

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Perennial Energy Holdings Limited, you should at once pass this circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

PROPOSALS FOR RE-ELECTION OF DIRECTORS, GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of Perennial Energy Holdings Limited to be held at Unit 1003, 10th Floor, Tower 2, Lippo Centre, 89 Queensway, Hong Kong on Thursday, 20 June 2019 at 11:00 a.m. is set out on pages 15 to 20 of this circular. Whether or not you are able to attend the annual general meeting in person, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Unit 1003, 10th Floor, Tower 2, Lippo Centre, 89 Queensway, Hong Kong on Thursday, 20 June 2019 at 11:00 a.m. or any adjournment thereof
“Articles of Association”	the articles of association of the Company, as amended from time to time
“associated corporation”	has the meaning ascribed to it under the SFO
“Board”	the board of Directors
“Cayman Companies Law”	the Companies Law, Cap. 22 of the Cayman Islands as amended, supplemented or otherwise modified from time to time
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Company”	Perennial Energy Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules and for the context of this circular, shall mean Yu Bangping, Yu Bangcheng, Qu Liumei, Sun Dawei, Wang Shize, Lucky Street Limited, Beautiful Day Limited, Sunrise Morning Limited, Black Pearl Limited, Seasons In The Sun Limited and Spring Snow
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Latest Practicable Date”	19 April 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Date”	12 December 2018, the date on which dealings in the Shares commenced on the main board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the memorandum of association of the Company, as amended from time to time
“Proposed Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to repurchase Shares not exceeding 10 per cent of the number of Shares in issue as at the date of passing of the resolution granting the Proposed Repurchase Mandate
“RMB” or “Renminbi”	Renminbi yuan, the lawful currency of the People’s Republic of China
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Spring Snow”	Spring Snow Management Limited, a limited liability company incorporated in the British Virgin Islands on 9 May 2016
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Yu Bangping (*Chairman of the Board and
Chief Executive Officer*)

Mr. Sun Dawei

Mr. Wang Shize

Mr. Li Xuezhong

Mr. Lam Chik Shun, Marcus

Independent Non-executive Directors:

Mr. Fong Wai Ho

Mr. Punnya Niraan De Silva

Ms. Cheung Suet Ting, Samantha

Mr. Wang Hongchuan

Registered Office:

P.O. Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

Principal Place of

Business in Hong Kong:

Unit 1003, 10th Floor

Tower 2, Lippo Centre

89 Queensway

Hong Kong

26 April 2019

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS
GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide the Shareholders with the notice of AGM and the relevant resolutions to be proposed at the AGM relating to, among others, (i) the re-election of retiring Directors, and (ii) the granting to the Directors of general mandates to issue and repurchase Shares.

RE-ELECTION OF DIRECTORS

In accordance with Article 16.2 of the Articles of Association, all the existing Directors shall retire at the AGM and being eligible, have offered themselves for re-election at the AGM.

LETTER FROM THE BOARD

The Company considers that the re-election of Mr. Fong Wai Ho, Mr. Punnya Niraan De Silva, Ms. Cheung Suet Ting, Samantha and Mr. Wang Hongchuan as the independent non-executive Directors of the Company will ensure continuity in management and save the time and costs in searching for new director candidates.

Since Mr. Fong Wai Ho, Mr. Punnya Niraan De Silva, Ms. Cheung Suet Ting, Samantha and Mr. Wang Hongchuan have fulfilled the requirements of Rule 3.13 of the Listing Rules and have provided their independence confirmation to the Company, the Company considers each of Mr. Fong Wai Ho, Mr. Punnya Niraan De Silva, Ms. Cheung Suet Ting, Samantha and Mr. Wang Hongchuan to be independent.

As each of Mr. Fong Wai Ho, Mr. Punnya Niraan De Silva, Ms. Cheung Suet Ting, Samantha and Mr. Wang Hongchuan does not hold more than six listed company directorships, the Company believes that they would be able to devote sufficient time to the Board.

As Mr. Fong Wai Ho, Mr. Punnya Niraan De Silva and Ms. Cheung Suet Ting, Samantha possess the accounting and financial professional qualifications and private equity experience, respectively, and Mr. Wang Hongchuan possesses profound experience in coal mining industry, the Company is of the view that the above independent non-executive Directors do possess the perspectives, skills and experience that can bring to the Board and ensure diversity in the composition of the Board by taking into consideration of the Company's business model and specific needs on ensuring proper and timely financial reporting and abiding by the relevant laws and regulations in areas of which the Company operates.

Details of the retiring Directors proposed to be re-elected at the AGM are set forth in Appendix I to this circular.

GENERAL MANDATE TO ISSUE SHARES

In order to ensure greater flexibility for the Company to issue new Shares, an ordinary resolution no. 4 will be proposed at the AGM to grant to the Directors a general and unconditional mandate to exercise the powers of the Company to allot and issue new Shares in the share capital of the Company up to 20 per cent of the number of Shares in issue as at the date of the passing of the resolution in relation to such general mandate. As at the Latest Practicable Date, the issued share capital of the Company comprised 1,600,000,000 Shares. Subject to the passing of ordinary resolution no. 4 and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to issue a maximum of 320,000,000 Shares. In addition, subject to a separate approval of the ordinary resolution no. 6, the number of Shares purchased by the Company under ordinary resolution no. 5 will also be added to the 20 per cent general mandate as mentioned in the ordinary resolution no. 4. The Directors wish to state that they have no immediate plans to issue any new Shares pursuant to such general mandate. The granting of the foregoing general mandate to the Directors will provide flexibility and discretion to the Directors in the event it becomes desirable to issue any new Shares.

LETTER FROM THE BOARD

GENERAL MANDATE TO REPURCHASE SHARES

In addition, an ordinary resolution will be proposed at the AGM to approve the Proposed Repurchase Mandate granted to the Directors to exercise the powers of the Company to repurchase Shares not exceeding 10 per cent of the number of Shares in issue as at the date of the passing of the resolution in relation to such Proposed Repurchase Mandate.

An explanatory statement required by the Listing Rules in connection with the Proposed Repurchase Mandate is set out in Appendix II to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the AGM.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders' eligibility to attend, speak and vote at the AGM, the register of members of the Company will be closed from Monday, 17 June 2019 to Thursday, 20 June 2019 (both days inclusive). During the closure period, no transfer of shares will be registered. To be eligible to attend, speak and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 pm on Friday, 14 June 2019.

NOTICE OF ANNUAL GENERAL MEETING

Set out on pages 15 to 20 of this circular is the notice of AGM to be held at Unit 1003, 10th Floor, Tower 2, Lippo Centre, 89 Queensway, Hong Kong on Thursday, 20 June 2019 at 11:00 a.m.

FORM OF PROXY

A form of proxy is enclosed for use at the AGM. Such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk). Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the holding of the AGM or any adjournment thereof (as the case may be). Completion and delivery of the form of proxy will not preclude Shareholders from attending the AGM or any adjournment thereof (as the case may be) and voting in person if they so wish and in such event, the form of proxy will be deemed to be revoked.

LETTER FROM THE BOARD

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the AGM shall therefore demand voting on all resolutions set out in the notice of AGM be taken by way of poll pursuant to Article 13.5 of the Articles of Association.

On a poll, every Shareholder present in person or by proxy or (being a corporation) by its duly authorised representative shall have one vote for each Share registered in his/her/its name in the register. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes he/she/it uses in the same way.

RECOMMENDATION

The Directors consider that the above proposals, including but not limited to the proposed resolutions for the granting to the Directors of the general mandate to issue Shares, the Proposed Repurchase Mandate and the re-election of the retiring Directors are in the interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Perennial Energy Holdings Limited
Yu Bangping
Chairman and executive director

The following are the particulars of the Directors (as required by the Listing Rules) proposed to be re-elected at the AGM.

Save as disclosed herein for and as of the Latest Practicable Date, each of the Directors (i) had no other relationship with any Directors, senior management or substantial or controlling Shareholders of the Company; and (ii) did not hold any other directorships in other listed public companies in Hong Kong or overseas in the last three years.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders and there is no information relating to the following Directors which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

Mr. Yu Bangping (余邦平先生) (“**Mr. Yu**”), aged 50, chairman, chief executive officer and executive Director of the Company. Mr. Yu joined the Group in 1990 and is a founder of the Group. Mr. Yu is also the chairman of the nomination committee of the Company. Mr. Yu is also a director of Jiutai Bangda Energy Development Co., Ltd* (貴州久泰邦達能源開發有限公司) (“**Jiutai Bangda**”), a wholly-owned subsidiary of the Company. He is responsible for the overall management and strategic planning and development of the Group, including day-to-day business management, overseeing sales and marketing matters as well as managing external relationships with business partners. Mr. Yu has more than 27 years of experience in the coal mining industry. He has acted as the legal representative of both Hongguo Mine and Baogushan Mine since the acquisition of such mines. Apart from Mr. Yu’s contributions to the Group, he was appointed as the vice president of the township enterprises association in Liupanshui in 2004, appointed as a deputy of the National People’s Congress of Pan county in March 2005, recognized as a “Model Labourer” by the Liupanshui township in April 2005, recognized as the 2008 outstanding private entrepreneur in Guizhou Province, recognized as one of the top 10 influential entrepreneurs in 2009, recognized as the “Guizhou Star of Entrepreneurship” in 2010 and recognized as a “Model Labourer” in Guizhou in April 2010. Mr. Yu has also been recognized for his social contributions to his community. He was recognized for his individual support of social welfare in April 2007, recognized for his outstanding contributions for disaster relief in April 2008 and recognized as the “Moral Model” for helping others in Liupanshui in November 2010. Mr. Yu graduated from Guizhou Province Professional Secondary School* (貴州省普通中等專業學校) majoring in underground mining.

Mr. Yu entered into a director’s service agreement on 15 November 2018 with the Company for a term of three years and is subject to retirement by rotation and re-election at the AGM in accordance with Article 16.2 of the Articles of Association. He is entitled to a director’s remuneration of HK\$1,200,000 per annum.

* For identification purposes only

Mr. Yu is interested in 4,827,441 shares of Spring Snow, an associated corporation of the Company, representing approximately 48.27% interest in Spring Snow. The 4,827,441 shares in Spring Snow were held by Lucky Street Limited, which is directly wholly-owned by Mr. Yu. As of the Latest Practicable Date, Spring Snow held and controlled 1,080,000,000 Shares, representing approximately 67.5% of the entire issued share capital of the Company. Save as disclosed above, Mr. Yu was not interested or deemed to be interested in any Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Mr. Sun Dawei (孫大煒先生) (“Mr. Sun”), aged 46, joined the Group in 2008 and was appointed as an executive Director in March 2018. Mr. Sun is also a director of Jiutai Bangda. Mr. Sun is responsible for the daily business operations of the Group. He has over nine years of experience in coal mining industry. Mr. Sun graduated from Dafang County Vocational High School.

Mr. Sun entered into a director’s service agreement on 15 November 2018 with the Company for a term of three years and is subject to retirement by rotation and re-election at the AGM in accordance with Article 16.2 of the Articles of Association. He is entitled to a director’s remuneration of HK\$1,200,000 per annum.

Mr. Sun is interested in 1,293,140 shares of Spring Snow, an associated corporation of the Company, representing approximately 12.93% interest in Spring Snow. The 1,293,140 shares in Spring Snow were held by Black Pearl Limited, which is directly wholly-owned by Mr. Sun. As of the Latest Practicable Date, Spring Snow held and controlled 1,080,000,000 Shares, representing approximately 67.5% of the entire issued share capital of the Company. Save as disclosed above, Mr. Sun was not interested or deemed to be interested in any Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Mr. Wang Shize (王世澤先生) (“Mr. Wang”), aged 51, joined the Group in 2003 and was appointed as an executive Director in March 2018. Mr. Wang is also a director of Jiutai Bangda. Mr. Wang is responsible for the daily business operations of the Group, he is also responsible for administration and human resources management of the Group. Mr. Wang has over 14 years of experience in the coal mining industry. From June 2011 to November 2017, he was the supervisor of Guizhou Bangda Energy Development Co., Ltd.* (貴州邦達能源開發有限公司) (“**Guizhou Bangda**”). Mr. Wang holds a diploma in economic management awarded by Guizhou Provincial Party School.

Mr. Wang entered into a director’s service agreement on 15 November 2018 with the Company for a term of three years and is subject to retirement by rotation and re-election at the AGM in accordance with Article 16.2 of the Articles of Association. He is entitled to a director’s remuneration of HK\$1,200,000 per annum.

Mr. Wang is interested in 287,364 shares of Spring Snow, an associated corporation of the Company, representing approximately 2.87% interest in Spring Snow. The 287,364 shares in Spring Snow were held by Seasons in The Sun Limited, which is directly wholly-owned by Mr. Wang. As of the Latest Practicable Date, Spring Snow held and

controlled 1,080,000,000 Shares, representing approximately 67.5% of the entire issued share capital of the Company. Save as disclosed above, Mr. Wang was not interested or deemed to be interested in any Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Mr. Li Xuezhong (李學忠先生) (“Mr. Li”), aged 50, joined the Group in 2018 and was appointed as an executive Director in March 2018 and the chief operating officer of the Group in April 2019. Mr. Li assists the chief executive officer in handling daily business operation especially in legal matters and administrative management. He has taken senior management roles in different enterprises in China and possesses years of experience in corporate management. Mr. Li holds a bachelor’s degree in economics awarded by Shaanxi Institute of Finance and Economics. He obtained his accountant qualification from Ministry of Personnel of People’s Republic of China.

Mr. Li entered into a director’s service agreement on 15 November 2018 with the Company for a term of three years and is subject to retirement by rotation and re-election at the AGM in accordance with Article 16.2 of the Articles of Association. He is entitled to a director’s remuneration of HK\$1,200,000 per annum.

As at the Latest Practicable Date, Mr. Li was not interested or deemed to be interested in any Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Mr. Lam Chik Shun, Marcus (林植信先生) (“Mr. Lam”), aged 41, joined the Group in 2017 and was appointed as an executive Director in March 2018 and the chief strategy officer of the Group in April 2019. Mr. Lam is also the member of remuneration committee of the Company. Mr. Lam is also a director of Coal & Mines International Resources Limited and HongKong Resources Management Limited, both are wholly-owned subsidiaries of the Company. Mr. Lam works closely with the chairman of the Board and chief executive officer of the Group as well as the Board to develop corporate strategies and guide the business through the strategic planning procedures. He also focuses on strengthening the Group’s core competency and identifying future growth organically and externally. Mr. Lam has over 18 years of experience working in the financial industry, focusing on financial management and investment. Mr. Lam holds a bachelor’s degree in commerce awarded by the University of British Columbia and a master of business administration degree awarded by Warwick Business School. He is a Chartered Financial Analyst charter holder.

Mr. Lam entered into a director’s service agreement on 15 November 2018 with the Company for a term of three years and is subject to retirement by rotation and re-election at the AGM in accordance with Article 16.2 of the Articles of Association. He is entitled to a director’s remuneration of HK\$1,200,000 per annum.

As at the Latest Practicable Date, Mr. Lam was not interested or deemed to be interested in any Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Mr. Fong Wai Ho (方偉豪先生) (“Mr. Fong”), aged 38, was appointed as an independent non-executive Director in November 2018. He is also the chairman of audit committee and remuneration committee of the Company and the member of nomination committee of the Company. Mr. Fong has 14 years of experience in auditing and business advisory services, he is the founder and practitioner of UBC & Co., Certified Public Accountants from March 2013 to present. Mr. Fong has also been the practicing director of Andes Glacier CPA Limited since March 2017. Mr. Fong holds a bachelor’s degree in business administration (honours) in accountancy and management information systems awarded by City University of Hong Kong. Mr. Fong is a practicing Certified Public Accountant in Hong Kong, a member of the Association of Chartered Certified Accountants as well as a fellow of the Hong Kong Institute of Certified Public Accountants. He is a member of the Chartered Professional Accountants of British Columbia and the Chartered Professional Accountants of Canada, respectively.

Mr. Fong is currently an independent non-executive director of Global Sweeteners Holdings Limited (stock code: 3889), a company listed on the Stock Exchange.

Mr. Fong has entered into a letter of appointment with the Company on 14 November 2018 and shall continue for a period of three years from the Listing Date. Mr. Fong is entitled to a director’s fee of HK\$360,000 per annum.

As at the Latest Practicable Date, Mr. Fong was not interested or deemed to be interested in any Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Mr. Punnya Niraan De Silva (“Mr. De Silva”), aged 34, was appointed as an independent non-executive Director in November 2018. Mr. De Silva is also the member of audit committee and remuneration committee of the Company. Mr. De Silva has over 11 years of experience in the financial industry. From November 2017 to present, he worked as a consultant for Ho Chi Minh City Development Joint Stock Commercial Bank. Mr. De Silva holds a bachelor’s degree in commerce and economics awarded by Monash University Australia.

Mr. De Silva has entered into a letter of appointment with the Company on 14 November 2018 and shall continue for a period of three years from the Listing Date. Mr. Punnya is entitled to a director’s fee of HK\$360,000 per annum.

As at the Latest Practicable Date, Mr. De Silva was not interested or deemed to be interested in any Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Ms. Cheung Suet Ting, Samantha (張雪婷女士) (“Ms Cheung”), aged 36, was appointed as an independent non-executive Director in November 2018. Ms. Cheung is also the member of audit committee and nomination committee of the Company. Ms. Cheung has over six years of experience in private equity investments and mergers and acquisitions. From November 2017, she works as finance executive at Breakthrough Innovation Lab, a venture builder of many promising and innovative tech startups. Ms. Cheung holds a bachelor’s degree in economics and mathematics awarded by Brandeis University.

Ms. Cheung has entered into a letter of appointment with the Company on 14 November 2018 and shall continue for a period of three years from the Listing Date. Ms. Cheung is entitled to a director's fee of HK\$360,000 per annum.

As at the Latest Practicable Date, Ms. Cheung was not interested or deemed to be interested in any Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Mr. Wang Hongchuan (王洪川先生) ("Mr. Wang"), aged 44, was appointed as an independent non-executive Director in November 2018. Mr. Wang has over 20 years of experience in coal mining industry. Mr. Wang is a qualified senior engineer in mining engineering. Mr. Wang graduated from Guizhou University majoring in mining and mechanical engineering and China University of Mining and Technology majoring in mining engineering.

Mr. Wang has entered into a letter of appointment with the Company on 14 November 2018 and shall continue for a period of three years from the Listing Date. Mr. Wang is entitled to a director's fee of RMB240,000 per annum.

As at the Latest Practicable Date, Mr. Wang was not interested or deemed to be interested in any Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the AGM in relation to the proposed repurchase mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,600,000,000 Shares of nominal value of HK\$0.01 each. Subject to the passing of the resolution granting the Proposed Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 160,000,000 Shares, which represent 10 per cent of the number of Shares in issue as at the date of passing the relevant resolutions, during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the Articles of Association or the date upon which such authority is revoked or varied by a resolution of the Shareholders in a general meeting.

SOURCE OF FUNDS

Repurchases must be paid out of funds legally available for the purpose in accordance with the Articles of Association, the Listing Rules and the Cayman Companies Law. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Cayman Islands laws, any repurchases by the Company may be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if so authorised by the Articles of Association and subject to the provisions of the Cayman Companies Law, out of capital.

Any premium payable on a redemption or purchase over the par value of the Shares to be purchased must be provided for out of the profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorised by the Articles of Association and subject to the provisions of the Cayman Companies Law, out of capital.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interest of the Company and the Shareholders for the Directors to have general authority from the Shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if the Directors believe that such repurchases will benefit the Company and the Shareholders.

IMPACT OF REPURCHASES

On the basis of the current financial position of the Group as disclosed in the audited consolidated financial statements of the Company as at 31 December 2018, being the date to which the latest published audited consolidated financial statements of the Company were made up, the Directors consider that, if the Proposed Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Group as compared with the position disclosed in the audited consolidated financial statements of the Company as at 31 December 2018. However, the Directors do not propose to exercise the Proposed Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Group or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Group.

GENERAL

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Proposed Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) currently intends to sell any Shares to the Company or its subsidiaries.

If, as a result of a securities repurchase, a Shareholder's proportionate interest in the voting rights of the Company is increased, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder, a group of Shareholders acting in concert (within the meaning under the Takeover Code), depending on the level of increase of such Shareholders' interest, could obtain or consolidate control of the Company and may become obliged under Rule 26 of the Takeovers Code to make a mandatory offer unless a whitewash waiver is obtained. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Proposed Repurchase Mandate.

As at the Latest Practicable Date, according to the register kept by the Company pursuant to Section 336 of the SFO, Spring Snow held and controlled 1,080,000,000 Shares, representing approximately 67.5% of the entire issued share capital of the Company. If the Proposed Repurchase Mandate is exercised in full, the controlling interests of Spring Snow in the Company will increase to approximately 75%. As such, the Directors consider that the full exercise of the Proposed Repurchase Mandate will not lead to the percentage of the Company's public float falling below 25% of the total number of issued Shares.

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company, or has undertaken not to do so if the Proposed Repurchase Mandate is exercised.

SHARE REPURCHASE MADE BY THE COMPANY

No repurchase of Shares (whether on the Stock Exchange or otherwise) have been made by the Company in the period from the Listing Date to the Latest Practicable Date.

SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange from the Listing Date to the Latest Practicable Date were as follows:

	Trading price per Share	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
December 2018 (From the Listing Date)	0.71	0.67
January 2019	0.86	0.66
February 2019	0.73	0.66
March 2019	0.95	0.69
April 2019 (up to the Latest Practicable Date)	0.93	0.81

NOTICE OF ANNUAL GENERAL MEETING

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)

NOTICE IS HEREBY GIVEN that an Annual General Meeting of Perennial Energy Holdings Limited (the “**Company**”) will be held at Unit 1003, 10th Floor, Tower 2, Lippo Centre, 89 Queensway, Hong Kong on Thursday, 20 June 2019 at 11:00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and the independent auditor of the Company for the year ended 31 December 2018.
2. (a) To re-elect the following persons as Directors of the Company:
 - (i) To re-elect Mr. Yu Bangping as an executive Director;
 - (ii) To re-elect Mr. Sun Dawei as an executive Director;
 - (iii) To re-elect Mr. Wang Shize as an executive Director;
 - (iv) To re-elect Mr. Li Xuezhong as an executive Director;
 - (v) To re-elect Mr. Lam Chik Shun, Marcus as an executive Director;
 - (vi) To re-elect Mr. Fong Wai Ho as an independent non-executive Director;
 - (vii) To re-elect Mr. Punnya Niraan De Silva as an independent non-executive Director;
 - (viii) To re-elect Ms. Cheung Suet Ting, Samantha as an independent non-executive Director;
 - (ix) To re-elect Mr. Wang Hongchuan as an independent non-executive Director.
- (b) To authorise the Board of Directors to fix the Directors’ remuneration.
3. To re-appoint Deloitte Touche Tohmatsu as independent auditor of the Company and to authorise the Board to fix its remuneration.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolution as ordinary resolution:

4. "THAT:

- (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional shares in the capital of the Company or securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities of the Company and to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into shares of the Company) which may require the exercise of such powers be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall be in addition to any other authorization given to the Directors and shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;
- (iii) the number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors during the Relevant Period pursuant to paragraph (i) above, otherwise than pursuant to (1) a Rights Issue (as hereinafter defined) or (2) the grant or exercise of any option under the option scheme of the Company or any other option, scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (3) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or (4) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed the aggregate of 20 per cent of the number of shares of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly;

NOTICE OF ANNUAL GENERAL MEETING

- (iv) for the purpose of this resolution:
 - (a) “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (1) the conclusion of the next annual general meeting of the Company;
 - (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; and
 - (3) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
 - (b) “Rights Issue” means an offer of shares in the capital of the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares in the capital of the Company whose names appear on the register of members on a fixed record date in proportion to their holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”

To consider and, if thought fit, pass the following resolution as ordinary resolution:

5. **“THAT:**

- (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and recognised for this purpose by the Securities and Futures Commission and the Stock Exchange and, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the approval in paragraph (i) shall be in addition to any other authorization given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period (as hereinafter defined) to procure the Company to purchase its shares at a price determined by the Directors;
- (iii) the number of shares of the Company which are authorised to be purchased by the Directors pursuant to the approval in paragraph (i) above shall not exceed 10 per cent of the number of shares of the Company in issue as at the date of passing this resolution, and the said approval shall be limited accordingly;
- (iv) subject to the passing of each of the paragraphs (i) to (iii) of this resolution, any prior approvals of the kind referred to in paragraphs (i) to (iii) of this resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (v) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (1) the conclusion of the next annual general meeting of the Company;
- (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; and
- (3) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.”

To consider and, if thought fit, pass the following resolution as ordinary resolution:

- 6. “**THAT** conditional upon the resolutions numbered 4 and 5 set out in the notice convening this meeting being passed, the general mandate granted to the Directors of the Company to exercise the powers of the Company to allot, issue and otherwise deal with additional shares of the Company and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to the ordinary resolution numbered 4 set out in the notice convening this meeting be and is hereby extended by the addition to the number of shares of the Company which may be allotted by the Directors pursuant to such general mandate the number of shares of the Company repurchased by the Company under the authority granted pursuant to ordinary resolution numbered 5 set out in the notice convening this meeting,

NOTICE OF ANNUAL GENERAL MEETING

provided that such number shall not exceed 10 per cent of the number of shares of the Company in issue at the date of passing of the said resolutions.”

By Order of the Board
Perennial Energy Holdings Limited
Yu Bangping
Chairman and Executive Director

Hong Kong, 26 April 2019

Registered office:
P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Principal place of business in Hong Kong:
Unit 1003, 10th Floor
Tower 2, Lippo Centre
89 Queensway
Hong Kong

Notes:

- (i) Any shareholder entitled to attend and vote at the above meeting is entitled to appoint one or, if he/she/it is the holder of two or more shares, more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company.
- (ii) In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, shall be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time for holding the above meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude a shareholder from attending and voting in person if he is subsequently able to be present.
- (iii) A form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be either executed under seal or under the hand of an officer or attorney duly authorised to sign the same.
- (iv) In the case of joint holders of any shares, any one of such joint holders may vote at the above meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto. However, if more than one of such joint holders is present at the meeting, either personally or by proxy, the joint holder whose name stands first in the register of members of the Company will alone be entitled to vote in respect of such shares.
- (v) On a poll, every shareholder present at the meeting shall be entitled to one vote for every fully paid-up share of which he is the holder. The result of such poll shall be deemed to be the resolution of the meeting at which the poll was so required or demanded.
- (vi) For the purposes of determining Shareholders' eligibility to attend, speak and vote at the 2019 AGM, the register of members of the Company will be closed from 17 June 2019 to 20 June 2019 (both days inclusive). During the closure periods, no transfer of shares will be registered. To be eligible to attend, speak and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 pm on 14 June 2019.

NOTICE OF ANNUAL GENERAL MEETING

- (vii) In respect of the ordinary resolution numbered 4 above, the Directors wish to state that they have no immediate plans to issue any new shares of the Company pursuant to such general mandate. Approval is being sought from the shareholders as a general mandate for the purposes of the Listing Rules.
- (viii) In respect of ordinary resolution numbered 5 above, the Directors wish to state that they will exercise the powers conferred by the general mandate to repurchase shares of the Company in circumstances which they deem appropriate for the benefits of the shareholders.
- (ix) If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force at or at any time after 9:00 a.m. on the date of the meeting, the meeting will be postponed or adjourned. The Company will post an announcement on the Company's website www.perennialenergy.hk and HKExnews website (www.hkexnews.hk) to notify shareholders of the date, time and place of the rescheduled meeting.
- (x) The Chinese translation of this notice is for reference only, and in case of any inconsistency, the English version shall prevail.

As of the date of this notice, 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 and Mr. Wang Hongchuan.