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PERENNIAL INTERNATIONAL LIMITED

(Stock code: 00725)

2025

Interim Report

Unaudited Interim Condensed Consolidated Financial Information

INTERIM RESULTS

The board (the “Board”) of directors (the “Directors”) of Perennial International Limited (the “Company”) is pleased to present the interim report and the unaudited interim condensed consolidated financial information of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2025 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the six months ended 30 June 2025

		Six months ended 30 June	
	Note	2025 HK\$'000	2024 HK\$'000
Revenue	5	221,708	161,393
Cost of sales		(157,437)	(117,992)
Gross profit		64,271	43,401
Other income	6	6,070	4,803
Distribution expenses		(6,265)	(4,915)
Administrative expenses		(29,771)	(28,548)
Other operating expenses, net		(10,926)	(6,243)
(Impairment loss) reversal of impairment loss on trade receivables	16	(1,697)	72
Operating profit	7	21,682	8,570
Finance costs	8	–	(6)
Profit before taxation		21,682	8,564
Taxation	9	(3,991)	(764)
Profit for the period attributable to shareholders of the Company		17,691	7,800
Basic and diluted earnings per share (HK cents)	11	8.9	3.9

The above condensed consolidated income statement should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Profit for the period	17,691	7,800
Other comprehensive income (loss):		
Items that may be subsequently reclassified to profit or loss		
Exchange difference arising from translation of financial statements of foreign operations	3,673	(4,581)
Total comprehensive income for the period attributable to shareholders of the Company	21,364	3,219

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Unaudited Interim Condensed Consolidated Financial Information (Continued)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**As at 30 June 2025**

	Note	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	13	119,707	123,874
Investment properties	14	74,821	83,391
Non-current deposits		245	204
Deferred tax assets		15,540	11,010
		210,313	218,479

Current assets			
Inventories	15	118,998	129,365
Trade and bills receivables	16	131,991	80,903
Other receivables, deposits and prepayments		5,648	6,144
Financial assets at fair value through profit or loss	17	4,830	8,240
Tax recoverable		335	86
Cash and cash equivalents		42,785	52,765
		304,587	277,503

Total assets		514,900	495,982
EQUITY			
Equity attributable to shareholders of the Company			
Share capital	18	19,896	19,896
Other reserves	19	17,670	13,997
Retained earnings		409,479	397,757
		447,045	431,650

LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		8,109	8,106
		8,109	8,106

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2025

		30 June 2025	31 December 2024
	Note	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
Current liabilities			
Trade and other payables	20	48,374	51,348
Lease liabilities		–	47
Tax payable		11,372	4,831
		59,746	56,226
Total liabilities		67,855	64,332
Total equity and liabilities		514,900	495,982

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

Unaudited Interim Condensed Consolidated Financial Information (Continued)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)****For the six months ended 30 June 2025**

	Share capital HK\$'000	Other reserves HK\$'000	Retained earnings HK\$'000	Total equity HK\$'000
At 1 January 2025 (audited)	19,896	13,997	397,757	431,650
Total comprehensive income for the period	–	3,673	17,691	21,364
Dividend paid (note 12)	–	–	(5,969)	(5,969)
At 30 June 2025 (unaudited)	19,896	17,670	409,479	447,045
	Share capital HK\$'000	Other reserves HK\$'000	Retained earnings HK\$'000	Total equity HK\$'000
At 1 January 2024 (audited)	19,896	13,159	376,469	409,524
Total comprehensive (loss) income for the period	–	(4,581)	7,800	3,219
Transfer from statutory reserve	–	(19)	19	–
Dividend forfeited	–	–	53	53
At 30 June 2024 (unaudited)	19,896	8,559	384,341	412,796

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**For the six months ended 30 June 2025**

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Cash flows from operating activities		
Cash (used in) generated from operations	(9,053)	22,013
Hong Kong profits tax and overseas income tax paid, net	(2,162)	(1,822)
Interest paid	–	(6)
Net cash (used in) from operating activities	(11,215)	20,185
Cash flows from investing activities		
Purchases of property, plant and equipment	(552)	(1,306)
Deposits paid for property, plant and equipment	–	(21)
Purchases of financial assets at FVPL	(9,484)	(11,110)
Proceeds from sales of financial assets at FVPL	16,154	4,688
Dividend received from financial assets at FVPL	–	38
Interest received	489	458
Proceeds from sales of property, plant and equipment	20	56
Net cash from (used in) investing activities	6,627	(7,197)
Cash flows from financing activities		
Dividend paid	(5,969)	–
Payments for principal portion of the lease liabilities	(86)	(225)
Net cash used in financing activities	(6,055)	(225)
Net (decrease) increase in cash and cash equivalents	(10,643)	12,763
Cash and cash equivalents at 1 January	52,765	39,008
Exchange difference on cash and cash equivalents	663	(328)
Cash and cash equivalents at 30 June	42,785	51,443

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Unaudited Interim Condensed Consolidated Financial Information

1 GENERAL INFORMATION

The Company is an investment holding company. The Group is principally engaged in the manufacturing and trading of electric cable and wire products.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

This unaudited interim condensed consolidated financial information is presented in Hong Kong dollars ("HK\$") and all amounts have been rounded to the nearest thousand, unless otherwise stated.

2 BASIS OF PREPARATION

The unaudited interim condensed consolidated interim financial information has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

3 ACCOUNTING POLICIES

The accounting policies adopted are consistent with those adopted in the consolidated financial statements for the year ended 31 December 2024, except for the estimation of income tax and the adoption of new/revised HKFRS Accounting Standards that are relevant to the Group as set out below.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) Amended standards and interpretations adopted by the Group:

The Group has applied the following new/revised HKFRS Accounting Standards for the first time for the annual reporting period commencing 1 January 2025:

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability
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The adoption of the amendments above did not have material impact on the amounts recognised in prior years and are not expected to significantly affect the current or future period.

3 ACCOUNTING POLICIES (Continued)

- (b) **New/revised HKFRS Accounting Standards that have been issued but are not yet effective during the period and have not been early adopted by the Group:**

		Effective for annual periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards	Volume 11	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group will adopt the new and amended standards when they become effective. Management is in the process of making an assessment of the impact of adopting these standards and does not expect any impact they would have on the Group's results of operations and financial position.

Notes to the Unaudited Interim Condensed Consolidated Financial Information (Continued)

4 ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

Fair value estimation

The carrying amounts of the Group's financial assets and liabilities including cash and cash equivalents, trade and bills receivables, other receivables and deposits, financial assets at fair value through profit or loss ("FVPL"), trade and other payables and lease liabilities approximate to their fair values due to their short-term maturities. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments, unless the discounting effect is insignificant.

5 REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the manufacturing and trading of electric cable and wire products. Revenue recognised during the period is as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Sale of goods – at a point in time	221,708	161,393

The Chief Executive Officer (the chief operation decision maker) has reviewed the Group's internal reporting and determines that there are six reportable segments, based on location of customers under electric cable and wire products business, including Hong Kong, the People's Republic of China (the "PRC"), America, Vietnam, Japan and other countries. These segments are managed separately as each segment is subject to risks and returns that are different from the others.

5 REVENUE AND SEGMENT INFORMATION (Continued)

The unaudited segment information for the reportable segments and unaudited segment assets for the six months ended 30 June 2025 are as follows:

	Six months ended 30 June 2025				
	Revenue (external sales) HK\$'000	Segment results HK\$'000	Total segment assets HK\$'000	Capital expenditure HK\$'000	Depreciation HK\$'000
Hong Kong	11,631	3,545	51,493	85	767
The PRC (excluding Hong Kong)	17,965	(3,564)	86,693	126	1,521
America	174,528	20,163	179,972	-	-
Vietnam	9,877	1,706	103,868	300	1,990
Japan	7,224	1,248	2,314	-	-
Other countries	483	83	199	-	-
Reportable segment	221,708	23,181	424,539	511	4,278
Unallocated costs		(1,499)			
Operating profit		21,682			

Unallocated costs represent corporate expenses.

The unaudited segment information for the reportable segments and unaudited segment assets for the six months ended 30 June 2024 are as follows:

	Six months ended 30 June 2024				
	Revenue (external sales) HK\$'000	Segment results HK\$'000	Total segment assets HK\$'000	Capital expenditure HK\$'000	Depreciation HK\$'000
Hong Kong	14,641	1,319	82,763	552	940
The PRC (excluding Hong Kong)	21,779	2,172	92,575	107	1,651
America	113,532	5,290	100,712	-	1
Vietnam	95	10	99,086	647	1,908
Japan	9,746	1,146	1,872	-	-
Other countries	1,600	198	859	-	-
Reportable segment	161,393	10,135	377,867	1,306	4,500
Unallocated costs		(1,565)			
Operating profit		8,570			

Notes to the Unaudited Interim Condensed Consolidated Financial Information (Continued)

5 REVENUE AND SEGMENT INFORMATION (Continued)

A reconciliation of total segment assets to the Group's total assets:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Total segment assets	424,539	377,867
Investment properties	74,821	75,388
Deferred tax assets	15,540	9,901
Total assets	514,900	463,156

Revenue of approximately HK\$156,837,000 (*six months ended 30 June 2024: HK\$101,064,000*) are derived from two (*six months ended 30 June 2024: two*) major customers contributing 10% or more of the total revenue. These revenues are attributable to the America segment (*six months ended 30 June 2024: America segment*).

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Customer A	114,714	60,359
Customer B	42,123	40,705
	156,837	101,064

6 OTHER INCOME

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Scrap sales	698	2,001
Rental income from investment properties	865	1,715
Net gain from changes in fair value of financial assets at FVPL	3,252	–
Interest income	489	458
Government subsidies	12	35
Freight cost recharged to customers	72	385
Sundry income	682	209
	6,070	4,803

7 OPERATING PROFIT

Operating profit is stated after charging/(crediting) the following:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Depreciation	4,278	4,500
Auditor's remuneration	499	484
Cost of inventories	111,325	83,155
Loss on revaluation of investment properties	9,128	4,926
Net loss on derivative financial instruments	–	150
Net exchange loss (gain)	105	(959)
Lease payments for short-term and low-value leases	155	11
Direct expenses for investment properties	188	267
(Gain) loss on disposal of plant and equipment, net	(10)	343
Provision for inventories (included in cost of inventories)	10,348	2,929
Staff costs (including directors' emoluments) (note 10)	50,500	44,709

8 FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Interest expenses on lease liabilities	–	6
	–	6

9 TAXATION

Hong Kong profits tax is provided at the two-tiered rate of 8.25% for the first HK\$2 million of the estimated assessable profits for one of the Group's Hong Kong subsidiaries for the year and 16.5% on the remaining estimated assessable profits for the year *(2024: 8.25% for the first HK\$2 million and 16.5% for the remaining)*.

Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the jurisdictions which the Group operates.

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Hong Kong profits tax	7,290	1,257
Overseas taxation	1,125	1,416
Deferred tax relating to the origination and reversal of temporary differences	(4,424)	(1,909)
	3,991	764

10 STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Wages, salaries and fringe benefits	42,403	41,789
Social security costs	7,160	1,850
Pension costs – contributions to MPF scheme	200	210
Others	737	860
	50,500	44,709

(a) Directors' Emoluments

Included in the staff costs are emoluments paid to the directors set out as below:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Basic salaries, other allowances and benefits in kind	8,649	7,486
Pension costs – contributions to MPF scheme	36	36
	8,685	7,522

(b) Key Management Compensation

The emoluments paid or payable to key management including all directors and three (*six months ended 30 June 2024: three*) senior management for employee services is shown below:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Basic salaries, other allowances and benefits in kind	10,069	8,888
Pension costs – contributions to MPF scheme	54	59
	10,123	8,947

11 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's unaudited profit for the six months ended 30 June 2025 of HK\$17,691,000 (*six months ended 30 June 2024: HK\$7,800,000*) divided by the weighted average number of 198,958,000 (*30 June 2024: 198,958,000*) ordinary shares in issue during the period.

For the six months ended 30 June 2025 and 2024, diluted earnings per share is the same as basic earnings per share due to the absence of dilutive potential ordinary shares at the end of the reporting period.

12 DIVIDENDS

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Interim dividend declared of HK\$0.02 (2024: HK\$0.02) per share	3,979	3,979

The final dividend of HK\$5,969,000 that relates to the year ended 31 December 2024 was paid on 6 June 2025.

At a meeting held on 19 August 2025, the Board resolved to declare an interim dividend of HK\$0.02 per ordinary share for the six months ended 30 June 2025 (*six months ended 30 June 2024: HK\$0.02*).

Notes to the Unaudited Interim Condensed Consolidated Financial Information (Continued)

13 PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets HK\$'000	Buildings HK\$'000	Leasehold improvements HK\$'000	Plant and machinery HK\$'000	Furniture and fixtures HK\$'000	Office equipment HK\$'000	Motor vehicles HK\$'000	Pleasure boats HK\$'000	Total HK\$'000
Net book value at 1 January 2025	23,367	79,814	2,200	12,227	213	1,471	2,432	2,150	123,874
Additions	-	54	53	386	-	18	-	-	511
Disposals/write-off	-	-	-	(10)	-	-	-	-	(10)
Depreciation	(537)	(1,464)	(244)	(1,483)	(21)	(192)	(219)	(108)	(4,278)
Exchange adjustment	(27)	(482)	(22)	120	(1)	18	4	-	(390)
Net book value at 30 June 2025	22,803	77,922	1,987	11,230	191	1,315	2,217	2,042	119,707
At 30 June 2025									
At cost	41,577	124,221	17,569	91,223	4,685	14,421	4,290	14,429	312,415
Accumulated depreciation	(18,774)	(46,299)	(15,582)	(79,993)	(4,494)	(13,106)	(2,073)	(12,387)	(192,708)
Net book value	22,803	77,922	1,987	11,230	191	1,315	2,217	2,042	119,707
	Right-of-use assets HK\$'000	Buildings HK\$'000	Leasehold improvements HK\$'000	Plant and machinery HK\$'000	Furniture and fixtures HK\$'000	Office equipment HK\$'000	Motor vehicles HK\$'000	Pleasure boats HK\$'000	Total HK\$'000
Net book value at 1 January 2024	26,899	86,703	2,833	11,728	266	1,884	1,776	2,330	134,419
Additions	-	-	-	751	-	22	533	-	1,306
Disposals/write-off	-	-	-	(240)	-	(13)	(146)	-	(399)
Depreciation	(684)	(1,504)	(301)	(1,437)	(27)	(224)	(222)	(101)	(4,500)
Exchange adjustment	(355)	(2,420)	(120)	(243)	-	(13)	(3)	-	(3,154)
Net book value at 30 June 2024	25,860	82,779	2,412	10,559	239	1,666	1,938	2,229	127,672
At 30 June 2024									
At cost	45,292	127,257	17,576	89,097	4,684	14,519	5,457	14,429	318,311
Accumulated depreciation	(19,432)	(44,478)	(15,164)	(78,538)	(4,445)	(12,863)	(3,519)	(12,200)	(190,639)
Net book value	25,860	82,779	2,412	10,559	239	1,666	1,938	2,229	127,672

Right-of-use assets consist of leasehold land in Hong Kong, land use rights in Mainland China and Vietnam and leased property in Hong Kong measured at cost less accumulated depreciation and accumulated impairment losses.

At 30 June 2025 and 31 December 2024, no property, plant or equipment was pledged as security for the Group's bank facilities.

Notes to the Unaudited Interim Condensed Consolidated Financial Information (Continued)

14 INVESTMENT PROPERTIES

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
At fair value	74,821	83,391

- (a) As at 31 December 2024, investment properties were revalued on the basis of open market valued by direct comparison approach by Ravia Global Appraisal Advisory Limited, an independent firm of chartered surveyors.
- (b) As at 30 June 2025, the fair value of the investment properties was determined by the Directors on the basis of open market valued by direct comparison approach.
- (c) At 30 June 2025 and 31 December 2024, no investment property was pledged as security for the Group's bank facilities.

15 INVENTORIES

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Raw materials	69,504	65,522
Work in progress	6,388	8,101
Finished goods	71,856	74,144
	147,748	147,767
Less: Provision for inventories	(28,750)	(18,402)
	118,998	129,365

16 TRADE AND BILLS RECEIVABLES

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Up to 3 months	102,344	67,663
4-6 months	29,424	11,687
Over 6 months	533	420
Trade receivables, gross	132,301	79,770
Less: Loss allowance	(2,042)	(345)
Trade receivables, net	130,259	79,425
Bills receivables	1,732	1,478
	131,991	80,903

The aging analysis of gross trade receivables is based on invoice dates.

The carrying value of trade and bills receivables approximate their fair values due to their short term maturities.

The net increase in loss allowance for the period was approximately HK\$1,697,000 (six months ended 30 June 2024: decrease HK\$72,000).

17 FINANCIAL ASSETS AT FVPL

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Mandatorily measured at FVPL		
Equity securities, listed in Hong Kong	4,830	8,240

Notes to the Unaudited Interim Condensed Consolidated Financial Information (Continued)

18 SHARE CAPITAL

	Number of shares	HK\$'000
Authorised:		
At 30 June 2025 and 31 December 2024, ordinary shares of HK\$0.10 each	500,000,000	50,000
Issued and fully paid:		
At 30 June 2025 and 31 December 2024, ordinary shares of HK\$0.10 each	198,958,000	19,896

19 OTHER RESERVES

	Share premium HK\$'000	Exchange fluctuation reserve HK\$'000	Land and building revaluation reserve HK\$'000	Capital redemption reserve HK\$'000	Statutory reserve HK\$'000	Total other reserves HK\$'000
At 1 January 2025	15,885	(23,397)	7,939	104	13,466	13,997
Exchange difference arising from translation of financial information of subsidiaries	-	3,673	-	-	-	3,673
At 30 June 2025	15,885	(19,724)	7,939	104	13,466	17,670
	Share premium HK\$'000	Exchange fluctuation reserve HK\$'000	Land and building revaluation reserve HK\$'000	Capital redemption reserve HK\$'000	Statutory reserve HK\$'000	Total other reserves HK\$'000
At 1 January 2024	15,885	(15,706)	-	104	12,876	13,159
Exchange difference arising from translation of financial information of subsidiaries	-	(4,581)	-	-	-	(4,581)
Transfer to retained earnings	-	-	-	-	(19)	(19)
At 30 June 2024	15,885	(20,287)	-	104	12,857	8,559

20 TRADE AND OTHER PAYABLES

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Trade payables	12,549	20,999
Other payables and accruals	14,652	14,918
Provision for employee benefits	21,173	15,431
	48,374	51,348

At 30 June 2025 and 31 December 2024, the ageing analysis of trade payables based on invoice date were as follows:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Up to 3 months	12,157	20,478
4-6 months	28	133
Over 6 months	364	388
	12,549	20,999

21 FINANCIAL GUARANTEES AND PLEDGE

At 30 June 2025 and 31 December 2024, the Group has the following banking facilities which were secured by limited guarantees given by the Company and certain subsidiaries.

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Trade and loan finance facilities	69,300	72,300
Forward exchange contract line	94,200	93,192

22 COMMITMENTS

(a) Capital commitments

At 30 June 2025 and 31 December 2024, the Group did not have any capital commitment.

(b) Commitments under operating lease as lessor

At 30 June 2025 and 31 December 2024, the Group had future aggregate minimum rental receivables under non-cancellable operating leases as follows:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Year 1	1,730	1,730
Year 2	1,380	1,689
Year 3	282	878
	3,392	4,297

23 APPROVAL OF THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The unaudited interim condensed consolidated financial information was approved by the Board on 19 August 2025.

Management Discussion and Analysis

FINANCIAL REVIEW

Results

Looking back to the first half of 2025, opportunities and challenges coexisted. While volatile global macro political and economic landscape posed varying degrees of challenges across industries continuing; yet US President Trump's ambiguous tariff policies during early months of 2025 provoked customers front loading shipments that created growth opportunities for the Group. Given these hasty favourable conditions, revenues reached HK\$221.7 million, representing a 37.4% increase from the same period in 2024. As of 30 June 2025, the Group remained debt-free and maintained a net cash position of HK\$42.8 million, hence the Board approved an interim dividend of HK\$0.02 per share.

In terms of the global macro political and economic landscape, from one perspective, intensified hostility among Middle Eastern countries, overlapping with the ongoing Russia-Ukraine conflict resulted in continuous escalation of global geopolitical struggle and further intensification of ideological divisions, sharpening challenges to global political and economic cooperation. On the other perspective, the U.S.-led tariff hikes significantly increased unpredictability in global economic development. Pending tariff negotiations among major countries and economic entities continued to weigh on investment, consumption, and employment, while the U.S. Federal Reserve (the "USFR") paused its interest rate cut, leaving monetary policy outlooks unclear. Against this backdrop, the Board is pleased to present the Group's 2025 interim revenue for the six months ended 30 June 2025 of HK\$221,708,000 (2024: HK\$161,393,000). Unaudited consolidated profit attributable to shareholders was HK\$17,691,000 (2024: HK\$7,800,000). Earnings per share was HK\$0.089 (2024: HK\$0.039).

The Group has other comprehensive income for the period ended 30 June 2025 of HK\$3,673,000 (2024: other comprehensive loss of HK\$4,581,000) due to the stronger value of Renminbi ("RMB") against HK\$, which led to a foreign exchange gain from translation of financial information of the subsidiaries in the PRC, as a substantial part of the Group's net assets is denominated in RMB while the reporting currency of the consolidated financial information is in HK\$. This resulted in an unaudited total comprehensive income for the period of HK\$21,364,000 (2024: HK\$3,219,000).

Interim Dividend and Closure of Register of Members

The Board of Directors of the Company declared an interim dividend of HK\$0.02 per ordinary share for the six months ended 30 June 2025 (six months ended 30 June 2024: HK\$0.02).

The register of members of the Company will be closed from Wednesday, 3 September 2025 to Friday, 5 September 2025, both days inclusive and during which no share transfer will be effected for the purpose of ascertaining shareholders' entitlement to the interim dividend. In order to establish entitlements to the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:00 p.m. on 2 September 2025.

Liquidity, Financial Resources and Capital Structure

Management continued with cautious financial management strategies and maintained zero gearing level (total borrowing divided by total equity) to avoid incurring steep borrowing costs. As at 30 June 2025, the Group's bank balances and cash was HK\$42,785,000 and the Group has no borrowing. Shareholders' equity was HK\$447,045,000.

The amount of the Group's current working capital was HK\$244,841,000 (31 December 2024: HK\$221,277,000). The current ratio was 510%. The Group's trade and bills receivables were HK\$131,991,000, representing 59.5% of the period's revenue of HK\$221,708,000.

Foreign Exchange Exposure

All foreseeable foreign exchange risks of the Group are appropriately managed and hedged, if necessary.

BUSINESS REVIEW

2025 started innocuously with the global economy still persevering along despite the challenges posed by elevated interest rates and the unending wars in Ukraine and Middle East. Then came 2-April, when the US President Trump unleashed the Liberation Day tariffs, followed on by frequently-changing tariff policies, have created vast uncertainties, causing many customers with exposure to the US market to adopt a wait-and-see approach and sharply curtail their buying from countries targeted with high tariffs. The ripple effects are extending beyond buyers and suppliers of the US market, as large US buyers accelerated moving production to countries that are perceived to be cooperative, thus benefitted our Vietnam subsidiary. For the period ended 30 June 2025, Vietnam's shipments surged and accounted for 74% (2024: 68%) of the Group's turnover, while deliveries from our China ("PRC") factory dipped and accounted for the remaining 26% (2024: 32%).

The Group's revenue increased by approximately 37.4% from approximately HK\$161,393,000 for the six months ended 30 June 2024 to approximately HK\$221,708,000 for the six months ended 30 June 2025. The increase in sales was mainly due to a boost in orders from our US customers for the first half of the year under review. The Group's major US customers are primary manufacturers of commercial and domestic heating, ventilation, and air conditioning (HVAC), laundry equipment and white goods appliances. During the interim period under review, sales of wire harness accounted for 57% (2024: 43%), power cords recorded 41% (2024: 56%) while cables, wires and plastic resins accounted for remaining 2% (2024: 1%) of the Group's revenue.

In spite of the fear of imminent tariffs leading to higher prices looming and other challenging conditions affecting North America markets, the Group recorded a hike in deliveries to our North American customers during the period under review. By geographical market segments, turnover from the business in America increased by approximately 53.7% to approximately HK\$174,528,000 from approximately HK\$113,532,000 for the same period of last year, accounting for approximately 78.7% of the Group's total turnover.

Management Discussion and Analysis (Continued)

Turnover from the sales on PRC and in Hong Kong, which accounts for approximately 13.3% of the Group's total turnover, decreased by approximately 18.7% to approximately HK\$29,596,000 from approximately HK\$36,420,000 for the same period of last year as a direct impact of the unrelenting US-China trade tensions following sluggish demand in Europe and Asia markets. In light of the weakness of the Japanese Yen currency, sales to Japan decreased by 25.9% to approximately HK\$7,224,000 from approximately HK\$9,746,000 for the same period of last year, accounting for approximately 3.3% of the Group's total turnover.

In line with higher turnover due to front loaded shipment factors, trade receivables were higher at HK\$131,991,000 at 30 June 2025 compared to HK\$80,903,000 at 31 December 2024. Debtors' turnover was 88 days as at 30 June 2025 compared to 83 days as at 31 December 2024.

The gross profit margin increased from approximately 26.9% for the six months ended 30 June 2024 to approximately 29.0% for the six months ended 30 June 2025. The increase in gross profit margin was mainly due to the weaker Vietnam Dong ("VND") during the period, implementation of cost control measures in minimizing direct labour costs supported by new and efficient production equipment at the expanded Vietnam factory as well as keeping a tight lid on manufacturing overheads.

Prudent sourcing, competent logistic and timely production management resulted in approximately 8.0% reduction in inventory level from approximately HK\$129,365,000 as at 31 December 2024 to approximately HK\$118,998,000 as at 30 June 2025. Inventory turnover reduced to 144 days as at 30 June 2025 compared to 187 days as at 31 December 2024.

Management recognised revaluation loss on investment properties amounted to approximately HK\$9,128,000 (2024: HK\$4,926,000) as a result of the continuing vacancy of our unused factory premises in PRC and anticipated further deterioration of commercial property values in Hong Kong. The gain on investment of securities during the period under review was approximately HK\$3,252,000 (2024: nil). Overall, due to higher investment gain and interest income, despite the increased administrative and operating costs, the Group recorded a higher net profit margin of approximately 8.0% for the six months ended 30 June 2025 whereas it was approximately 4.8% for the first half of 2024.

PROSPECTS

Since the early months of 2025 and looking ahead, the global macro political and economic landscape remains unpredictable. Amidst such macro uncertainty, the Group perceived signs of easing in tariff disputes. According to public information, the US has successively reached some agreements or consensus on tariff easing with multiple countries and regions including Vietnam, being the first country in Asia to strike a trade deal, providing clarity and certainty for our US customers. Furthermore, news reports from major monetary authorities such as the USFR and the European Central Bank have indicated rooms for potential interest rate cuts.

Following the month of April, Trump has imposed sweeping duties on most imports in the US, including a 50-percent levy on copper, being a major material of our wire and cable products. Up to current date of this report, relating to the Group's business, there are a 30-percent tariff on goods from China, and a 20-percent on imports from Vietnam. These tariffs and levy complicated our pricing structures and created additional unnecessary burden on imports to the US, resulting in regular uneasy tariff computations with our customers, whom management are working meticulously to preserve relationships during these challenging times.

Before the date of this report, the antagonistic trade rivalry between China and US continued to cause economic uncertainties, but on 11 August 2025 President Trump extended a tariff truce with China by another 90 days, staving off triple-digit duties on Chinese goods per Liberation Day tariffs announcement, as US retailers prepared for the critical end-of-year holiday season. The US President signed an executive order delaying the start of higher tariffs until mid-November which is positive news. Combined with some of the de-escalatory steps both the US and China have taken in recent weeks, it demonstrated that both sides are trying to reach an amicable trade solution.

Our China operation however, is not immune to the adverse effects of extended period of inevitable tariff. Customers' de-risking trade with China may lead to the relocation of manufacturing bases as well as further shifting of component sourcing away from the PRC. It is further aggravated by prolonged high-interest rate environment which could lead to slowing demand as our US customers pursue taking a conservative inventory control behaviour and a cautious buying practice for the remainder of 2025, but we are confident that our strategies complemented with our enlarged production capabilities in Vietnam and continuous addition of new production facilities will enable the Group to maintain our market position amid a rapidly changing business environment.

Management believes that it takes time for tariffs to show up in US retail prices, as some retailers may have been stocking up their inventory to delay the impact of tariffs and attempt to keep prices stable. Many US companies seemed to have been able to postpone or avoid price increases, after building up their stockpiles of goods early in 2025 to get ahead of the duties, but the jump in prices is expected once these tariff-free or low levied inventories are depleted, companies eventually have to pass down tariff costs to customers.

Management Discussion and Analysis (Continued)

As the Group approaches the year 2026 in a few months' time, there is an expectation that the delicate nature of these macroeconomic factors will persist. The volatility of the US Dollar with potential change in monetary policies by the USFR, the extreme shifts in tariff and trade policies of the US government indicating a sustained vulnerability and frailty in the Group's business in North America, being our major export market. As trade negotiations continue, these conditional tariff rates may be further adjusted, which would reintroduce uncertainty in our operating environment. However, as challenging as it can be and barring any unforeseen circumstances, the Group endeavours to achieve yet another year of stable business growth with a steadfast focus on meeting our customers' needs.

Directors are confident as the Group is well placed to overcome ongoing and new challenges. We believe having weathered the effects of tariffs uncertainties and wars in early 2025, the Group moved into the second half of 2025 with cautious optimism. Management continues to work on expanding Vietnam production facilities, developing strategies to better utilize our China surplus land and factory buildings, inventory control, working capital management and to ensure right overhead in place to capture potential opportunities arising from anticipated market changes and navigate through continuing disruptions.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group employed 875 (*31 December 2024: 880*) full time management, administrative and production staff worldwide. The proportion of male to female is 1:2.1 (*31 December 2024: 1:2.1*). The Group follows market practice on remuneration packages. Employees' remuneration is reviewed and determined by senior management annually depending on the employee's performance, experience and industry practice. The Group invests in its human capital. In addition to on-the-job training, the Group encourages employees to further their studies in extramural courses.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")), which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), to be notified to the Company and the Stock Exchange, were as follows:

Ordinary Shares of HK\$0.10 Each of the Company (the "Shares")

LONG POSITIONS IN SHARES

Name	Number of Shares				Total interests as % of the relevant issued share capital
	Personal interests	Family interests	Corporate interests	Total interests	
MON Chung Hung ("Mr. Mon")	–	–	147,810,000 (Note 1)	147,810,000	74.29%
KOO Di An, Louise ("Ms. Koo")	–	147,810,000	– (Note 2)	147,810,000	74.29%
LAU Chun Kay	138,000	–	–	138,000	0.07%

Note 1: The 147,810,000 Shares were held in the name of Spector Holdings Limited ("Spector Holdings"), which is beneficially owned as to 99.9% by Mr. Mon and as to the remaining 0.1% by Ms. Koo. Therefore, Mr. Mon is deemed to be interested in the Shares held by Spector Holdings. Each of Mr. Mon and Ms. Koo is a director of Spector Holdings.

Note 2: Ms. Koo is the wife of Mr. Mon and is thus deemed to be interested in the Shares in which Mr. Mon is deemed to be interested.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

Ordinary Shares of HK\$0.10 Each of the Company (the "Shares") (Continued)

INTEREST IN SHARES OF ASSOCIATED CORPORATION OF THE COMPANY

Name of Director	Name of associated corporation	Capacity	Approximate % of shareholding in associated corporation
Mr. Mon	Spector Holdings	Beneficial owner	99.9%
Ms. Koo	Spector Holdings	Beneficial owner	0.1%

All the interests stated above represent long positions. Save as disclosed above, as at 30 June 2025, none of the Directors and chief executives of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or to be entered in the register referred to therein pursuant to Section 352 of the SFO.

Other than those disclosed above, at no time during the six months ended 30 June 2025 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors or chief executives of the Company or any of their associates to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

As at 30 June 2025, so far as is known to the Directors, the following person (other than the Directors and chief executives of the Company) had an interest or short position in the Shares or underlying Shares which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name	Number of Shares					Total interests as % of the relevant issued share capital
	Personal interests	Family interests	Corporate interests	Other interests	Total interests	
Spector Holdings (Note)	147,810,000	–	–	–	147,810,000	74.29%

Note: Spector Holdings is owned as to 99.9% by Mr. Mon and as to the remaining 0.1% by Ms. Koo.

All the interests stated above represent long positions. Save as disclosed above, as at 30 June 2025, the Directors are not aware of any other person who had an interest or a short position in the Shares or underlying Shares as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, more than 25% of the issued share capital of the Company were held by the public as at 19 August 2025, being the latest practicable date prior to the issue of this report.

REVIEW BY THE AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) has reviewed with the management the accounting principles and practices adopted by the Group and discussed risk management and internal controls and financial reporting matters, including a review of the unaudited condensed consolidated financial information for the six months ended 30 June 2025 with the Directors.

CORPORATE GOVERNANCE

The Group is committed to safeguarding shareholders’ rights and enhancing corporate governance standard. As a result, we established the compliance committee, the Audit Committee, the remuneration committee and the nomination committee to adhere to best practices.

SOCIAL RESPONSIBILITY

The Group holds a strong belief in corporate social responsibility. Hence, we continue to participate in and support community activities in both Hong Kong, the PRC (excluding Hong Kong) and Vietnam.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Directors confirm that during the six months ended 30 June 2025, the Company has complied with the code provisions set out in the Corporate Governance Code (the “Code”) attached to the Listing Rules as Appendix C1, and adopted recommended best practices set out in the Code whenever appropriate.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors’ and employees’ securities transactions on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules. Having made specific enquiry of all Directors, they had complied with the required standards of the Model Code and its code of conduct regarding directors’ securities transactions during the six months ended 30 June 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor its subsidiaries has purchased, redeemed or sold any of the Company's shares during the six months ended 30 June 2025.

EVENTS AFTER THE REPORTING PERIOD

No significant events have taken place after the six months ended 30 June 2025 to the date of this report.

PUBLICATION OF INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim report and the interim results announcement are published on the websites of the Stock Exchange at <http://www.hkexnews.hk> and the Company at <https://perennial.todayir.com>.

VOTE OF THANKS

The Board would like to extend its sincere thanks to the loyal shareholders, partners and customers of the Group for their continuous support and to the staff for their dedication.

By order of the Board

KOO Di An, Louise

Chairman

Hong Kong, 19 August 2025

As at the date of this report, the executive Directors are Mr. MON Chung Hung, Mr. CHAN Chun Yiu, Ms. MON Wai Ki, Vicky, Ms. MON Tiffany and Mr. MON Derek, 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.

Corporate Information

EXECUTIVE DIRECTORS

Mon Chung Hung (*Chief Executive Officer and Deputy Chairman*)
Chan Chun Yiu
Mon Wai Ki, Vicky
Mon Tiffany
Mon Derek

NON-EXECUTIVE DIRECTOR

Koo Di An, Louise (*Chairman*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Lau Chun Kay
Lee Chung Nai, Jones
Chung Kit Ying

AUDIT COMMITTEE

Lau Chun Kay (*Committee chairman*)
Lee Chung Nai, Jones
Chung Kit Ying
Koo Di An, Louise

REMUNERATION COMMITTEE

Lau Chun Kay (*Committee chairman*)
Lee Chung Nai, Jones
Chung Kit Ying
Koo Di An, Louise

NOMINATION COMMITTEE

Lau Chun Kay (*Committee chairman*)
Lee Chung Nai, Jones
Chung Kit Ying
Koo Di An, Louise

COMPLIANCE COMMITTEE

Koo Di An, Louise (*Committee chairman*)
Mon Chung Hung
Chan Chun Yiu
Mon Wai Ki, Vicky
Mon Tiffany
Mon Derek
Lau Chun Kay
Lee Chung Nai, Jones
Chung Kit Ying

AUTHORISED REPRESENTATIVES

Mon Chung Hung
Chan Chun Yiu

COMPANY SECRETARY

Lai Wing Hong

REGISTERED OFFICE

Clarendon House
2 Church Street, Hamilton HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 2004-06, 20/F, Greenfield Tower
Concordia Plaza, 1 Science Museum Road
Tsimshatsui, Hong Kong

STOCK CODE

Stock Code on The Stock Exchange of
Hong Kong Limited: 00725

LEGAL ADVISOR

CLKW Lawyers LLP

PRINCIPAL BANKERS

Hang Seng Bank
Dah Sing Bank
DBS Bank

AUDITOR

Forvis Mazars CPA Limited
Certified Public Accountants and Registered PIE Auditor

PRINCIPAL REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street, Hamilton HM 11
Bermuda

BRANCH REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301-04, 33/F.
Two Chinachem Exchange Square
338 King's Road, North Point, Hong Kong

WEBSITE

<https://perennial.todayir.com>