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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)

### ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

#### FINANCIAL HIGHLIGHTS

	Year ended 31 December		Changes
	2025	2024	
	RMB'million	RMB'million	
Revenue	<b>3,462.5</b>	3,292.3	5.2%
Gross profit	<b>357.3</b>	263.4	35.6%
Gross profit margin	<b>10.3%</b>	8.0%	
Profit from operations	<b>84.9</b>	0.5	16,880.0%
EBITDA	<b>215.2</b>	140.1	53.6%
Profit/(loss) before taxation	<b>17.9</b>	(86.3)	120.7%
Profit/(loss) for the year (Note 1)	<b>13.7</b>	(77.1)	117.8%
Adjusted net profit/(loss) (non-IFRS measure) (Note 2)	<b>24.7</b>	(56.8)	143.5%
Net profit/(loss) margin	<b>0.4%</b>	(2.3%)	
Adjusted net profit/(loss) margin (non-IFRS measure) (Note 2)	<b>0.7%</b>	(1.7%)	
Earnings/(loss) per share –Basic and diluted (RMB)	<b>0.01</b>	(0.05)	120.0%

Notes:

1. The Group recorded a turnaround from loss to profit for the Year, achieving a net profit of RMB13.7 million. This represents a significant improvement compared to a net loss of RMB77.1 million for the corresponding period in 2024, marking a substantial and positive turnaround in the Group's financial performance.
2. For more details on the non-IFRS measures, please see the section headed "Non-IFRS Measures" in this announcement.

## RESULTS

The Board hereby announce the audited consolidated results of the Group for the Year, together with the comparative figures for the year ended 31 December 2024, as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

(Expressed in Renminbi (“RMB”))

	Note	2025 RMB'000	2024 RMB'000
<b>Revenue</b>	3	<b>3,462,486</b>	3,292,264
Cost of sales		<u>(3,105,219)</u>	<u>(3,028,901)</u>
<b>Gross profit</b>		<u><b>357,267</b></u>	<u>263,363</u>
Other income	4	<b>50,565</b>	67,320
Selling expenses		<b>(142,151)</b>	(142,273)
Administrative expenses		<u><b>(180,757)</b></u>	<u>(187,871)</u>
<b>Profit from operations</b>		<b>84,924</b>	539
Finance costs	5(a)	<u><b>(67,073)</b></u>	<u>(86,858)</u>
<b>Profit/(loss) before taxation</b>	5	<b>17,851</b>	(86,319)
Income tax (expenses)/credit	6	<u><b>(4,128)</b></u>	<u>9,253</u>
<b>Profit/(loss) for the year attributable to equity shareholders of the Company</b>		<b>13,723</b>	(77,066)
<b>Other comprehensive income for the year (after tax):</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
– Exchange differences on translation into presentation currency		<u><b>7,833</b></u>	<u>(6,572)</u>
<b>Total comprehensive income for the year attributable to equity shareholders of the Company</b>		<u><b>21,556</b></u>	<u>(83,638)</u>
<b>Earnings/(loss) per share</b>	7		
Basic (RMB)		<b>0.01</b>	(0.05)
Diluted (RMB)		<u><b>0.01</b></u>	<u>(0.05)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

(Expressed in RMB)

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		2,613,371	1,967,581
Deferred tax assets		124	184
		<u>2,613,495</u>	<u>1,967,765</u>
<b>Current assets</b>			
Inventories		629,759	802,596
Trade and bills receivables	8	1,087,918	1,280,584
Prepayments, deposits and other receivables		42,540	46,117
Cash at bank and on hand		404,243	412,136
		<u>2,164,460</u>	<u>2,541,433</u>
<b>Current liabilities</b>			
Trade and bills payables	9	756,276	837,921
Other payables and accruals		177,002	123,949
Interest-bearing borrowings		1,088,803	1,515,795
Lease liabilities		4,316	4,220
		<u>2,026,397</u>	<u>2,481,885</u>
<b>Net current assets</b>		<u>138,063</u>	<u>59,548</u>
<b>Total assets less current liabilities</b>		<u>2,751,558</u>	<u>2,027,313</u>
<b>Non-current liabilities</b>			
Interest-bearing borrowings		1,378,492	696,808
Lease liabilities		7,819	388
Deferred tax liabilities		9,507	5,654
Deferred income		7,871	9,429
		<u>1,403,689</u>	<u>712,279</u>
<b>NET ASSETS</b>		<u>1,347,869</u>	<u>1,315,034</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	10(a)	134,866	134,563
Reserves		1,213,003	1,180,471
<b>TOTAL EQUITY</b>		<u>1,347,869</u>	<u>1,315,034</u>

## **NOTES TO THE FINANCIAL STATEMENTS**

*(Expressed in RMB unless otherwise indicated)*

### **1 CORPORATE INFORMATION**

Dalipal Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 28 August 2018 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 8 November 2019 (the “Listing Date”). The Company and its subsidiaries (together, the “Group”) are principally engaged in the development, manufacture and sale of oil and gas pipes, new energy pipes and special seamless steel pipes and other products.

### **2 MATERIAL ACCOUNTING POLICIES**

#### **(a) Statement of compliance**

These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”). Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain amendments to IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

#### **(b) Basis of preparation of the financial statements**

The consolidated financial statements for the year ended 31 December 2025 comprise the Group.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that derivative financial instruments and investments in equity securities are stated at their fair value.

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

As at 31 December 2025, although the Group's current assets exceeded its current liabilities by RMB138,063,000, the Group's cash and cash equivalents of RMB229,056,000 may not be sufficient to finance its capital expenditure of RMB378,487,000 within twelve months after the reporting period. Under such circumstances, the directors of the Company have been undertaking certain measures to improve the Group's liquidity and financial position, including:

- (i) The Group has obtained long-term project loan to cover most of its capital expenditure. The undrawn balance of the loan was RMB278,242,000 as at 31 December 2025;
- (ii) Regarding bank and other borrowings of RMB1,088,803,000 the Group is actively discussing with its banks for renewal of bank borrowings. Based on historical experience, the directors are of the opinion that the Group will be able to either renew or obtain new banking facilities to supplement liquidity of the Group at adequate level during the next twelve months. Up to the date of this report, the Group has either renewed or refinanced bank borrowings of RMB357,000,000 subsequent to 31 December 2025; and
- (iii) The Group has been developing new customers and new markets, and maintaining strong relationship with current principal customers to generate more operating cash inflows.

In addition to above measures, as at 31 December 2025, the Group has unused credit facility of RMB459,397,000 to meet its potential liquidity needs. The directors are of the opinion that there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern as at 31 December 2025. Accordingly, the directors of the Company consider it is appropriate to prepare the consolidated financial statements on a going concern basis.

**(c) Changes in accounting policies**

The Group has applied amendments to IAS 21, The effects of changes in foreign exchange rates – Lack of exchangeability issued by the IASB to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### 3 REVENUE AND SEGMENT REPORTING

#### (a) Revenue

The Group is principally engaged in the development, manufacture and sale of oil and gas pipes, new energy pipes and special seamless steel pipes. All of the revenue of the Group is recognised at a point in time. The customers obtain control of the products when they are delivered to and have been accepted at premises determined by the customers. Acceptance notes are generated and revenue is recognised at that point in time.

Disaggregation of revenue from contracts with customers by major products is as follows:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Sales of oil and gas pipes	<b>2,390,044</b>	2,196,399
Sales of new energy pipes and special seamless steel pipes	<b>1,072,442</b>	1,095,865
	<b><u>3,462,486</u></b>	<u>3,292,264</u>

Revenue from customers with whom transactions have exceeded 10% of the Group's revenue for the year ended 31 December 2025 is as follows:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Customer A	<b><u>405,136</u></b>	<u>508,400</u>

**(b) Segment reporting**

The Group manages its businesses by products. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Oil and gas pipes: this segment includes primarily the manufacture and sales of oil and gas pipes.
- New energy pipes and special seamless steel pipes: this segment includes primarily the manufacture and sales of new energy pipes and special seamless steel pipes.

**(i) Segment results, assets and liabilities**

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments during normal operations. No intersegment sales have occurred for the years ended 31 December 2025 and 2024. Assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The Group's other operating income and expenses, such as other income and selling and administrative expenses, and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, interest income and interest expenses is presented.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below.

	<b>2025</b>		
	<b>Oil and gas pipes RMB'000</b>	<b>New energy pipes and special seamless steel pipes RMB'000</b>	<b>Total RMB'000</b>
Revenue from external customers	<u>2,390,044</u>	<u>1,072,442</u>	<u>3,462,486</u>
Reportable segment gross profit	<u>309,221</u>	<u>48,046</u>	<u>357,267</u>

	2024		
	Oil and gas pipes <i>RMB'000</i>	New energy pipes and special seamless steel pipes <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from external customers	2,196,399	1,095,865	3,292,264
Reportable segment gross profit	248,050	15,313	263,363

(ii) **Geographic information**

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's right-of-use assets and property, plant and equipment ("specified non-current assets").

The geographical information about the revenue prepared by location at which the goods were delivered is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
The PRC	2,936,360	2,913,940
Overseas:		
The Middle East	332,915	236,750
Africa	158,638	72,508
Southeast Asia	–	2,416
Others	34,573	66,650
	526,126	378,324
	3,462,486	3,292,264

The geographical location of the specified non-current assets based on the physical location of the asset is as follows:

	At 31 December 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
The PRC	2,606,702	1,967,765
The Middle East	6,793	–
	2,613,495	1,967,765

#### 4 OTHER INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Government grants (including amortisation of deferred income)	5,137	3,024
Interest income	3,970	3,213
Net loss on disposal of other property, plant and equipment	(195)	(290)
Net foreign exchange (loss)/gain	(11,868)	11,157
Net gains on sale of scraps raw materials	15,723	18,728
Rental income	312	2,978
Value added tax and other tax refund	34,098	28,268
Others	3,388	242
	<u>50,565</u>	<u>67,320</u>

#### 5 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting):

##### (a) Finance costs

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest expenses on borrowings	62,227	79,645
Interest expenses on lease liabilities	229	336
Others	4,617	6,877
	<u>67,073</u>	<u>86,858</u>

##### (b) Staff costs<sup>#</sup>

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Salaries, wages and other benefits	251,635	218,107
Contributions to defined contribution retirement plan	16,778	14,516
Equity-settled share-based payment expenses	10,938	20,311
	<u>279,351</u>	<u>252,934</u>

The employees of the subsidiaries of the Group established in the PRC (excluding Hong Kong SAR) participate in a defined contribution retirement benefit plan managed by the local government authority. Employees of these subsidiaries are entitled to retirement benefits, calculated based on a percentage of the defined salaries level in the PRC (excluding Hong Kong SAR), from the above-mentioned retirement plan at their normal retirement age.

The Group also operates a Mandatory Provident Fund Scheme (the “MPF Scheme”) under the Hong Kong Mandatory Provident Fund Scheme Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of Hong Kong Dollar (“HK\$”) 30,000. Contributions to the MPF Scheme vest immediately.

The Group has no further material obligation for payment of other retirement benefits beyond the above contributions.

(c) **Other items**

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Depreciation expenses <sup>#</sup>		
– Owned property, plant and equipment	119,042	128,980
– Right-of-use assets	10,282	10,025
– Leasehold improvements	980	589
Impairment losses (reversed)/recognised on trade receivables ( <i>Note 8(b)</i> )	(1,296)	548
Impairment losses recognised on prepayments, deposits and other receivables	73	626
Auditors' remuneration		
– Audit services	2,100	2,100
– Non-audit services	1,100	1,100
Research and development costs	38,109	36,188
Cost of inventories <sup>#</sup>	<u>3,105,219</u>	<u>3,028,901</u>

<sup>#</sup> Cost of inventories include RMB244,050,000 (2024: RMB241,880,000) relating to staff costs and depreciation expenses, which amounts are also included in the respective amounts disclosed separately above or in Note 5(b) for each of these types of expenses.

**6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

(a) **Taxation in the consolidated statement of profit or loss and other comprehensive income represents:**

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Current taxation:</b>		
– Provision for the year	215	1,337
– Under-provision in respect of prior years	<u>–</u>	<u>217</u>
	----- 215	----- 1,554
<b>Deferred taxation:</b>		
– Origination and reversal of temporary differences	<u>3,913</u>	<u>(10,807)</u>
	<u>4,128</u>	<u>(9,253)</u>

(b) **Reconciliation between tax expense and accounting profit/(loss) at applicable tax rates:**

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Profit/(loss) before taxation	<b>17,851</b>	(86,319)
Expected tax on profit/(loss) before taxation, calculated at the rates applicable to profits in the jurisdictions concerned (Notes (i), (ii), (iii) and (iv))	<b>7,815</b>	(16,791)
Tax effect on preferential tax rate	<b>(5,808)</b>	2,978
Tax effect of non-deductible expenses	<b>733</b>	339
Tax losses not recognised as deferred tax assets	<b>6,533</b>	7,616
Tax effect on bonus deduction of research and development costs	<b>(5,145)</b>	(3,612)
Under-provision in respect of prior years	–	217
Actual tax expense	<b>4,128</b>	(9,253)

*Notes:*

- (i) The Company and the subsidiaries of the Group incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.
- (ii) The Company and the Hong Kong incorporated subsidiaries of the Group are subject to Hong Kong Profits Tax, which is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.
- For this subsidiary, the first HK\$2,000,000 of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2024.
- (iii) The subsidiary of the Group established under the laws and regulations in the Kingdom of Saudi Arabia (“Saudi Arabia”) is subject to Saudi Arabia income tax, the applicable Saudi Arabia income tax rate is 20%. No provision for Saudi Arabia profits tax has been made as the Group had no assessable profit arising in Saudi Arabia for the years ended/ending 31 December 2024 and 2025.
- (iv) The subsidiaries of the Group established in the PRC (excluding Hong Kong SAR) are subject to PRC Corporate Income Tax rate of 25% for the year ended 31 December 2025 (2024: 25%). One of the subsidiaries was qualified as a High and New Technology Enterprise’ and is entitled to the preferential tax rate of 15% for the years ended/ending 31 December 2024, 2025 and 2026.

## 7 EARNINGS/(LOSS) PER SHARE

### (a) Basic earnings/(loss) per share

The basic earnings per share for the year ended 31 December 2025 is calculated based on the profit attributable to equity shareholders of the Company of RMB13,723,000 (2024: loss of RMB77,066,000) and the weighted average of 1,469,134,000 (2024:1,466,007,000) ordinary shares in issue during the year.

The calculation of the weighted average number of ordinary shares is as follows:

	<b>2025</b>	2024
	<b>'000</b>	'000
Issued ordinary shares at 1 January	<b>1,503,168</b>	1,502,668
Effect of shares issued under share option schemes	<b>1,597</b>	138
Effect of shares held for share award plans	<b>(35,631)</b>	(36,799)
	<b><u>1,469,134</u></b>	<u>1,466,007</u>
Weighted average number of ordinary shares at 31 December	<b><u>1,469,134</u></b>	<u>1,466,007</u>

### (b) Diluted earnings/(loss) per share

The diluted loss per share for the year ended 31 December 2024 has not taken into account the effect of the outstanding share options and shares held for share award plans as its inclusion would have decreased the loss per share, hence anti-dilutive.

The calculation of diluted earnings per share for the year ended 31 December 2025 is based on the profit attributable to equity shareholders of the Company of RMB13,723,000 and the weighted average number of ordinary shares (diluted) of 1,475,654,000.

## 8 TRADE AND BILLS RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	699,425	466,922
Less: loss allowance ( <i>Note 8(b)</i> )	<u>(4,681)</u>	<u>(5,977)</u>
	694,744	460,945
Bills receivables	<u>393,174</u>	<u>819,639</u>
	<u><b>1,087,918</b></u>	<u><b>1,280,584</b></u>

All of the trade and bills receivables, net of loss allowance, are expected to be recovered within one year.

The balance of bills receivable represents bank and trade acceptance notes received from customers with maturity dates of less than one year.

### (a) Ageing analysis

The ageing analysis of the trade receivables, based on the invoice date and net of loss allowance, of the Group is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Less than 1 month	347,959	221,242
1 to 3 months	289,021	195,637
3 to 6 months	52,446	41,025
Over 6 months	<u>5,318</u>	<u>3,041</u>
	<u><b>694,744</b></u>	<u><b>460,945</b></u>

### (b) Impairment of trade and bills receivables

The movements in the loss allowance account are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At 1 January	5,977	5,429
(Reversal)/recognition of credit losses ( <i>Note 5(c)</i> )	<u>(1,296)</u>	<u>548</u>
At 31 December	<u><b>4,681</b></u>	<u><b>5,977</b></u>

(c) **Transfer of financial assets**

The Group has discounted certain of the bank acceptance notes it received from customers at banks and endorsed certain of the bank acceptance notes it received from customers to its suppliers and other creditors for settlement of the Group's trade and other payables on a full recourse basis. Upon the above discounting or endorsement, the Group has derecognised the bills receivables which in the opinion of the directors of the Company, the Group has transferred substantially all the risks and rewards of ownership of these notes and has discharged its obligation of the payables to its suppliers and other creditors. These derecognised bank acceptance notes have maturity dates of less than six months from the end of the reporting period. The Group considered the issuing banks of these notes are reputable banks in China and of good credit quality therefore non-settlement of these notes by the issuing banks on maturity is highly unlikely.

The Group's maximum exposure to loss and undiscounted cash outflow should the issuing banks fail to settle the bills on maturity dates is as follows:

	At 31 December 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Bank acceptance notes	<u>301,845</u>	<u>478,535</u>

The analysis of bills receivables discounted at banks or endorsed to suppliers with recourse which were not derecognised as the Group remains to have significant exposure to the credit risk of these bills receivables is as follows:

	At 31 December 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Bank acceptance notes	104,753	407,627
Trade acceptance notes	<u>60,418</u>	<u>144,950</u>
	<u>165,171</u>	<u>552,577</u>

- (d) As at 31 December 2025, trade and bill receivables of the Group with amounts of RMB202,956,000 (31 December 2024:RMB539,225,000) and future trade receivables of the Group with amounts of RMB625,000,000 (31 December 2024: Nil) have been pledged for the Group's interest-bearing borrowings.

## 9 TRADE AND BILLS PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	631,199	819,081
Bills payable	125,077	18,840
	<u>756,276</u>	<u>837,921</u>

All of the trade and bills payables are expected to be settled within one year or are repayable on demand.

The ageing analysis of trade and bills payables, based on the invoice date, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Less than 1 month	627,149	615,665
1 to 3 months	75,453	151,682
3 to 6 months	19,066	36,548
Over 6 months	34,608	34,026
	<u>756,276</u>	<u>837,921</u>

## 10 CAPITAL AND DIVIDENDS

### (a) Share capital

	2025		2024	
	Number of shares '000	Amount <i>HK\$'000</i>	Number of shares '000	Amount <i>HK\$'000</i>
Authorised share capital ( <i>Note (i)</i> )	<u>20,000,000</u>	<u>2,000,000</u>	<u>20,000,000</u>	<u>2,000,000</u>

	2025		2024	
	Number of shares	Amount <i>RMB'000</i>	Number of shares	Amount <i>RMB'000</i>
<b>Ordinary shares, issued and fully paid:</b>				
At 1 January	1,503,168,000	134,563	1,502,668,000	134,518
Shares issued under share option scheme ( <i>Note (ii)</i> )	<u>3,300,000</u>	<u>303</u>	<u>500,000</u>	<u>45</u>
At 31 December	<u>1,506,468,000</u>	<u>134,866</u>	<u>1,503,168,000</u>	<u>134,563</u>

Notes:

- (i) The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 28 August 2018. Its initial authorised share capital was HK\$380,000 divided into 3,800,000 shares with a par value of HK\$0.1 per share. On 19 June 2019 and 8 October 2019, the equity shareholders of the Company resolved to increase the authorised share capital of the Company from HK\$380,000 divided into 3,800,000 shares of HK\$0.1 each to HK\$2,000,000,000 divided into 20,000,000,000 shares of HK\$0.1 each.
- (ii) In June 2025, share options were exercised at HK\$0.477 per share to subscribe for 1,200,000 ordinary shares in the Company at a total consideration of HK\$572,400 (equivalent to RMB517,000). RMB110,000 and RMB407,000 were credited in the Company's share capital and share premium account respectively. RMB750,000 was transferred from the capital reserve to the share premium account.

In April, May, June and December 2025, share options were exercised at HK\$2.56 per share to subscribe for 2,100,000 ordinary shares in the Company at a total consideration of HK\$5,376,000 (equivalent to RMB4,926,000). RMB193,000 and RMB4,733,000 were credited in the Company's share capital and share premium account respectively. RMB1,422,000 was transferred from the capital reserve to the share premium account.

**(b) Dividends**

- (i) *Dividends payable to equity shareholders of the Company attributable to the year*

	2025 RMB'000	2024 RMB'000
No final dividend proposed after the end of the reporting (2024: Nil)	—	—

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

- (ii) *Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year*

	2025 RMB'000	2024 RMB'000
Final dividend in respect of the previous financial year, approved and paid during the year of HK\$0.00 per ordinary share (2024: HK\$0.04)	—	54,740

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

#### **Principal Businesses and Operating Model**

The Group is principally engaged in the research and development, production, technical services and sales of high-end energy pipes and special seamless steel pipes. Its products are widely used in various energy development, extraction, transportation and equipment manufacturing applications, including oil, natural gas, shale gas and new energy. Major customers encompass China's three major state-owned oil companies ("Three Major NOCs") (CNPC, Sinopec and CNOOC), large-scale machinery processing and manufacturing enterprises, geological exploration and coal mining companies, as well as internationally renowned oil and petrochemical companies. The Group is a national high and new technology enterprise, a national intellectual property advantage enterprise, and a company listed on the Main Board of The Stock Exchange of Hong Kong Limited, specialising in the production of high-end energy equipment.

The Group's products are categorised into standard products and customised products tailored to specific customer requirements. The Group's production model primarily follows a "production determined by sales" approach, and the Group predominantly adopts direct sales. During the Year, the Group leveraged its research and development strengths and full-process production line capabilities to collaborate with customers on the development, manufacturing and promotion of specialised and economical products, highlighting product differentiation and customisation to enhance customer compatibility and loyalty.

Adhering to the long-term product strategy of "strengthening core pipe products, pursuing moderate diversification, and developing unique leading products", the Group is committed to "adjusting structure, reducing costs, maintaining quality and increasing output" to enhance management capabilities and build its core competitiveness. While strengthening and specialising in API products to meet energy sector customer demands, the Group actively expanded the scale of non-API specialty products, optimised the overall product structure, and successively developed new products including economical coal and geological drill pipe materials, high-strength steel boom pipes for engineering machinery, cylinder tubes, perforating gun tubes, acid-resistant pipeline pipes and hydrogen transportation pipes, establishing long-term cooperation with quality domestic and international customers. With the completion and progressive commissioning of the Group's new intelligent tubing production line and the steady implementation of the "specialised, refined, exceptional and innovative" operating strategy, the Group's differentiated competitive advantages have become increasingly pronounced and the market competitiveness of its products has continuously improved.

## INDUSTRY OVERVIEW

In 2025, the global economy continued its recovery trajectory (IMF projected global GDP growth at 3.2%). Against a backdrop of complex and volatile international situations, persistent geopolitical conflicts and unresolved trade and tariff frictions, global trade contracted, supply chains came under pressure and inflation rose, with greater-than-expected economic downward pressure in many countries. Against this backdrop, the energy sector exhibited the distinct dual-track development pattern of “securing supply of traditional energy while accelerating new energy”, driving the energy pipe industry into a period of deep structural adjustment.

### 1. Market Supply-Demand and Competitive Landscape

In 2025, the global energy pipe industry continued its structural adjustment. Affected by the complex and volatile domestic and international economic environment, the industry supply-demand relationship showed periodic imbalances. On the supply side, new production capacity continued to be released, homogeneous competition in low-end products intensified, and some small and medium-sized enterprises faced operational pressures such as order shrinkages and cash flow stress due to weak technology reserves and insufficient cost control capabilities. Leading enterprises built competitive moats through technological barriers while accelerating improvement of industrial concentration through mergers and reorganisations, driving the market towards a pattern of “coexistence of key enterprises and characteristic enterprises with profit polarisation”.

On the demand side, affected by the uneven rhythm of global economic recovery and project construction progress, demand for specialty pipes in oil, gas, chemicals and other sectors exhibited pronounced regional differentiation characteristics:

- The Middle East, as the core region for global energy development, saw a year-on-year surge in procurement of seawater corrosion-resistant pipes driven by key local energy projects, with nickel-based alloy OCTG becoming the procurement focus. Domestic leading enterprises’ exports to this region grew year-on-year, and the Group, leveraging its localisation layout advantages, saw the proportion of revenue from the Middle East market steadily increase.
- Southeast Asia benefited from accelerated energy infrastructure construction and industrial upgrading, with demand for large-diameter steel pipes growing year-on-year. Industrial upgrading in Vietnam, Malaysia and other countries drove a continuous expansion of new pipe demand, with the proportion of X80 grade pipeline steel exported by China to this region continuing to rise.
- European and American markets showed differentiated traditional versus emerging demand trends. Demand for traditional oil and gas pipes declined year-on-year, while demand for new energy-related pipes maintained growth. However, market certification thresholds in this region are high and the proportion of premium pipes with EU CE certification among domestic exports remains limited.

International trade exhibited characteristics of “volume growth with price adjustment”, with a stark contrast between expanding export volumes and declining prices. In 2025, China’s seamless steel pipe export volume grew year-on-year, with the UAE, Saudi Arabia and Indonesia as the main export destinations, though the average export price fluctuated year-on-year. Industry profit margins were squeezed by both the price war in low-end products and fluctuations in raw material prices such as iron ore and energy, resulting in significant cost pass-through pressure.

## **2. Domestic Industry Operating Characteristics**

The domestic steel pipe industry exhibited operating characteristics of “coexistence of demand fluctuations and structural upgrades”. In 2025, national seamless steel pipe output reached 29.7952 million tonnes, up 3.2% year-on-year, with premium energy pipe output accounting for 13% of total output, up 18.7% year-on-year, demonstrating the industry’s continued production resilience amid structural adjustment.

In terms of demand structure, in 2025 domestic demand growth in traditional sectors slowed, conventional products fell into intense price competition, industry inventory accumulation increased year-on-year, and the average operating rate of small and medium-sized manufacturers was only approximately 65%, remaining persistently low. At the same time, demand for high-end and specialty products showed significant growth momentum. Orders for corrosion-resistant non-API specialty products such as sour service, anti-hydrogen and anti-CO<sub>2</sub> products grew significantly year-on-year, and the profit margins of leading enterprises on such products remained at a relatively high level, providing important support for steady enterprise development.

In terms of domestic sub-sector demand, demand for specialty steel pipes in the energy extraction sector showed structural growth. As domestic shale gas development continued to deepen and the proportion of deep and ultra-deep wells continued to rise, demand for sour service and anti-collapse tubing and casing grew substantially year-on-year. Demand in the new energy sector also performed strongly. Domestic hydrogen pipeline construction accelerated, driving rapid growth in demand for green hydrogen transport specialty pipes, which has become a new growth engine for the industry.

## **3. Technology Upgrades and Industrial Transformation**

Technology upgrades in the energy pipe industry showed multi-dimensional breakthroughs. In product research and development, the industry focused on developing high value-added products with high corrosion resistance. Products such as H<sub>2</sub>S corrosion-resistant casing and economic low-Cr CO<sub>2</sub> corrosion resistant tubing and casing achieved batch application. The technical maturity of specialty pipes for complex natural resource extraction environments such as shale gas and deep-sea oil and gas continued to improve, meeting ultra-deep oil and gas development needs. New energy-related product development achieved phased results, with steel pipes for hydrogen storage and transportation pipelines achieving industrialised application.

Intelligent manufacturing and digital transformation have become the core direction of industry upgrading. Leading enterprises generally introduced full-process material tracking systems, digital inspection equipment and intelligent turnover systems into new production lines, with the rate of unmanned operations at key processes continuing to rise, significantly improving production efficiency and product quality stability.

Green and low-carbon development has become an industry consensus, with the green attributes of products being upgraded. The industry increased research and development investment in energy-saving and material-saving pipes with high strength, high toughness, long service life and high precision, and unit product carbon emissions continue to decline. Carbon footprint evaluation extends to the full product lifecycle, with a low-carbon management system gradually being perfected from raw material smelting to finished product delivery. Low-carbon pipes adapted to new energy scenarios are iterating rapidly, driving low-carbon transformation across the entire industrial chain.

## ANALYSIS OF CORE COMPETITIVENESS

During the Year, the Group continued to build its core competitive strengths across four dimensions: technology and products, intelligent manufacturing, ESG and talent development.

### 1. Technology and Products

The Group focused on “three transformations in market, users and products” and “cost reduction and efficiency improvement” as its management core, achieving a leapfrog adjustment in product mix through market expansion strategies of “bringing in and going out”. During the Year, sales of the Group’s unique leading products surged year-on-year. The product mix continued to be deeply optimised towards high value-added and high-end products. Key breakthrough results are as follows:

- i. **Crane Boom Pipes:** Successfully achieved a major breakthrough in 770/890 high-strength grades, passed weld evaluation tests by user-designated authoritative third-party institutions, and achieved large-scale application at leading customers. The scale of market application gradually expanded, significantly enhancing the Group’s competitiveness in the premium crane boom pipe market, and the Group became one of the main suppliers of XCMG Group.
- ii. **Perforating Gun Tubes:** Through hot-rolling process optimisation and innovation, achieved precise wall thickness control, replacing traditional cold-working processes. This not only improved product quality but also effectively reduced production costs and shortened lead times, significantly enhancing product market competitiveness.
- iii. **Hydrogen Transmission Line Pipes:** Successfully developed hydrogen (blended) transmission line pipes, passed various mechanical and corrosion tests in hydrogen environments, participated deeply in industry standards formulation, proposed multiple constructive technical indicators, and promoted the improvement of industry technical standards for hydrogen (blended) transmission line pipes.

- iv. **Premium Connection Products:** Successfully developed multiple premium connection products covering different specifications and connection types, all passing corresponding physical evaluation tests and obtaining authoritative inspection reports, further expanding product range and market position.
- v. **Thermal Recovery Casing:** Successfully shortlisted in CNPC's main market and achieved batch production, enriching the DLP steel grade system and demonstrating the Group's strong technical capabilities and market influence in the oil and gas pipes sector.
- vi. **Process Technology Cost Reduction:** Research and development on new materials for high-strength and high-toughness shale gas extraction casing achieved phased breakthroughs, with material costs substantially reduced while fully ensuring product quality and service performance. Full-specification production efficiency of premium connection products was improved. The Group advanced the development of on-line controlled rolling and cooling technology for casing, breaking through the industry challenge of on-line controlled rolling and cooling production of N80-1 grade, reducing the normalising process and lowering production costs.
- vii. **High-pressure Boiler Tubes:** Completed the expansion certification of type tests for Chinese and American standards, achieved the qualification to supply boiler tubes across specifications from 32 to 273, and for the first time passed the audit of an authoritative boiler tube industry customer, laying a solid foundation for expanding the Group's presence in the high-pressure boiler tube market.

## 2. **Intelligent Manufacturing**

The Group has built new production lines for high-end oil drilling and production and energy equipment pipes, applying digital technology and intelligent equipment on a large scale. The Group is committed to digitalised management, intelligent operation and high-efficiency operation of the production process, comprehensively improving product quality, reducing production costs and significantly reducing energy consumption and carbon emissions. This has added powerful momentum for the Group to improve competitiveness and achieve product premiumisation, and will create greater economic and social benefits for the Group.

### A. *Core Intelligent Upgrades*

- i. **Quality Enhancement:** Deployed a full-process material tracking system to achieve real-time tracking and precise recording of product quality data and production information throughout the entire production cycle from billet entry to finished pipe off-line, ensuring full traceability of product quality. Introduced a series of intelligent inspection equipment including on-line straightness measurement, 3D cold-state outer surface inspection, on-line plug inspection, capillary on-line measurement, hot-state outer surface inspection, pipe end dimension inspection and steel pipe inner surface inspection, building a comprehensive, efficient and high-precision steel pipe inspection system.

- ii. **Production Innovation:** Invested substantially in robots and special equipment to replace manual operations in complex, heavy-duty, high-precision and repetitive operations. The project production lines cumulatively deployed multiple ABB six-axis robots, achieving unmanned operations in most processes, greatly reducing both the number and technical skill requirements of the labour force.
- iii. **Process Optimisation:** Core equipment including heating furnaces, piercing mills, continuous rolling mills, tension reducing mills, straightening machines and on-line inspection equipment achieved process control modelling. Through big data analysis and deep learning, optimal stable conditions are maintained throughout the production process. Straightening machines and related on-line inspection equipment also achieved automatic calibration and one-touch production specification changeover, saving significant labour and production auxiliary time.
- iv. **Logistics Upgrade:** Adopted intelligent turnover warehouses to achieve fully unmanned management of the entire process including production process turnover, warehousing management and finished product loading and dispatch for all production lines in the area within a single warehouse, ensuring seamless connection of all processes, efficient material transfer, automated finished product dispatch, greatly reducing warehouse space and improving logistics efficiency.
- v. **Technology Leadership:** Set up on-line intelligent inspection equipment at key processes in oil country tubular goods manufacturing to monitor process status and process parameters in real time. Through inspection data analysis feedback combined with process models, on-line control and adjustment of equipment is implemented to achieve “perception-analysis-decision” intelligent closed-loop control. Such related technologies are domestic firsts.
- vi. **Overhead Crane Centralised Control:** Deployed an overhead crane centralised control system. Through optimised crane design and intelligent scheduling systems, remote crane operation is implemented, greatly reducing the number of crane operators and improving crane operational efficiency, contributing to efficient and safe production operations.
- vii. **Energy Saving and Environmental Innovation:** The annular furnace applies full-oxygen combustion technology, significantly reducing fuel consumption, nitrogen oxide emissions and billet oxidation. Intelligent warehouse stacking machines and other equipment adopt energy feedback technology, significantly reducing equipment operating power consumption. Annular furnace flue gas waste heat is used for core rod preheating, reducing core rod induction preheating power consumption and the associated equipment investment.

## ***B. Information Technology and Automation Integration***

The Group's integrated production and sales management platform builds a management system for "rapid external response and efficient internal collaboration", establishes a unified information technology management platform, promotes standardised operations and realises "unified language, unified standards and unified culture". The platform integrates sales management, procurement management, financial management, cost management, quality management, production management, warehouse management, measurement management, laboratory management, steelmaking production execution management, steel pipe production execution management and coupling production execution management, striving to achieve integrated operation and control of "integrated production and sales, integrated management and control, and integrated business and finance".

Through deep integration of management systems and field automation systems, the platform strengthens the precision of field management, achieves automatic collection of production data, and conducts real-time tracking and management of the full order lifecycle. The ultimate goal is to build a shared, win-win business model and service system centred on customer value, promote collaborative supply chain development and comprehensively improve the Group's overall operational efficiency and market competitiveness.

## **3. ESG**

In the area of green development, the Group continues to uphold the green and low-carbon development philosophy and continuously strengthens its core competitiveness. During the Year, the Group received an ESG "A" rating from Sino-Securities Index Information Service (Shanghai) Co. Ltd. ("Sino-Securities Index") and an ESG "A" rating from Wind Information Co., Ltd. ("Wind"), ranking among the higher positions in the energy industry.

During the Year, the production base of the Group's subsidiary in Cangzhou Bohai New Area successfully passed the on-site certification review of both the "Carbon Management System" and the "Green Supply Chain Management System", marking a new phase for the Group's "green and low-carbon" sustainable development strategy officially entering systematic and standardised operation. The Group completed its first batch of green electricity transactions through the Beijing Electricity Trading Platform and will further increase green electricity procurement.

In the new high-end oil drilling and production and energy equipment pipe production line project, the newly constructed annular furnace adopts "full-oxygen combustion + natural gas" technology to replace the traditional "air + natural gas" combustion mode, comprehensively applying full-oxygen combustion technology, intelligent combustion model control systems and advanced servo energy-saving hydraulic systems and other digital automatic control technologies, comprehensively improving energy saving and emission reduction levels with outstanding environmental benefits. Carbon emissions per unit product declined year-on-year.

During the Year, the Group focused on improving energy efficiency in production processes, completing over 20 targeted and systematic equipment technology upgrades including heat treatment and hot-rolling clean water pump and cooling tower pump upgrades, billet swirl sump slag flushing pump and return water pump upgrades, and hydraulic station consolidation upgrades. Through these technical improvement measures, energy-saving potential was realised, electricity consumption was effectively reduced, and CO<sub>2</sub> emissions were reduced. In addition, the Group has actively promoted the construction of distributed photovoltaic projects, which are expected to be officially put into operation in 2026.

All Dalipal employees will continue to uphold the green development philosophy, actively implement the national “dual carbon” strategy, and strive to build a resource-saving and environment-friendly enterprise, treating this as an important core competitiveness for long-term sustainable development.

#### **4. Talent Development**

In terms of talent development and project support, the Group adopted “training combined with practice” as its theme, combining talent development with two key initiatives: the launch of the integrated management and control platform and the construction of the new production line project. Through on-the-job training at equipment installation and commissioning positions of new production lines and business process combing and business management model transformation for the management platform project, the comprehensive quality of management and technical talent was improved. The Group continued to promote the development of its specialised technical talent team, accumulating knowledge and training materials by optimising and improving operating procedures, working methods and case libraries for new and existing production line positions, empowering on-site personnel and newly recruited university graduates, and enhancing the professional skills of front-line operators and new university entrants. For the development of the operational workforce, the main approach was to use the competency scoring evaluation of operational employees as a driver and 6S management as a vehicle, and to improve team leader capabilities through safety and quality tiered inspection and evaluation mechanisms and the smart safety APP.

In 2025, with the progress of the new production line project, human resource deployment was simultaneously secured. New production line employees were smoothly brought up to full complement with position skills meeting the requirements for taking up posts, laying the foundation for the successive commissioning and ramping up to designed capacity of the new production lines. In accordance with the construction progress of the new production line project, personnel recruitment plans for the new project were formulated. The Group successively organised the establishment of the organisational structure of new production lines, formulated personnel training plans and remuneration plans, and supplemented personnel through social and campus recruitment through multiple channels to meet the staffing needs of new production lines.

## MARKET EXPANSION AND SALES PERFORMANCE

During the Year, the Group closely tracked market change trends and firmly executed the operating strategy of “adjusting structure, improving efficiency and reducing costs”, breaking through market bottlenecks with high value-added and innovative products. Through precise measures, diversified expansion, scientific efficiency improvement and company-wide, full-process cost reduction and efficiency enhancement, the Group achieved steady development throughout the Year.

### 1. Growth in Both Volume and Quality

During the Year, the Group accurately grasped demand opportunities in domestic and international oil and gas development, new energy construction, construction machinery and other sectors. The domestic oil field market recorded relatively rapid growth driven by continuous breakthroughs in premium products, while the international market achieved substantial growth through sales channel expansion and specialty product advantages.

### 2. Breakthroughs with Core Customers

The Group focused on national resource security development needs, with the Three Major NOCs (CNPC, Sinopec and CNOOC) as core targets, deepening cooperation with breakthrough results in high-end market competition throughout the Year, with market share substantially increased:

- **CNPC:** Full-year bid-winning volume grew substantially year-on-year, with non-API series product bid-winning volume reaching a historic high. The Group has become one of CNPC’s major suppliers of premium tubing and casing.
- **Sinopec:** Successfully shortlisted in multiple tender lots in the annual framework agreement bidding. Non-API products were shortlisted and supplied in batches for the first time, achieving a historic breakthrough.
- **CNOOC:** Full-year sales volume grew steadily year-on-year, with the supply of low-alloy specialty products further deepening and product variety continuing to expand.

### 3. Deepening the Differentiation Strategy

Throughout the Year, the Group adhered to the market strategy of “strengthening core pipe products, pursuing moderate diversification, and developing unique leading products” as its main line, continuously expanding into high value-added product sectors, with the product diversification landscape further improved:

- Sales of unique leading products achieved leapfrog growth, growing substantially year-on-year to reach a historic high. Their proportion of domestic market sales increased significantly, and a variety of unique leading products were widely recognised by the market, further consolidating differentiated competitive advantages.
- The tubing and casing premium product market continued to develop strongly throughout the Year, with annual sales growing substantially year-on-year. High-strength and high-toughness tubing and casing, H<sub>2</sub>S corrosion-resistant tubing and casing, and customised gas-tight premium connection tubing and casing achieved breakthrough growth, and were successfully applied to key projects including “Three High” gas reservoir development in Southwest Oil & Gas Field and ultra-deep well drilling in Xinjiang Oil Field.
- New business and new market expansion were conducted in coordination. The Group successfully stabilised the Xinjiang Yaxin coalbed methane market supply and opened up new markets including the Ningxia coalbed methane market, laying the foundation for the Group to gain a foothold in the unconventional oil and gas resource development ancillary market outside the Three Major NOCs.
- Product diversification was further improved. Sales of premium products including crane boom pipes and geological exploration and coal mining drill pipes grew further. Market channels for perforating gun tubes, gas cylinder tubes and other products were gradually enriched, and the scope of cooperation customers continued to expand.

## CORE PRODUCTION BASE CONSTRUCTION PROGRESS

### 1. Hebei, China Base

The new production line project advanced steadily as planned. The heat treatment line completed equipment commissioning and was officially put into trial production; the hot rolling line, upsetting line and pipe processing line successively met trial production conditions.

The completion and commissioning of this intelligent tubing production line marks the Group's successful achievement of a major upgrade in its tubing production mode, replacing the previous model of processing tubing using casing production lines. The new production line is a key initiative in the Group's strategy to deepen cost reduction and efficiency improvement and optimise the product mix, significantly enhancing the market competitiveness of tubing products. It features the following characteristics:

- **Intelligent and Digital:** The production line deeply integrates advanced systems such as the Internet of Things (IoT) and real-time monitoring to achieve full-process intelligent manufacturing and digital management.
- **Product Coverage:** Achieves full specification coverage of tubing products, fully meeting the diverse needs of global markets.
- **Efficiency and Cost Advantages:** Production efficiency improved by 35% compared to the original model, with required labour deployment reduced by 30%.
- **Premium Transformation:** Substantially enhances the production capacity for premium tubing products, strongly driving the transformation of the tubing product mix towards premium and customised products.

### 2. Saudi Dammam Base

As the core fulcrum of the Group's internationalisation strategy, the Saudi Dammam base project is progressing smoothly and has been successfully included in the Saudi Ministry of Energy's localisation platform. The preliminary design work has been completed, and the Dammam, Saudi Arabia office has been officially put into operation. To accelerate project implementation and strengthen localised operational capabilities, the Group appointed Mr. Al Gosaibi Saud Yousif M (who has long served at Saudi Arabian Oil Company ("Saudi Aramco") in various management and leadership positions) as Executive Director. His rich local Saudi experience and petroleum industry management background will provide strong support for the smooth advancement of the Dammam base project and the Group's sustainable development.

Although the project faces various challenges in its early stages including cultural integration, based on the Group's deep accumulation in the petroleum equipment sector, the precise match between the project and Saudi market demands, and the current favourable progress, management is confident of the project's success.

In early 2026, the Dammam base project achieved multiple significant milestone developments. Dalipal International obtained the Temporary Industrial Licence issued by the Saudi Ministry of Industry and Mineral Resources (“MIMR”). Under Saudi regulations, the Temporary Industrial Licence is a necessary administrative approval allowing foreign and local investors to construct manufacturing projects within the country, which can be converted to an Industrial Production Licence upon completion of project construction. At the same time, the Saudi Ministry of Energy (“MoE”) approved a 60MW electricity quota for Dalipal International, laying an important foundation for the production operations of the project.

## OUTLOOK

### 1. Industry Environment and Market Trends

The global energy equipment industry is undergoing structural transformation. On the demand side, the international market presents differentiated opportunities: deepening oil and gas development and accelerating new energy infrastructure in the Middle East will continue to drive demand for premium products such as high-strength OCTG; the Southeast Asian market, with the advancement of infrastructure projects such as Indonesia’s natural gas pipelines, creates incremental space for economical specialty products. At the same time, geopolitical conflicts and tariff policy volatility have increased supply chain uncertainty, placing higher demands on enterprises’ international operating capabilities. In the domestic market, the energy security strategy is driving rapid development of shale gas extraction, offshore oil and gas exploration and the hydrogen energy industry (the National Energy Administration planned hydrogen energy output to reach 10 million tonnes in 2025), generating rigid demand for specialty pipes such as corrosion-resistant and high-pressure products, becoming a new engine to break through traditional business growth bottlenecks.

### 2. Strategic Positioning and Competitive Advantages

Facing a complex environment, the Group anchors its development path with three core advantages:

- **Technology R&D:** As a national high and new technology enterprise, the Group has achieved batch supply of unique products including H<sub>2</sub>S corrosion-resistant casing and economical premium connections, and has made breakthrough progress in frontier technology areas such as anti-hydrogen/CO<sub>2</sub> corrosion pipes and hydrogen transmission line pipes.
- **Industrial Chain Layout:** Through lean operational systems, flexible switching between large-batch and customised production is achieved, with full supply chain cost management capabilities becoming a key barrier against homogeneous competition in conventional products.
- **International Foundation:** The establishment of the Saudi Dammam production base and the breakthrough into Middle East market access, combined with the synergistic effect of the Hong Kong capital platform, provide a solid fulcrum for the global strategy.

### **3. Core Operating Strategies and Implementation Roadmap for 2026**

#### ***i. Product Mix Upgrade and Technology Reserves***

Continuously increase research and development investment in high value-added products, focusing on technological breakthroughs and industrialisation of core categories including ultra-high-strength pipes, anti-sulphur/hydrogen/CO<sub>2</sub> corrosion pipes, hydrogen transmission line pipes and high-pressure boiler tubes. Actively expand specialty pipes for offshore oil and gas development. Build a tiered technology reserve system of “developing one generation, reserving one generation, producing one generation” to continuously improve the premium level of the product mix.

#### ***ii. In-depth Market Expansion***

In the domestic market, focus on shale gas blocks in Southwest and Northwest China and the offshore oil and gas market, continue to deepen cooperation with strategic customers such as the Three Major NOCs and expand market share. Actively develop emerging markets such as unconventional oil and gas to enrich the customer base. In the international market, make every effort to advance the construction start of the Saudi Dammam base as planned, simultaneously establish a localised cooperation and market development system, strengthen penetration in the Middle East and Southeast Asian markets and enhance the brand’s international influence.

#### ***iii. Comprehensive Operational Efficiency Optimisation***

Taking the existing and new intelligent production lines at the Hebei, China base as benchmarks, integrate production, sales and research data through the digital management and control platform to shorten manufacturing cycles, reduce work-in-process inventory and accelerate capital recovery. The cost reduction and efficiency improvement programme focuses on process innovation (such as material optimisation to reduce raw material costs), labour efficiency improvement (improving new production line remuneration and performance policies) and intensive energy management, with the objective of conventional products achieving profitability being rigorously implemented.

#### ***iv. Green and Globalisation Dual-Track Synergy***

Accelerate construction of the distributed photovoltaic project at the Cangzhou Bohai New Area production base, achieving grid connection and power generation within the year. Continuously deepen the carbon management system and green supply chain management system, promote full coverage of product lifecycle carbon footprint assessment, and accelerate the application of green electricity replacement technology to reduce unit product carbon emissions and meet the requirements of the EU Carbon Border Adjustment Mechanism. Simultaneously deepen resource linkage between the Middle East base and the Hong Kong capital platform, building a global network covering research and development, production and trade.

#### 4. Strategic Support System

To ensure the achievement of targets, the Group will strengthen four pillars:

- **Technology Innovation and Commercialisation Mechanism:** Drive research and development resources towards market demand, focusing breakthroughs on extreme specification challenges and process upgrade bottlenecks. Through the three-step approach of “process consolidation + cost reduction experimentation + new product reserves”, strengthen full industrial chain coordination and strive to achieve a dual leap in sales volume and market share of high value-added products.
- **Digital Empowerment System:** Deepen application of the management and control platform to achieve full-process information technology connectivity for production scheduling optimisation, quality traceability and customer services, continuously improving production yield rates and shortening production cycles.
- **Talent Pipeline Development:** Conduct special project research and development programmes and IDP plans in conjunction with the deepened application of new intelligent production lines and the management and control platform project, improve the remuneration and performance policy for new production lines and accelerate project capacity ramp-up.
- **Resource Integration Capability:** Through external cooperation (such as international energy project implementation) and internal capital optimisation (ensuring capacity release at the Cangzhou/Dammam bases), form synergistic effects. Simultaneously advance resource linkage between the Saudi Dammam base and domestic bases, building a global network of “research and development domestically, production overseas, service globally”.

#### 5. Development Outlook

In 2026, the Group will drive forward with technology differentiation, operational excellence and global layout as its core drivers. It will break through homogeneous competition with premium products, consolidate domestic cost and delivery advantages through intelligent production lines, and lay the foundation for future global capacity release through the continued deepening of the Middle East strategic layout. Against a backdrop of accelerating industry differentiation, the Group will firmly advance technology leadership and value creation in the energy equipment sector, striving to achieve a dual leap in sales volume and market share of high value-added products, and create sustainable long-term returns for shareholders.

## **6. Middle East Risk Factors**

Geopolitical conflict risks: In early 2026, the United States and Israel launched military actions against Iran, and Iran subsequently announced the closure of the Strait of Hormuz. Multiple major international shipping companies suspended transit on relevant routes, and international oil prices fluctuated substantially. The above situation poses certain risks to the Group's business: (1) capital expenditure plans and procurement decisions of customers in the Middle East region may be affected; (2) disruption to shipping through the Strait of Hormuz may increase logistics costs and cause delivery delays for the Group's product imports and exports; (3) the construction progress of the Saudi Dammam base may also be disrupted by regional conditions. On the other hand, an increase in oil prices is expected to stimulate global oil and gas exploration and production investment in the medium to long term, providing potential support for demand for premium energy equipment pipes. The Group will closely monitor the situation and flexibly adjust its Middle East market and Dammam base advancement strategy to effectively manage the potential impact of related risks on the Group's business and financial condition.

## FINANCIAL REVIEW

### Revenue

The Group recorded a total revenue of RMB3,462.5 million for the Year, representing an increase of 5.2% from RMB3,292.3 million recorded for the year ended 31 December 2024. For the Year, the revenue of oil and gas pipes increased, while the revenue of new energy pipes and special seamless steel pipes decreased. The following table sets forth the Group's segment revenue both in absolute amount and as a percentage of its revenue for the periods presented:

Percentage Categories	For the year ended 31 December 2025		For the year ended 31 December 2024		Changes	
	Sales	Percentage	Sales	Percentage	Sales	
	<i>RMB million</i>	<i>%</i>	<i>RMB million</i>	<i>%</i>	<i>RMB million</i>	<i>%</i>
Oil and gas pipes	2,390.0	69.0	2,196.4	66.7	193.6	8.8
New energy pipes and special seamless steel pipes	1,072.5	31.0	1,095.9	33.3	(23.4)	(2.1)
Total	<u>3,462.5</u>	<u>100.0</u>	<u>3,292.3</u>	<u>100.0</u>	<u>170.2</u>	<u>5.2</u>

When compared with 2024, the Group recorded an increase in revenue generated by the sale of (i) oil and gas pipes to RMB2,390.0 million for the Year (2024: RMB2,196.4 million), representing an increase of 8.8%; and (ii) new energy pipes and special seamless steel pipes to RMB1,072.5 million for the Year (2024: RMB1,095.9 million), representing a decrease of 2.1%.

The increase in the Group's revenue during the Year was mainly due to increased investment in energy exploration in domestic and overseas markets, which led to a recovery in market demand and a growth in sales volume that outpaced the decline in selling prices. The following table sets forth the geographical distribution of the Group's revenue both in absolute amount and as a percentage of its revenue for the periods presented:

	For the year ended 31 December 2025		For the year ended 31 December 2024		Changes	
	Sales	Percentage	Sales	Percentage	Sales	
	<i>RMB million</i>	<i>%</i>	<i>RMB million</i>	<i>%</i>	<i>RMB million</i>	<i>%</i>
Domestic Sales	2,936.4	84.8	2,913.9	88.5	22.5	0.8
Overseas Sales	526.1	15.2	378.4	11.5	147.7	39.0
Total	<u>3,462.5</u>	<u>100.0</u>	<u>3,292.3</u>	<u>100.0</u>	<u>170.2</u>	<u>5.2</u>

For the Year, the Group's overseas sales increased to RMB526.1 million (2024: RMB378.4 million), mainly attributed to the contrarian expansion of global oil and gas upstream investment and the rapid growth in demand from overseas emerging markets, the Group's export sales volume increased. Coupled with the increased proportion of high value-added products, the Group achieved positive growth in revenue. On the other hand, the Group's revenue generated from domestic sales for the Year remained stable with an increment of 0.8% when compared with that in 2024.

### **Cost of sales**

The Group recorded a total cost of sales of RMB3,105.2 million for the Year, representing an increase of 2.5% as compared to RMB3,028.9 million recorded for the year ended 31 December 2024. Such increase in the total cost of sales was mainly due to the increase in sales volume.

### **Gross profit and gross profit margin**

The Group's total gross profit for the Year was RMB357.3 million, representing an increase of RMB93.9 million as compared to RMB263.4 million recorded for the year ended 31 December 2024. The Group's overall gross profit margin for the Year was 10.3%, representing an increase of 2.3 percentage points from 8.0% for the year ended 31 December 2024. It is mainly driven by the combined effects of the overall recovery in production and sales volume, the increase in the sales proportion of high-value-added and high-margin products, and the benefits of process innovation, cost reduction and efficiency improvement, and management enhancement.

### **Other income**

For the Year, the Group's other income was RMB50.6 million, representing a decrease of RMB16.7 million from RMB67.3 million recorded for the year ended 31 December 2024. Such decrease was mainly due to the increase in exchange losses.

### **Selling expenses**

For the Year, the Group's selling expenses were RMB142.2 million, which were basically the same as the RMB142.3 million recorded for the year ended 31 December 2024.

### **Administrative expenses**

For the Year, the Group's administrative expenses were RMB180.8 million, representing a decrease of 3.8% as compared to RMB187.9 million recorded for the year ended 31 December 2024. Such decrease was mainly due to the decrease in equity-settled share-based payment expenses.

## **Finance costs**

For the Year, the finance costs of the Group were RMB67.1 million, representing a decrease of 22.8% as compared to RMB86.9 million recorded for the year ended 31 December 2024. Such decrease was mainly due to the capitalization of interest expenses on loans used for project construction and the reduction of loan interest rates.

## **Income tax expenses**

The Group recorded income tax expenses of RMB4.1 million for the Year and income tax credit of RMB9.3 million for the year ended 31 December 2024, representing an increase in income tax expenses of RMB13.4 million. Such increase was mainly due to the company's generation of profit in the current year, which has resulted in the corresponding income tax expense.

## **Profit for the year**

The Group recorded a profit of RMB13.7 million for the year ended 31 December 2025 whereas it recorded a loss of RMB77.1 million for the year ended 31 December 2024, representing an increase in profit of RMB90.8 million. Such increase was mainly driven by the dual growth in revenue and gross profit.

## **Non-IFRS measure**

To supplement our consolidated financial statements, which are presented in accordance with IFRS Accounting Standards, we also use adjusted net profit/(loss) (non-IFRS measure) and adjusted net profit/(loss) margin (non-IFRS measure) as additional non-IFRS measures, which are not required by, or presented in accordance with, IFRS Accounting Standards.

We believe these non-IFRS measures facilitate comparisons of operating performance from year to year and company to company by eliminating potential impacts of certain items. We believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net profit/(loss) (non-IFRS measure) and adjusted net profit/(loss) margin (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

The following table reconciles our adjusted net profit/(loss) (non-IFRS measure) and adjusted net profit/(loss) margin (non-IFRS measure) for the years presented to the most directly comparable financial measure calculated and presented in accordance with IFRS Accounting Standards:

	<b>2025</b> <i>RMB million</i>	2024 <i>RMB million</i>
Profit/(loss) for the year	<b>13.7</b>	(77.1)
Add:		
– Equity-settled share-based payment expenses	<b>11.0</b>	20.3
Adjusted net profit/(loss) (non-IFRS measure)	<b>24.7</b>	(56.8)
Adjusted net profit/(loss) margin (non-IFRS measure)	<b>0.7%</b>	(1.7%)

### **Capital expenditure**

For the Year, the Group invested RMB778.6 million in property, plant and equipment (2024: RMB327.6 million). The capital expenditure was mainly used for the Phase Two Expansion of the Group.

### **Liquidity, financial resources and capital structure**

The Group has mainly financed its working capital and other cash requirements by net cash generated from operating activities and resorted to external financing including both long-term and short-term bank borrowings in case the projected operating cash flow is insufficient to meet the capital requirements.

As at 31 December 2025, cash at bank and on hand amounted to RMB404.2 million (31 December 2024: RMB412.1 million) and were mainly denominated in RMB, with certain amount denominated in Hong Kong dollars, US dollars and Saudi Riyal.

As at 31 December 2025, interest-bearing borrowings of the Group amounted to RMB2,467.3 million, among which RMB1,378.5 million were long-term interest-bearing borrowings and RMB1,088.8 million were short-term interest-bearing borrowings and all were denominated in RMB. As at 31 December 2025, RMB1,591.1 million (31 December 2024: RMB1,898.6 million) of the interest-bearing borrowings of the Group have been charged at fixed interest rates.

Debt to equity ratio of the Group, which is calculated by the net liabilities (interest-bearing borrowings net of cash at bank and on hand) divided by the total equity as at the respective year end and multiplied by 100%, was 153.1% as at 31 December 2025, representing an increase of 16.2 percentage points from 136.9% as at 31 December 2024. Such increase was primarily attributable to an increase in borrowings.

Current ratio of the Group, which is calculated based on the current assets divided by the current liabilities, increased from 1.02 as at 31 December 2024 to 1.07 as at 31 December 2025.

## **Employees and remuneration policy**

As at 31 December 2025, the Group had 2,096 employees (31 December 2024: 1,795 employees) in total, and total staff costs (inclusive of Directors' emoluments) for the Year amounted to RMB279.4 million (2024: RMB252.9 million).

The Group believes its success depends on its employees' provision of consistent, high quality and reliable services. In order to attract, retain and enrich the knowledge, skill level and qualifications of its employees, the Group places a strong emphasis on training for employees. In addition, the Group offers competitive remuneration packages, including basic salary, performance-based bonuses and share incentives, and reviews the remuneration packages annually according to industry benchmark, financial results, as well as the performance of employees. The Company has also adopted Share Option Scheme and Share Award Plans for the purpose of providing incentives and rewards to eligible participants, including the employees of the Group, who have contributions to the Group.

## **Pledge of assets**

As at 31 December 2025, the Group's property, plant and equipment with carrying amount of RMB1,075.7 million (2024: RMB1,131.8 million) and other chattels with carrying amount of RMB992.2 million (2024: RMB755.9 million) were pledged as collateral for the Group's bank borrowings.

## **Foreign exchange risk**

The Group mainly operates its business in the PRC and positively expands its overseas business. The Group hedges its exposure to exchange rate fluctuations through strengthening exchange rate trend analysis, improving exchange rate risk control standards and making timely use of forward foreign exchange settlement and it is expected that the Group will not be subject to any materially adverse effects arising from exchange rate fluctuation. Nevertheless, the Group will closely monitor the financial market and would consider appropriate measures as and when necessary.

## **Significant investments held and material acquisitions and disposals**

For the Year, the Group did not hold any significant investments or have any material acquisitions or disposals of subsidiaries, associates or joint ventures of the Company (2024: nil).

## **Contingent liabilities**

As at 31 December 2025, the Group does not have any contingent liabilities (2024: nil).

## **Dividends**

For the year ended 31 December 2025, the Board has resolved not to recommend the payment of a final dividend (2024: Nil).

## **Purchase, sale or redemption of the company's listed securities**

During the Year, the trustee(s) of the Share Award Plans had purchased Shares on the Stock Exchange or off the market for the purpose of satisfying the share awards granted or to be granted under the Share Award Plans. Save as aforesaid, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

## **Events after the year**

On 11 January 2026 (Saudi Arabia time), the Company entered into a share purchase agreement with Zumar Aloufq Company ("Zumar"), an independent third party in Saudi Arabia. Pursuant to the share purchase agreement, the Company sold 40.0% of the equity interests in Dalipal International for Industry ("Dalipal International"), a subsidiary established to undertake the Group's project in Dammam, Saudi Arabia, at a consideration of SAR3.0 million. Following the transaction, the Company holds 60.0% and Zumar holds 40.0% of the equity interests in Dalipal International.

The Company and Zumar also entered into a shareholders' agreement to regulate the rights and obligations of the parties as shareholders. In particular, the Company and Zumar agreed to initially increase the share capital of Dalipal International to a range of USD150.0 million to USD240.0 million in proportion to their respective shareholdings, to fund part of the phase one total project cost of USD600 million. The Company agreed to initially contribute up to USD144.0 million to Dalipal International. For further details, please refer to the announcements of the Company dated 12 January 2026 and 29 January 2026.

Other than the aforesaid, there was no significant event after the Year up to the date of this announcement.

## **CORPORATE GOVERNANCE PRACTICES**

The Company has applied the provisions as set out in Part 2 of the CG Code, and has complied with all the code provisions as set out in Part 2 of the CG Code during the Year.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding directors' securities transactions in terms no less exacting than the required standard set out in the Model Code. Having made specific enquiries with each of the Directors, all Directors have confirmed to the Company that they have complied with the required standards set out in the Model Code during the Year.

## **REVIEW OF ANNUAL RESULTS**

The Group's annual results and consolidated financial statements for the Year have been reviewed and approved by the Audit and Risk Management Committee, and the Audit and Risk Management Committee is of the opinion that such financial statements comply with the applicable accounting standards, the Listing Rules and all other applicable legal requirements. The Audit and Risk Management Committee therefore recommended the Board to approve the Group's annual results and consolidated financial statements for the Year without disagreement.

## **ANNUAL GENERAL MEETING**

The annual general meeting is currently scheduled to be held on Friday, 22 May 2026. A notice convening the AGM and other relevant documents will be published in accordance with the requirements of the Listing Rules in due course.

## **CLOSURE OF REGISTER OF MEMBERS FOR AGM**

In order for determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 19 May 2026 to Friday, 22 May 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the 2026 AGM, all transfer documents 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 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Monday, 18 May 2026. The record date for the purpose of determining the eligibility of the shareholders to attend and vote at the AGM is therefore Friday, 22 May 2026.

## **SCOPE OF WORK OF THE AUDITOR**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

The results announcement for the Year is published on the Company's website at [www.dalipal.com](http://www.dalipal.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). The 2025 annual report of the Company will be despatched to the shareholders of the Company (where appropriate) and available on the above websites in due course in accordance with the Listing Rules.

## **APPRECIATION**

The Board would like to take this opportunity to express sincere gratitude to all staff of the Group for their dedication and cooperation and to all shareholders, customers and business partners for their trust and support.

## DEFINITIONS

“AGM”	the forthcoming annual general meeting of the Company to be held on 22 May 2026
“API”	American Petroleum Institute
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit and Risk Management Committee”	the audit and risk management committee of the Board
“Board”	the board of Directors
“Cayman Islands Companies Law” or “Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“CG Code”	the Corporate Governance Code contained in Appendix C1 to the Listing Rules
“Company” or “our Company”	Dalipal Holdings Limited (達力普控股有限公司), an exempted company limited by shares incorporated in the Cayman Islands on 28 August 2018 under the Companies Law
“Connected Persons’ Share Award Plan”	the share award plan for directors and chief executives of the Group, adopted by the Company on 31 May 2022, as amended on 19 December 2022 as disclosed in the announcement of the Company dated 19 December 2022
“Director(s)”	the director(s) of our Company
“Group” or “our Group” or “we” or “our” or “us” or “Dalipal”	our Company and its subsidiaries, or where the context refers to any time prior to our Company becoming the holding company of its present subsidiaries, the present subsidiaries of our Company and the businesses operated by such subsidiaries or their predecessors (as the case may be)
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC “Hong Kong dollars” or “HK\$” Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“IDP”	Individual Development Plan
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Macau”	the Macao Special Administrative Region of the PRC
“Main Board”	the stock market (excluding the options market) operated by the Stock Exchange and which is independent from and operated in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“Model Code”	the Model Code for Securities set out in Appendix C3 to the Listing Rules
“Nomination Committee”	the nomination committee of the Board
“Non-Connected Persons’ Share Award Plan”	the share award plan for full-time employees of the Group, adopted by the Company on 31 May 2022, as amended on 19 December 2022 as disclosed in the announcement of the Company dated 19 December 2022
“Phase Two Expansion”	the construction of phase two production capacity expansion at the Group’s factory located at Bohai New District
“PRC” or “China”	the People’s Republic of China which, for the purposes of this announcement excludes Hong Kong, Macau and Taiwan
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme approved and adopted by our Company on 19 June 2019
“R&D”	research and development
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of our Company
“Share Award Plans”	the Connected Persons’ Share Award Plan and Non-Connected Persons’ Share Award Plan
”Share Option Scheme”	the share option scheme was adopted by a resolution in writing by the then shareholders of the Company on 19 June 2019

“SPARK”	King Salman Energy Park in Dammam, Saudi Arabia
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“US dollars”	United states dollars, the lawful currency of the united sates of America
“Year”or “reporting period”	the year ended 31 December 2025
“%”	per cent

By order of the Board  
**Dalipal Holdings Limited**  
 達力普控股有限公司  
**Meng Fanyong**  
*Chairman and executive Director*

Hong Kong, 30 March 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.*