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恒
Perennial
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PERENNIAL INTERNATIONAL LIMITED

恒都集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00725)

**ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

The board of directors (the “Directors” or “Management”) of Perennial International Limited (the “Company”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2025.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2025

	<i>Note</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Revenue	3	395,740	328,578
Cost of sales		<u>(278,202)</u>	<u>(234,169)</u>
Gross profit		117,538	94,409
Other income	4	9,555	12,973
Distribution expenses		(12,029)	(11,760)
Administrative expenses		(54,910)	(56,016)
Other operating expenses, net	5	(16,771)	(9,968)
Impairment loss on trade receivables		<u>(1,712)</u>	<u>(34)</u>
Operating profit	6	41,671	29,604
Finance costs	7	<u>—</u>	<u>(8)</u>
Profit before taxation		41,671	29,596
Taxation	8	<u>(10,485)</u>	<u>(3,792)</u>
Profit for the year attributable to shareholders of the Company		<u>31,186</u>	<u>25,804</u>
Basic and diluted earnings per share (HK cents)	9	<u>15.7</u>	<u>13.0</u>

* *For identification purposes only*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit for the year	31,186	25,804
Other comprehensive income/(loss):		
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Revaluation surplus on land and buildings, net of tax	–	7,939
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange difference arising from translation of financial statements of foreign operations	3,620	(7,691)
Other comprehensive income for the year	3,620	248
Total comprehensive income for the year attributable to shareholders of the Company	34,806	26,052

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

		2025	2024
	Note	HK\$'000	HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	116,089	123,874
Investment properties	13	73,468	83,391
Non-current deposits		209	204
Deferred tax assets		14,542	11,010
		<u>204,308</u>	<u>218,479</u>
Current assets			
Inventories	14	138,358	129,365
Trade and bills receivables	15	84,910	80,903
Other receivables, deposits and prepayments		7,744	6,144
Financial assets at fair value through profit or loss	16	1,107	8,240
Tax recoverable		–	86
Cash and cash equivalents		105,484	52,765
		<u>337,603</u>	<u>277,503</u>
Total assets		<u>541,911</u>	<u>495,982</u>
EQUITY			
Equity attributable to shareholders of the Company			
Share capital	17	19,896	19,896
Reserves		436,612	411,754
Total equity		<u>456,508</u>	<u>431,650</u>

	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		<u>8,140</u>	<u>8,106</u>
		<u>8,140</u>	<u>8,106</u>
Current liabilities			
Trade payables	<i>18</i>	19,704	20,999
Other payables		47,787	30,349
Lease liabilities		–	47
Tax payable		<u>9,772</u>	<u>4,831</u>
		<u>77,263</u>	<u>56,226</u>
Total liabilities		<u>85,403</u>	<u>64,332</u>
Total equity and liabilities		<u>541,911</u>	<u>495,982</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Reserves							Total equity HK\$'000	
	Share capital HK\$'000	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	Retained earnings HK\$'000		Total HK\$'000
At 1 January 2025	19,896	15,885	(23,397)	7,939	104	13,466	397,757	411,754	431,650
Profit for the year	—	—	—	—	—	—	31,186	31,186	31,186
<u>Other comprehensive income</u>									
Exchange difference arising from translation of foreign operations	—	—	3,620	—	—	—	—	3,620	3,620
Other comprehensive income for the year	—	—	3,620	—	—	—	—	3,620	3,620
Total comprehensive income for the year	—	—	3,620	—	—	—	31,186	34,806	34,806
Transfer to statutory reserve	—	—	—	—	—	413	(413)	—	—
Dividend paid (<i>note 10</i>)	—	—	—	—	—	—	(9,948)	(9,948)	(9,948)
At 31 December 2025	<u>19,896</u>	<u>15,885</u>	<u>(19,777)</u>	<u>7,939</u>	<u>104</u>	<u>13,879</u>	<u>418,582</u>	<u>436,612</u>	<u>456,508</u>

	Reserves								Total equity HK\$'000
	Share capital HK\$'000	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	Retained earnings HK\$'000	Total HK\$'000	
At 1 January 2024	19,896	15,885	(15,706)	–	104	12,876	376,469	389,628	409,524
Profit for the year	–	–	–	–	–	–	25,804	25,804	25,804
<u>Other comprehensive (loss)/income</u>									
Revaluation surplus on land and buildings, net of tax	–	–	–	7,939	–	–	–	7,939	7,939
Exchange difference arising from translation of foreign operations	–	–	(7,691)	–	–	–	–	(7,691)	(7,691)
Other comprehensive (loss)/ income for the year	–	–	(7,691)	7,939	–	–	–	248	248
Total comprehensive (loss)/ income for the year	–	–	(7,691)	7,939	–	–	25,804	26,052	26,052
Transfer to statutory reserve	–	–	–	–	–	590	(590)	–	–
Dividend paid (<i>note 10</i>)	–	–	–	–	–	–	(3,926)	(3,926)	(3,926)
At 31 December 2024	19,896	15,885	(23,397)	7,939	104	13,466	397,757	411,754	431,650

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Cash flows from operating activities		
Cash generated from operations	61,870	26,659
Hong Kong profits tax paid, net	(5,844)	(1,614)
Overseas income tax paid, net	(2,579)	(3,381)
Interest paid	—	(8)
	<u>53,447</u>	<u>21,656</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,357)	(5,303)
Dividend received from financial assets at FVPL	5	231
Interest received	1,351	1,053
Purchase of financial assets at FVPL	(14,309)	(21,321)
Proceeds from sale of financial assets at FVPL	24,444	22,185
Proceeds from sale of property, plant and equipment	262	120
	<u>9,396</u>	<u>(3,035)</u>
Cash flows from financing activities		
Payments for principal portion of the lease liabilities	(47)	(454)
Dividend paid	(9,948)	(3,926)
	<u>(9,995)</u>	<u>(4,380)</u>
Net increase in cash and cash equivalents		
Cash and cash equivalents at beginning of year	52,765	39,008
Exchange difference on cash and cash equivalents	(129)	(484)
	<u>105,484</u>	<u>52,765</u>
Cash and cash equivalents at end of year	<u><u>105,484</u></u>	<u><u>52,765</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

For the year ended 31 December 2025

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”) and all amounts have been rounded to the nearest thousand, unless otherwise stated.

1. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Companies Ordinance (the “CO”). These consolidated financial statements also comply with the applicable disclosures provision of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Material accounting policy information adopted by the Group are disclosed below.

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2024 consolidated financial statements except for the adoption of the following new/revised HKFRS Accounting Standards that are relevant to the Group.

The measurement basis used in the preparation of these consolidated financial statements is historical cost, except for investment properties and financial assets at fair value through profit or loss (“FVPL”), which are measured at fair value as explained in the accounting policies set out below.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Adoption of new/revised HKFRS Accounting Standards

The Group has applied the following amendments to HKFRS Accounting Standards as issued by the HKICPA for the first time, which are mandatorily effective for the Group’s financial annual period beginning on or after 1 January 2025, to the consolidated financial statements for the current accounting year:

Amendments to HKAS 21	Lack of Exchangeability
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The Group has not applied any new standards and amendments to HKFRS Accounting Standards that are not yet mandatorily effective for the current accounting period. The application of the Amendments to HKAS 21 in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and on the disclosures set out in these consolidated financial statements.

Future changes in HKFRS Accounting Standards

Up to the date of approval for issue of these consolidated financial statements, the HKICPA has issued a number of new and amendments to HKFRS Accounting Standards which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these consolidated financial statements, as follows:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ¹
HKFRS 18 and consequential amendments to other HKFRS Accounting Standards	Presentation and Disclosure in Financial Statements ²
HKFRS 19 and subsequent amendments	Subsidiaries without Public Accountability: Disclosures ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ *Effective for annual periods beginning on or after 1 January 2026*

² *Effective for annual periods beginning on or after 1 January 2027*

³ *The effective date to be determined*

3. REVENUE AND SEGMENT INFORMATION

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

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Sale of goods – based on fixed price and recognised at a point in time	<u>395,740</u>	<u>328,578</u>

The Chief Executive Officer (the chief operation decision maker (“CODM”) has reviewed the Group’s internal reporting and determines that there are six reportable segments, based on location of customers under the electric cable and wire products business, including Hong Kong, 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 others.

The segment information for the reportable segments for 2025 and 2024 is as follows:

	Revenue 2025 <i>HK\$'000</i>	Segment results 2025 <i>HK\$'000</i>	Capital expenditure 2025 <i>HK\$'000</i>	Depreciation 2025 <i>HK\$'000</i>
Hong Kong	17,871	6,517	954	1,551
The PRC	32,236	642	253	2,969
America	311,392	32,715	1	2
Vietnam	20,232	3,213	1,149	3,862
Japan	12,746	1,820	–	–
Other countries	1,263	182	–	–
Reportable segment	<u>395,740</u>	<u>45,089</u>	<u>2,357</u>	<u>8,384</u>
Unallocated costs		<u>(3,418)*</u>		
Operating profit		<u>41,671</u>		
	Revenue 2024 <i>HK\$'000</i>	Segment results 2024 <i>HK\$'000</i>	Capital expenditure 2024 <i>HK\$'000</i>	Depreciation 2024 <i>HK\$'000</i>
Hong Kong	21,980	5,843	1,214	1,833
The PRC	40,055	2,614	627	3,336
America	236,405	20,077	–	3
Vietnam	134	25	3,462	3,810
Japan	27,275	3,697	–	–
Other countries	2,729	345	–	–
Reportable segment	<u>328,578</u>	<u>32,601</u>	<u>5,303</u>	<u>8,982</u>
Unallocated costs		<u>(2,997)*</u>		
Operating profit		<u>29,604</u>		

* *Unallocated costs represent corporate expenses.*

Revenue of HK\$268,909,000 (2024: HK\$207,343,000) are derived from two (2024: two) major customers contributing 10% or more of the total revenue. These revenues are attributable to the America segment (2024: America segment).

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A	187,083	123,441
Customer B	81,826	83,902
	268,909	207,343

The non-current assets by geographic region as follows:

	2025 <i>\$'000</i>	2024 <i>\$'000</i>
Hong Kong	60,237	62,714
The PRC	69,161	80,018
America	8	9
Vietnam	60,360	64,728
	189,766	207,469

The above analysis of non-current assets is based on the locations of the non-current assets and exclude the deferred tax assets.

4. OTHER INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Scrap sales	2,068	2,986
Interest income	1,351	1,053
Dividend income from financial assets at FVPL	5	231
Net gain arising from changes in fair value of financial assets at FVPL	2,986	1,392
Rental income from investment properties	1,769	2,696
Government subsidies	35	474
Freight costs recharged to customers	468	2,213
Sundry income	873	1,928
	<u>9,555</u>	<u>12,973</u>

5. OTHER OPERATING EXPENSES, NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss on revaluation of investment properties (<i>note 13</i>)	10,778	8,076
Charitable donations	2,504	1,990
Net loss on derivative financial instruments	–	150
Net exchange loss/(gain)	2,381	(1,884)
Loss on disposal/write-off of property, plant and equipment	233	303
Other expenses	875	1,333
	<u>16,771</u>	<u>9,968</u>

6. OPERATING PROFIT

This is stated after charging:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Depreciation of property, plant and equipment (<i>note 12</i>)	8,384	8,982
Auditor's remuneration		
– Audit services	655	948
– Non-audit services	55	222
Cost of inventories (<i>note 14</i>)	200,987	152,670
Lease payments for short-term and low-value leases	381	28
Direct expenses for investment properties	341	254
Provision for inventories (included in cost of inventories) (<i>note 14</i>)	8,435	3,791
Staff costs (including directors' emoluments) (<i>note 11</i>)	99,808	94,590
	<u>99,808</u>	<u>94,590</u>

7. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on lease liabilities	—	8
	<u>—</u>	<u>8</u>
	<u>—</u>	<u>8</u>

8. TAXATION

For the years ended 31 December 2025 and 2024, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax regime. Under the two-tiered profits tax regime, the first HK\$2 million of profits of qualifying corporations will be taxed at 8.25% (2024: 8.25%), and profits above HK\$2 million will be taxed at 16.5% (2024: 16.5%).

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

The amount of taxation charged to the consolidated income statement represents:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong Profits Tax	9,654	3,638
Overseas taxation	4,104	2,323
Under-provision in prior years	87	472
Deferred tax relating to the origination and reversal of temporary differences	<u>(3,360)</u>	<u>(2,641)</u>
	<u>10,485</u>	<u>3,792</u>

9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit for the year of HK\$31,186,000 (2024: HK\$25,804,000) divided by the weighted average number of 198,958,000 (2024: 198,958,000) ordinary shares in issue during the year.

During the years ended 31 December 2025 and 2024, diluted earnings per share is the same as basic earnings per share due to the absence of dilutive potential ordinary shares during the reporting period.

10. DIVIDENDS

A final dividend in respect of 2024 of HK\$0.03 (2024: *in respect of 2023: nil*) per ordinary share and an interim dividend in respect of year 2025 of HK\$0.02 (2024: *HK\$0.02*) per ordinary share, amounting to a total dividend of HK\$9,948,000 (2024: *HK\$3,926,000*) was approved and paid during the year.

The Board recommends the payment of a final dividend in respect of 2025 of HK\$0.04 per ordinary share, amounting to a total dividend of approximately HK\$7,958,000, which will be proposed at the forthcoming annual general meeting. These consolidated financial statements do not reflect this dividend payable.

11. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Wages, salaries and fringe benefits	78,382	88,518
Social security costs	19,735	4,071
Pension costs – contribution to MPF scheme	400	413
Others	1,291	1,588
	<u>99,808</u>	<u>94,590</u>

12. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets <i>HK\$'000</i>	Buildings <i>HK\$'000</i>	Leasehold improvements <i>HK\$'000</i>	Plant and machinery <i>HK\$'000</i>	Furniture and fixtures <i>HK\$'000</i>	Office equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Pleasure boats <i>HK\$'000</i>	Total <i>HK\$'000</i>
Net book value at 1 January 2025	23,367	79,814	2,200	12,227	213	1,471	2,432	2,150	123,874
Addition	–	54	53	1,372	–	87	786	–	2,352
Disposals/write-off	–	–	–	(11)	–	(1)	(483)	–	(495)
Depreciation	(964)	(2,915)	(445)	(2,868)	(43)	(363)	(570)	(216)	(8,384)
Exchange adjustment	(96)	(1,161)	(51)	26	–	18	6	–	(1,258)
Net book value at 31 December 2025	<u>22,307</u>	<u>75,792</u>	<u>1,757</u>	<u>10,746</u>	<u>170</u>	<u>1,212</u>	<u>2,171</u>	<u>1,934</u>	<u>116,089</u>
At 31 December 2025									
At cost	40,643	123,464	17,546	92,269	4,710	14,536	4,111	14,429	311,708
Accumulated depreciation	(18,336)	(47,672)	(15,789)	(81,523)	(4,540)	(13,324)	(1,940)	(12,495)	(195,619)
Net book value	<u>22,307</u>	<u>75,792</u>	<u>1,757</u>	<u>10,746</u>	<u>170</u>	<u>1,212</u>	<u>2,171</u>	<u>1,934</u>	<u>116,089</u>

	Right-of-use assets <i>HK\$'000</i>	Buildings <i>HK\$'000</i>	Leasehold improvements <i>HK\$'000</i>	Plant and machinery <i>HK\$'000</i>	Furniture and fixtures <i>HK\$'000</i>	Office equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Pleasure boats <i>HK\$'000</i>	Total <i>HK\$'000</i>
Net book value at 1 January 2024	26,899	86,703	2,833	11,728	266	1,884	1,776	2,330	134,419
Addition	–	–	59	4,070	–	55	1,305	–	5,489
Disposals/write-off	–	–	–	(238)	–	(13)	(172)	–	(423)
Depreciation	(1,351)	(3,000)	(554)	(2,937)	(53)	(437)	(470)	(180)	(8,982)
Transfer to investment properties	(1,709)	(9,991)	–	–	–	–	–	–	(11,700)
Revaluation surplus	–	9,090	–	–	–	–	–	–	9,090
Exchange adjustment	(472)	(2,988)	(138)	(396)	–	(18)	(7)	–	(4,019)
Net book value at 31 December 2024	<u>23,367</u>	<u>79,814</u>	<u>2,200</u>	<u>12,227</u>	<u>213</u>	<u>1,471</u>	<u>2,432</u>	<u>2,150</u>	<u>123,874</u>
At 31 December 2024									
At cost	41,584	124,676	17,487	90,098	4,648	14,298	5,996	14,429	313,216
Accumulated depreciation	<u>(18,217)</u>	<u>(44,862)</u>	<u>(15,287)</u>	<u>(77,871)</u>	<u>(4,435)</u>	<u>(12,827)</u>	<u>(3,564)</u>	<u>(12,279)</u>	<u>(189,342)</u>
Net book value	<u>23,367</u>	<u>79,814</u>	<u>2,200</u>	<u>12,227</u>	<u>213</u>	<u>1,471</u>	<u>2,432</u>	<u>2,150</u>	<u>123,874</u>

13. INVESTMENT PROPERTIES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At fair value		
At 1 January	83,391	80,644
Transfer from property, plant and equipment	–	11,700
Revaluation loss (included in other operating expenses, net)	(10,778)	(8,076)
Exchange adjustment	855	(877)
At 31 December	<u>73,468</u>	<u>83,391</u>

- (a) As at 31 December 2025 and 2024, no investment property was pledged as security for the Group's banking facilities.
- (b) As at 31 December 2025 and 2024, the Group has no unprovided contractual obligations for future repairs and maintenance.

14. INVENTORIES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Raw materials	69,636	65,522
Work in progress	4,829	8,101
Finished goods	<u>90,730</u>	<u>74,144</u>
	165,195	147,767
Less: Provision for inventories	<u>(26,837)</u>	<u>(18,402)</u>
	<u><u>138,358</u></u>	<u><u>129,365</u></u>

The cost of inventories recognised as an expense (included in cost of sales) during the year was HK\$200,987,000 (2024: HK\$152,670,000), in respect of which HK\$8,435,000 (2024: HK\$3,791,000) represents write down of inventories to net realisable value.

15. TRADE AND BILLS RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Up to 3 months	63,959	67,663
4–6 months	21,580	11,687
Over 6 months	<u>363</u>	<u>420</u>
Trade receivables, gross (note (a))	85,902	79,770
Less: Loss allowance	<u>(2,056)</u>	<u>(345)</u>
Trade receivables, net	83,846	79,425
Bills receivables	<u>1,064</u>	<u>1,478</u>
	<u><u>84,910</u></u>	<u><u>80,903</u></u>

(a) At 31 December 2025 and 2024, the aging analysis of gross trade receivables is based on invoice date.

(b) Trade and bills receivables are denominated in the following currencies:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
HK\$	548	3,639
RMB	5,653	5,635
US\$	78,709	71,629
	<u>84,910</u>	<u>80,903</u>

16. FINANCIAL ASSETS AT FVPL

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Mandatorily measured at FVPL		
Equity securities, listed in Hong Kong	–	8,240
Structured deposits in the PRC	1,107	–
	<u>1,107</u>	<u>–</u>

17. SHARE CAPITAL

	<i>No. of shares</i>	<i>HK\$'000</i>
Authorised		
At 1 January 2024 and 31 December 2024 and 2025, ordinary shares of HK\$0.10 each	500,000,000	50,000
	<u>500,000,000</u>	<u>50,000</u>
Issued and fully paid		
At 1 January 2024 and 31 December 2024 and 2025, ordinary shares of HK\$0.10 each	198,958,000	19,896
	<u>198,958,000</u>	<u>19,896</u>

18. TRADE PAYABLES

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Up to 3 months	19,369	20,478
4 – 6 months	289	133
Over 6 months	46	388
	<u>19,704</u>	<u>20,999</u>

19. COMMITMENTS

(a) Capital commitments

At 31 December 2025, the Group did not have any capital commitments (2024: nil).

(b) Commitments under operating lease as lessor

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Year 1	1,680	1,730
Year 2	847	1,689
Year 3	—	878
	<u>2,527</u>	<u>4,297</u>

20. FINANCIAL GUARANTEES AND PLEDGE

At 31 December 2025, the Group had the following banking facilities, of which HK\$64,300,000 (2024: HK\$72,300,000) were secured by limited guarantees given by the Company and certain subsidiaries (2024: the Company and certain subsidiaries).

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade and loan finance facilities	64,300	72,300
Forward exchange contract line	46,704	93,192
	<u>64,300</u>	<u>72,300</u>

21. SUBSEQUENT EVENTS

Subsequent to the reporting period up to the date of this announcement, the Group has entered transactions to acquire listed securities. Reference to the two announcements dated 26 January 2026 and 13 March 2026, the total consideration (excluding transaction costs) was approximately HK\$23,432,000 and was financed by the Group's existing financial resources. Detailed information of the transactions have been published in the aforesaid announcements.

Save as disclosed above, there is no other material event for disclosure subsequent to 31 December 2025 to date of this announcement.

FINANCIAL REVIEW

Results

The Group's revenue for the year was HK\$395,740,000 (2024: HK\$328,578,000). Profit for the year was HK\$31,186,000 compared to HK\$25,804,000 for 2024. Earnings per share for the year was HK\$0.157 (2024: HK\$0.130).

Final Dividend

The Board recommends the payment of a final dividend of HK\$0.04 per share for the year. Together with the interim dividend of HK\$0.02 per share, the Group's total dividend for the year 2025 amounted to HK\$0.06 per share (2024: HK\$0.05).

The proposed final dividend is subject to approval of the shareholders at the forthcoming Annual General Meeting of the Company to be held on Thursday, 14 May 2026 ("2026 AGM") and is to be payable on Tuesday, 2 June 2026 to shareholders whose names appear on the register of members of the Company on Thursday, 28 May 2026.

Liquidity, financial resources and capital structure

The Group's inventory level increased 7.0% from approximately HK\$129,365,000 as at 31 December 2024 to approximately HK\$138,358,000 as at 31 December 2025. Trade and bills receivables also recorded an increase from approximately HK\$80,903,000 as at 31 December 2024 to approximately HK\$84,910,000 as at 31 December 2025.

Despite the increase in inventory and receivables, the increased sales volume in 2025 contributed an increase in the Group's operating cash flow from approximately HK\$21,656,000 in 2024 to approximately HK\$53,447,000 in 2025.

The Group's cash and cash equivalents as at 31 December 2025 was approximately HK\$105,484,000 (2024: HK\$52,765,000). The Group has no bank borrowings as at 31 December 2025 and 31 December 2024. The financial impacts of the strategies in place resulted in favourable financial position in view of the Group's zero gearing level for three consecutive years.

As at 31 December 2025, the consolidated shareholders' equity of the Group was approximately HK\$456,508,000, representing an increase of 5.8% over that of HK\$431,650,000 from the previous year. The debt-to-equity ratio, which is calculated by dividing total liabilities by shareholders' equity, was approximately 18.7%.

Capital Expenditure

During the year, capital expenditure approximates to HK\$2,357,000 (2024: HK\$5,303,000).

Pledge of Assets

At 31 December 2025, the Group's trade and loan finance facilities amounted to approximately HK\$64,300,000, which were secured by limited guarantees given by the Company and certain subsidiaries.

Segment Information

During the year under review, America, the PRC and Vietnam (2024: America, the PRC and Japan) were the Group's major markets, accounting for approximately 78%, 8% and 5% (2024: 72%, 12% and 8%) of the Group's total sales respectively. The remaining 9% (2024: 8%) of sales were generated from customers located in Hong Kong, Japan and other countries (2024: Hong Kong, Vietnam and other countries).

Foreign Exchange Exposure

The Group is exposed to foreign currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States dollars ("USD"), Vietnam Dong ("VND") and Renminbi ("RMB"). The Group primarily hedge its foreign currency exposure by its operations and by occasionally engaging in financial instruments such as forward contracts. The Management monitors foreign exchange exposure from time to time and will consider hedging significant foreign currency exposure when the need arises.

During the year ended and as at 31 December 2025, all foreseeable foreign exchange risks of the Group are appropriately managed and hedged, if necessary.

Contingent Liabilities

As at 31 December 2025 and 2024, the Group did not have any material contingent liability.

BUSINESS REVIEW

Revenue

The Group's revenue increased by 20.4% to HK\$395.7 million in this financial year 2025. Sales of wire harness accounted for 55% (2024: 45%), power cords recorded 44% (2024: 53%) while cables, wires and plastic resins accounted for remaining 1% (2024: 2%) of the Group's revenue. Over the 12-month period, the Group delivered above market growth in certain regions. Sales in North America grew by 32% which led the overall growth of the Group thanks to our increasing variety delivered to our customers and increase in business in sector we provided.

The Group's major US customers are primary manufacturers of commercial and domestic heating, ventilation, and air conditioning (HVAC) equipment and white appliances. In spite of the enduring inflation, high interest rates and fear of an impending recession looming and other challenging conditions affecting North America market, the Group recorded a hike in deliveries to our US customers which accounted for 78% (2024: 72%) of sales during the year under review. For the North America economy in 2025, inflation has been a major hindrance. However, with our extension of product lines and increase in sales of more complex harness products, we have achieved increase in sales to the American markets.

Sales to the PRC and Hong Kong decreased by around one-fourth due to the keen competition, end customers' preference of place of origin and our balance of resources. Sales to the Japanese market decreased due to the changing of product mixes and demand cycle.

Emerging markets showed varied growth, our sales to Vietnam recorded high growth due to customers' new production lines there which have driven demand improvement.

Management saw a further recovery of economic activities during 2025, meanwhile, as businesses continued to face multitude of challenges, such as the Russian-Ukrainian war, the Israel-Gaza confrontation and other political unrests, pave threat to inflation and demand, and global economic landscape continued to remain fragile and volatile. Competition remains keen, too.

In terms of economic development, global inflation was high, causing interest rates to remain relatively high which has impacted the global demand and investment.

The price of our major cost component, copper, has increased dramatically since second half of 2025 due to the global supply shortage and increase in demand for various usage such as Artificial Intelligence ("AI"), robotics and electronic vehicle related products. We have continuously monitored the situation and mitigated such risk by measures such advanced purchase, negotiation of price with our suppliers and customers and maintain material usage efficiency so to maintain our cost with a competitive edge.

Notwithstanding the increased sales, uncertain movements of copper prices, shipping costs plus additional workers to fulfill increased orders, the Management implemented cost control measures to minimise direct labor costs, such as increasing the output per staff, better work arrangement and reduced overtime, complemented by new and efficient production equipment, to maintain our profit margins. As of 31 December 2025, the Group has around 840 staff (2024: 880), with revenue per head of approximately HK\$470,000 per annum (2024: HK\$370,000).

The gross profit margin increased slightly from 28.7% in 2024 to 29.7% in 2025. It has been an achievement of the Group to maintain operational efficiency while facing all the mounting uncertainties in supply chain, logistic and material costs during the year under review. The Group maintained the net profit margin of 7.9% in 2025, which is at the same level in 2024.

Inventory level increased by 7% to HK\$138.4 million to cater for increase in demand and stock up for key material such as copper in light of its possible increase in price. The overall inventory turnover days was 176 days (2024: 187 days).

The trade and bills receivables balance increased by 5% to HK\$84.9 million as compared to HK\$80.9 million in 2024. The increase was the net results of the increase in sales and our improvement in debt collection cycle. Trade receivable turnover days was 76 days (2024: 83 days) for the year 2025.

Our distribution and administrative expenses to revenue decreased by 3.7 percentage points to 16.9% as a result of our effort to control number of administrative staff and administrative expenses and overall improvement in efficiency.

Property market is still fragile and volatile in the PRC and Hong Kong, our investment properties still face valuation downward pressure. The Hong Kong commercial property market shows certain signs of recovery with leasing rate recover to a certain extent. Meanwhile, the Group's Heyuan factory is looking to be leased out to realise its potential value.

Profit attributable to shareholders was HK\$31.2 million for the year ended 31 December 2025, which is an increase of HK\$5.4 million or 20.9% as compared to HK\$25.8 million for 2024. Earnings per share was HK\$0.157 (2024: HK\$0.130).

The Group delivered HK\$52.8 million of net cash inflow in 2025, reflecting the improvements in net profit and working capital strategies the Directors implemented in 2025. With the prudent capital and cashflow management, the Group has zero bank borrowing as at 31 December 2025. Our prudent management and conservative culture are the reasons for delivering favorable financial results.

FUTURE PROSPECT

There is a significant level of uncertainty right now as geopolitical and trade tensions issues have dominated the markets recently. The US-Iran tension since early 2026 pose risks to the global economy primarily through energy markets and trade routes. Escalation could drive oil prices sharply higher, fueling inflation worldwide. This may also drive costs of key metal prices upwards.

The increase in energy price may impact the inflation and consumers may face elevated gasoline and goods prices and may exert a downward pressure on their demand and this may negatively impact the business of our customers and us.

In addition to these challenges, trade policy uncertainties, trade protectionism and tariff disputes among major economies have further complicated the international business environment for the Group.

Riding on those challenges, new demand on our products are rising from needs of AI, robotics, sensors, electrification (such as electric vehicles) infrastructure upgrades globally. China's 15th Five-Year Plan (2026-2030) has placed an emphasis on core strategic themes such as technological self-reliance in areas like semiconductors, AI, quantum, biotech, 6G, and advanced manufacturing. We will stay vigilance about the opportunities that may open up for us.

Tariff imposed by US still creates uncertainties to global trades. The magnitude to different countries is uncertain. In order to protect the overall interest, we have set up production plants in both China and Vietnam to mitigate thereby caused. Yet, this cannot eliminate all risks associated with the tariff and we will try to explore business opportunities to more countries to mitigate.

The Group's top five (5) customers accounted for approximately 85% (2024: 82%) of the Group's total revenue in the year 2025, the Group has relied heavily on a limited number of customers, products, and geographical markets, which may have significant impacts to our performance especially when the world is facing intensified geopolitical risks. With the goal to mitigate market concentration risks and ensure a steady recovery and sustainable growth, the Group has been agile but sustainable success depends on our customers' outsourcing strategies, which continue to change in response to the general economy, government policies and end consumer demands.

Continuous launch of newly developed wire cables and power cord products will enable the Group to continue to maintain our revenue impetus amid a rapidly changing business environment. The Group's continuing success relies on meeting demand by working closely with our customers, strong procurement ability, together with innovation and stringent quality control.

The plans to expand business are contingent upon the success of measures taken to alleviate and mitigate side effects of the persisting customers concentration. Certain capital expenditure could be required for the expansion and the Group will plan carefully for such requirement.

To conclude, the Directors maintain a keen awareness of the prevailing economic fragility and is committed to addressing it with a proactive and strategic approach which center on serving our customers' needs. In addition to allocating resources to areas with significant potential, the Group will continue to place a strong emphasis on continuous innovation and improvement in its product design and operational processes.

The Group will prepare to capture new opportunities arising from anticipated gradual market recovery and navigate carefully in the challenging environment.

CORPORATE GOVERNANCE

The Group is committed to safeguarding shareholders' rights and enhancing corporate governance standard. As a result, the Group has established the Compliance Committee, the Audit Committee, the Remuneration Committee and the Nomination Committee to adhere to the best practice.

EMPLOYEES' REMUNERATION POLICY

At 31 December 2025, the Group employed 840 (2024: 880) full time management, administrative and production staff worldwide. The proportion of male to female is 1:2.2 (2024: 1:2.1). The Group follows market practice on remuneration packages. Employee's remuneration is reviewed and determined by senior management annually depending on the employee's performance, experience and industry practice. The total amount of employee's remuneration was set out in note 11 to the consolidated financial information in this announcement. The Group invests in its human capital, including on-job training as well as policies of continuous professional training programs.

SOCIAL RESPONSIBILITY

The Group's factories are regularly subject to factory audit by multinational enterprises. The factory audit serves as a catalyst to enhance the Group's standard on corporate social responsibility.

Moreover, the Group holds a strong belief in corporate social responsibility. So the Group continues to participate in and support community activities in Hong Kong, the PRC and Vietnam.

With regards to the Group's ESG performance, please refer to the Group's ESG report which will be available on the Company's website at <https://perennial.todayir.com> and the Stock Exchange's website before 30 April 2026.

CHANGES IN AUDITORS

In October 2023, PricewaterhouseCoopers resigned and Forvis Mazars CPA Limited ("Forvis Mazars") was appointed as the Company's auditor. In September 2025, Forvis Mazars resigned and Crowe (HK) CPA Limited ("Crowe") was appointed as the Company's auditor. These changes were caused by the consideration on auditor's remuneration.

COMPLIANCE COMMITTEE

The members of Compliance Committee discussed recent amendments to the Listing Rules relating to corporate governance and sustainability reporting requirements, and gave suggestions to the Board so as to help the Company to comply with updated obligations.

AUDIT COMMITTEE

The Audit Committee has reviewed the interim financial report for the six months ended 30 June 2025 and the audited financial results of the Group for the year ended 31 December 2025 and the accounting principles and practices adopted by the Group. The Audit Committee also reviewed the adequacy and effectiveness of the Company's internal control and risk management systems and made recommendations to the Board. The Board has engaged an outsourced consultant to perform internal control review services for the Group.

Upon the appointment of Crowe as the new auditor of the Company, the Audit Committee reviewed the calibre, audit proposals, independence, the reputation in the market, resources and capability of the new auditor and other professional audit firms and gave opinions to the Board. The Audit Committee also had a meeting with Forvis Mazars, the former auditor, to confirm their reason to resign.

The Audit Committee has full and direct access to the outsourced internal audit consultant, reviews the reports on all audits performed and monitors the audit performance. The Audit Committee also reviews the adequacy of the scope, functions, competency and resources of the outsourced internal audit functions.

THE CORPORATE GOVERNANCE CODE

The Directors confirm that the Company has fully 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. During the year, Ms. Koo Di An, Louise, the Chairman, was unable to hold a meeting with the independent non-executive Directors without the presence of the executive Directors due to other prior business engagements.

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 during the year.

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

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's shares during the year.

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

The information required by Appendix D2 to the Listing Rules will be published on the Stock Exchange's website (www.hkex.com.hk) and on the Company's website (<https://perennial.todayir.com>) in due course.

CLOSURE OF REGISTER OF MEMBERS

The forthcoming 2026 AGM will be held on Thursday, 14 May 2026. The register of members of the Company will be closed during the following periods:

- (i) from Monday, 11 May 2026 to Thursday, 14 May 2026, both days inclusive and during which period no share transfer will be effected, for the purpose of ascertaining shareholders' eligibility to attend and vote at the 2026 AGM. In order to be eligible to attend and vote at the 2026 AGM, 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 Friday, 8 May 2026.
- (ii) from Monday, 25 May 2026 to Thursday, 28 May 2026, both days inclusive and during which period no share transfer will be effected, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. In order to establish entitlements to the proposed final 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 Friday, 22 May 2026.

EVENTS AFTER THE REPORTING PERIOD

Significant events after the reporting period up to the date of this announcement are set out in note 21 to the consolidated financial information.

APPRECIATION

As we move forward into 2026, we wish to thank all our stakeholders – most notably the clients, shareholders, suppliers and employees – for their resilience, dedication and enthusiasm during these turbulent times. It is with their continued support that the Group will succeed in growing its strength and delivering even greater value in the new financial year and for many more years to come.

By Order of the Board
Perennial International Limited
MON CHUNG HUNG
Chief Executive Officer and Deputy Chairman

Hong Kong, 24 March 2026

The figures set out in the preliminary announcement in respect of the Group's consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and the related notes thereto for the year ended 31 December 2025 have been agreed by the Group's auditor, Crowe, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Crowe in this respect does not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Crowe on the preliminary announcement.

As at the date of this announcement, 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.