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**PERENNIAL INTERNATIONAL LIMITED**

**恒都集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00725)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO THE CONSTRUCTION CONTRACT**

On 12 January 2018, the Principal, a wholly-owned subsidiary of the Company, entered into the Construction Contract with the Contractor, pursuant to which the Contractor shall commence the First Phase Construction Works from the Commencement Date at the Consideration of VND67,513,307,903 (equivalent to approximately HK\$23,376,252).

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Construction Contract is or are more than 5% but less than 25%, entering into the Construction Contract 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.

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\* *For identification purposes only*

## CONSTRUCTION CONTRACT

Date: 12 January 2018

Parties: (1) Perennial Cable (Vietnam) Company Limited, a wholly-owned subsidiary of the Company, as the Principal  
(2) Golden Lotus Construction J.S.C., as the Contractor

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Contractor 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).

### Details of the subject matter of the Construction Contract

Pursuant to the Construction Contract, the First Phase Construction Works shall consist of the construction of a factory building, canteen building, and other ancillary facilities such as water treatment, guard room and electricity room on phase one development of the Land, comprising an area of approximately 7,500 square metres.

### Consideration

The Consideration is VND67,513,307,903 (equivalent to approximately HK\$23,376,252) and will be paid in the following manner:

- (i) before the Commencement Date and after provision by the Contractor of an approved letter of guarantee issued by bank, the Principal shall pay 10% of the Consideration (the “**Advanced Payment**”);
- (ii) the Advanced Payment shall be deducted at a rate of 25% of the amount of each payment certificate, commencing when all certified interim payments exceeds 10% of the Consideration less any provisional sums, until such time as the Advanced Payment has been repaid;
- (iii) after commencement of works, the Principal shall make monthly progress payment after the consultants engaged by the Principal certifying the monthly interim progress claim submitted by the Contractor; and
- (iv) the amount equal to 10% of the total value of work executed (the “**Retention Monies**”) shall be retained by the Principal as security. 50% of the Retention Monies shall be released after the issuance of the taking over certificate and the remaining 50% shall be released after the issuance of the taking over certificate and after provision by the Contractor of an approved letter of guarantee issued by bank.

The Consideration was arrived after arm's length negotiations between the Principal and the Contractor and was determined with reference to the size and project design of the First Phase Construction Works.

It is intended that the Consideration will be funded by internal resources and banking facilities.

### **Performance Guarantee**

The Contractor shall provide the Principal with a performance guarantee to guarantee the due performance and observance of the Construction Contract by letter of guarantee issued by bank. The amount of performance guarantee is equivalent to 10% of the Consideration.

### **Construction period**

The Commencement Date under the Construction Contract was 13 January 2018. The First Phase Construction Works are expected to be completed by 12 July 2018.

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE CONSTRUCTION CONTRACT**

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

Reference is made to the Company's announcement dated 18 July 2016 in relation to the lease of prepared land in Vietnam. The Principal entered into the Construction Contract as its first phase of developing of the Land as the Group's production facilities in Vietnam.

The Directors consider that the terms of the Construction Contract, including the Consideration, are on normal commercial terms, fair and reasonable and are in the interests of the Company and its shareholders as a whole.

### **INFORMATION OF THE CONTRACTOR**

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Contractor is a company incorporated in the Vietnam and principally engaged in property development and construction. The Contractor was selected through tendering process.

### **LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Construction Contract is or are more than 5% but less than 25%, entering into the Construction Contract 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 requires otherwise, the following expression shall have the meanings set out below:

“Board”	the board of Directors
“Commencement Date”	13 January 2018, being the commencement date of the First Phase Construction Works
“Company”	Perennial International Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on Stock Exchange
“Consideration”	the consideration of the Construction Contract, being VND67,513,307,903
“Construction Contract”	the construction contract dated 12 January 2018 entered into between the Principal and the Contractor in relation to the First Phase Construction Works
“Contractor”	Golden Lotus Construction J.S.C., a company incorporated in Vietnam
“Director(s)”	director(s) of the Company
“First Phase Construction Works”	the construction of the production facilities as phase one development of the Land
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	the land located in Vietnam Singapore Industrial Park in Quang Ngai Province, Vietnam with a site area of approximately 30,000 square metres
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Principal”	Perennial Cable (Vietnam) Company Limited, a company incorporated in Vietnam and a wholly-owned subsidiary of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“VND”	Vietnam Dong, the lawful currency of Vietnam
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent

*For illustration purposes, amounts in VND in this announcement have been translated into VND1.00 = HK\$0.00035. Such conversion shall not be construed as representations that amounts in VND were or may have been converted into HK\$ as such rate or any other exchange rate.*

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

Hong Kong, 12 January 2018

*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 independent non-executive directors are Mr. LAU Chun Kay, Mr. LEE Chung Nai, Jones and Ms. CHUNG Kit Ying.*