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Perennial

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恒都集團有限公司*

PERENNIAL INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00725)

PROFIT WARNING

This announcement is made by Perennial International Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that based on its preliminary review on the relevant unaudited consolidated management accounts of the Group for the six months ended 30 June 2018 and information currently available, it is expected that the Group will record a loss attributable to shareholders of the Company for the six months ended 30 June 2018 as compared to the net profit position for the corresponding period in 2017, mainly due to (i) decrease in sales and hence gross profit as a result of the intense competition in the Hong Kong market segment; (ii) the appreciation in the exchange rate of Renminbi against Hong Kong dollars which results in a higher operating cost in the People’s Republic of China (the “**PRC**”); (iii) the increase in staff costs due to redundancy payment and (iv) higher depreciation charge as a result of (a) increase in fair value of buildings in Hong Kong; and (b) the new plant in Dongyuan County, Heyuan City, the PRC, following the completion of its construction in June 2017.

This profit warning announcement is only based on the preliminary review on the relevant unaudited consolidated management accounts of the Group for the six months ended 30 June 2018 and the information currently available, which have not been audited or reviewed by the Company’s auditor. The Company is in the process of finalizing the interim results for the six months ended 30 June 2018 and shareholders of the Company and potential investors are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2018, which is expected to be released before the end of August 2018.

* For identification purposes only

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

By order of the Board
Perennial International Limited
KOO Di An, Louise
Chairman

Hong Kong, 18 July 2018

As at the date of this announcement, the Executive Directors are Mr. Mon Chung Hung, Mr. Siu Yuk Shing, Marco, Ms Mon Wai Ki, Vicky and Ms. Mon Tiffany, the Non-Executive Director is Ms. Koo Di An, Louise and the Independent Non-Executive Directors are Mr. Lau Chun Kay, Mr. Lee Chung Nai, Jones and Ms Chung Kit Ying.