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Perennial Energy Holdings Limited

久泰邦達能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2798)

POSITIVE PROFIT ALERT

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Perennial Energy Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Unless otherwise defined herein, capitalised terms in this announcement shall have the same meanings as those defined in the 2021 annual report published by the Company on 21 April 2022.

The Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review on the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 (the “**Year**”) and information currently available to the Board, the net profit after tax of the Group for the Year is expected to range from approximately RMB680.0 million to RMB715.0 million as compared with approximately RMB301.8 million for the year ended 31 December 2021 (the “**Previous Year**”), representing an increase of approximately 125% to 137%. Such expected increase was mainly attributable to the following factors:

- (1) for the Previous Year, a significant fair value loss of contingent consideration payables amounted to approximately RMB308.5 million, which was related to the acquisition of Xiejiahegou Coal Mine in 2020, was recognized since the projected performance of the Xiejiahegou Coal Mine exceeded the Profit Guarantee. However, only a minimal amount of fair value loss of contingent consideration payables is expected to be recognized in the Year, representing additional payment pertaining to the Group’s overall cap amount of the total consideration after assessing the fulfillment of the Profit Guarantee for the Year; and
- (2) driven by the increase in average selling price of clean coal, a growth of revenue and gross profit margin were recorded for the Year as compared with the Previous Year.

The information contained in this announcement is only based on the information currently available to the Company and the preliminary review by the Board on the unaudited consolidated management accounts of the Group for the Year, which have not been reviewed or audited by the independent auditors and/or the audit committee of the Company. Therefore, the actual financial results of the Group for the Year may differ from what are disclosed in this announcement. Shareholders and potential investors are advised to read carefully about the announcement of the Company for the annual results for the Year, which will be published on 21 March 2023 in accordance with the requirements of the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Perennial Energy Holdings Limited
Yu Bangping
Chairman and Executive Director

Hong Kong, 13 March 2023

As at the date of this announcement, the executive Directors are Mr. Yu Bangping, Mr. Sun Dawei, Mr. Wang Shize, Mr. Li Xuezhong, Mr. Lau Kai Ming, Mr. Yu Zhilong and Mr. Yu Xiao; and the independent non-executive Directors are Mr. Fong Wai Ho, Mr. Punnya Niraan De Silva, Ms. Cheung Suet Ting, Samantha and Mr. Wang Xiufeng.