Dalipal Holdings Limited
達力普控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1921)

DISCLOSEABLE TRANSACTION
LEASE AGREEMENT

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On 24 August 2026 (after trading hours), the Lessee (a direct wholly-owned subsidiary of the Company) entered into the Lease Agreement with the Lessor in respect of the Lease for a term of twenty-five (25) years commencing from 24 August 2026 (i.e. the Effective Date), for the development of the manufacturing facility of the Group in Saudi Arabia.

LISTING RULES IMPLICATIONS

Pursuant to IFRS 16, as a result of the entering into of the Lease Agreement, the Group will recognise right-of-use asset in its consolidated financial statements in connection with the Lease. As such, the Lease will be regarded as acquisition of assets by the Group under the definition of "transaction" set out in Rule 14.04(1)(a) of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) calculated based on the value of the right-of-use asset to be recognised by the Company in connection with the Lease Agreement according to IFRS 16 "Leases" are more than 5% but all are less than 25%, the transaction contemplated under the Lease Agreement constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements, but is exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

The Board announces that, on 24 August 2026 (after trading hours), the Lessee (a direct wholly-owned subsidiary of the Company) entered into the Lease Agreement with the Lessor in respect of the Lease for a term of twenty-five (25) years commencing from 24 August 2026 (i.e. the Effective Date), for the development of the manufacturing facility of the Group in Saudi Arabia.

LEASE AGREEMENT

The principal terms of the Lease Agreement are set out as follows:

Date	:	24 August 2026
Parties	:	(i) Energy City Development Company (as Lessor); and (ii) Dalipal International for Industry (as Lessee). To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Lessor and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons.
The Property	:	The part of the King Salman Energy Park in Saudi Arabia with a total floor area of 1,030,916 m^2, as designated as a Private Industrial City by Saudi Authority for Industrial Cities and Technology Zones.
Term	:	Twenty-five (25) years from and including the Effective Date.
Usage	:	Industrial and related ancillary purposes.
Lease guarantee	:	On the Effective Date, the Lessee shall deliver to the Lessor a guarantee or a letter of credit in form and substance acceptable to the Lessor issued by a bank or other financial institution acceptable to the Lessor in the amount equal to the rent for the first year of the Lease, as security that the Lessee will comply with all the terms of the Lease Agreement.

Rent and charges : The rent (subject to annual adjustment with reference to the percentage increase in the Index as set out in the sub-section headed "Lease Agreement – Annual adjustment" below) payable under the Lease are set out in the table below:

Year	**Applicable annual rent (assuming an annual percentage increase in the Index of 2.5%)** *(SAR)*
1	0
2	10,550,000
3	10,813,750
4	11,084,094
5	11,361,196
6	11,645,226
7	11,936,357
8	12,234,766
9	12,540,635
10	12,854,151
11	13,175,504
12	13,504,892
13	13,842,514
14	14,188,577
15	14,543,292
16	14,906,874
17	15,279,546
18	15,661,534
19	16,053,073
20	16,454,399
21	16,865,759
22	17,287,403
23	17,719,589
24	18,162,578
25	18,616,643
Total	**341,282,351**

The Lessor may set off any amount payable by the Lessor under the Infrastructure Works Agreement against any amount payable by the Lessee under the Lease Agreement.

		The rent will be financed by the internal resources of the Group. The rent was negotiated between the Lessee and the Lessor after arm's length negotiations and with reference to the prevailing market rental of comparable properties in the vicinity of the Property.
Annual adjustment		On each anniversary of the Payment Date, the rent payable by the Lessee shall be increased in an amount equal to the product of the inflation adjusted rent from the previous lease cycle rent times a number equal to the percentage increase in the Index over a twelve (12) months period, calculated by using the average of (a) the most recently published Index one month prior to the applicable anniversary of the Payment Date, and (b) the average Index published for the twelve (12) months earlier.
Payment	:	The rent is payable annually in advance on 31 January (i.e. the Payment Date) in each year of the Term.
Renewal	:	The Lessee may renew the Lease on the same terms (except for the rent and the term, which shall be agreed upon between the parties), for a further term of up to twenty four (24) years on at least two (2) years' prior notice to the Lessor, provided that (a) the Lessee has been in compliance with the terms of the Lease Agreement throughout its Term; and (b) the Lessor and Lessee agree on the rent and the term of the renewed lease prior to the end of the Term of the Lease.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE

Facing a complex environment, the development of the Middle East has been a core business strategy of the Group. As disclosed in the annual report of the Company for the year ended 31 December 2025, the Group had been advancing the construction of a high-end energy equipment intelligent manufacturing base at SPARK in Saudi Arabia, which is expected to strengthen the Group's presence in the Middle East markets and enhance its international influence.

The Lease marks a major pivotal advancement in the Group's Middle East development strategy. The establishment of a manufacturing base on the Property is expected to provide localised production capacity in Saudi Arabia, which will enhance operational responsiveness, optimise supply chain logistics, and lower cost structures for regional client procurement. The Lease has a long Term of twenty-five (25) years, which provides strong structural predictability and operational stability. The Company considers that the Lease is favourable to the Group's operation needs and would sharpen the Group's competitive advantages in the region, which will be beneficial to the future development and growth of the Group.

In view of the above, the Directors (including the independent non-executive Directors) consider that the Lease Agreement was entered into on normal commercial terms and in the ordinary and usual course of business of the Group, and the Lease is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

Information on the Company and the Group

The Company is a company incorporated in the Cayman Islands with limited liability. The Group is primarily engaged in the business of investing in high-end, green and intelligent manufacturing of high-end pipes and has developed material research and development and production focused on high-end pipe products such as oil and gas pipes, new energy pipes and special seamless steel pipes.

Information on the Lessee

The Lessee is a limited liability company duly organized and existing under the laws of Saudi Arabia, and a direct wholly-owned subsidiary of the Company as at the date of this announcement. It is principally engaged in design, manufacture and sale of oil and gas pipes, new energy pipes and special seamless steel pipes and other products.

Information on the Lessor

The Lessor is a limited liability company duly organized and existing under the laws of Saudi Arabia. It is the owner and developer of SPARK. The Lessor is a wholly-owned subsidiary of Saudi Arabian Oil Company (Saudi Aramco), which is the national oil company of Saudi Arabia and a company listed on the Saudi Exchange (Tadāwul) (stock code: 2222).

RIGHT-OF-USE ASSET

Pursuant to IFRS 16 “Leases”, the Group will recognise a right-of-use asset in respect of the Lease upon commencement of the lease term. The value of the right-of-use asset to be recognised by the Company in connection with the Lease Agreement is estimated to be approximately RMB306.2 million, which is the present value of aggregated lease payments less incentives (if any) and plus initial direct costs with the lease in accordance with IFRS 16 “Leases”. The above estimated value of the right-of-use asset is subject to audit to be conducted by an independent auditors engaged by the Company and may be subject to adjustment in the future.

LISTING RULES IMPLICATIONS

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As one or more of the applicable percentage ratios (as defined in the Listing Rules) calculated based on the value of the right-of-use asset to be recognised by the Company in connection with the Lease Agreement according to IFRS 16 "Leases" are more than 5% but all are less than 25%, the transaction contemplated under the Lease Agreement constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements, but is exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions have the meanings ascribed to them below:

"Board"	the board of Directors
"Company"	Dalipal Holdings Limited (達力普控股有限公司), a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange (stock code: 1921)
"connected person(s)"	has the meaning as ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Effective Date"	24 August 2026, being the date of the Lease Agreement
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"IFRS"	International Financial Reporting Standards as issued by the International Accounting Standards Board
"Index"	the inflation index of Saudi Arabia compiled monthly by the Saudi Central Bank or, on the event of this not being compiled by any similar competent authority in respect of Saudi Arabia and relating to general consumer prices within Saudi Arabia, such index being selected at the Lessor's absolute discretion. If no such index is published then the inflation index for Saudi Arabia published by the International Monetary Fund in its six-monthly World Economic Outlook publication as part of the table of inflation indices of emerging and developing economies or any other index from time to time published by the International Monetary Fund in substitution for that index and purporting to measure inflation rates in Saudi Arabia

"Infrastructure Works Agreement"	the agreement dated on or about the date of the Lease Agreement between the Lessor and the Lessee related to the site levelling and infrastructure utilities works in respect of the Property
"Lease"	the lease in connection with the Property pursuant to the terms and conditions of the Lease Agreement
"Lease Agreement"	the lease agreement dated 24 August 2026 entered into between the Lessee and the Lessor in relation to the Lease
"Lessee"	Dalipal International for Industry, a limited liability company duly organized and existing under the laws of Saudi Arabia, and a direct wholly-owned subsidiary of the Company as at the date of this announcement
"Lessor"	Energy City Development Company, a limited liability company duly organized and existing under the laws of Saudi Arabia
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Payment Date"	31 January in each year of the Term
"PRC"	the People's Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan region
"Property"	the part of the SPARK with a total plot area of 1,030,916 m^2
"RMB"	Renminbi, the lawful currency of the PRC
"SAR"	Saudi Arabian Riyals, the lawful currency of Saudi Arabia
"Saudi Arabia"	the Kingdom of Saudi Arabia
"SPARK"	King Salman Energy Park located in Dammam, Saudi Arabia, which is designated as a Private Industrial City by Saudi Authority for Industrial Cities and Technology Zones
"Share(s)"	ordinary share(s) with par value of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	the holder(s) of Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Term"	twenty-five (25) years from and including the Effective Date
"%"	per cent.
"m^2"	square metre

By order of the Board
Dalipal Holdings Limited
Meng Fanyong
Chairman and executive Director

Hong Kong, 24 August 2026

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