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Dalipal Holdings Limited

達力普控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1921)

BUSINESS UPDATE

This announcement is made by Dalipal Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

Reference is made to the prospectus dated 28 October 2019 issued by the Company in relation to the Global Offering (the “**Prospectus**”), 2019 Annual Report and 2020 Annual Report published on 20 April 2020 and 26 April 2021, respectively, and the announcement dated 10 June 2020 in relation to the relocation of the Xinhua District Factory of the Company for surrendering the relevant land and buildings and Phase Two Expansion Construction. Unless the context defined otherwise, capitalized terms used in this announcement shall have the same meaning as defined in the Prospectus.

As stated in the Prospectus, the Company received a notification from the local government of Cangzhou City of the PRC in February 2019, and the Group was required to surrender the lands and buildings on which our production and warehouse facilities are situated due to the regional development of the area according to the plan. The Group had entered into a formal land resumption compensation agreement for the first parcel of land with total site area of approximately 66,700 sq.m. at which our Xinhua District Factory was situated with the relevant government authority in September 2019, pursuant to which the Company would receive land resumption compensation and the related payments in the amount of approximately RMB205.6 million. The Group had completed the relocation of our production facilities at our Xinhua District Factory and the title certificates of the Xinhua Land had been surrendered to the relevant government authority. On 31 December 2019, the Group had received the first instalment of compensation in the amount of approximately RMB150.0 million.

The board of directors of the Company (the “**Board**”) wishes to inform the Shareholders of the Company (the “**Shareholders**”) and potential investors that the Group had received the second instalment of the remaining compensation in the amount of approximately RMB55.6 million on 21 October 2021.

As stated in the business development direction disclosed in the Prospectus, considering the business and financial conditions of the Group, the Group is currently preparing the Phase Two Expansion Construction (including the discussion of the detailed implementation programme and schedule on the relevant plan) to meet the increasing market demands, so as to improve the market share of products of the Group. The Board expects to strengthen information management in Phase Two Expansion in order to promote the construction of an integrated production and sales system, comprehensively constructing smart factories in the oil pipe manufacturing industry. The Company will make further announcements as and when appropriate pursuant to the requirements of Listing Rules, and keep the Shareholders and potential investors informed on business progress of the Group.

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

By Order of the Board
Dalipal Holdings Limited
Meng Fanyong
Chairman and Executive Director

Hong Kong, 26 October 2021

As at the date of this announcement, the Board comprises Mr. Meng Fanyong, Mr. Zhang Hongyao, Ms. Xu Wenhong, Mr. Meng Yuxiang, Ms. Gan Shuya and Mr. Yin Zhixiang, as the executive Directors; and Mr. Guo Kaiqi, Mr. Wong Jovi Chi Wing and Mr. Cheng Haitao as the independent non-executive Directors.