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Perennial

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恒都集團有限公司*

PERENNIAL INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00725)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF PROPERTY**

On 25 July 2014, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Purchaser agreed to purchase and the Vendor agreed to sell the Property at a consideration of RMB23,500,000 (equivalent to approximately HK\$29,375,000).

As the highest applicable percentage ratios under Rule 14.07 of the Listing Rules is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and therefore is subject to the reporting and announcement requirements thereunder.

THE SALE AND PURCHASE AGREEMENT

Date

25 July 2014

Parties

- (1) the Vendor; and
- (2) the Purchaser, a wholly-owned subsidiary of the Company.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

* *For identification purposes only*

Consideration

The consideration for the Acquisition is RMB23,500,000 (equivalent to approximately HK\$29,375,000), which was arrived after arm's length negotiations between the Vendor and the Purchaser and was determined with reference to the valuation of the Property as at 31 May 2014 prepared by an independent valuer of RMB26,500,000 (equivalent to approximately HK\$33,125,000).

The consideration for the Acquisition will be paid as follows:

- (a) the first instalment of RMB8,000,000 (equivalent to approximately HK\$10,000,000) to be paid within three days from the signing of the Sale and Purchase Agreement;
- (b) the second instalment of RMB8,000,000 (equivalent to approximately HK\$10,000,000) to be paid on or before 15 August 2014; and
- (c) the balance of RMB7,500,000 (equivalent to approximately HK\$9,375,000) upon receipt of the new property ownership certificate.

It is intended that the consideration for the Acquisition will be funded by internal resources and banking facilities..

The Property

The Property is located at 東源縣蝴蝶嶺工業園 with a site area of approximately 35,240.6 sq. m. and a gross floor area of approximately 11,930.11 sq. m. together with the ancillary properties located on the same piece of land. It is intended that the Property to be used for industrial use for the expansion of our production facilities for export sales.

REASONS FOR THE TRANSACTIONS

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

The Group's existing production facilities are located in Shenzhen, the PRC. The new production facilities on the Property are located in Heyuan, the PRC. Generally, the labour cost and the utilities expenses (including electricity and water) in Heyuan are lower than in Shenzhen. The Acquisition will help the Group to reduce its production costs and at the same time enable the Group to increase its production capacity in a more cost efficient way. As such, the Directors consider that the terms of the Sale and Purchase Agreement, including the consideration, are on normal commercial terms, fair and reasonable and the Acquisition is in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE VENDOR

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor is a company incorporated in the PRC and principally engaged in manufacturing of precision metal.

LISTING RULES IMPLICATION

As the highest applicable percentage ratios under Rule 14.07 of the Listing Rules is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and therefore is subject to the reporting and announcement requirements thereunder.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Acquisition”	the acquisition of the Property by the Purchaser pursuant to the Sale and Purchase
“Board”	The board of Directors
“Company”	Perennial International Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	The Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Property”	the Property is located at 東源縣蝴蝶嶺工業園 with a site area of approximately 35,240.6 sq. m. and a gross floor area of approximately 11,930.11 sq. m. together with the ancillary properties located on the same piece of land

“Purchaser”	Heyuan Perennial Plastics and Metal Co., Limited (河源恒都塑膠五金有限公司), a company established in the PRC on 7 July 2014 and is wholly-owned subsidiary
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase”	The main contract and supplemental agreement dated 25 July 2014 and entered into between the Vendor and the Purchaser in relation to the sale and the purchase of the Property
“sq. m”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	a company incorporated in the PRC and, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, it and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)

For illustration purposes, amounts in RMB in this announcement have been translated into HK\$1.00 = RMB0.80. Such conversion shall not be construed as representations that amounts in RMB were or may have been converted into HK\$ as such rate or any other exchange rate.

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

Hong Kong, 25 July 2014

As at the date of this announcement, the executive Directors are Mr. MON Chung Hung, Mr. SIU Yuk Shing, Marco, Ms. MON Wai Ki, Vicky and Ms. MON Tiffany, the non-executive Director is Ms. KOO Di An, Louise and the three independent non-executive Directors, Mr. LAU Chun Kay, Mr. LEE Chung Nai, Jones and Mr. MA Chun Hon, Richard.