Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

PROPOSED CHANGE OF AUDITOR

This announcement is made by Perennial Energy Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

PROPOSED CHANGE OF AUDITOR

The board (the "**Board**") of directors (the "**Directors**") of the Company announces that Deloitte Touche Tohmatsu ("**DTT**") has resigned as the auditor of the Company with effect from 27 October 2026 (the "**Resignation of Auditor**"), as it was unable to reach a consensus with the Company on the audit fee for the audit of the consolidated financial statements of the Group for the year ending 31 December 2026 (the "**FY2026**") (the "**2026 Annual Audit**") and the Board proposes to appoint ZHONGHUI ANDA CPA Limited ("**ZHAN**") as the new auditor of the Company (the "**Proposed Appointment**", together with the Resignation of Auditor, hereinafter collectively referred to as the "**Proposed Change of Auditor**") to fill the casual vacancy following the Resignation of Auditor. An extraordinary general meeting will be convened by the Company (the "**EGM**") at which ordinary resolutions in relation to the Proposed Change of Auditor will be put forward for the shareholders of the Company (the "**Shareholders**") to consider.

BACKGROUND FOR PROPOSED CHANGE OF AUDITOR

At the last annual general meeting of the Company held on 5 June 2026 (the "**AGM**"), DTT was re-appointed as the auditor of the Company, to hold office until the conclusion of the next annual general meeting of the Company.

As mentioned in the interim report of the Company for the six months ended 30 June 2026, against the backdrop of diminishing scale of operations and unit economics, many domestic coal producers continued to face narrowing margins amid rising operating costs, intensified market competition, and ongoing market adjustments. In light of the continued challenging business environment, and as the Group's financial reporting processes have become well established and standardized following the stabilization of its asset structure and core operations, the Group has implemented stringent cost-control measures and actively reduced its overall operating expenses.

As part of cost-control measures of the Group, from April 2026 to September 2026, in preparation for the 2026 Annual Audit, the Company and DTT held detailed negotiations in relation to the audit of the Group, including the estimated audit fee for FY2026. Following these negotiations, DTT provided an indicative audit fee quotation of HK$2.60 million (exclusive of PRC Value-Added Tax ("**PRC VAT**")) for FY2026. At the same time, the Company also obtained audit proposals from other accounting firms, including ZHAN, and DTT subsequently reduced its own proposed fee.

The audit fee proposal submitted by DTT and other accounting firms, including ZHAN, have been reviewed by the audit committee of the Company (the "**Audit Committee**"). After due consideration, the Audit Committee is of the view that the proposed audit fee level proposed by DTT may not be commensurate with the current operational needs scale and overall audit needs of the Group. Following further negotiations between the Company and DTT in relation to the audit fee level for the 2026 Annual Audit, on 27 October 2026, DTT decided to tender its resignation as the auditor of the Company with immediate effect since DTT is unable to reach a consensus with the Board on the audit fee in respect of the 2026 Annual Audit. DTT has confirmed in writing that there is no matter in connection with the resignation of DTT as the auditor of the Company that needs to be brought to the attention of the Shareholders.

The Board confirmed that as at the date of this announcement, DTT has not commenced the 2026 Annual Audit. Accordingly, it is expected that the Proposed Change of Auditor will not have any significant impact on the 2026 Annual Audit and the publication of annual results of the Group for FY2026.

The Board would like to take this opportunity to express its sincere gratitude to DTT for its professional services rendered to the Company during the past years.

ASSESSMENT OF THE PROPOSED APPOINTMENT OF ZHAN AS THE COMPANY'S AUDITOR

In the course of the Audit Committee's review of the Group's audit arrangements for FY2026, the Company has sought an indicative fee proposal from ZHAN. Following receipt of the indicative quotation, the management of the Company communicated with ZHAN, during which ZHAN presented and discussed its proposed audit plan, resource allocation and fee structure. In June 2026, ZHAN offered an audit fee HK$1.40 million (exclusive of tax with no PRC VAT payable). Such estimated audit fee was determined after arm's length negotiations between the Company and ZHAN, with reference to, among other things, the complexity and business plan of the Company, the expected audit scope, audit timetable and the auditors' resources required.

Based on the assessment by the Board and the Audit Committee, save for the market presence and corporate reputation of the auditor, there is no material difference between DTT and ZHAN in terms of industry experience and technical competence.

Having considered the fee proposals submitted by DTT, ZHAN and other accounting firms, the Board, having considered the recommendation of the Audit Committee, has resolved to propose to appoint ZHAN as the new auditor of the Company to fill the casual vacancy following the Resignation of Auditor and to hold office until the conclusion of the Company's next annual general meeting.

In reaching its recommendation to the Board, the Audit Committee has taken into account a range of factors in assessing the appointment of ZHAN as the auditor of the Company, including but not limited to (i) the proposed audit plan for FY2026; (ii) the competence and quality of ZHAN, including its resources, knowledge and experience in handling audit work for companies listed on the Stock Exchange, as well as its familiarity with the requirements under the Listing Rules and the Hong Kong Standards on Auditing and the Hong Kong Financial Reporting Standards; (iii) the competitive audit fee together with its commitment to allocating sufficient resources to perform the Company's audit work in a manner that ensures audit quality is not compromised; (iv) its independence and objectivity; (v) its market reputation and track record; (vi) its resources and capability to complete the audit work within the stipulated schedule; and (vii) the relevant guidelines and guidance notes issued by the Accounting and Financial Reporting Council, including the "Guidelines for Effective Audit Committees – Selection, Appointment and Reappointment of Auditors" and the "Guidance Notes on Change of Auditors".

After reviewing the professional qualifications, competence, capacity, independence and integrity of ZHAN, the Audit Committee has assessed and considered that ZHAN is independent, competent and capable of performing a high-quality audit, possesses the requisite qualifications and experience to serve listed companies, and is eligible and suitable to act as the auditor of the Company. The Board and the Audit Committee are of the view that the Proposed Appointment would maintain audit quality, enhance corporate governance and independence, enable the Company to carry out more effective cost control to better support its financial and operational agility and is in the best interests of the Company and the Shareholders as a whole.

THE EGM

The Board and the Audit Committee are of the view that the Proposed Change of Auditor would preserve audit quality while affording the Company greater flexibility in implementing more effective cost control measures to better support its future business development, and that the Proposed Change of Auditor is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board and the Audit Committee recommend the Shareholders to vote in favour of the ordinary resolutions in respect of the Proposed Change of Auditor at the EGM.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Proposed Change of Auditor and therefore no Shareholder is required to abstain from voting on the relevant resolutions at the EGM. A circular containing, among other things, the details of the resolutions, together with the notice of the EGM, will be published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.perennialenergy.hk) in due course.

Shareholders and potential investors of the Company 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, 27 October 2026

As at the date of this announcement, the executive Directors are Mr. Yu Bangping, Mr. Yu Zhilong, Mr. Li Xuezhong, Mr. Lau Kai Ming and Mr. Yu Xiao; and the independent non-executive Directors are Mr. Fong Wai Ho, Mr. Punnya Niraan De Silva, Mr. Si Zeyu and Ms. Yau Shu Shan.