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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)**

### **INSIDE INFORMATION**

#### **PROFIT ALERT**

This announcement is made by Perennial Energy Holdings Limited (the “**Company**” and 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 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 “**2021 Annual Report**”).

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 preliminary review on the unaudited consolidated management accounts of the Group for the six months period ended 30 June 2022 (the “**Relevant Period**”) and information currently available to the Board, the net profit after tax of the Group for the Relevant Period is expected to increase substantially by not less than approximately 300% as compared to RMB85.5 million for the corresponding period of 2021. Such expected increase was mainly attributable to the following factors:

- (1) despite a drop in the production volume of the Group’s coal products as interrupted by small faults in the Group’s coal work faces, driven by increase in average selling price of clean coal, a strong growth of revenue and gross profit margin were recorded for the Relevant Period as compared with the corresponding period of 2021; and

- (2) for the corresponding period of 2021, a significant fair value loss of contingent consideration payables amounted RMB133.8 million, which is 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 Relevant Period, representing additional payment pertaining to the Group's overall cap amount after assessing the likelihood in meeting the Profit Guarantee for the year ending 31 December 2022.

However, by excluding the impact resulting from the fair value change of contingent consideration payables on the Profit Guarantee, net profit after tax of the Group for the Relevant Period is expected to record an increase by not less than 80% only as compared with the net profit after tax of the Group for the corresponding period of 2021.

The information contained in this announcement only represents a preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group for the Relevant Period and the information currently available to the Group which have not been reviewed or audited by the Company's auditors nor reviewed by the audit committee of the Company and may be subject to change. The Company is still in the process of finalising the interim results of the Group for the Relevant Period which is expected to be published on or before 31 August 2022 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, 28 July 2022

*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.*