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Perennial

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PERENNIAL INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 00725)

2026

Interim Report

Unaudited Interim Condensed Consolidated Financial Information

INTERIM RESULTS

The board (the "Board") of directors (the "Directors" or "Management") 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 2026 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the six months ended 30 June 2026

	Note	Six months ended 30 June	
		2026	2025
		HK$'000	HK$'000 (Restated)
Revenue	5	**231,017**	221,708
Cost of sales		**(165,060)**	(157,437)
Gross profit		**65,957**	64,271
Other income	6	**3,284**	2,818
Distribution expenses		**(6,166)**	(6,265)
Administrative expenses		**(24,776)**	(29,771)
Other operating expenses, net		**(18,382)**	(7,674)
Impairment loss on trade receivables	16	**(94)**	(1,697)
Operating profit	7	**19,823**	21,682
Finance costs	8	**(3)**	–
Profit before taxation		**19,820**	21,682
Taxation	9	**(2,931)**	(3,991)
Profit for the period attributable to shareholders of the Company		**16,889**	17,691
Basic and diluted earnings per share (HK cents)	11	**8.5**	8.9

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 2026

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Profit for the period	**16,889**	17,691
Other comprehensive income:		
Items that may be subsequently reclassified to profit or loss		
Exchange difference arising from translation of financial statements of foreign operations	**9,778**	3,673
Total comprehensive income for the period attributable to shareholders of the Company	**26,667**	21,364

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	**30 June 2026 HK$'000 (Unaudited)**	31 December 2025 HK$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	13	**114,166**	116,089
Investment properties	14	**71,311**	73,468
Non-current deposits		**136**	209
Deferred tax assets		**16,727**	14,542
		202,340	204,308
Current assets			
Inventories	15	**125,528**	138,358
Trade and bills receivables	16	**123,889**	84,910
Other receivables, deposits and prepayments		**4,699**	7,744
Financial assets at fair value through profit or Loss	17	**18,367**	1,107
Tax recoverable		**1,675**	–
Cash and cash equivalents		**81,206**	105,484
		355,364	337,603
Total assets		**557,704**	541,911
EQUITY			
Equity attributable to shareholders of the Company			
Share capital	18	**19,896**	19,896
Other reserves	19	**27,808**	18,030
Retained earnings		**427,513**	418,582
Total equity		**475,217**	456,508
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		**7,236**	8,140
		7,236	8,140

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2026

	Note	**30 June 2026 HK$'000 (Unaudited)**	31 December 2025 HK$'000 (Audited)
Current liabilities			
Trade and other payables	20	**63,318**	67,491
Tax payable		**11,933**	9,772
		75,251	77,263
Total liabilities		**82,487**	85,403
Total equity and liabilities		**557,704**	541,911

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 June 2026

	Share capital HK$'000	Other reserves HK$'000	Retained earnings HK$'000	Total equity HK$'000
At 1 January 2026 (audited)	**19,896**	**18,030**	**418,582**	**456,508**
Total comprehensive income for the period	**–**	**9,778**	**16,889**	**26,667**
Final dividend paid in respect of previous year (note 12)	**–**	**–**	**(7,958)**	**(7,958)**
At 30 June 2026 (unaudited)	**19,896**	**27,808**	**427,513**	**475,217**

	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
Final dividend paid in respect of previous year	–	–	(5,969)	(5,969)
At 30 June 2025 (unaudited)	19,896	17,670	409,479	447,045

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 2026

	Note	Six months ended 30 June **2026** **HK$'000**	 2025 HK$'000
Cash flows from operating activities			
Cash generated from/(used in) operations		**13,720**	(9,053)
Hong Kong profits tax and overseas income tax paid, net		**(5,342)**	(2,162)
Net cash from/(used in) operating activities		**8,378**	(11,215)
Cash flows from investing activities			
Purchases of property, plant and equipment		**(866)**	(552)
Interest received		**562**	489
Purchases of financial assets at FVPL		**(55,138)**	(9,484)
Proceeds from sales of financial assets at FVPL		**29,236**	16,154
Proceeds from sales of property, plant and equipment		**562**	20
Net cash (used in)/from investing activities		**(25,644)**	6,627
Cash flows from financing activities			
Dividend paid	12	**(7,958)**	(5,969)
Interest paid		**(3)**	–
Payments for principal portion of the lease liabilities		**–**	(86)
Net cash used in financing activities		**(7,961)**	(6,055)
Net decrease in cash and cash equivalents		**(25,227)**	(10,643)
Cash and cash equivalents at 1 January		**105,484**	52,765
Exchange difference on cash and cash equivalents		**949**	663
Cash and cash equivalents at 30 June		**81,206**	42,785

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 Richmond House, 12 Par-la-Ville Road, Hamilton HM08, 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 2025, 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.

Adoption of new/revised HKFRS Accounting Standards

The Group has applied the following new/revised HKFRS Accounting Standards for the first time for the annual reporting period commencing 1 January 2026:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Annual improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity

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)

Future changes in HKFRS Accounting Standards that have not been early adopted by the Group

HKFRS 18 and consequential amendments to other HKFRS Accounting Standards	Presentation and Disclosure in Financial Statements[1]
HKFRS 19 and subsequent amendments	Subsidiaries without Public Accountability: Disclosures[1]
HKFRS 20	Regulatory Assets and Regulatory Liabilities[2]
Amendments to HKAS 21	Translation to a hyperinflationary currency[1]
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 2027
2 Effective for annual periods beginning on or after 1 January 2029
3 The effective date 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. Except for the impact of HKFRS 18 and consequential amendments to other HKFRS Accounting Standards as disclosed in the notes to the consolidated financial statements of the Group for the year ended 31 December 2025, management does not expect any impact they would have on the Group's results of operations and financial position.

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 2025.

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	
	2026	2025
	HK$'000	HK$'000
Sale of goods – based on fixed price and recognised at a point in time	**231,017**	221,708

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.

The unaudited segment information for the reportable segments for the six months ended 30 June 2026 and 2025 is as follows:

	Six months ended 30 June 2026			
	Revenue	**Segment results**	**Capital expenditure**	**Depreciation**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**
Hong Kong	**10,693**	**(5,282)**	**46**	**609**
The PRC (excluding Hong Kong)	**18,875**	**3,451**	**52**	**1,399**
America	**181,401**	**19,315**	**–**	**1**
Vietnam	**13,453**	**2,640**	**841**	**1,789**
Japan	**5,160**	**1,025**	**–**	**–**
Other countries	**1,435**	**256**	**–**	**–**
Reportable segment	**231,017**	**21,405**	**939**	**3,798**
Unallocated costs		**(1,582)***		
Operating profit		**19,823**		

5 REVENUE AND SEGMENT INFORMATION (Continued)

	Six months ended 30 June 2025			
	Revenue HK$'000	Segment results HK$'000	Capital expenditure HK$'000	Depreciation HK$'000
Hong Kong	11,631	3,545	85	767
The PRC (excluding Hong Kong)	17,965	(3,564)	126	1,521
America	174,528	20,163	–	–
Vietnam	9,877	1,706	300	1,990
Japan	7,224	1,248	–	–
Other countries	483	83	–	–
Reportable segment	221,708	23,181	511	4,278
Unallocated costs		(1,499)*		
Operating profit		21,682		

* *Unallocated costs represent corporate expenses.*

Revenue of approximately HK$153,332,000 *(six months ended 30 June 2025: HK$156,837,000)* are derived from two *(six months ended 30 June 2025: two)* major customers contributing 10% or more of the total revenue. These revenues are attributable to the America segment *(six months ended 30 June 2025: America segment)*.

	Six months ended 30 June	
	2026 **HK$'000**	2025 HK$'000
Customer A	**115,744**	114,714
Customer B	**37,588**	42,123
	153,332	156,837

5 REVENUE AND SEGMENT INFORMATION (Continued)

The non-current assets by geographic region are as follows:

	30 June 2026 HK$'000	31 December 2025 HK$'000
Hong Kong	**56,270**	60,237
The PRC	**69,403**	69,161
America	**7**	8
Vietnam	**59,933**	60,360
	185,613	189,766

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

6 OTHER INCOME

	Six months ended 30 June	
	2026 HK$'000	2025 HK$'000 (Restated)
Scrap sales	**1,217**	698
Interest income	**562**	489
Rental income from investment properties	**865**	865
Government subsidies	**24**	12
Freight cost recharged to customers	**–**	72
Sundry income	**616**	682
	3,284	2,818

7 OPERATING PROFIT

This is stated after charging/(crediting):

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
		(Restated)
Depreciation of property, and equipment (note 13)	**3,798**	4,278
Auditor's remuneration	**367**	499
Cost of inventories	**163,925**	155,954
Loss on revaluation of investment properties (included in other operating expenses, net)	**3,402**	9,128
Net exchange loss (included in other operating expenses, net)	**5,660**	105
Net loss/(gain) from changes in fair value of financial assets at FVPL (included in other operating expenses, net)	**8,670**	(3,252)
Lease payments for short-term and low-value leases	**243**	155
Direct expenses for investment properties	**113**	188
Gain on disposal of plant and equipment, net	**(458)**	(10)
Provision for inventories (included in cost of inventories)	**3,326**	10,348
Staff costs (including directors' emoluments) (note 10)	**41,798**	50,500

8 FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Interest expenses on short-term revolving loan	**3**	–
	3	–

9 TAXATION

Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax regime. The first HK$2 million of the profits is taxed at 8.25% *(six months ended 30 June 2025: 8.25%)* and profits above HK$2 million is taxed at 16.5% *(six months ended 30 June 2025: 16.5%)*.

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.

9 TAXATION (Continued)

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Hong Kong profits tax	**4,311**	7,290
Overseas taxation	**1,459**	1,125
Under-provision in prior years	**2**	–
Deferred tax relating to the origination and reversal of temporary differences	**(2,841)**	(4,424)
	2,931	3,991

10 STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Wages, salaries and fringe benefits	**38,182**	42,403
Social security costs	**2,715**	7,160
Pension costs – contributions to MPF scheme	**207**	200
Others	**694**	737
	41,798	50,500

(a) Directors' Emoluments

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

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Basic salaries, other allowances and benefits in kind	**9,487**	8,649
Pension costs – contributions to MPF scheme	**36**	36
	9,523	8,685

10 STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)

(b) Key Management Compensation

The emoluments paid or payable to key management including all directors and five *(six months ended 30 June 2025: three*) senior management for employee services is shown below:

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Basic salaries, other allowances and benefits in kind	**11,629**	10,069
Pension costs – contributions to MPF scheme	**63**	54
	11,692	10,123

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 2026 of HK$16,889,000 *(six months ended 30 June 2025: HK$17,691,000)* divided by the weighted average number of 198,958,000 *(six months ended 30 June 2025: 198,958,000)* ordinary shares in issue during the period.

For the six months ended 30 June 2026 and 2025, 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	
	2026	2025
	HK$'000	HK$'000
Interim dividend declared of HK$0.02 (2025: HK$0.02) per share	**3,979**	3,979

The final dividend of HK$7,958,000 that relates to the year ended 31 December 2025 was paid on 21 May 2026.

At a meeting held on 25 August 2026, the Board resolved to declare an interim dividend of HK$0.02 per ordinary share for the six months ended 30 June 2026 *(six months ended 30 June 2025: HK$0.02)*.

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	Construction in progress HK$'000	Total HK$'000
Net book value at 1 January 2026	**22,307**	**75,792**	**1,757**	**10,746**	**170**	**1,212**	**2,171**	**1,934**	**–**	**116,089**
Additions	**–**	**–**	**–**	**146**	**–**	**46**	**–**	**–**	**747**	**939**
Disposals/write-off	**–**	**–**	**–**	**(18)**	**–**	**–**	**(86)**	**–**	**–**	**(104)**
Depreciation	**(430)**	**(1,458)**	**(200)**	**(1,263)**	**(17)**	**(159)**	**(172)**	**(99)**	**–**	**(3,798)**
Exchange adjustment	**194**	**628**	**15**	**188**	**–**	**8**	**7**	**–**	**–**	**1,040**
Net book value at 30 June 2026	**22,071**	**74,962**	**1,572**	**9,799**	**153**	**1,107**	**1,920**	**1,835**	**747**	**114,166**
At 30 June 2026										
At cost	**40,936**	**124,345**	**17,852**	**87,117**	**4,812**	**14,252**	**3,325**	**14,429**	**747**	**307,815**
Accumulated depreciation	**(18,865)**	**(49,383)**	**(16,280)**	**(77,318)**	**(4,659)**	**(13,145)**	**(1,405)**	**(12,594)**	**–**	**(193,649)**
Net book value	**22,071**	**74,962**	**1,572**	**9,799**	**153**	**1,107**	**1,920**	**1,835**	**747**	**114,166**

	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)	(1,493)	(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 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 2026 and 31 December 2025, no property, plant or equipment was pledged as security for the Group's bank facilities.

14 INVESTMENT PROPERTIES

	30 June 2026 HK$'000	31 December 2025 HK$'000
At fair value	**71,311**	73,468

(a) As at 31 December 2025, investment properties were revalued on the basis of open market valued by direct comparison approach by Ascent Partners Valuation Service Limited, an independent firm of chartered surveyors.

(b) As at 30 June 2026, 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 2026 and 31 December 2025, no investment property was pledged as security for the Group's bank facilities.

15 INVENTORIES

	30 June 2026 HK$'000	31 December 2025 HK$'000
Raw materials	**75,163**	69,636
Work in progress	**7,716**	4,829
Finished goods	**72,812**	90,730
	155,691	165,195
Less: Provision for inventories	**(30,163)**	(26,837)
	125,528	138,358

16 TRADE AND BILLS RECEIVABLES

	30 June 2026 HK$'000	31 December 2025 HK$'000
Up to 3 months	**105,337**	63,959
4-6 months	**14,942**	21,580
Over 6 months	**3,718**	363
Trade receivables, gross	**123,997**	85,902
Less: Loss allowance	**(2,150)**	(2,056)
Trade receivables, net	**121,847**	83,846
Bills receivables	**2,042**	1,064
	123,889	84,910

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

The net increase in loss allowance for the period was approximately HK$94,000 *(six months ended 30 June 2025: HK$1,697,000)*.

17 FINANCIAL ASSETS AT FVPL

	30 June 2026 HK$'000	31 December 2025 HK$'000
Mandatorily measured at FVPL		
Equity securities, listed in Hong Kong	**17,215**	–
Structured deposits in the PRC	**1,152**	1,107
	18,367	1,107

18 SHARE CAPITAL

	Number of shares	HK$'000
Authorised		
At 30 June 2026 and 31 December 2025, ordinary shares of HK$0.10 each	500,000,000	50,000
Issued and fully paid		
At 30 June 2026 and 31 December 2025, 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 2026	**15,885**	**(19,777)**	**7,939**	**104**	**13,879**	**18,030**
Exchange difference arising from translation of financial statements of foreign operations	**–**	**9,778**	**–**	**–**	**–**	**9,778**
At 30 June 2026	**15,885**	**(9,999)**	**7,939**	**104**	**13,879**	**27,808**

	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 statements of foreign operations	–	3,673	–	–	–	3,673
At 30 June 2025	15,885	(19,724)	7,939	104	13,466	17,670

20 TRADE AND OTHER PAYABLES

	30 June 2026 HK$'000	31 December 2025 HK$'000
Trade payables	**16,497**	19,704
Other payables and accruals	**12,576**	16,970
Provision for employee benefits	**34,245**	30,817
	63,318	67,491

At 30 June 2026 and 31 December 2025, the ageing analysis of trade payables based on invoice date were as follows:

	30 June 2026 HK$'000	31 December 2025 HK$'000
Up to 3 months	**15,013**	19,369
4-6 months	**1,369**	289
Over 6 months	**115**	46
	16,497	19,704

21 FINANCIAL GUARANTEES AND PLEDGE

At 30 June 2026 and 31 December 2025, the Group has the following banking facilities which were secured by limited guarantees given by the Company and certain subsidiaries.

	30 June 2026 HK$'000	31 December 2025 HK$'000
Trade and loan finance facilities	**56,800**	64,300
Forward exchange contract line	**55,052**	46,704

22 COMMITMENTS

(a) Capital commitments

At 30 June 2026, the Group had the following capital commitments for buildings, plant and equipment (31 December 2025: nil):

	30 June 2026 HK$'000	31 December 2025 HK$'000
Contracted for but not provided for	**6,617**	–

(b) Commitments under operating lease as lessor

At 30 June 2026 and 31 December 2025, the Group had future aggregate minimum rental receivables under non-cancellable operating leases as follows:

	30 June 2026 HK$'000	31 December 2025 HK$'000
Year 1	**1,380**	1,680
Year 2	**282**	847
	1,662	2,527

23 COMPARATIVE INFORMATION

The classification of comparative figures of other income and other operating expenses, net has been changed to reflect a better presentation. There is no impact on the profit for the period attributable to shareholders of the Company for the six months ended 30 June 2025.

24 SUBSEQUENT EVENTS

On 24 August 2026, the Group disposed of 40,000 ordinary shares of Alibaba Group Holding Limited ("Alibaba Shares") on the open market, at an average price of approximately HK$112.2 per Alibaba Share, at a total consideration of approximately HK$4,488,000 (excluding transaction costs) (the "Disposal"). A loss of approximately HK$1,600,000 was recognised subsequent to the six months ended 30 June 2026.

Together with the Disposal, from 9 March 2026 to 24 August 2026, the Group has disposed of an aggregate 120,000 Alibaba Shares on the open market, at an average price of approximately HK$121.9 per Alibaba Share, at a total consideration of approximately HK$14,628,000 (excluding transaction costs) (the "Aggregated Disposal"). The Group has recognised an aggregated loss of approximately HK$4,600,000 from the Aggregated Disposal.

Detailed information of the Disposal and the Aggregated Disposal have been published in an announcement dated 24 August 2026.

Save as disclosed above, there is no other material event for disclosure subsequent to 30 June 2026 up to the date of this report.

25 APPROVAL OF THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The unaudited interim condensed consolidated financial information was approved by the Board on 25 August 2026.

Management Discussion and Analysis

FINANCIAL AND BUSINESS REVIEW

Results

The first half of 2026 is not ordinary with unrest in global macro political and economic instability in many areas such as the war between US and Iran, the changing tariff policies, etc.. We have remained prudent in our business operation and maintain the best quality we could offer to our customers.

Our revenue for the first half of 2026 was HK$231.0 million, an increase of 4.2%, as compared to that of HK$221.7 million for the same period last year. The increase in revenue was mainly attributable to the change in product mix. Our sales are mainly contributed from the American markets, sales to these markets accounted for about 78.5% of our total revenue and was amounting to HK$181,401,000. The Group's major US customers are primary manufacturers of white goods appliances.

Revenue from the PRC and in Hong Kong maintained stable and accounted for approximately 12.8% of the Group's total revenue *(2025: 13.3%)*. In light of the weakness of the Japanese Yen currency and product mix, revenue from Japan decreased to approximately HK$5,160,000.

During the interim period under review, sales of wire harness accounted for 58% *(2025: 57%)*, power cords recorded 41% *(2025: 42%)* while cables, wires and plastic resins accounted for the remaining 1% *(2025: 1%)* of the Group's revenue.

The gross profit margin decreased slightly from 29% to 28.6% due to the combined impact of improvements in operational efficiency, products mix and the increases in material costs such as that of oil & gas related materials.

The price of our major cost component, copper, has increased dramatically since the second half of 2025 due to the global supply shortage and the 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 various measures such as advanced purchases, negotiation of price with our suppliers and customers, and maintaining material usage efficiency so as 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, 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 30 June 2026, the Group has 804 staff *(30 June 2025: 875)*, with revenue per head of approximately HK$574,000 on an annualized base *(2025 full year: HK$470,000)*.

Our distribution and administrative expenses to revenue decreased by 2.9 percentage points to 13.4% as a result of our effort to control number of administrative staff and administrative expenses and overall improvement in efficiency.

The Group has other income of HK$3,284,000 which was mainly derived from sales of scraps, rental income and bank interest income. The Group recorded other operating expenses, net, of HK$18,382,000, which were mainly attributable to the change in fair value of the investment in securities, exchange losses arising from the appreciation of Renminbi ("RMB") and change in fair value of our investment properties. Management recognised revaluation loss on investment properties amounted to approximately HK$3,402,000 *(2025: HK$9,128,000)* as a result of the continuing vacancy of our unused factory premises in Heyuan, PRC and the deterioration of commercial property values in Hong Kong.

Unaudited consolidated profit attributable to shareholders was HK$16,889,000 *(2025: HK$17,691,000)*. The net profit margin was 7.3% *(2025: 8%)* as a result of the above. Earnings per share was HK$0.085 *(2025: HK$0.089)*.

Liquidity, Financial Resources and Capital Structure

Management continued to have cautious financial management strategies and maintained zero gearing level (total borrowing divided by total equity) to avoid incurring borrowing costs and financial risk. Our net cash from operating activities were was HK$8,378,000 *(2025: outflow of HK$11,215,000)*. The improvement is due to the improved receivables collection and inventory management.

As at 30 June 2026, the Group's cash and cash equivalents was HK$81,206,000 *(31 December 2025: HK$105,484,000)* and the Group has no borrowing. Shareholders' equity was HK$475,217,000 *(31 December 2025: HK$456,508,000)*.

The amount of the Group's working capital was HK$280,113,000 *(31 December 2025: HK$260,340,000)*. The current ratio was 472%. The Group's trade and bills receivables were HK$123,889,000 as of 30 June 2026, representing 53.6% of the period's revenue of HK$231,017,000. Trade and bills receivables turnover days were 81 days which remained stable.

The Group's inventory balance was HK$125,528,000 as of 30 June 2026 *(31 December 2025: HK$138,358,000)*. Inventory turnover days was 146 days. Prudent sourcing, competent logistic and timely production management help us reduce overall inventory balances and maintain the inventory turnover days to an optimal level.

Foreign Exchange and Interest Rate Exposures, Financial Guarantees and Charges

Our major foreign currency exposure includes United States Dollars ("USD"), RMB and Vietnam Dong ("VND"), and all foreseeable foreign exchange risks of the Group are appropriately managed and hedged, if necessary.

USD is pegged with Hong Kong dollar ("HKD") through the linked exchange rate system in Hong Kong which keeps the value stable within a set range, and therefore the risk associated with the fluctuation of USD against HKD is tractable.

During the period, RMB has appreciated against HKD by 3.2% owing to the expectation of peaking of interest rate in the United States, the more stable economic development and the better market sentiment in China. Our net payable with PRC subsidiaries denominated RMB led us to have certain exchange losses.

VND was relatively stable thanks to the stable government fiscal and monetary policies. This could provide less uncertainties to our investment and cost of operation in Vietnam.

The Group has no interest-bearing borrowing during the period under review *(2025: nil)*, and thus has no interest rate exposure. The Group has no financial guarantees and has no pledge of its assets.

Other Investments

As at 30 June 2026, the Group owned a diversified investment portfolio, such as investment in properties, equity securities and structured deposits. Apart from the above, there is no other material investment. The results of the above investments have been properly reflected in the unaudited financial statements for the period ended 30 June 2026.

Contingent Liabilities

As at 30 June 2026, the Company had no material contingent liabilities *(31 December 2025: nil)*.

Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

The Group did not acquire or dispose of any material subsidiaries, associates or joint ventures during the six months ended 30 June 2026.

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 2026 *(six months ended 30 June 2025: HK$0.02)*.

The register of members of the Company will be closed from Wednesday, 9 September 2026 to Friday, 11 September 2026, 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 Tuesday, 8 September 2026.

PROSPECTS

The political and economic environment remained unstable, with regional wars between countries and different economic conditions across different regions in the first half of 2026. The global economy has a slower pace amid the Middle East war and renewed inflationary pressures, while geopolitics became more fragmented due to regional conflicts and a conservative political swing in several regions.

The United Nations, in its mid-year update in June 2026, projected global growth at only about 2.5% for 2026, potentially falling to 2.1% if the Middle East crisis persists and oil prices remain elevated–one of the weakest rates of the 21st century excluding the pandemic and financial crisis years. Global inflation expectations were revised up from 3.1% at the start of the year to around 3.9%, driven by higher energy and food prices linked to geopolitical conflict.

Full-year 2026 is now expected to be a year of slow, uneven global growth with modestly higher inflation than previously hoped, shaped by the Middle East war, trade fragmentation, tariff policies and a technology-driven investment upcycle.

Our major customers are located in American region, the uncertainties in tariff policies, interest rate and inflation rate could affect the demand and our business ultimately, so that we will pay close attention to the changes. The Group will continue to explore opportunities in different markets by widening our products to offer, regions to serve, and improving our quality to maintain the competitiveness of our business.

Our China operation is not immune to the adverse effects of the extended period of inevitable tariff. Customers' continue de-risking trade with China lead to the relocation of manufacturing bases as well as further shifting of component sourcing away from the PRC. The Group has set up the Vietnam plant for nearly a decade which allows us to mitigate the impact. Going forward, the Group will continue to monitor the impact of geo-political and economic development and its impact to us and manage our business in China and the overall capital expenditure to mitigate the challenges.

The demand arising from AI- related innovations, information technology, robotic, automotive as well as electrification provides immense opportunities to the Group. The Group has committed to expand its operation in Vietnam to offer more products and improve cost and production efficiency to embrace those opportunities.

The Directors maintain a keen awareness of the prevailing economic fragility and are committed to addressing it with a proactive and strategic approach to strive a balance between the risk and opportunities in the market and to allocate resources appropriately.

As at 30 June 2026, the Group had capital commitments contracted for but not provided for in the amount of approximately HK$6,617,000, mainly in relation to the expansion of the Group's production facilities in Vietnam (see note 22 to the unaudited interim condensed consolidated financial information). These capital commitments are expected to be funded from the Group's internal resources.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group employed 804 *(31 December 2025: 840)* full time management, administrative and production staff worldwide. The Group encourage diversity in work place, we have a team of local staff and from different culture for our operation in China, Vietnam, Hong Kong and the United States. The Group also has a diversified workforce with about 67% staff are female staff as of 30 June 2026.

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 2026, 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

	Number of Shares				Total interests as % of the relevant
Name	Personal interests	Family interests	Corporate interests	Total interests	issued share capital
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 2026, 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 2026 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 2026, so far as the Directors are aware, 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:

	Number of Shares					Total interests as % of the relevant
Name	Personal interests	Family interests	Corporate interests	Other interests	Total interests	issued share capital
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 2026, 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 25 August 2026, 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 2026 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 2026, 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 2026.

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 2026.

EVENTS AFTER THE REPORTING PERIOD

The events after the reporting period are set on note 24 to the unaudited interim condensed consolidated financial information.

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

The interim report and the interim results announcement containing the information required by Appendix D2 to the Listing Rules are published on the Stock Exchange's website (www.hkexnews.hk) and on the Company's website (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, 25 August 2026

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

Richmond House
12 Par-la-Ville Road, Hamilton HM08
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

Crowe (HK) CPA Limited (Appointed on 12 September 2025)
Certified Public Accountants and Registered PIE Auditor

Forvis Mazars CPA Limited (Resigned on 12 September 2025)
Certified Public Accountants and Registered PIE Auditor

PRINCIPAL REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Richmond House
12 Par-la-Ville Road, Hamilton HM08
Bermuda

BRANCH REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
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Two Chinachem Exchange Square
338 King's Road, North Point, Hong Kong

WEBSITE

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