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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)

BUSINESS UPDATE

This announcement is made by Perennial Energy Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") on a voluntary basis for the purpose of keeping the shareholders of the Company (the "**Shareholders**") and potential investors informed of the latest business development of the Group.

BUSINESS UPDATE

Reference is made to the section headed "Business – Qualified Coal Mine Consolidator and Our Expansion Plan" in the Company's prospectus dated 26 November 2018 (the "**Prospectus**") regarding the expansion plan of the Group. Unless otherwise stated or the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Prospectus.

The Company is pleased to announce that each of the Baogushan Mine and Hongguo Mine has obtained approval for joint trial operation from the Energy Bureau of Guizhou Province (貴州省能源局) on 7 August 2019 (the "**Approval Date**"). Since the Approval Date, the joint trial operation for 600,000 tonnes/year production capacity for each of the Baogushan Mine and Hongguo Mine has commenced. The Directors expect to apply for the completion of joint trial operation for each of the Baogushan Mine and Hongguo Mine and obtain the respective mining right licenses and safety production permits in alignment with the enhanced production capacity within six months from the Approval Date.

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

By order of the Board
PERENNIAL ENERGY HOLDINGS LIMITED
Yu Bangping
Chairman and Executive Director

Hong Kong, 19 August 2019

As of the date of this announcement, the executive Directors are Mr. Yu Bangping, Mr. Sun Dawei, Mr. Wang Shize, Mr. Li Xuezhong and Mr. Lam Chik Shun, Marcus; and the independent non-executive Directors are Mr. Fong Wai Ho, Mr. Punnya Niraan De Silva, Ms. Cheung Suet Ting, Samantha.