Lai Chun, Maggie holds 600,000 Shares (representing approximately 0.18% of the entire issued share capital of the Company), Ms. Cheung Lai See, Sophie holds 1,258,000 Shares (representing approximately 0.38% of the entire issued share capital of the Company), Mr. Cheung Pui holds 1,000,000 Shares (representing approximately 0.30% of the entire issued share capital of the Company) and Mr. Cheung Shu Sang, William holds 900,000 Shares (representing approximately 0.27% of the entire issued share capital of the Company).

It is expected that the Company will despatch a circular containing further details of the Disposal and further information as required under the Listing Rules for the Shareholders' information on or before 20 January 2016.

As Completion is subject to fulfillment of the condition precedent that the Purchaser having entered into binding agreements to purchase the whole of 5th, 9th and 11th Floors of Zung Fu Industrial Building, No. 1067 King's Road, Hong Kong with the respective owners of such properties, the Disposal may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

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| “Board” | the board of Directors |
| “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 (Stock Code: 684) |
| “Completion” | completion of the sale and purchase of the Property |
| “connected person” | has the same meaning ascribed thereto in the Listing Rules |
| “Consideration” | HK\$179,000,000, being the total consideration payable by the Purchaser to the Vendor for the purchase of the Property pursuant to the Provisional SPA |
| “Controlling Shareholders” | collectively, Unison Associates Limited, Commence Investment Limited, Allan Investment Company Limited, Mr. Cheung Shu Wan, Ms. Cheung Lai Chun, Maggie, Ms. Cheung Lai See, Sophie, Mr. Cheung Pui and Mr. Cheung Shu Sang, William |
| “Director(s)” | director(s) of the Company |
| “Disposal” | the proposed disposal by the Group of the Property to the Purchaser pursuant to the terms and conditions of the Provisional SPA |
| “Group” | the Company and its subsidiaries |
| “HK\$ and cents” | Hong Kong dollars and cents, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Third Party” | a party which is not connected person of the Company and is independent of the Company and its connected persons |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Property” | all that 12th Floor of Zung Fu Industrial Building, No. 1067 King’s Road, Hong Kong |
| “Provisional SPA” | the provisional agreement for sale and purchase dated 29 December 2015 entered into between the Vendor and the Purchaser in relation to the Disposal |

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| “Purchaser” | Lead Harvest Group Limited, a company incorporated in British Virgin Islands with limited liability and denoted as the purchaser in the Provisional SPA |
| “Share(s)” | ordinary share(s) of HK\$0.1 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Vendor” | Ever Sources Investment Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company |
| “%” | per cent. |

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

Hong Kong, 29 December 2015

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.