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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)

MAJOR TRANSACTION

IN RESPECT OF THE PROPOSED CAPITAL INCREASE IN THE TARGET COMPANY

THE PROPOSED CAPITAL INCREASE AND THE PROPOSED CONSOLIDATION

In connection with the implementation of the Proposed Consolidation, on 20 January 2026 (after trading hours), Jiutai Bangda, an indirect wholly-owned subsidiary of the Company, the Original Shareholders and the Target Company entered into the Capital Increase Agreement, pursuant to which Jiutai Bangda conditionally agreed to acquire 51.00% equity interests in the Target Company by contributing registered capital of RMB114,489,795.92 into the Target Company, which shall be settled by way of the transfer of the mining rights of Xiejiahegou Coal Mine, the Xiejiahegou Property and the Xiejiahegou Assets to the Target Company. The Target Company holds the mining rights to the Youyi Coal Mine and Jieji Coal Mine as at the date of this announcement.

Upon Registration Completion, Panzhou Hengding, Guizhou Tianjian, Guizhou Zhonghang and Jiutai Bangda will hold approximately 20.63%, 14.65%, 13.72% and 51.00% equity interest in the Target Company, respectively. Accordingly, the Target Company will become a subsidiary of the Company and its financial results will be consolidated into those of the Group and the coal resources of both Xiejiahegou Coal Mine (which is indirectly-wholly owned by the Company) and Youyi Coal Mine (which is wholly owned by the Target Company) will be consolidated. The consolidated coal mine will maintain and utilise the existing approved production scale as well as existing facilities and equipment of Xiejiahegou Coal Mine.

The Target Company is principally engaged in the business of exploration, development and mining of coking coal through its two coking coal projects located in Guizhou Province, PRC, including Youyi Coal Mine and Jieji Coal Mine, each an underground coal mine in Panzhou City, Guizhou Province, the PRC, with an approved annual production capacity of 450,000 tonnes and 300,000 tonnes, respectively. As at 30 November 2025, Youyi Coal Mine had Measured Resources of 7.68 Mt, Indicated Resources of 50.49 Mt, Inferred Resources of 50.59 Mt, Proved and Probable Reserves of 43.69 Mt and Jieji Coal Mine had Indicated Resources of 22.64 Mt, Inferred Resources of 23.37 Mt, Probable Reserves of 18.52 Mt, respectively.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Proposed Capital Increase exceed 25% but are less than 100%, as such, the Proposed Capital Increase and the transactions contemplated under the Capital Increase Agreement constitute a major transaction for the Company and are therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. Completion of the Capital Increase (本次增資完成) will take place upon satisfaction or, where applicable, waiver of the Completion Conditions Precedent and upon Registration Completion in accordance with the Capital Increase Agreement.

To the best knowledge, information and belief of the Directors, as at the date of this announcement, neither the Original Shareholders nor any of their associates hold any Shares. As no Shareholder would be required to abstain from voting at the Company's general meeting for the approval of the Proposed Capital Increase, written shareholders' approval will be accepted in lieu of a general meeting on the condition that the accountants' report of the Target Group contains no qualified opinion by the reporting accountants pursuant to Rules 14.44 and 14.86 of the Listing Rules. Otherwise, the Company will convene a general meeting for the Shareholders to consider and, if thought fit, to pass the resolutions to approve the Proposed Capital Increase. The Company intends to seek a written Shareholder's approval from Spring Snow, which directly holds 864,000,000 Shares, representing approximately 54.0% of the issued share capital of the Company as at the date of this announcement, to approve the Proposed Capital Increase. The Company will make further announcement(s) in relation to the status of obtaining the aforementioned written Shareholder's approval.

GENERAL

A circular containing, among other things, (i) the major terms of the Capital Increase Agreement and implementation agreements, where applicable; (ii) further details of the Target Company and the Proposed Consolidation (including the Xiejiahegou Assets, mining rights of Xiejiahegou Coal Mine and Xiejiahegou Property); (iii) the financial information of the Target Company; (iv) unaudited pro forma financial information of the Enlarged Group; (v) the Valuation Report; (vi) a competent persons' report on the Xiejiahegou Coal Mine, Youyi Coal Mine and Jieji Coal Mine; and (vii) such other information as required under the Listing Rules shall be despatched to the Shareholders within 15 business days after the publication of this announcement (i.e. on or before 10 February 2026).

The Proposed Capital Increase and Proposed Consolidation contemplated under the Capital Increase Agreement are subject to the fulfillment and/or waiver of a number of conditions precedent, and therefore may or may not materialise. Shareholders and potential investors are advised to exercise with caution when dealing in the Shares.

INTRODUCTION

Reference is made to the announcement of the Company dated 28 October 2025 regarding, among other things, the Proposed Consolidation of the Xiejiahegou Coal Mine and Youyi Coal Mine.

In connection with the implementation of the Proposed Consolidation, the Board announces that, on 20 January 2026 (after trading hours), Jiutai Bangda, an indirect wholly-owned subsidiary of the Company, the Original Shareholders and the Target Company entered into the Capital Increase Agreement, pursuant to which Jiutai Bangda agreed to acquire 51.00% equity interests in the Target Company by contributing registered capital of RMB114,489,795.92 into the Target Company, which shall be settled by way of the transfer of the mining rights of Xiejiahegou Coal Mine, the Xiejiahegou Property and the Xiejiahegou Assets to the Target Company. The Target Company holds the mining rights to the Youyi Coal Mine and Jieji Coal Mine as at the date of this announcement. As the Transaction involves both contractual arrangements among the parties and subsequent regulatory procedures in the PRC, for the purpose of this announcement, the Proposed Capital Increase will be implemented in two principal stages under the Capital Increase Agreement: (i) Capital Contribution Completion, being the completion of the capital contribution by Jiutai Bangda to the Target Company through the transfer and/or registration of the Xiejiahegou Coal Mine mining rights, the Xiejiahegou Property and the Xiejiahegou Assets; and (ii) Registration Completion, being the completion of the relevant industrial and commercial registration procedures and the issuance of a renewed business licence of the Target Company showing Jiutai Bangda as a shareholder. References in this announcement to “Completion of the Capital Increase” (本次增資完成) refers to the point in time when both (i) Capital Contribution Completion and (ii) Registration Completion have occurred in accordance with the Capital Increase Agreement.

THE PROPOSED CAPITAL INCREASE

1. The Capital Increase Agreement

Date	20 January 2026
Parties	(1) Jiutai Bangda; (2) The Original Shareholders; and (3) The Target Company

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Original Shareholders and the Target Company and their respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

Proposed Capital Increase

As at the date of this announcement, the Target Company has a total amount of registered capital of RMB110,000,000 which has been fully paid up. Pursuant to the Capital Increase Agreement, the total registered capital of the Target Company will be increased from RMB110,000,000 to RMB224,489,795.92, and subject to the fulfilment and/or waiver of conditions as set out in below section headed “Conditions Precedent to the Proposed Capital Increase”, Jiutai Bangda agreed to acquire 51.00% equity interests in the Target Company by contributing RMB114,489,795.92 by way of the transfer of the mining rights of Xiejiahegou Coal Mine, the Xiejiahegou Property and the Xiejiahegou Assets to the Target Company.

Basis of the Proposed Capital Increase

The parties to the Capital Increase Agreement agree that Jiutai Bangda shall subscribe for the increased registered capital of the Target Company by contributing the Xiejiahegou Business with a preliminary appraised value of RMB1.0 billion.

The amount of Proposed Capital Increase was based on normal commercial terms and determined after arm’s length negotiations between Jiutai Bangda and the Original Shareholders with reference to a number of factors, including but not limited to, (i) the preliminary valuation of the 100% equity interest in the Target Company of approximately RMB1.2 billion as at 30 November 2025; (ii) the preliminary valuation of approximately RMB1.0 billion of the Xiejiahegou Business to be contributed by Jiutai Bangda as at 30 November 2025; (iii) the expected synergetic effects between the consolidation of the coal resources of Xiejiahegou Coal Mine and Youyi Coal Mine; and (iv) the future potential profitability of Xiejiahegou Coal Mine upon the completion of the Proposed Consolidation.

Conditions precedent to the Proposed Capital Increase

Upon satisfaction of the following conditions precedent, Jiutai Bangda shall, as soon as practicable, complete the capital increase in the Target Company, which shall include entering into individual transfer agreements, namely, the property transfer agreement, the assets transfer agreement and the mining right transfer agreement in relation to the transfer of the Xiejiahegou Property, the Xiejiahegou Assets and the mining right of the Xiejiahegou Coal Mine, respectively, from Jiutai Bangda to the Target Company:

- (a) Jiutai Bangda completed the due diligence on the Target Company and is satisfied with the relevant results;
- (b) the Target Company has obtained the relevant compliance certificates or non penalty confirmations from the competent government authorities regarding any historical non-compliances identified in Jiutai Bangda’s due diligence (if applicable);

- (c) the Company has obtained all necessary approvals, registrations and filings for the Proposed Capital Increase in accordance with the applicable listing rules and the regulations of regulatory bodies in the relevant jurisdictions, including but not limited to, the approval of the shareholders' meeting of the Company or the written approval from the Company's controlling shareholder (if applicable) and the approval from the Stock Exchange (if applicable);
- (d) the Proposed Capital Increase has been approved by the shareholders' meeting of Jiutai Bangda;
- (e) the Proposed Capital Increase has been approved by the shareholders' meeting of the Target Company;
- (f) this Capital Increase Agreement has been duly executed by all parties and becomes effective;
- (g) up to the Capital Contribution Date, there has been no material adverse change in the business, operations, assets, or financial condition of the Target Company, including but not limited to, the mining rights owned by the Target Company remains valid and not being revoked, suspended, or restricted, the assets of the Target Company being free from any encumbrances such as mortgages, pledges, or third-party rights, and there being no ownership dispute or litigation concerning the assets of the Target Company; and
- (h) the representations and warranties made by the Original Shareholders and the Target Company have been complied with and remain true, accurate, complete and not misleading as at the Capital Contribution Date.

Jiutai Bangda has the right, at any time at its sole discretion and by written notice, to waive any of the Capital Increase Conditions Precedent other than those set out in paragraphs (b) to (f) above. The Original Shareholders and the Target Company shall not be entitled to waive any of the Capital Increase Conditions Precedent. For any Capital Increase Conditions Precedent waived by Jiutai Bangda, Jiutai Bangda shall be entitled to require the Original Shareholders and/or the Target Company to continue to fulfil or assist Jiutai Bangda in fulfilling such condition after Jiutai Bangda has made its capital contribution in the Target Company.

The Directors confirm that as at the date of this announcement, except for condition (f) which has been fulfilled, none of the above Capital Increase Conditions Precedent has been fulfilled.

Following the Capital Contribution Completion, the Target Company will establish a board of directors comprising three members, all of whom will be nominated by Jiutai Bangda. Accordingly, Jiutai Bangda will hold the majority control of the board of directors of the Target Company.

The Registration

Conditions Precedent to the Registration Completion

The Registration Completion is conditional upon the satisfaction of the following:

- (a) Jiutai Bangda completed the due diligence on the Target Company and is satisfied with the relevant results;
- (b) the Target Company has obtained the relevant compliance certificates or non-penalty confirmations from the competent government authorities regarding any historical non-compliances identified in Jiutai Bangda's due diligence (if applicable);
- (c) the Target Company has obtained approval(s) from the competent government authorities of the Guizhou Province regarding the Proposed Consolidation;
- (d) the Company has obtained all necessary approvals, registrations and filings for the Proposed Capital Increase in accordance with the applicable listing rules and the regulations of regulatory bodies in the relevant jurisdictions, including but not limited to, the approval of the shareholders' meeting of the Company or the written approval from the Company's controlling shareholder (if applicable) and the approval from the Stock Exchange (if applicable);
- (e) the Proposed Capital Increase has been approved by the shareholders' meeting of Jiutai Bangda;
- (f) the Proposed Capital Increase has been approved by the shareholders' meeting of the Target Company;
- (g) the Capital Increase Agreement has been duly executed by all parties and becomes effective;
- (h) the Target Company has completed the renewal procedures for the mining license of the Jieji Coal Mine and obtained the renewed mining license issued by the relevant competent government authorities;
- (i) the Target Company has terminated the affiliation arrangement for the Yiqi Coal Mine, Jichangping Town, Panzhou City (盤州市雞場坪鎮椅棋煤礦), and completed the registration procedures for the transfer of the mining rights to a third party;

- (j) up to the Completion Date, there has been no material adverse change in the business, operations, assets, or financial condition of the Target Company, including but not limited to, the mining rights owned by the Target Company remains valid and not being revoked, suspended, or restricted, the assets of the Target Company being free from any encumbrances such as mortgages, pledges, or third-party rights, and there being no ownership dispute or litigation concerning the assets of the Target Company; and
- (k) the representations and warranties made by the Original Shareholders and the Target Company have been complied with and remain true, accurate, complete and not misleading as at the Completion Date.

Jiutai Bangda has the right, at any time at its sole discretion and by written notice, to waive any of the Completion Conditions Precedent other than those set out in paragraphs (c) to (i) above. The Original Shareholders and the Target Company shall not be entitled to waive any of the Completion Conditions Precedent. For any Completion Conditions Precedent waived by Jiutai Bangda, Jiutai Bangda shall be entitled to require the Original Shareholders and/or the Target Company to continue to fulfil or assist Jiutai Bangda in fulfilling such condition after the Registration Completion.

The Directors confirm that as at the date of this announcement, except for condition (g) which has been fulfilled, none of the above Completion Conditions Precedent has been fulfilled.

Completion Date

In the event that any of the Completion Conditions Precedent is not fulfilled or waived by Jiutai Bangda on or before 31 March 2026:

- (a) Jiutai Bangda and the Original Shareholders may negotiate to postpone the Registration Completion to a date not later than 30 June 2026;
- (b) Jiutai Bangda may waive part of the Completion Conditions Precedent and proceed to Registration Completion to a date not later than 30 June 2026; or
- (c) Jiutai Bangda may terminate the Capital Increase Agreement immediately. Upon termination, the Original Shareholders and the Target Company shall reimburse Jiutai Bangda for any consideration paid by Jiutai Bangda pursuant to the Capital Increase Agreement (if any). If Jiutai Bangda has made its capital contribution to the Target Company by way of transfer of the Xiejiahegou Coal Mine mining rights, the Xiejiahegou Property and/or the Xiejiahegou Assets prior to such termination, the Original Shareholders and the Target Company shall use their best endeavours to procure that all such assets contributed by Jiutai Bangda shall be restored to Jiutai Bangda (including the re-transfer and/or re-registration of the

relevant rights and interests in favour of Jiutai Bangda). Jiutai Bangda has the right to require the Original Shareholders and/or the Target Company to compensate Jiutai Bangda for all costs incurred and losses suffered by it in connection with the Proposed Capital Increase and the restoration of the assets to the pre-transaction state, as well as payment of liquidated damages.

Registration Completion

The Registration Completion shall take place after the fulfilment (or waiver) of all of the Completion Conditions Precedent. Upon completion of all legal formalities contemplated under the Capital Increase Agreement including the change in industrial and commercial registration and update of the business license, Jiutai Bangda shall become a shareholder of the Target Company.

FINANCIAL EFFECTS OF THE PROPOSED CAPITAL INCREASE ON THE TARGET COMPANY

Upon Registration Completion, Panzhou Hengding, Guizhou Tianjian, Guizhou Zhonghang and Jiutai Bangda will hold approximately 20.63%, 14.65%, 13.72% and 51.00% equity interest in the Target Company, respectively. Accordingly, the Target Company will become a subsidiary of the Company and its financial results will be consolidated into those of the Group and the coal resources of both Xiejiahegou Coal Mine and Youyi Coal Mine will be consolidated. The consolidated coal mine will maintain and utilise the existing approved production scale as well as existing facilities and equipment of Xiejiahegou Coal Mine.

INFORMATION ON THE TARGET GROUP

The Target Group is principally engaged in the business of exploration, development and mining of coking coal through its two coking coal projects located in Guizhou Province, PRC, including Youyi Coal Mine and Jieji Coal Mine. As at the date of this announcement, the Target Company is owned as to 42.1% by Panzhou Hengding, 29.9% to Guizhou Tianjian and 28% by Guizhou Zhonghang. As at the date of this announcement, the Target Company owns Youyi Coal Mine and Jieji Coal Mine, both of which are currently idle and remain undeveloped, with no mining operations commenced to date and maintains an affiliation (掛靠) arrangement in respect of Guizhou Huaneng Jiayuan.

Youyi Coal Mine, which is wholly owned by the Target Company, obtained a mining right licence (licence number: C5200002014121120136551) which carries an approved annual production capacity of 450,000 tonnes. The current mining right licence is valid from December 2014 to December 2034 covers a mining area of 2.8631 sq.km. Youyi Coal Mine is located in the southwestern part of Guizhou Province, the PRC. As at 30 November 2025, Youyi Coal Mine had Measured Resources of 7.68 Mt, Indicated Resources of 50.49 Mt, Inferred Resources of 50.59 Mt, Proved and Probable Reserves of 43.69 Mt.

Jieji Coal Mine, which is wholly owned by the Target Company, obtained a mining right licence (licence number: C5200002013061120133333) which carries an approved annual production capacity of 300,000 tonnes. The current mining right licence is valid from June 2013 to June 2023 covers a mining area of 3.248 sq.km. Jieji Coal Mine is located in the southwestern part of Guizhou Province, the PRC. As at 30 November 2025, Jieji Coal Mine had Indicated Resources of 22.64 Mt, Inferred Resources of 23.37 Mt, Probable Reserves of 18.52 Mt.

Set out below is the summary of the unaudited financial information of the Target Group for the two financial years ended 31 December 2024 and the eleven months ended 30 November 2025:

	For the year		For the eleven months	
	ended 31 December		ended 30 November	
	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	–	–	–	–
Loss before taxation	(9,431)	(10,519)	(9,709)	(7,376)
Loss and total comprehensive expense for the year/period	(9,431)	(10,519)	(9,709)	(7,376)

The unaudited asset value of the Target Group as at 31 December 2024 and 30 November 2025 amounted to approximately RMB315,820,000 and RMB315,028,000, respectively.

The Target Company was preliminarily valued at approximately RMB1.2 billion as at 30 November 2025 by the Valuer, by way of income approach.

Indemnity and historical arrangements

In connection with the implementation of the Proposed Capital Increase, such affiliation (掛靠) arrangement in respect of Guizhou Huaneng Jiayuan is not intended to form part of the Group's operations following the Registration Completion, and the Target Company will procure the termination of such affiliation arrangement and completion of the relevant procedures prior to Registration Completion.

Pursuant to the Capital Increase Agreement, the Original Shareholders and the Target Company have undertaken to rectify any historical business, financial or legal defects and/or non-compliance issues of the Target Company identified prior to Completion of the Capital Increase and to procure, where applicable, the relevant compliance certificates or non-penalty confirmations from the competent PRC authorities. The Original Shareholders have agreed to fully indemnify Jiutai Bangda and the Target Company against any losses, expenses or other costs suffered or incurred by Jiutai Bangda and/or the Target Company arising from such historical defects and/or non-compliance issues prior to Completion of the Capital Increase. The Original Shareholders have further undertaken that any outstanding indebtedness of the Target Company incurred prior to Completion of the Capital Increase and included in the

valuation results of the Target Company will be settled by the Target Company, whereas any such indebtedness not so included shall be fully settled and discharged by the Original Shareholders, who will indemnify Jiutai Bangda and/or the Target Company in relation thereto. Any indemnity amounts payable to Jiutai Bangda shall be settled within 20 business days after receipt of the relevant demand.

INFORMATION ABOUT THE VALUATION

The Valuation

As disclosed in this announcement, the Target Company and the Xiejiahegou Business have been valued for the purpose of determining the Proposed Capital Increase and the Proposed Consolidation. The Valuer has prepared the Valuation of the Xiejiahegou Business and the 100% equity interest in the Target Company as at 30 November 2025 using the income approach. Based on the Valuation, the preliminary value of the 100% equity interest in the Target Company as at 30 November 2025 is approximately RMB1.2 billion and the preliminary value of the Xiejiahegou Business as at 30 November 2025 to be contributed by Jiutai Bangda is approximately RMB1.0 billion.

Qualifications and independence of the Valuer

The Valuation was prepared by the Valuer, Win Bailey Valuation and Advisory Limited, an independent professional valuer. The competent evaluator of the Valuer responsible for the Valuation has more than 15 years of extensive experience in the mining industry globally. He meets all the requirements for “Competent Person” as defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and the Listing Rules for the purpose of mineral resource/ore reserve estimation and reporting.

The Directors have reviewed the qualifications and experience of the Valuer and are satisfied that the Valuer is competent to conduct the Valuation. The Board has also reviewed the terms of engagement of the Valuer and considers that the scope of work is appropriate for the purpose of the Valuation. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Valuer is a third party independent of the Group and its connected persons.

Valuation methodology and basis

In assessing the value of the Xiejiahegou Business and the 100% equity interest in the Target Company, the Valuer considered three main valuation approaches, namely the market approach, the cost approach and the income approach. Having considered the characteristics of the underlying assets and the availability of data, the Valuer adopted the income approach for the following reasons:

- (a) **Market approach:** there is a lack of sufficiently comparable, recent market transactions involving coal mines with similar geographical location, resource type, scale of reserves, production conditions, regulatory status and development stage as the Xiejiahegou

Coal Mine, Youyi Coal Mine and Jieji Coal Mine. In addition, the available transaction information in the PRC coal mining sector is limited and in many cases not fully disclosed. Accordingly, the Valuer considered that the market approach would not provide a reliable indication of value.

- (b) **Cost approach:** the cost approach primarily reflects the replacement or reproduction cost of the assets and does not fully capture the future economic benefits expected to be generated from the coal resources, such as future cash flows from production. Given that the value of the mining rights and related assets is driven mainly by their ability to generate future income, the Valuer considered that the cost approach would not be appropriate as the primary valuation method.
- (c) **Income approach:** the coal mines concerned are expected to generate future operating cash flows over their respective mine lives, taking into account approved production scales, planned development schedules and forecast coal prices and operating costs. The income approach, which discounts the forecast future cash flows to their present value, is therefore considered by the Valuer to be the most appropriate approach to capture the economic value of the mining rights and associated assets.

Valuation method and key parameters

Under the income approach, the Valuer adopted a discounted cash flow (“**DCF**”) method, whereby the value of each relevant mining project is determined by discounting the forecast future net cash flows attributable to the mining rights and related assets to their present value as at the valuation date.

In performing the DCF analysis, the Valuer has, among others, taken into account:

- (i) the latest approved production capacity and mine plans of Xiejiahegou Coal Mine, Youyi Coal Mine and Jieji Coal Mine, including the expected mine life, annual production volumes, stripping ratios and development schedules;
- (ii) forecast coal prices, which are determined with reference to historical price data, current and future market conditions in respect of the coal types produced or to be produced by the relevant coal mines;
- (iii) forecast operating costs, capital expenditure and sustaining capital requirements, including but not limited to mining, washing, transportation, labour, consumables, maintenance and environmental protection costs, based on the current operating parameters of Xiejiahegou Coal Mine and the expected operating parameters of Youyi Coal Mine and Jieji Coal Mine following the Proposed Consolidation;
- (iv) applicable PRC taxes, including resource tax, value added tax, surcharges and enterprise income tax, with reference to the prevailing tax regulations and policies;

- (v) discount rates applied to the cash flow forecasts of the relevant projects, determined having regard to the weighted average cost of capital of comparable PRC coal mining companies, project specific risks such as geological conditions, permitting and development risks, and country and regulatory risks; and
- (vi) where applicable, adjustments for non operating assets and liabilities and minority interests.

As the Valuation was prepared using the income approach and is based on forecast future cash flows of the relevant mining projects, such Valuation constitutes a profit forecast (the “**Profit Forecast**”) under Rule 14.61 of the Listing Rules.

Assumptions underlying the Valuation

The principal assumptions, including commercial assumptions, adopted by the Valuer in the preparation of the Valuation are set out in Appendix I to this announcement. Shareholders should note that the Valuation and the Profit Forecast do not represent a forecast of the future profits of the Group but were prepared solely for the purpose of assessing the market value of the relevant mining rights and assets as at the valuation date.

The Board’s view on the Valuation and the basis of the Proposed Capital Increase

The Directors have discussed with the Valuer the valuation methodologies, key assumptions and commercial assumptions adopted in the Valuation and have reviewed the Valuation for which the Valuer is responsible. The Directors have also taken into account, among others, (i) the preliminary valuation of the 100% equity interest in the Target Company of approximately RMB1.2 billion as at 30 November 2025; (ii) the preliminary valuation of approximately RMB1.0 billion of the Xiejiahegou Business to be contributed by Jiutai Bangda as at 30 November 2025; (iii) the expected synergies from the consolidation of the coal resources of Xiejiahegou Coal Mine and Youyi Coal Mine; and (iv) the future development potential and profitability of the consolidated coal mine upon completion of the Proposed Consolidation.

Having considered the above factors and having reviewed the report from Deloitte Touche Tohmatsu on the arithmetical accuracy of the calculations of the Profit Forecast used in the Valuation, the Directors are of the view that the basis and assumptions of the Valuation are fair and reasonable, and that the amount of the Proposed Capital Increase and the terms of the Capital Increase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON JIUTAI BANGDA AND THE ORIGINAL SHAREHOLDERS

Jiutai Bangda is an indirect wholly-owned subsidiary of the Company. The Group through Jiutai Bangda, is principally engaged in the exploration and mining of coking coal and coal refinery in the PRC.

Among the Original Shareholders:

- Panzhou Hengding is a limited liability company established in the PRC and is owned as to 90% by Mr. Han Chuang (韓闖) and 10% by Mr. Tie Kunlun (鐵昆倫) as at the date of this announcement. Panzhou Hengding is principally engaged in coal product sales and freight packaging services.
- Guizhou Tianjian is a limited liability company established in the PRC and is owned as to 51% by Mr. Song Shengli (宋勝利) and 49% as to Mr. Fu Pinzhou (傅品州) as at the date of this announcement. Guizhou Tianjian is principally engaged in energy project investment.
- Guizhou Zhonghang is a limited liability company established in the PRC and is owned as to 70% by Mr. Yao Chuanyi (姚傳宜) and 30% by Mr. Yao Zongjin (姚宗金) as at the date of this announcement. Guizhou Zhonghang is principally engaged in energy project investment.

Xiejiahegou Coal Mine, which is wholly owned by Jiutai Bangda, obtained a mining right licence (licence number: C5200002014071120135031) which carries an approved annual production capacity of 450,000 tonnes. The current mining right licence is valid from January 2020 to September 2039 covers a mining area of 1.0135 sq.km. Xiejiahegou Coal Mine is located in the southwestern part of Guizhou Province, the PRC. As at 30 November 2025, Xiejiahegou Coal Mine had Indicated Resources of 13.93 Mt, Inferred Resources of 9.52 Mt and Probable Reserves of 8.13 Mt.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Original Shareholders and their respective beneficial owners is a third party independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE PROPOSED CAPITAL INCREASE AND PROPOSED CONSOLIDATION

The Directors are of the view that the Proposed Capital Increase is strategically designed to revitalise dormant coal assets. The Target Company currently holds and wholly owns two inactive coal mines, namely Youyi Coal Mine and Jieji Coal Mine, which have no ongoing operations. The injection of resources and assets under Xiejiahegou Coal Mine is intended to activate and consolidate these assets under a unified operational platform.

The Proposed Consolidation is expected to enable resource integration and generate operational synergies. Xiejiahegou Coal Mine and Youyi Coal Mine are located in close proximity, which provides the potential for integration into a single operational unit, allowing for shared infrastructure, streamlined logistics, and coordinated development planning.

Furthermore, the revitalisation of Youyi Coal Mine and Jieji Coal Mine, together with the Proposed Consolidation, is expected to promote local employment and stimulate economic activity in the surrounding region. The Proposed Consolidation is anticipated to contribute to industrial revitalisation and social stability by creating new job opportunities and enhancing regional development.

Upon Registration Completion, the Company will gain control of three coal mines, thereby strengthening its strategic positioning. This will enhance the Company's resource portfolio and long-term production capacity, in line with its broader strategy to consolidate high-potential coal assets and improve operational efficiency through targeted investment and restructuring.

Accordingly, the Directors believe that the Proposed Consolidation is in the interests of the Company and its shareholders as a whole, supporting the Company's long-term growth objectives while delivering positive socio-economic impact in the region.

The Directors consider the entering into of the Capital Increase Agreement is in the Group's ordinary and usual course of business and the Proposed Consolidation is in the interests of the Company and the Shareholders as a whole, and the terms of the Capital Increase Agreement and transactions contemplated thereunder are fair and reasonable.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Proposed Capital Increase exceed 25% but are less than 100%, as such, the Proposed Capital Increase and the transactions contemplated under the Capital Increase Agreement constitute a major transaction for the Company and are therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. Completion of the Capital Increase (本次增資完成) will take place upon satisfaction or, where applicable, waiver of the Completion Conditions Precedent and upon Registration Completion in accordance with the Capital Increase Agreement.

To the best knowledge, information and belief of the Directors, as at the date of this announcement, neither the Original Shareholders nor any of their associates hold any Shares. As no Shareholder would be required to abstain from voting at the Company's general meeting for the approval of the Proposed Capital Increase, written shareholders' approval will be accepted in lieu of a general meeting on the condition that the accountants' report of the Target Business contains no qualified opinion by the reporting accountants pursuant to Rules 14.44 and 14.86 of the Listing Rules. Otherwise, the Company will convene a general meeting for the Shareholders to consider and, if thought fit, to pass the resolutions to approve the Proposed Capital Increase. The Company intends to seek a written Shareholder's approval from Spring Snow, which directly holds 864,000,000 Shares, representing approximately 54.0% of the issued share capital of the Company as at the date of this announcement, to approve the Proposed Capital Increase. The Company will make further announcement(s) in relation to the status of obtaining the aforementioned written Shareholder's approval.

As the Valuation of the Xiejiahegou Business and the 100% equity interest in the Target Company has been prepared based on the income approach, the Valuation constitutes a profit forecast (the “**Profit Forecast**”) under Rule 14.61 of the Listing Rules. Pursuant to Rule 14.60A of the Listing Rules, the details of the principal assumptions, including commercial assumptions, on which the Valuation prepared by the Valuer is based are set out in Appendix I to this announcement.

CONFIRMATIONS

Deloitte Touche Tohmatsu, the reporting accountant of the Company, has reviewed the arithmetical accuracy of the calculations of the Profit Forecast on which the Valuation, prepared using the income approach, is based, which does not involve the adoption of Accounting policies. The Board has confirmed that the Profit Forecast as set out in the Valuation has been made after due and careful enquiry by the Board.

The letter of the reporting accountant (the “**Reporting Accountant Letter**”) from Deloitte Touche Tohmatsu and the letter issued by the Board, both dated 20 January 2026, are set out in Appendix II and Appendix III to this announcement, respectively.

The qualifications of the experts who have given their conclusion or advices included in this announcement are set out as below:

Name	Qualification
Deloitte Touche Tohmatsu	Certified Public Accountants, Hong Kong Registered Public Interest Entity Auditors
Win Bailey Valuation and Advisory Limited	Qualified independent valuer

To the best of the Directors’ knowledge, information and belief and after having made all reasonable enquiries, each of the Valuer and Deloitte Touche Tohmatsu is a third party independent of the Group and its connected person(s).

To the best of the Directors’ knowledge, information and belief, as at the date of this announcement, none of the Valuer or Deloitte Touche Tohmatsu has any shareholding, directly or indirectly, in any member of the Group, or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

Each of the Valuer and Deloitte Touche Tohmatsu had given and has not withdrawn its respective written consent to the publication of this announcement with the inclusion of its respective name, letter, statements and all references to its name (including its qualification) in the form and context in which it respectively appears.

GENERAL

A circular containing, among other things, (i) the major terms of the Capital Increase Agreement and implementation agreements, where applicable; (ii) further details of the Target Company and the Proposed Consolidation (including the Xiejiahegou Assets, mining rights of Xiejiahegou Coal Mine and Xiejiahegou Property); (iii) the financial information of the Target Company; (iv) unaudited pro forma financial information of the Enlarged Group; (v) the Valuation Report; (vi) a competent persons' report on the Xiejiahegou Coal Mine, Youyi Coal Mine and Jieji Coal Mine; and (vii) such other information as required under the Listing Rules shall be despatched to the Shareholders within 15 business days after the publication of this announcement (i.e. on or before 10 February 2026).

The Proposed Capital Increase and Proposed Consolidation contemplated under the Capital Increase Agreement are subject to the fulfillment and/or waiver of a number of conditions precedent, and therefore may or may not materialise. Shareholders and potential investors are advised to exercise with caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Board”	the board of Directors of the Company
“Capital Contribution Completion”	the completion of the capital contribution by Jiutai Bangda to the Target Company under the Capital Increase Agreement by way of the transfer and delivery of, and/or completion of registration procedures in respect of, the mining rights of Xiejiahegou Coal Mine, the Xiejiahegou Property and the Xiejiahegou Assets (as applicable), in accordance with the Capital Increase Agreement
“Capital Contribution Date”	the date on which Capital Contribution Completion takes place
“Capital Increase Agreement”	the agreement dated 20 January 2026 entered into between Jiutai Bangda, Panzhou Hengding, Guizhou Tianjian, Guizhou Zhonghang and the Target Company
“Capital Increase Conditions Precedent”	the condition(s) precedent of Jiutai Bangda transferring the mining rights of Xiejiahegou Coal Mine, the Xiejiahegou Property and the Xiejiahegou Assets to the Target Company, as set out in the paragraph headed “The Proposed Capital Increase – 1. The Capital Increase Agreement – Conditions Precedent to the Proposed Capital Increase” in this announcement

“Company”	Perennial Energy Holdings Limited (久泰邦達能源控股有限公司), an exempted company with limited liability incorporated in the Cayman Islands, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion Conditions Precedent”	the condition(s) precedent to Registration Completion (and therefore to Completion of the Capital Increase) under the Capital Increase Agreement, as set out in the paragraph headed “The Proposed Capital Increase – 1. The Capital Increase Agreement – Conditions Precedent to the Registration Completion” in this announcement
“Completion Date”	the date on which Completion of the Capital Increase takes place
“Completion of the Capital Increase”	the completion of the Proposed Capital Increase under the Capital Increase Agreement, being the point in time when both (i) Capital Contribution Completion and (ii) Registration Completion have occurred in accordance with the terms of the Capital Increase Agreement
“Director(s)”	the director(s) of the Company
“Enlarged Group”	the Group upon Completion of the Capital Increase
“Group”	the Company and its subsidiaries
“Guizhou Tianjian”	Guizhou Tianjian Energy Investment Co., Ltd.* (貴州天健能源投資有限公司), a company established in the PRC with limited liability and is owned as to 51% by Mr. Song Shengli (宋勝利) and 49% as to Mr. Fu Pinzhou (傅品州) as at the date of this announcement
“Guizhou Zhonghang”	Guizhou Zhonghang Investment Co., Ltd.* (貴州中杭投資有限公司), a company established in the PRC with limited liability and is owned as to 70% by Mr. Yao Chuanyi (姚傳宜) and 30% by Mr. Yao Zongjin (姚宗金) as at the date of this announcement
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Indicated Resource”	that part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence
“Inferred Resource”	that part of a mineral resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity
“Jieji Coal Mine”	Guizhou Huaneng Jiayuan Coal Co., Ltd. Pan County Yingwu Village Jieji Coal Mine* (貴州華能佳源煤業有限公司盤縣英武鄉捷吉煤礦), an underground coal mine wholly owned by the Target Company, located at longitudes from 104°45’09”E to 104°47’49”E, and latitudes from 25°45’10”N to 25°46’12”N in Panzhou City, Guizhou Province, the PRC
“Jiutai Bangda”	Guizhou Jiutai Bangda Energy Development Co., Ltd.* (貴州久泰邦達能源開發有限公司), a company established in the PRC with limited liability and is a wholly-owned subsidiary of the Company
“Measured Resource”	that part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence
“Mt”	million tonnes
“Original Shareholders”	collectively referring to Panzhou Hengding, Guizhou Tianjian and Guizhou Zhonghang
“Panzhou Hengding”	Panzhou Hengding Coal Co., Ltd.* (盤州恒鼎煤業有限公司) is owned as to 90% by Mr. Han Chuang (韓闖) and 10% by Mr. Tie Kunlun (鐵昆倫) as at the date of this announcement
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Probable Reserve”	the economically mineable part of an Indicated, and in some circumstances, a Measured Resource, with a lower degree of confidence in the modifying factors including mining, metallurgical, economic, marketing, legal, environmental, social, and governmental factors

“Proposed Capital Increase”	the proposed capital increase of RMB114,489,795.92 in the registered capital of the Target Company by Jiutai Bangda pursuant to the Capital Increase Agreement.
“Proposed Consolidation”	the consolidation of the coal resources of both Xiejiahegou Coal Mine and Youyi Coal Mine
“Proved Reserve”	the economically mineable part of a Measured Resource, with a higher degree of confidence in the modifying factors including mining, metallurgical, economic, marketing, legal, environmental, social, and governmental factors
“Registration Completion”	the completion of all industrial and commercial registration and other procedural steps with the relevant PRC authorities in respect of the Proposed Capital Increase under the Capital Increase Agreement, and the issuance of the renewed business licence of the Target Company showing Jiutai Bangda as a shareholder of the Target Company
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Share(s)”	holder(s) of the issued Share(s) from time to time
“Spring Snow”	Spring Snow Management Limited, the controlling shareholder (as defined in the Listing Rules) of the Company which directly holds 864,000,000 Shares, representing approximately 54% of the total issued share capital of the Company as at the date of this announcement
“sq.km.”	square kilometres
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Guizhou Huaneng Jiayuan Coal Co., Ltd* (貴州華能佳源煤業有限公司), a company incorporated in the PRC with limited liability, which is owned as to 42.1% by Panzhou Hengding, 29.9% by Guizhou Tianjian and 28% by Guizhou Zhonghang as at the date of this announcement
“Target Group”	Target Company and its subsidiaries

“Valuation”	the preliminary valuation of the Xiejiahegou Business and the 100% equity interest in the Target Company as at 30 November 2025 as assessed by the Valuer
“Valuation Report”	the valuation report to be prepared by the Valuer in respect of the Xiejiahegou Business and 100% equity interest in the Target Company
“Valuer”	Win Bailey Valuation and Advisory Limited, an independent valuer engaged by the Company
“Xiejiahegou Assets”	certain assets of Jiutai Bangda (excluding the mining rights or property interests related to Xiejiahegou Coal Mine) operated by Jiutai Bangda at the Xiejiahegou Coal Mine, including machinery, office and electronic equipment, motor vehicles and the underground construction in progress
“Xiejiahegou Business”	business of exploration and mining of coking coal at Xiejiahegou Coal Mine including the Xiejiahegou Assets, the Xiejiahegou Property and the mining rights of the Xiejiahegou Coal Mine owned by Jiutai Bangda as at the date of this announcement
“Xiejiahegou Coal Mine”	Pan County Yangchang Village Xiejiahegou Coal Mine* (盤縣羊場鄉謝家河溝煤礦), an underground coal mine indirectly-wholly owned by the Company, located at longitudes from 104°47’7.65”E to 104°47’23.71”E, and latitudes from 25°56’21.88”N to 25°56’51.47”N in Panzhou City, Guizhou Province, the PRC
“Xiejiahegou Property”	(1) the land-use rights over two parcels of land with a total site area of approximately 32,813.32 sq.m., and three buildings in Panzhou City with a total site area of approximately 15,917.23 sq.m., mainly used for the mining operations at Xiejiahegou Coal Mine; and (2) the property interests over five temporary buildings and structures of approximately 1,839.92 sq.m.
“Youyi Coal Mine”	Guizhou Huaneng Jiayuan Coal Co., Ltd. Pan County Youyi Coal Mine* (貴州華能佳源煤業有限公司盤縣有益煤礦), an underground coal mine wholly owned by the Target Company, located at longitudes from 104°45’41”E to 104°47’23”E and latitudes from 25°56’14”N to 25°57’15”N in Panzhou City, Guizhou Province, the PRC

“%”

per cent.

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

Hong Kong, 20 January 2026

In this announcement, the terms “connected person”, “percentage ratios” and “subsidiary” have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

English translations for the Chinese names of the PRC entities, authorities or facilities in this announcement are for reference only. In the event of any discrepancies between the Chinese names of these PRC entities, authorities or facilities and their respective English translations, the Chinese version shall prevail.

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.

APPENDIX I – PRINCIPAL ASSUMPTIONS FOR PROFIT FORECAST

The following sets out the assumptions used by the Valuer in the preparation of the Valuation Report:

- The information provided and the representations made by the management of the Company, the management of the Target Company and/or their representative(s) (collectively the “**Management**”) with regard to the financial and business affairs of Xiejiahegou Business, Youyi Coal Project and Jieji Coal Project (collectively defined as the “**Mining Targets**”) are accurate and reliable;
- The Mining Targets will continue to operate as a going concern and has sufficient liquidity and capability to achieve the business development;
- The Mining Targets has obtained all necessary permits, business certificates, licenses and legal approvals to operate the business and all relevant permits, business certificates, licenses and legal approvals to operate the business in the localities in which the Mining Targets operates or intends to operate would be officially obtained and renewable upon expiry with *de minimis* expenses;
- There will be sufficient supply of technical staff in the industry in which the Mining Targets operates or intends to operate, and the Mining Targets will retain competent management, key personnel and technical staff to support their ongoing operations and developments;
- There will be no major changes in the current taxation laws in the localities in which the Mining Targets operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;
- There will be no major changes in the political, legal, economic or market conditions in the localities in which the Mining Targets operates or intends to operate, which would adversely affect the revenues attributable to and profitability of the Mining Targets;
- There will be no material changes in the relevant interest rates and exchange rates that would impact the Mining Targets’ business; and
- There are no undisclosed actual or contingent assets or liabilities, no unusual obligations or substantial commitments, other than in the ordinary course of business and as reflected in the financials, nor any litigation pending or threatened, which would have a material impact on the values of the Mining Targets as of 30 November 2025.

APPENDIX II – LETTER FROM REPORTING ACCOUNTANTS

The following is the text of a report, prepared for the purpose of incorporation in this announcement, received from the Company’s reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong.

Deloitte.

德勤

INDEPENDENT ASSURANCE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION OF THE XIEJIAHEGOU BUSINESS AND 100% EQUITY INTEREST IN GUIZHOU HUANENG JIAYUAN COAL CO., LTD.* (貴州華能佳源煤業有限公司)

TO THE DIRECTORS OF PERENNIAL ENERGY HOLDINGS LIMITED

We have examined the calculations of the discounted future estimated cash flows on which the valuation prepared by Win Bailey Valuation and Advisory Limited, of the Xiejiahegou Business (as defined in the Announcement which has been defined below) and 100% equity interest in Guizhou Huaneng Jiayuan Coal Co., Ltd.* (貴州華能佳源煤業有限公司) (the “**Target Company**”) as at 30 November 2025 (the “**Valuation**”) is based. Xiejiahegou Business is the business of exploration and mining of coking coal at Xiejiahegou Coal Mine* (盤縣羊場鄉謝家河溝煤礦) owned by a wholly-owned subsidiary of Perennial Energy Holdings Limited (the “**Company**”). Target Company is a company incorporated in the People’s Republic of China, whose principal asset is Guizhou Huaneng Jiayuan Coal Co., Ltd. Pan County Youyi Coal Mine* (貴州華能佳源煤業有限公司盤縣有益煤礦) and Guizhou Huaneng Jiayuan Coal Co., Ltd. Pan County Yingwu Town Jieji Coal Mine* (貴州華能佳源煤業有限公司盤縣英武鄉捷吉煤礦). The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and will be included in an announcement dated 20 January 2026 to be issued by the Company in connection with the proposed capital increase in the Target Company (the “**Announcement**”).

Directors’ Responsibility for the Discounted Future Estimated Cash Flows

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the directors and set out in the Announcement (the “**Assumptions**”). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

* English translations for Chinese names are for reference only

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibility

Our responsibility is to express an opinion on whether the calculations of the discounted future estimated cash flows have been properly compiled, in all material respects, in accordance with the Assumptions on which the Valuation is based and to report solely to you, as a body, as required by Rule 14.60A(2) of the Listing Rules, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Our engagement was conducted in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions. Our work was limited primarily to making inquiries of the Company’s management, considering the analyses and assumptions on which the discounted future estimated cash flows are based and checking the arithmetic accuracy of the compilation of the discounted future estimated cash flows. Our work does not constitute any valuation of the Xiejiahegou Business and Target Company.

Because the Valuation relates to discounted future estimated cash flows, no accounting policies of the Company have been adopted in its preparation. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

Opinion

Based on the foregoing, in our opinion, the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
20 January 2026

APPENDIX III – LETTER FROM THE BOARD

The following is the text of a letter from the Board in relation to the profit forecast prepared for the purpose of incorporation in this announcement.

The Listing Division
The Stock Exchange of Hong Kong Limited
12/F, Two Exchange Square
8 Connaught Place
Central, Hong Kong

20 January 2026

Dear Sirs

RE: ANNOUNCEMENT – MAJOR TRANSACTION IN RESPECT OF THE PROPOSED CAPITAL INCREASE IN THE TARGET COMPANY

We, Perennial Energy Holdings Limited (the “**Company**”) refer to the announcement of the Company dated 20 January 2026 (the “**Announcement**”), of which this letter forms part. Unless the context otherwise requires, terms defined in the Announcement shall have the same meanings when used herein.

We refer to the Valuation, which forms one of the bases for determining the consideration for the Proposed Capital Increase. We note that the methodology applied in deriving the Valuation is regarded as a profit forecast (the “**Profit Forecast**”) under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

We have reviewed and discussed the Valuation with Win Bailey Valuation and Advisory Limited (the “**Valuer**”) and the management of the Group. We have also engaged Deloitte Touche Tohmatsu, the reporting accountant of the Company, to report on the arithmetical accuracy of the calculations of the Profit Forecast used in the Valuation in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the Hong Kong Institute of Certified Public Accountants, and have considered its report.

On the basis of the foregoing, we confirm that the Profit Forecast as contained in the Valuation has been made after due and careful enquiry by the Board.

Yours faithfully
For and on behalf of the Board
Perennial Energy Holdings Limited
Yu Bangping
Chairman and Executive Director