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 Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that, based on the information currently available to the Company and the preliminary review by the Board on the unaudited 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, the consolidated profit attributable to the Shareholders for the Year is expected to increase by approximately 50% to 65% as compared to the consolidated profit attributable to the Shareholders of approximately RMB218,021,000 for the Previous Year.

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

This announcement is made by Perennial Energy Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 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, Laws of Hong Kong) (the "**SFO**").

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the information currently available to the Company and the preliminary review by the Board on the unaudited management accounts of the Group for the year ended 31 December 2020 (the "**Year**"), which have not been reviewed or audited by the independent auditors and/or the audit committee of the Company, the consolidated profit attributable to the Shareholders for the Year is expected to increase by approximately 50% to 65% as compared to the consolidated profit attributable to the Shareholders of approximately RMB218,021,000 for the year ended 31 December 2019 (the "**Previous Year**").

The Board believes that the expected growth in the profit attributable to the Shareholders for the Year is mainly due to the increased sales volume of clean coal produced from the Group's coal mines by more than 420,000 tonnes, representing an approximately 72% increase as compared to that of the Previous Year. The significant growth in sales volume is contributed by (i) the full-year production of Baogushan Coal Mine and Hongguo Coal Mine under the expanded capacity quota of 600,000 tonnes per annum per mine during the Year; and (ii) the contribution from the newly acquired Xiejiahegou Coal Mine with a production capacity of 450,000 tonnes per annum. Despite a temporary disruption to the Group's mining operations and drop in the sales volume of the Group's coal products caused by COVID-19 in the first quarter of the Year, the Group's mining business and operations gradually recovered since then. The total sales volume of clean coal produced by the Group's coal mines for the six months ended 31 December 2020 increased by more than 16% as compared to that for the six months ended 30 June 2020. In addition to higher sales volume, the Group also recorded improved gross profit margin for the second half of the Year when compared to that for the first half of the Year due to more cost effective production in the second half of the Year as compared to the first half as a result of the continued recovery from COVID-19.

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 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 is 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 is expected to be published in late March 2021 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, 22 January 2021

As at the date of this announcement, the executive Directors are Mr. Yu Bangping, Mr. Sun Dawei, Mr. Wang Shize, Mr. Li Xuezhong, Mr. Lam Chik Shun, Marcus, 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.