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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 31ST DECEMBER 2023**

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 31st December 2023.

CONSOLIDATED INCOME STATEMENT

For the year ended 31st December 2023

	<i>Note</i>	2023 HK\$'000	2022 <i>HK\$'000</i> <i>(Restated)</i>
Revenue	3	303,527	324,524
Cost of sales		<u>(217,101)</u>	<u>(245,139)</u>
Gross profit		86,426	79,385
Other income	4	9,867	9,259
Distribution expenses		(7,259)	(7,709)
Administrative expenses		(56,088)	(53,902)
Other operating expenses, net	5	(14,686)	(4,572)
Reversal of impairment loss on trade receivables		<u>41</u>	<u>11</u>
Operating profit	6	18,301	22,472
Finance costs	7	<u>(689)</u>	<u>(1,960)</u>
Profit before taxation		17,612	20,512
Taxation	8	<u>(1,866)</u>	<u>(2,002)</u>
Profit for the year attributable to shareholders of the Company		<u>15,746</u>	<u>18,510</u>
Basic and diluted earnings per share (HK cents)	9	<u>7.9</u>	<u>9.3</u>

* *For identification purposes only*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December 2023

	2023	2022
	HK\$'000	HK\$'000
		<i>(Restated)</i>
Profit for the year	<u>15,746</u>	<u>18,510</u>
Other comprehensive loss:		
<u>Item that may be reclassified</u>		
<u>subsequently to profit or loss:</u>		
Exchange difference arising from translation of financial statements of foreign operations	<u>(4,423)</u>	<u>(19,544)</u>
Total comprehensive income/(loss) for the year attributable to shareholders of the Company	<u>11,323</u>	<u>(1,034)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st December 2023

		31st December 2023	31st December 2022	1st January 2022
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
			<i>(Restated)</i>	<i>(Restated)</i>
ASSETS				
Non-current assets				
Property, plant and equipment	12	134,419	186,569	216,092
Investment properties	13	80,644	47,154	43,100
Non-current deposits		390	239	234
Deferred tax assets		7,742	7,080	6,666
		<u>223,195</u>	<u>241,042</u>	<u>266,092</u>
Current assets				
Inventories	14	110,269	146,106	161,542
Trade and bills receivables	15	69,054	52,159	78,010
Other receivables, deposits and prepayments		5,542	5,809	11,551
Financial assets at fair value through profit or loss	16	7,712	–	–
Derivative financial instruments	17	–	1,100	28
Tax recoverable		72	64	405
Cash and cash equivalents		39,008	21,048	19,308
		<u>231,657</u>	<u>226,286</u>	<u>270,844</u>
Total assets		<u>454,852</u>	<u>467,328</u>	<u>536,936</u>

		31st December 2023	31st December 2022	1st January 2022
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
			<i>(Restated)</i>	<i>(Restated)</i>
EQUITY				
Equity attributable to shareholders of the Company				
Share capital	18	19,896	19,896	19,896
Reserves		389,628	384,274	389,287
Total equity		409,524	404,170	409,183
LIABILITIES				
Non-current liabilities				
Lease liabilities		47	–	77
Deferred tax liabilities		6,182	6,487	6,728
		6,229	6,487	6,805
Current liabilities				
Trade payables	19	17,006	11,684	22,714
Other payables, accruals and contract liabilities		17,979	17,794	19,337
Lease liabilities		454	77	454
Derivative financial instruments	17	410	–	–
Tax payable		3,250	4,341	4,071
Borrowings	20	–	22,775	74,372
		39,099	56,671	120,948
Total liabilities		45,328	63,158	127,753
Total equity and liabilities		454,852	467,328	536,936

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2023

	Reserves							Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Exchange fluctuation reserve HK\$'000	Capital redemption reserve HK\$'000	Statutory reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000	
At 1st January 2023 (<i>Restated</i>)	19,896	15,885	(11,283)	104	12,365	367,203	384,274	404,170
Profit for the year	-	-	-	-	-	15,746	15,746	15,746
<u>Other comprehensive loss</u>								
Exchange difference arising from translation of foreign operations	-	-	(4,423)	-	-	-	(4,423)	(4,423)
Total comprehensive (loss)/income for the year	-	-	(4,423)	-	-	15,746	11,323	11,323
<u>Transaction with owners</u>								
<i>Contributions and distributions</i>								
Transfer to statutory reserve	-	-	-	-	511	(511)	-	-
Dividend paid (<i>note 10</i>)	-	-	-	-	-	(5,969)	(5,969)	(5,969)
	-	-	-	-	511	(6,480)	(5,969)	(5,969)
At 31st December 2023	19,896	15,885	(15,706)	104	12,876	376,469	389,628	409,524

	Reserves								
	Share capital HK\$'000	Share premium HK\$'000	Exchange fluctuation reserve HK\$'000 (Restated)	Land and building revaluation reserve HK\$'000 (Restated)	Capital redemption reserve HK\$'000	Statutory reserve HK\$'000 (Note)	Retained earnings HK\$'000 (Restated)	Total HK\$'000 (Restated)	Total equity HK\$'000 (Restated)
At 31st December 2021	19,896	15,885	27,102	228,603	104	11,473	265,995	549,162	569,058
Effect on change in accounting policy	-	-	(18,841)	(228,603)	-	-	87,569	(159,875)	(159,875)
At 1st January 2022 (Restated)	19,896	15,885	8,261	-	104	11,473	353,564	389,287	409,183
Profit for the year (Restated)	-	-	-	-	-	-	18,510	18,510	18,510
<u>Other comprehensive loss</u>									
Exchange difference arising from translation of foreign operations (Restated)	-	-	(19,544)	-	-	-	-	(19,544)	(19,544)
Total comprehensive (loss)/income for the year (Restated)	-	-	(19,544)	-	-	-	18,510	(1,034)	(1,034)
<u>Transaction with owners</u>									
<u>Contributions and distributions</u>									
Transfer to statutory reserve	-	-	-	-	-	892	(892)	-	-
Dividend paid (note 10)	-	-	-	-	-	-	(3,979)	(3,979)	(3,979)
	-	-	-	-	-	892	(4,871)	(3,979)	(3,979)
At 31st December 2022 (Restated)	19,896	15,885	(11,283)	-	104	12,365	367,203	384,274	404,170

Note: In accordance with the relevant laws and regulations of the People Republic of China (the "PRC"), the Company's PRC subsidiaries are required to appropriate to the statutory reserve an amount not less than 10% of the amount of profit after taxation (as reported in the respective statutory financial statements of the PRC subsidiaries prepared in accordance with the PRC accounting regulations). If the accumulated statutory reserve reaches 50% of the registered capital of the respective PRC subsidiary, the subsidiary may not be required to make any further appropriation. The statutory reserve can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase registered capital of the subsidiary.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st December 2023

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Cash flows from operating activities		
Cash generated from operations	63,226	63,807
Hong Kong profits tax paid, net	(489)	(219)
Overseas income tax paid, net	(3,513)	(1,712)
Interest paid	(689)	(1,960)
	<u>58,535</u>	<u>59,916</u>
Net cash generated from operating activities	----- 58,535	----- 59,916
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,114)	(1,673)
Deposits paid for property, plant and equipment	(151)	–
Interest received	444	31
Purchase of financial assets at FVPL	(7,788)	–
Proceeds from sale of property, plant and equipment	309	21
	<u>(11,300)</u>	<u>(1,621)</u>
Net cash used in investing activities	----- (11,300)	----- (1,621)
Cash flows from financing activities		
Net repayment of bank loans	(19,000)	(41,000)
Net repayment of trust receipt loans	(3,775)	(10,597)
Payments for principal portion of the lease liabilities	(445)	(454)
Dividend paid	(5,969)	(3,979)
	<u>(29,189)</u>	<u>(56,030)</u>
Net cash used in financing activities	----- (29,189)	----- (56,030)
Net increase in cash and cash equivalents	18,046	2,265
Cash and cash equivalents at beginning of year	21,048	19,308
Exchange difference on cash and cash equivalents	(86)	(525)
	<u>39,008</u>	<u>21,048</u>
Cash and cash equivalents at end of year	<u>39,008</u>	<u>21,048</u>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

For the year ended 31st December 2023

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 Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations 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 required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2022 consolidated financial statements except for the adoption of the following new/revised HKFRSs that are relevant to the Group and change in accounting policy effective from the current year.

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

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Adoption of new/revised HKFRSs

The Group has applied, for the first time, the following new/revised HKFRSs that are relevant to the Group:

Amendments to HKAS 1	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform—Pillar Two Model Rules

Amendments to HKAS 1: Disclosure of Accounting Policies

The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies.

The amendments have no effect on the measurement, recognition or presentation of any items in the consolidated financial statements. Management has reviewed the disclosure of accounting policy information and considered it is consistent with the amendments.

Amendments to HKAS 8: Definition of Accounting Estimates

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of HKAS 12 so that it no longer applies to transactions that, on recognition, give rise to equal taxable and deductible temporary differences.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKAS 12: International Tax Reform—Pillar Two Model Rules

The amendments provide entities with temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's Pillar Two model rules. The Amendments also introduce targeted disclosure requirements to help investors understand an entity's exposure to income taxes arising from the rules.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Future changes in HKFRSs

At the date of authorisation of these consolidated financial statements, the HKICPA has issued the following new/revised HKFRSs that are not yet effective for the current year, which the Group has not early adopted.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current ¹
Amendments to HKAS 1	Non-current Liabilities with Covenants ¹
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ¹
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to HKAS 21	Lack of Exchangeability ²

¹ Effective for annual periods beginning on or after 1st January 2024

² Effective for annual periods beginning on or after 1st January 2025

The directors do not anticipate that the adoption of the new/revised HKFRSs in future periods will have any material impact on the results of the Group.

Change in accounting policy for valuation of land and buildings

The Group re-assessed its accounting policy for land and buildings after initial recognition. The Group had previously adopted the revaluation model to measure the carrying amount of its land and buildings whereby, after initial recognition, the land and buildings were stated at fair value, based on annual valuations by independent professional qualified valuer, less subsequent accumulated depreciation and impairment losses, if any.

The Group elected to change the method of accounting for land and buildings, as the Group believes that the cost model would be more appropriate to reflect the Group's financial position and business model when the Group intends to primarily recover the costs of the land and buildings through use. The Group applied the cost model retrospectively and the comparative figures in the consolidated statements of financial position as at 1st January 2022 and 31st December 2022, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31st December 2022 have been restated.

After the change in method of accounting for land and buildings, they are stated at cost less accumulated depreciation and impairment losses, if any.

The tables below summarise the impact as a result of the change in accounting policy.

	2022 HK\$'000
Decrease in depreciation (included in cost of sales)	4,819
Decrease in depreciation (included in administrative expenses)	3,039
Increase in impairment of property, plant and equipment (included in other operating expenses, net)	(4,257)
Increase in deferred tax expenses (included in income tax)	(939)
<hr/>	
Increase in profit for the year	2,662
<hr/>	
(Increase)/Decrease in other comprehensive loss:	
<i>Item that will not be reclassified subsequently to profit or loss:</i>	
Revaluation surplus of land and buildings	(19,703)
Deferred tax charged to revaluation reserve	3,431
<i>Item that may be reclassified subsequently to profit or loss:</i>	
Exchange differences arising on translation of financial statements of foreign operations	11,550
<hr/>	
Increase in other comprehensive loss for the year, net of tax	(4,722)
<hr/>	
Increase in total comprehensive loss for the year	(2,060)
<hr/>	
Increase in profit for the year attributable to shareholders of the Company	2,662
<hr/>	
Increase in total comprehensive loss for the year attributable to shareholders of the Company	(2,060)
<hr/>	
Increase in basic and diluted earnings per share (HK cents)	1.3

Consolidated income statement and other comprehensive income/(loss) for the year ended 31st December 2022	As previously reported HK\$'000	Effect HK\$'000	As restated HK\$'000
Profit for the year	15,848	2,662	18,510
Other comprehensive income/(loss):			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Revaluation surplus of land and buildings	19,703	(19,703)	–
Deferred tax charged to revaluation reserve	(3,431)	3,431	–
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements of foreign operations	(31,094)	11,550	(19,544)
Other comprehensive loss for the year, net of tax	(14,822)	(4,722)	(19,544)
Total comprehensive income/(loss) for the year attributable to shareholders of the Company	1,026	(2,060)	(1,034)
Basic and diluted earnings per share (HK cents)	8.0	1.3	9.3
		31st December 2022 HK\$'000	1st January 2022 HK\$'000
Decrease in property, plant and equipment		(194,215)	(190,020)
Decrease in deferred tax assets		(288)	(777)
Decrease in total non-current assets and total assets		(194,503)	(190,797)
Decrease in reserves and total equity attributable to the shareholders of the Company		(161,935)	(159,875)
Decrease in deferred tax liabilities, total non-current liabilities and total liabilities		(32,568)	(30,922)

Consolidated statement of financial position as at 31st December 2022	As previously reported <i>HK\$'000</i>	Effect <i>HK\$'000</i>	As restated <i>HK\$'000</i>
Property, plant and equipment	380,784	(194,215)	186,569
Deferred tax assets	<u>7,368</u>	<u>(288)</u>	<u>7,080</u>
Total non-current assets	<u>435,545</u>	<u>(194,503)</u>	<u>241,042</u>
Total assets	<u>661,831</u>	<u>(194,503)</u>	<u>467,328</u>
Reserves	<u>546,209</u>	<u>(161,935)</u>	<u>384,274</u>
Total equity	<u>566,105</u>	<u>(161,935)</u>	<u>404,170</u>
Deferred tax liabilities	<u>39,055</u>	<u>(32,568)</u>	<u>6,487</u>
Total non-current liabilities	<u>39,055</u>	<u>(32,568)</u>	<u>6,487</u>
Total liabilities	<u>95,726</u>	<u>(32,568)</u>	<u>63,158</u>
Consolidated statement of financial position as at 1st January 2022	As previously reported <i>HK\$'000</i>	Effect <i>HK\$'000</i>	As restated <i>HK\$'000</i>
Property, plant and equipment	406,112	(190,020)	216,092
Deferred tax assets	<u>7,443</u>	<u>(777)</u>	<u>6,666</u>
Total non-current assets	<u>456,889</u>	<u>(190,797)</u>	<u>266,092</u>
Total assets	<u>727,733</u>	<u>(190,797)</u>	<u>536,936</u>
Reserves	<u>549,162</u>	<u>(159,875)</u>	<u>389,287</u>
Total equity	<u>569,058</u>	<u>(159,875)</u>	<u>409,183</u>
Deferred tax liabilities	<u>37,650</u>	<u>(30,922)</u>	<u>6,728</u>
Total non-current liabilities	<u>37,727</u>	<u>(30,922)</u>	<u>6,805</u>
Total liabilities	<u>158,675</u>	<u>(30,922)</u>	<u>127,753</u>

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:

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Sale of goods – at a point in time	<u>303,527</u>	<u>324,524</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 2023 and 2022 is as follows:

	Revenue	Segment	Total	Capital	Depreciation
	(external	results	segment	expenditure	2023
	sales)	2023	assets	2023	2023
	2023	2023	2023	2023	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	26,331	3,762	62,992	822	2,122
The PRC	37,370	2,484	98,148	2,465	3,740
America	212,293	10,107	106,016	7	2
Vietnam	125	24	96,572	971	4,113
Japan	24,375	3,716	1,879	–	–
Other countries	3,033	587	859	–	–
Reportable segment	<u>303,527</u>	20,680	<u>366,466</u>	<u>4,265</u>	<u>9,977</u>
Unallocated costs		<u>(2,379)*</u>			
Operating profit		<u>18,301</u>			

	Revenue (external sales) 2022 HK\$'000	Segment results 2022 HK\$'000 (Restated)	Total segment assets 2022 HK\$'000 (Restated)	Capital expenditure 2022 HK\$'000	Depreciation 2022 HK\$'000 (Restated)
Hong Kong	41,157	6,785	44,738	537	2,262
The PRC	56,788	7,162	165,355	762	5,417
America	188,541	8,157	100,975	–	2
Vietnam	226	20	100,378	374	4,432
Japan	35,560	2,308	1,094	–	–
Other countries	2,252	196	554	–	–
Reportable segment	<u>324,524</u>	<u>24,628</u>	<u>413,094</u>	<u>1,673</u>	<u>12,113</u>
Unallocated costs		<u>(2,156)*</u>			
Operating profit		<u>22,472</u>			

* Unallocated costs represent corporate expenses.

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

	2023 HK\$'000	2022 HK\$'000 (Restated)
Total segment assets	366,466	413,094
Investment properties	80,644	47,154
Deferred tax assets	7,742	7,080
Total assets	<u>454,852</u>	<u>467,328</u>

Revenue of HK\$186,485,000 (2022: HK\$167,458,000) are derived from two (2022: two) major customers contributing 10% or more of the total revenue. These revenues are attributable to the America segment (2022: America segment).

	2023 HK\$'000	2022 HK\$'000
Customer A	107,914	91,015
Customer B	78,571	76,443
	<u>186,485</u>	<u>167,458</u>

4. OTHER INCOME

	2023	2022
	HK\$'000	HK\$'000
Scrap sales	1,990	3,207
Interest income	444	31
Rental income from investment properties	2,554	1,545
Government subsidies (<i>note</i>)	5	1,298
Freight cost recharged to customers	4,096	3,123
Sundry income	778	55
	9,867	9,259

Note:

During the year ended 31st December 2023, no subsidy (2022: HK\$804,000) is received from the Government of Hong Kong Special Administrative Region in relation to the “Employee Support Scheme”. There were no unfulfilled conditions or other contingencies attaching in these government subsidies.

5. OTHER OPERATING EXPENSES, NET

	2023	2022
	HK\$'000	HK\$'000
		(<i>Restated</i>)
Impairment loss of property, plant and equipment	5,192	5,708
Loss on revaluation of investment properties	5,634	407
Charitable donations	1,774	1,194
Net losses/(gains) on derivative financial instruments	2,819	(81)
Net losses arising from changes in fair value of financial assets at FVPL	76	–
Net exchange gain	(2,362)	(4,356)
Net losses/(gains) on disposal/write-off of property, plant and equipment	154	(5)
Other expenses	1,399	1,705
	14,686	4,572

6. OPERATING PROFIT

This is stated after charging:

	2023 HK\$'000	2022 HK\$'000 (Restated)
Depreciation of property, plant and equipment	9,977	12,113
Auditor's remuneration		
– Audit services	968	1,100
– Non-audit services	125	632
Cost of inventories (<i>note 14</i>)	151,691	170,192
Lease payments for short-term and low-value leases	35	46
Direct expenses for investment properties	253	111
Provision for slow-moving inventories (<i>note 14</i>)	5,312	2,511
Staff costs (including directors' emoluments) (<i>note 11</i>)	74,894	79,570

7. FINANCE COSTS

	2023 HK\$'000	2022 HK\$'000
Interest on lease liabilities	17	8
Interest on bank borrowings	672	1,952
	689	1,960

8. TAXATION

For the years ended 31st December 2023 and 2022, 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% (2022: 8.25%), and profits above HK\$2 million will be taxed at 16.5% (2022: 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:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> <i>(Restated)</i>
Hong Kong Profits Tax	730	107
Overseas taxation	2,165	2,297
(Over)/Under-provision in prior years	(8)	485
Deferred tax relating to the origination and reversal of temporary differences	(1,021)	(887)
	1,866	2,002

9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit for the year of HK\$15,746,000 (2022 *(Restated)*: HK\$18,510,000) divided by the weighted average number of 198,958,000 (2022: 198,958,000) ordinary shares in issue during the year.

During the years ended 31st December 2023 and 2022, 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 of HK\$0.03 (2022: HK\$0.02) per ordinary share, amounting to a total dividend of HK\$5,969,000 (2022: HK\$3,979,000) that relates to the year ended 31st December 2022 (2022: 31st December 2021) was approved and paid during the year.

The directors does not recommend the payment of a final dividend for the year ended 31st December 2023.

11. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Wages, salaries and fringe benefits	69,267	72,972
Social security costs	3,794	4,783
Pension costs – contribution to MPF scheme	426	430
Others	1,407	1,385
	74,894	79,570

12. 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 1st January 2023 (Restated)	35,149	128,930	3,622	11,586	332	2,383	1,919	2,648	-	186,569
Addition	869	-	-	3,218	-	113	775	8	-	4,983
Disposals/write-off	-	-	-	(70)	-	(69)	(324)	-	-	(463)
Depreciation	(1,452)	(3,424)	(727)	(2,855)	(66)	(530)	(597)	(326)	-	(9,977)
Transfer to investment properties	(7,356)	(31,881)	-	-	-	-	-	-	-	(39,237)
Impairment loss	-	(5,192)	-	-	-	-	-	-	-	(5,192)
Exchange adjustment	(311)	(1,730)	(62)	(151)	-	(13)	3	-	-	(2,264)
Net book value at 31st December 2023	<u>26,899</u>	<u>86,703</u>	<u>2,833</u>	<u>11,728</u>	<u>266</u>	<u>1,884</u>	<u>1,776</u>	<u>2,330</u>	<u>-</u>	<u>134,419</u>
At 31st December 2023										
At cost	45,700	129,988	17,886	91,327	5,006	14,604	5,337	14,429	-	324,277
Accumulated depreciation	(18,801)	(43,285)	(15,053)	(79,599)	(4,740)	(12,720)	(3,561)	(12,099)	-	(189,858)
Net book value	<u>26,899</u>	<u>86,703</u>	<u>2,833</u>	<u>11,728</u>	<u>266</u>	<u>1,884</u>	<u>1,776</u>	<u>2,330</u>	<u>-</u>	<u>134,419</u>
Net book value at 1st January 2022 (Restated)	38,213	143,553	5,004	11,884	415	3,018	1,989	3,140	8,876	216,092
Addition	-	-	-	1,025	-	127	521	-	-	1,673
Reclassification upon completion	-	6,817	-	1,877	-	-	-	-	(8,694)	-
Disposals/write-off	-	-	-	(15)	-	(1)	-	-	-	(16)
Depreciation	(1,617)	(4,469)	(1,203)	(2,991)	(83)	(710)	(548)	(492)	-	(12,113)
Transfer to investment properties	(77)	(4,560)	-	-	-	-	-	-	-	(4,637)
Impairment loss	-	(5,708)	-	-	-	-	-	-	-	(5,708)
Exchange adjustment	(1,370)	(6,703)	(179)	(194)	-	(51)	(43)	-	(182)	(8,722)
Net book value at 31st December 2022 (Restated)	<u>35,149</u>	<u>128,930</u>	<u>3,622</u>	<u>11,586</u>	<u>332</u>	<u>2,383</u>	<u>1,919</u>	<u>2,648</u>	<u>-</u>	<u>186,569</u>
At 31st December 2022 (Restated)										
At cost	55,205	177,011	18,104	95,560	5,046	14,980	7,815	14,421	-	388,142
Accumulated depreciation and impairment losses	(20,056)	(48,081)	(14,482)	(83,974)	(4,714)	(12,597)	(5,896)	(11,773)	-	(201,573)
Net book value	<u>35,149</u>	<u>128,930</u>	<u>3,622</u>	<u>11,586</u>	<u>332</u>	<u>2,383</u>	<u>1,919</u>	<u>2,648</u>	<u>-</u>	<u>186,569</u>

- (a) At 31st December 2023, no leasehold land and office located in Hong Kong (2022 (Restated): the net carrying amount of leasehold land and office located in Hong Kong of HK\$17,009,000) were pledged as security for the Group's bank borrowings.

13. INVESTMENT PROPERTIES

	2023	2022
	HK\$'000	HK\$'000
At fair value		
At 1st January	47,154	43,100
Transfer from property, plant and equipment	39,237	4,637
Revaluation loss (included in other operating expenses, net)	(5,634)	(407)
Exchange adjustment	(113)	(176)
	<hr/>	<hr/>
At 31st December	80,644	47,154
	<hr/>	<hr/>

- (a) The details of (i) rental income and (ii) direct operating expenses from the investment properties and (iii) minimum lease payments receivables on lease of investment properties are set out in notes 4, 6 and 21(b) to the consolidated financial statements respectively.
- (b) As at 31st December 2023, no investment properties (2022: *net carrying amount of investment properties of HK\$26,600,000*) were pledge as security for the Group's bank borrowings.

14. INVENTORIES

	2023	2022
	HK\$'000	HK\$'000
Raw materials	52,006	62,198
Work in progress	13,937	13,379
Finished goods	58,937	79,828
	<hr/>	<hr/>
	124,880	155,405
Less: Provision for inventories	(14,611)	(9,299)
	<hr/>	<hr/>
	110,269	146,106
	<hr/>	<hr/>

The cost of inventories recognised as an expense (included in "cost of sales") during the year was HK\$151,691,000 (2022: *HK\$170,192,000*), in respect of which HK\$5,312,000 (2022: *HK\$2,511,000*) represents write down of inventories to net realisable value.

15. TRADE AND BILLS RECEIVABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Up to 3 months	58,720	44,392
4 – 6 months	8,868	6,368
Over 6 months	153	456
	<hr/>	<hr/>
Trade receivables, gross (<i>note (a)</i>)	67,741	51,216
Less: Loss allowance	(313)	(353)
	<hr/>	<hr/>
Trade receivables, net	67,428	50,863
Bills receivables	1,626	1,296
	<hr/>	<hr/>
	69,054	52,159

(a) At 31st December 2023 and 2022, the aging analysis of gross trade receivables is based on invoice date.

16. FINANCIAL ASSETS AT FVPL

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Mandatorily measured at FVPL		
Equity securities, listed in Hong Kong	7,712	–
	<hr/>	<hr/>

The fair value of listed equity securities is determined by reference to the quoted market bid price available on the Stock Exchange and these financial instruments are included in Level 1 fair value measurement.

17. DERIVATIVE FINANCIAL INSTRUMENTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Asset mandatorily measured at FVPL		
Foreign exchange forward contracts	–	1,100
	<hr/>	<hr/>
Liability mandatorily measured at FVPL		
Foreign exchange forward contracts	410	–
	<hr/>	<hr/>

The Group has certain outstanding foreign exchange forward contracts with external reputable banks with long positions in RMB and VND (2022: RMB and VND) for hedging its purchase transactions and operating expenses denominated in RMB and VND (2022: RMB and VND). The fair value of the foreign exchange forward contracts is determined by using valuation techniques. The valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. As all significant inputs regarded to fair value are observable, these financial instruments are included in Level 2 fair value measurement.

The notional principal amounts of the outstanding foreign exchange forward contracts at 31st December 2023 were US\$2,250,000 (2022: US\$5,200,000) and matured within one to three months (2022: one to ten months).

18. SHARE CAPITAL

	<i>No. of shares</i>	<i>HK\$'000</i>
Authorised		
At 1st January 2022 and 31st December 2022 and 2023, ordinary shares of HK\$0.10 each	<u>500,000,000</u>	<u>50,000</u>
Issued and fully paid		
At 1st January 2022 and 31st December 2022 and 2023, ordinary shares of HK\$0.10 each	<u>198,958,000</u>	<u>19,896</u>

19. TRADE PAYABLES

At 31st December 2023 and 2022, the ageing analysis of trade payables based on invoice date is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Up to 3 months	16,306	10,937
4 – 6 months	271	345
Over 6 months	429	402
	<u>17,006</u>	<u>11,684</u>

20. BORROWINGS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trust receipt loans	–	3,775
Bank loans	–	19,000
	<u>–</u>	<u>22,775</u>
Total borrowings	<u>–</u>	<u>22,775</u>

All borrowings as at 31st December 2022 were secured by certain land and buildings and investment properties of the Group with a total carrying amount of HK\$43,609,000 and were supported by limited guarantees given by the Company and certain subsidiaries.

21. COMMITMENTS

(a) Capital commitments

At 31st December 2023, the Group did not have any capital commitments (2022: nil).

(b) Commitments under operating lease as lessor

At 31st December 2023 and 2022, the Group had future aggregate minimum rental receivables under non- cancellable operating leases as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within one year	1,159	435
Between one year and two years	–	399
	1,159	834

22. FINANCIAL GUARANTEES AND PLEDGE

At 31st December 2023, the Group had the following banking facilities, of which HK\$56,300,000 (2022: HK\$135,040,000) were secured by limited guarantees given by the Company and certain subsidiaries (2022 (restated): by legal charges over certain land and buildings and investment properties of the Group with a total carrying amount of HK\$43,609,000 and by limited guarantees given by the Company and certain subsidiaries).

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade and loan finance facilities	56,300	135,040
Forward exchange contract line	124,944	82,347

23. COMPARATIVE INFORMATION

Conforming to current year's presentation, statutory reserve of HK\$11,473,000 and HK\$12,365,000 that was included in retained earnings as of 1st January 2022 and 31st December 2022 has been reclassified and separately disclosed under reserves. The revised presentation reflects more appropriately the nature of these items. These reclassifications have no effect on the reported financial position, results or cash flows of the Group.

FINANCIAL REVIEW

Results

The Group's revenue was HK\$303,527,000 (2022: HK\$324,524,000). Profit for the year was HK\$15,746,000 compared to HK\$18,510,000 for 2022. Earnings per share was HK\$0.079 (2022: HK\$0.093).

Final Dividend

The Board does not recommend the payment of a final dividend for the year ended 31st December 2023. The Group's total dividend for the year ended 31st December 2022 amounts to HK\$0.03 per share.

Gross Profit and Gross Profit Margin

Facing the high instability of the macro situation, we are grateful in delivering a reasonable financial performance. During the year under review, although sales have decreased, the Group managed to record an increase in gross profit margin from 24.5% in 2022 to 28.5% in 2023 as the Group adopted series of proactive measures in respond to evolving challenges as well as benefiting from the strength of the US Dollar, being the main revenue currency of the Group during the year under review. The ongoing measures to maintain operational efficiency resulted in the Group enjoying lower overall costs of goods sold such as direct labour, utilities, depreciation and post pandemic logistic expenses while facing pressures in supply chain and fluctuating material costs during the year. Corresponding to the decline in revenue, the cost of sales decreased by approximately 11.4% or approximately HK\$28,038,000 from approximately HK\$245,139,000 for the year ended 31st December 2022 to approximately HK\$217,101,000 for the year ended 31st December 2023.

Other Income and Operating Expenses

The Group's other income mainly comprised of rental income, recharged freight cost, interest income and scrap sales. During the year, the amount was mainly contributed by rental income of approximately HKD\$2,554,000 and recharged freight cost of approximately HK\$4,096,000 as compared to approximately HK\$1,545,000 and approximately HK\$3,123,000 recorded respectively in 2022.

Additionally, there was a net loss of approximately HK\$2,819,000 on derivative financial instruments during the year which was offset partially by a net gain on foreign exchange of approximately HK\$2,362,000 recorded under the Group's other operating expenses, net, resulting effectively in a net foreign exchange loss of approximately HK\$457,000 during the year.

Revaluation loss of investment properties and impairment loss of buildings amounted to approximately HK\$5,634,000 (2022: HK\$407,000) and approximately HK\$5,192,000 (2022: HK\$5,708,000) respectively for the year ended 31st December 2023. The losses were primarily attributable to the drop in their valuations under the influence of the PRC and Hong Kong real estate market environment.

Profit for the year

All in all, the Group recorded a net profit margin of 5.2% in 2023 compared to 5.7% in 2022. The slight drop in net profit margin were mainly due to higher administrative costs during the year as well as increase in provision for slow-moving inventories and other operating expenses for the year ended 31st December 2023 despite lower finance costs.

The Group concluded the year with a net profit of approximately HK\$15,746,000 in 2023, representing a decrease of 14.9% as opposed to a net profit of approximately HK\$18,510,000 achieved in 2022. Accordingly, the Group's EBITDA (earnings before interest, tax, depreciation and amortisation) for 2023 stood at approximately HK\$28,278,000 as compared to approximately HK\$34,585,000 recorded in 2022, representing a moderate decrease. Basic earnings per share decreased from 9.3 HK cents in 2022 to 7.9 HK cents in 2023.

Liquidity, financial resources and capital structure

During the COVID-19 pandemic years which affected material costs, supply chain and deliveries to customers, Management had to order and purchased materials, produced finished goods and shipped in advance resulted higher inventory level of approximately HK\$146,106,000 as at 31st December 2022. After a strong effort from Management to pursue destocking for the year under review, inventory was lowered by approximately HK\$35,837,000 or 24.5% as at 31st December 2023 to approximately HK\$110,269,000 as compared to the year before. The reduction in inventory resulted in Group's inventory turnover days decreased from 227 days as at 31st December 2022 to 216 days as at 31st December 2023.

Due to the seasonal factors, despite a decrease in revenue, trade and bills receivables recorded an increase from approximately HK\$52,159,000 as at 31st December 2022 to approximately HK\$69,054,000 as at 31st December 2023. During the year under review, precautionary steps taken by Management included constant review and monitoring of receivables from a few major customers and regular assessment of their publicised financial status.

With that, the Group's cash and cash equivalents as of 31st December 2023 increased at a double-digit level by 85.3% to approximately HK\$39,008,000 (2022: HK\$21,048,000). The Group has no bank borrowings as at 31st December 2023 compared to bank borrowings of approximately HK\$22,775,000 as at 31st December 2022. While the financial impacts for the strategies in place not only resulted in substantial decrease in bank borrowings in 2023, the favourable financial performance resulting in the Group's zero gearing level as at 31st December 2023 compared to 5.6% as at 31st December 2022. The Group had great improvement in cash flow status in operating activities mainly from decrease in inventories which generated operating cash inflow of approximately HK\$58,535,000 during the year. Such fund was mainly used for repayment of borrowings in view of the anticipated significant increase in effective interest rate, supporting the increase in receivables and additional investment in production facilities for the Vietnam factory.

Capital Expenditure

During the year, capital expenditure approximates to HK\$4,265,000 (2022: HK\$1,673,000).

Pledge of Assets

As at 31st December 2023, the Group's trade and loan finance facilities amounted to approximately HK\$56,300,000, which were secured by limited guarantees from the Company and certain subsidiaries (2022: secured by limited guarantees from the Company and certain subsidiaries and legal charges over certain land and buildings and investment properties).

Segment Information

During the year under review, America, the PRC and Hong Kong continued to be the Group's major markets, accounting for approximately 70%, 12% and 9% (2022: 58%, 17% and 13%) of the Group's total sales respectively. The remaining 9% (2022: 12%) of sales were generated from customers located in Japan and other countries.

Foreign Exchange Exposure

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

Contingent Liabilities

As at 31st December 2023 and 2022, the Group did not have any material contingent liability.

BUSINESS REVIEW

Revenue

The Group's revenue decreased by 6.5% to HK\$303.5 million in this financial year 2023. The reduction in revenue was mainly due to decreased orders in view of 2023 being the first full year recovery of economic activities after the COVID-19 pandemic as businesses continued to face multitude of challenges as global economic landscape continued to remain fragile and volatile. Throughout the year, regional geopolitical conflicts intensified as tensions continued to cast shadow over international trade and relations, with unresolved conflicts affecting recovery in global trades. In the past year, global inflation reached its peak in many countries, causing acute increase in interest rates to remain high at major economies during year under review. Continued uncertainties caused by the unceasing Russian-Ukrainian war, the ongoing worsening Sino-US trade contests, further exacerbated by the Israel-Gaza confrontation in the last quarter of 2023.

This confluence of economic obstacles has hindered an overall global business and economic growth. In the face of these challenges, the Group operated in an environment fraught with uncertainties but at the same time, managed to demonstrate resilience and adaptability despite the adversities. Sales of power cords accounted for 55% (2022: 59%), wire harness recorded 42% (2022: 33%) while cables, wires and plastic resins accounted for remaining 3% (2022: 8%) of the Group's revenue.

Despite fewer orders for our PRC factory due to weakness in certain customers' traditional target export markets and production location preference imposed by the North American markets during the year under review, the Group shifted additional labour-intensive activities to our wholly owned Vietnam factory. The factory in Quang Ngai, Vietnam which accounted for 59% of the Group's revenue, was operating and functioning as planned with additional newly installed machinery supporting and fulfilling the enlarged orders allocated during the year under review.

The Sino-US trade disputes continued to pose significant challenges to fill production capacities of the Group's PRC factories. The quest to move further production away from the PRC for North America destined goods led to lesser utilisation of the Group's PRC production facilities which accounted for 41% (2022: 59%) of Group's revenue. This resulted in under-utilisation of the Group's property, plant and equipment in the PRC during the year under review, as Management resolved to convert the Group's unproductive Heyuan factory to investment property and leased to external third party for alternate usage which generated additional rental income for the Group during the year under review.

By geographical market segments, revenue from the America segment increased by 13% to approximately HK\$212.3 million from approximately HK\$188.5 million for the same period of last year, accounting for 70% (2022: 58%) of the Group's total revenue, partly due to the strong demand for replacement of appliances and upgrade to energy efficient commercial refrigeration solutions. Aggregated revenue from the deliveries in the PRC and Hong Kong segments decreased by 35% to approximately HK\$63.7 million from approximately HK\$97.9 million for the same period of last year, accounting for 21% (2022: 30%) of the Group's total revenue. Revenue from the Japan segment, likely due to the weaker Japanese Yen, also recorded a decrease by 31% to approximately HK\$24.4 million from approximately HK\$35.6 million for the same period of last year, accounting for 8% (2022: 11%) of the Group's total revenue.

FUTURE PROSPECT

Perseverance was once again demonstrated as the Group adeptly navigated the cyclical nature of business environment, challenges and adversity in 2023. Throughout the year, the persistent global macroeconomic challenges have proven tenacious, with the combination of mounting interest rates, inflationary pressure and the escalating geopolitical tensions shaping the global economic landscape, rendering the business environment both volatile and challenging. In addition to these challenges, trade policies uncertainties, trade protectionism and tariff disputes between major economies have further complicated the international business environment for companies with production facilities in the PRC. Against this backdrop, with the view of further deterioration of the Group's properties values in the PRC and Hong Kong, the Directors adopted a more conservative approach in reducing debt and held back on dividend payment to conserve cash and positioning itself strategically to remain competitive and relevant.

As the Group approaches the year 2024, there is an expectation that the delicate nature of these macroeconomic factors will persist, the unpredictable movement of the US Dollar and uncertain outcome of the November presidential election, indicating a sustained vulnerability and fragility in the American economy, being the Group's major market. However, as challenging as it can be and barring any unforeseen circumstances, the Group endeavours to achieve yet another year of stable business growth with a steadfast focus on meeting our customers' needs.

Although our business is not immune to the effects of inflation and high interest rates faced by most economies, we are confident that our strategies implemented complimented with our enlarged production capacities in South East Asia and continuous launch of newly developed wire harness products will enable the Group to continue to maintain our profitability impetus amid a rapidly changing business environment.

The Group's continuing success in meeting demand by working closely with our clients underpin our expectation of further improvement in 2024. The strong product development capabilities of our PRC factory along with proven sourcing and procurement competence has placed the Group in a readiness position to respond to potential market disruption. Ongoing negative preferential sentiment makes situation rather difficult, but Management will continue to review utilization status of our PRC facilities to ensure better employment of resources going forward.

The plans to expand business is contingent upon the success of measures taken to alleviate and mitigate side effects of the persisting Sino-US trade rivalry of which the Group's reliance on few major American customers. Similar to 2023, there are huge uncertainties in how the situation will unfold as management will need to maintain operations of both our valuable PRC and competitive Vietnam factories and allocate production in line with ongoing demand by our customers, whom are constantly assessing their sourcing locations and strategies.

To conclude, the Group maintains a keen awareness of the prevailing economic fragility and is committed to addressing it with a proactive and strategic approach which centre on high margin segments. 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.

We are confident as the Group is well placed to overcome ongoing and new challenges. We believe having weathered the effects of economic uncertainties and wars in 2023, the Group moved into 2024 with cautious optimism, prepared to both capture new opportunities arising from anticipated gradual market recovery and navigate through continuing disruptions.

EMPLOYEES' REMUNERATION POLICY

As at 31st December 2023, the Group employed 730 (2022: 790) full time management, administrative and production staff worldwide. The proportion of male to female is 1:1.8 (2022: 1:2.2). 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. In addition to on-job training, the Group adopts policies of continuous professional training programs.

SOCIAL RESPONSIBILITY

The Group's factories are regularly subject to factory audit by multinational enterprises. The factory audit served 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 <http://perennial.todayir.com> and the Stock Exchange's website before 30th April 2024.

AUDIT COMMITTEE

The Audit Committee has reviewed the interim financial report for the six months ended 30th June 2023 and the audited financial results of the Group for the year ended 31st December 2023 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.

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 Audit Committee also reviewed and gave opinions to the Board on appointing new auditor and on the change in accounting policy during the year.

During the year, the Audit Committee had a meeting with PricewaterhouseCoopers, the former auditor, to confirm their reason to resign. Upon appointment of Mazars CPA Limited as the new auditor of the Company, the Audit Committee also reviewed the calibre, audit proposals, independence, their reputation in market, resources and capability of the new auditor and other professional audit firms.

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, 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 said 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 <http://www.hkex.com.hk> and on the Company’s website <http://perennial.todayir.com> in due course.

CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting of the Company will be held on Tuesday, 21st May 2024 (“2024 AGM”).

The register of members of the Company will be closed from Thursday, 16th May 2024 to Tuesday, 21st May 2024, 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 2024 AGM. In order to be eligible to attend and vote at the 2024 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 Wednesday, 15th May 2024.

APPRECIATION

As we move forward into 2024, 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, 20th March 2024

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 31st December 2023 have been agreed by the Group's auditor, Mazars CPA Limited ("Mazars"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Mazars 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 Mazars 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.