

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Dalipal Holdings Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



Dalipal Holdings Limited
達力普控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1921)

**PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND BUY-BACK SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the Annual General Meeting on Tuesday, 23 May 2023 at 10:00 a.m. at Function Room 35B & 35C, Level 35, Two Pacific Place, No. 88 Queensway, Admiralty, Hong Kong is set out on pages 8 to 13 of this circular.

Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not later than 48 hours before the time of the Annual General Meeting (i.e. or before 10:00 a.m. on Sunday, 21 May 2023 (Hong Kong time)), or any adjournment thereof to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at 17 Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof should you so wish.

References to time and dates in this circular are to Hong Kong time and dates.

25 April 2023

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
– Issue Mandate	4
– Buy-back Mandate and Extension Mandate	4
– Re-election of Directors	4
– Actions to be Taken	5
– Voting at the Annual General Meeting	6
– Responsibility Statement	6
– Recommendation	6
– Closure of Register of Members	6
– General Information	7
– Miscellaneous	7
Notice of Annual General Meeting	8
Appendix I – Explanatory Statement on the Buy-back Mandate	14
Appendix II – Biographical Information of Directors for Re-election	17

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held on Tuesday, 23 May 2023 at 10:00 a.m. at No.1 Zhuangbei District, Nanshugang Road, Bohai New District, Cangzhou City, Hebei Province, PRC, the notice of which is set out on pages 8 to 13 of this circular, and any adjournment thereof
“Articles of Association”	the amended and restated articles of association of the Company (as amended from time to time)
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Buy-back Mandate”	a general and unconditional mandate proposed to be granted to the Directors to enable them to buy back the Shares on the Stock Exchange the aggregate number of which shall not exceed 10% of the aggregate number of Shares in issue as at the date of passing the relevant resolution at the Annual General Meeting
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Act”	the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Dalipal Holdings Limited 達力普控股有限公司, a company incorporated in the Cayman Islands and the issued Shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that the total number of Shares which may be allotted and issued under the Issue Mandate may be increased by an additional number representing such number of Shares actually bought back under the Buy-back Mandate
“Group”	the Company and its subsidiaries

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue or otherwise deal with new Shares up to a maximum of 20% of the aggregate number of Shares in issue as at the date of passing the relevant resolution at the Annual General Meeting
“Latest Practicable Date”	19 April 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the amended and restated memorandum of association of the Company (as amended from time to time)
“Nomination Committee”	the nomination committee of the Board
“PRC”	The People’s Republic of China, excluding for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“%”	per cent.

* For identification purpose only



Dalipal Holdings Limited

達力普控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1921)

Executive Directors:

Mr. Meng Fanyong (*Chairman*)
Mr. Zhang Hongyao (*Vice-chairman*)
Ms. Xu Wenhong
Mr. Meng Yuxiang
Ms. Gan Shuya

Registered office:

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Non-executive Director:

Mr. Yin Zhixiang

*Principal Place of Business
in the PRC:*

No.1 Zhuangbei District
Nanshugang Road
Bohai New District
Cangzhou City
Hebei Province
PRC

Independent Non-executive Directors:

Mr. Guo Kaiqi
Mr. Wong Jovi Chi Wing
Mr. Cheng Haitao

*Principal Place of Business
in Hong Kong:*

Room 4006, 40th Floor
Jardine House
1 Connaught Place
Hong Kong

25 April 2023

Dear Shareholders

**PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND BUY-BACK SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

The primary purpose of this circular is to provide you with information regarding the resolutions to be proposed at the Annual General Meeting and to give you notice of the Annual General Meeting. Resolutions to be proposed at the Annual General Meeting include, inter alia, ordinary resolutions (a) on the proposed grant of each of the Issue Mandate, the Buy-back Mandate and the Extension Mandate; and, (b) relating to the proposed re-election of Directors.

LETTER FROM THE BOARD

ISSUE MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be granted the Issue Mandate, i.e. a general and unconditional mandate to allot, issue and deal with new Shares up to 20% of the aggregate number of Shares in issue as at the date of passing of the relevant resolution. As at the Latest Practicable Date, a total of 1,498,468,000 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or bought back by the Company prior to the Annual General Meeting, the Company will be allowed under the Issue Mandate to issue a maximum of 299,693,600 Shares.

BUY-BACK MANDATE AND EXTENSION MANDATE

At the Annual General Meeting, an ordinary resolution will also be proposed to give the Directors the Buy-back Mandate, i.e. a general and unconditional mandate to exercise all powers of the Company to buy back, on the Stock Exchange, or on any other stock exchange on which the Shares may be listed, Shares up to a maximum of 10% of the number of Shares in issue as at the date of passing of the relevant resolution. In addition, an ordinary resolution regarding the Extension Mandate will be proposed at the Annual General Meeting to authorise the increase in the total number of new Shares which may be allotted and issued under the Issue Mandate by an additional number representing such number of Shares actually buy back under the Buy-back Mandate.

The Buy Back Mandate and the Issue Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or by any applicable law or Companies Act to be held; or (c) when revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

Under the Listing Rules, the Company is required to give to its Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Buy-back Mandate at the Annual General Meeting. An explanatory statement for such purpose is set out in Appendix I to this circular.

RE-ELECTION OF DIRECTORS

According to Article 105(A) of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office.

LETTER FROM THE BOARD

According to Article 105(B) of the Articles of Association, the Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

By virtue of Articles 105(A) and 105(B) of the Articles of Association, Mr. Meng Fanyong, Ms. Gan Shuya and Mr. Yin Zhixiang will retire as Directors at the Annual General Meeting, and they, being eligible, will offer themselves for re-election at the Annual General Meeting.

The Nomination Committee has reviewed the composition, structure, size and diversity of the Board, the qualifications, skills, experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria under the Company's Board diversity policy and in light of the Company's business and strategic direction, and is satisfied with the retiring Directors' suitability for continuous holding of directorships in the Company. The Nomination Committee has recommended to the Board to propose the re-election of all retiring Directors at the Annual General Meeting.

Biographical information of Mr. Meng Fanyong, Ms. Gan Shuya and Mr. Yin Zhixiang is set out in Appendix II to this circular.

ACTIONS TO BE TAKEN

At the Annual General Meeting, ordinary resolutions will be proposed to approve, among other matters, the following:

- (a) the proposed grant of the Issue Mandate, Buy-back Mandate and Extension Mandate; and
- (b) the proposed re-election of Directors.

To the best information of the Directors after making reasonable enquiries, no Shareholder is required to abstain from voting for any resolution proposed to be adopted at the Annual General Meeting. A form of proxy for use at the Annual General Meeting is enclosed herewith and published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.dalipal.com. Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time for the Annual General Meeting (i.e. at or before 10:00 a.m. on 21 May 2023 (Hong Kong time), or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

VOTING AT THE ANNUAL GENERAL MEETING

Pursuant to Rule 13.39 of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll. The chairman of the Annual General Meeting will therefore demand a poll for every resolution put to the vote of the Annual General Meeting pursuant to article 72 of the Articles of Association. An announcement on the poll vote results will be made by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RESPONSIBILITY STATEMENT

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

RECOMMENDATION

The Board considers that the ordinary resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and the Shareholders as a whole and recommends the Shareholders to vote in favour of such resolutions at the Annual General Meeting.

CLOSURE OF REGISTER OF MEMBERS

For determination of the entitlement to attend and vote at the Annual General Meeting, the transfer books and register of members will be closed from Thursday, 18 May 2023 to Tuesday, 23 May 2023 (both days inclusive) during which period no transfer of Shares will be effected. In order to qualify for attending and voting at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at 17 Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, 17 May 2023.

For determination of the entitlement to the proposed final dividend, conditional upon the passing of the resolution approving the declaration of the proposed final dividend at the Annual General Meeting, the transfer books and register of members will be closed from Tuesday, 30 May 2023 to Thursday, 1 June 2023 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at the address stated above not later than 4:30 p.m. on Monday, 29 May 2023.

LETTER FROM THE BOARD

GENERAL INFORMATION

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

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,
For and on behalf of the Board of
Dalipal Holdings Limited
達力普控股有限公司
Meng Fanyong
Chairman and executive Director

NOTICE OF ANNUAL GENERAL MEETING

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from, or in reliance upon, the whole or any part of the contents of this notice.



Dalipal Holdings Limited

達力普控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1921)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the physical annual general meeting of Dalipal Holdings Limited (“**Company**”) will be held at Function Room 35B & 35C, Level 35, Two Pacific Place, No. 88 Queensway, Admiralty, Hong Kong at 10:00 a.m. on Tuesday, 23 May 2023 for the following purposes:

1. to receive and adopt the audited consolidated financial statements of the Company, the reports of the directors of the Company and the independent auditors’ report of the Company for the year ended 31 December 2022;
2. to declare a final dividend for the year ended 31 December 2022 of HK\$0.04 per share of the Company;
3.
 - (a) to re-elect Mr. Meng Fanyong as a director of the Company;
 - (b) to re-elect Ms. Gan Shuya as a director of the Company;
 - (c) to re-elect Mr. Yin Zhixiang as a director of the Company;
 - (d) to authorise the board of directors of the Company to fix the directors’ remuneration;
4. to re-appoint KPMG as the independent auditors of the Company and to authorise the board of directors of the Company to fix their remuneration;

to consider and, if thought fit, pass the following resolutions (with or without modification) as ordinary resolutions;

NOTICE OF ANNUAL GENERAL MEETING

5. "THAT:

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange"), the exercise by the directors of Dalipal Holdings Limited ("Company") during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with the unissued shares (each, a "Share") of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); or (ii) the exercise of any options granted under all share option schemes of the Company adopted from time to time in accordance with the Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares shall not exceed the aggregate of:
 - (aa) 20% of the aggregate number of Shares in issue on the date of the passing of this resolution; and

NOTICE OF ANNUAL GENERAL MEETING

(bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate number of Shares bought back by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the aggregate number of Shares in issue on the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law or the Companies Act, Chapter 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the directors of the Company to holders of Shares on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

NOTICE OF ANNUAL GENERAL MEETING

6. "THAT:

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (c) below) of all powers of the Company to purchase Shares (each, a "Share") of the Company on the Stock Exchange, or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong ("SFC") and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the SFC, the Stock Exchange, the Companies Act, Chapter 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares which may be bought back or agreed to be bought back pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period shall not exceed 10% of the aggregate number of Shares in issue as at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution, "**Relevant Period**" means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law or the Companies Act, Chapter 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution."

NOTICE OF ANNUAL GENERAL MEETING

7. “**THAT** conditional on the passing of resolutions numbered 5 and 6 above, the general mandate granted to the directors of the Company pursuant to paragraph (a) of resolution numbered 5 above be and it is hereby extended by the addition to the aggregate number of shares (each, a “**Share**”) of HK\$0.10 each in the capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to or in accordance with such general mandate of an amount representing the aggregate number of Shares bought back or agreed to be bought back by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 6 above.”

Hong Kong, 25 April 2023

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

Registered office:
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal Place of Business in the PRC:
No.1 Zhuangbei District
Nanshugang Road
Bohai New District
Cangzhou City
Hebei Province
PRC

Principal Place of Business in Hong Kong:
Room 4006, 40th Floor
Jardine House
1 Connaught Place
Hong Kong

Notes:

1. A member entitled to attend and vote at the annual general meeting convened by the above notice or any adjournment thereof is entitled to appoint one or more than one (where a member is a holder of two or more Shares) proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the offices of the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at 17 Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 48 hours before the time of the above meeting (i.e. at or before 10:00 a.m. on Sunday 21 May 2023 (Hong Kong time)), or any adjournment thereof. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.

NOTICE OF ANNUAL GENERAL MEETING

3. For determination of the entitlement to attend and vote at the annual general meeting, the transfer books and register of members of the Company will be closed from Thursday, 18 May 2023 to Tuesday, 23 May 2023 (both days inclusive) during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the annual general meeting, all transfers of shares accompanied by the relevant properly completed transfer forms and the relevant share certificates must be lodged with the Company's Hong Kong branch share register and transfer office at the address stated in note 2 above not later than 4:30 p.m. on Wednesday, 17 May 2023.
4. For determination of the entitlement to the proposed final dividend, conditional upon the passing of the resolution approving the declaration of the proposed final dividend at the annual general meeting, the transfer books and register of members of the Company will be closed from Tuesday, 30 May 2023 to Thursday, 1 June 2023 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant properly completed transfer forms and the relevant share certificates must be lodged with the Company's Hong Kong branch share register and transfer office at the address stated in note 2 above not later than 4:30 p.m. on Monday, 29 May 2023.
5. In relation to proposed resolutions numbered 5 and 7 above, approval is being sought from the shareholders of the Company (the "Shareholders") for the grant to the directors of the Company a general mandate to authorise the allotment and issue of Shares under the Listing Rules. The directors of the Company wish to state that they will exercise the powers conferred thereby to allot and issue Shares in circumstances which they deem appropriate for the benefit of the Company and the Shareholders as a whole.
6. In relation to proposed resolution numbered 6 above, the Directors wish to state that they will exercise the powers conferred thereby to buy back Shares in circumstances which they deem appropriate for the benefit of the Company and the Shareholders as a whole. An explanatory statement containing the information necessary to enable the Shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in the Appendix I to the circular of which this notice of the annual general meeting forms part.
7. In the case of joint holders of a Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto to, but if more than one of such joint holders are present at the above meeting, personally or by proxy, that one of the said person so present whose name stands first in the register in respect of such Share shall alone be entitled to vote in respect thereof.
8. If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force at or at any time after 9:00 a.m. on the date of the annual general meeting, the annual general meeting will be postponed or adjourned. The Company will post an announcement on the websites of the Stock Exchange and the Company to notify Shareholders of the date, time and place of the rescheduled annual general meeting.

The annual general meeting will be held as scheduled when an Amber or Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the annual general meeting under bad weather condition bearing in mind their own situation.

9. References to time and dates in this notice are to Hong Kong time and dates.

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

This Appendix I serves as an explanatory statement, as required by the Listing Rules, to provide requisite information as to the proposed Buy-back Mandate.

1. LISTING RULES RELATING TO THE BUY-BACK OF SHARES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to buy back their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all buy back of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general buy-back mandate or by specific approval of a particular transaction.

2. SHARE CAPITAL

As at Latest Practicable Date, there were a total of 1,498,468,000 Shares in issue.

Subject to the passing of the proposed resolution granting the Buy-back Mandate and on the basis that no further Shares are issued or bought back prior to the Annual General Meeting, the Company will be allowed under the Buy-back Mandate to buy back a maximum of 149,846,800 Shares which represents 10% of the aggregate number of Shares in issue as at the date of passing such resolution.

3. REASONS FOR THE BUY-BACK

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to buy back the Shares on the Stock Exchange or any other stock exchange on which the Shares are listed. Share buys back may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such buy-back will benefit the Company and the Shareholders.

4. FUNDING OF SHARE BUY-BACK

In buying back the Company's securities, the Company may only apply funds legally available for the purpose in accordance with the Company's Memorandum and Articles of Association, the Companies Act and other applicable laws of the Cayman Islands.

Taking into account the current working capital position of the Company, the Directors consider that, if the Buy-back Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 31 December 2022, being the date of its latest audited consolidated financial statements. However, the Directors do not intend to make any buy-back to such an extent as would, in the circumstances, have a material

adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the twelve calendar months immediately preceding the Latest Practicable Date were as follows:

	Highest HK\$	Lowest HK\$
April 2022	2.22	1.80
May 2022	2.50	1.84
June 2022	3.02	2.04
July 2022	3.00	2.51
August 2022	2.82	2.42
September 2022	2.84	2.36
October 2022	2.67	2.36
November 2022	2.62	2.34
December 2022	2.50	2.31
January 2023	2.60	2.29
February 2023	2.63	2.30
March 2023	2.47	2.16
April 2023 (up to Latest Practicable Date)	2.80	2.29

6. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If on exercise of the powers of repurchase pursuant to the Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, (i) Mr. Meng Fanyong ("Mr. Meng") was interested in an aggregate of 706,353,600 Shares, which were held by Rosy Astral Limited ("Rosy Astral"), representing approximately 47.1% of the issued share capital of the Company; and (ii) Polaris Swift Limited ("Polaris Swift") held 417,822,000 Shares representing approximately 27.9% of the issued share capital of the Company. Rosy Astral is a company owned as to 80.6% by Mr. Meng. In the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Buy-back Mandate, and assuming that prior to such repurchase of Shares there would not be any change in the issued share capital of the Company and Mr. Meng, Rosy Astral and/or Polaris Swift would not dispose of nor acquire any Shares, the shareholding of Mr. Meng and Polaris Swift in the Company would be increased to approximately 52.4% and 31.0%, respectively, of the issued share capital of the Company, and Mr. Meng and Polaris Swift may be obliged to

make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no intention to exercise the Buy-back Mandate to such an extent as would give rise to such obligation.

Save as disclosed above, the Directors are currently not aware of any consequences which will arise under the Takeovers Code as a result of any purchase made under the Buy-back Mandate.

The Directors have no intention to exercise the Buy-back Mandate to such an extent that would result in the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25% as required under the Listing Rules.

7. SHARE BUY-BACK MADE BY THE COMPANY

During the preceding six months up to and including the Latest Practicable Date, the Company has made the following repurchase of Shares on the Stock Exchange:

Trading Month	Number of Shares Repurchased	Highest Price Paid (HK\$)	Lowest Price Paid (HK\$)	Total Paid (HK\$'000)
March 2022	670,000	1.78	1.59	1,144
April 2022	1,964,000	2.10	1.83	3,913
May 2022	1,298,000	2.00	1.87	2,507
	<u>3,932,000</u>			<u>7,564</u>

Save as disclosed above, no other repurchase of Shares have been made by the Company (whether on the Stock Exchange or otherwise) in the preceding six months up to and including the Latest Practicable Date.

8. GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates have any present intention to sell any Shares to the Company if the Buy-back Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that they will only exercise the power of the Company to make buy back pursuant to the Buy-back Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands and the regulations set out in the Memorandum and the Articles of Association.

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell any Shares to the Company nor has any such core connected person undertaken not to sell any Shares held by him/her to the Company in the event that the Buy-back Mandate is granted.

The biographical details of the retiring Directors eligible for re-election at the Annual General Meeting are set out below:

EXECUTIVE DIRECTORS

Mr. Meng Fanyong (孟凡勇), aged 61

Mr. Meng is an executive Director and Chairman of the Board responsible for the overall strategic development, and leading the business development of the Group. He was appointed as a Director on 28 August 2018 and re-designated as an executive Director on 27 February 2019. Mr. Meng has over 41 years of experience in oilfield equipment business. He also has over 23 years of experience in operation and management business of OCTG manufacturing. He joined the Group on 18 September 1998. Mr. Meng has been a director and chairman of Dalipal Pipe Company* (達力普石油專用管有限公司) (“**Dalipal Pipe**”), an indirect wholly-owned subsidiary of the Company, since September 1998. Prior to joining the Group, he acquired knowledge and experiences in operation of oilfield and oil pipe manufacturing industry by holding various positions in North China Petroleum Administration Bureau Second Drilling Engineering Company* (華北石油管理局第二鑽井工程公司), which principally engages in maintenance of oilfield equipment and oilfield service, including technician, dispatcher of machine maintenance factory, workshop director, manager of machine maintenance factory, and deputy factory director of operational and services department from September 1981 to July 1999. Mr. Meng is also a director of certain subsidiaries of the Group.

Mr. Meng is the father of Mr. Meng Yuxiang, an executive Director and the deputy chief executive officer of the Group. Mr. Meng graduated from Communist Party of China Hebei Provincial Party School Party and Government Cadres College* (中共河北省委黨校黨政幹部函授學院) in the PRC in July 1998.

Mr. Meng entered into a service contract with the Company for an initial term of three years with effect from 19 June 2022 to act as an executive Director, which may be terminated by either party by giving not less than three months’ written notice. Pursuant to the service contract, he is entitled to a basic salary of HK\$300,000 which was determined with reference to industry remuneration benchmarks and market conditions and is also entitled to a performance pay in such sum as the Board may in its absolute discretion determine.

As at the Latest Practicable Date, Mr. Meng was interested in an aggregate of 706,353,600 Shares (representing approximately 47.1% of the issued share capital of the Company) through Rosy Astral, a company which Mr. Meng holds approximately 80.6% of the issued share capital.

Save as disclosed herein, as at the Latest Practicable Date, Mr. Meng did not have any interests in the Shares, underlying Shares and debenture of the Company within the meaning of Part XV of the SFO, nor was he related to any other Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company. He did not hold directorship in other listed public companies in the three years preceding the Latest Practicable Date.

Mr. Gan Shuya (干述亞), aged 55

Ms. Gan is an executive Director appointed on 27 February 2019 and the chief operating officer responsible for the overall operational and financial management of the Group. Ms. Gan has more than 37 years of experience in auditing and accounting in oil-related industry. She joined the Group on 23 August 2010. She has been the director and financial director of Dalipal Pipe since October 2016 and December 2017, respectively. Ms. Gan has been the assistant to the general manager of Dalipal Pipe from October 2010 to December 2017; the manager of finance department and assistant of the general manager of Dalipal Special Type Equipment Manufacturing Co., Ltd.* (達力普特型裝備製造有限公司) (“**Dalipal Equipment Manufacturing**”) from August 2009 to September 2010 and from July 2009 to September 2010, respectively; and department head and manager of finance department of Dalipal Group Co., Ltd.* (達力普集團有限公司) (“**Dalipal Group**”) from October 2007 to March 2008 and from April 2008 to June 2009, respectively. Prior to joining the Group, she held various positions in Hebei Yanhua Accounting Firm Company Limited* (河北燕華會計師事務所有限公司), including the auditor, project manager, senior project manager and department manager from December 1998 to September 2007. She was also the auditor of North China Petroleum Audit Office Fourth Audit Office* (華北石油審計處第四審計室) from January 1997 to November 1998; the auditor and the accountant of North China Second Drilling from July 1991 to December 1996 and from May 1985 to August 1988, respectively; and the worker of Cangzhou Machine Maintenance Factory of North China Petroleum Second Drilling Company* (華北石油管理局第二鑽井工程公司滄州機修廠) from September 1984 to April 1985. Ms. Gan is also a director of certain subsidiaries of the Group. Ms. Gan completed a course in accountancy at the Adult Higher Education, School of Continuing Education, Hebei University* (河北大學夜大學) in July 2001. She obtained the qualification of PRC certified public valuer in September 2005 and the qualification of PRC certified public accountant in May 1995.

Ms. Gan entered into a service contract with the Company for an initial term of three years with effect from 19 June 2022 to act as an executive Director, which may be terminated by either party by giving not less than three months’ written notice. Pursuant to the service contract, she is entitled to a basic salary of HK\$300,000 which was determined with reference to industry remuneration benchmarks and market conditions and is also entitled to a performance pay in such sum as the Board may in its absolute discretion determine.

As at the Latest Practicable Date, Ms. Gan was interested in an aggregate of 1,200,000 Shares and 6,000,000 underlying shares under the share options granted to her under the pre-IPO share option scheme adopted by the Company on 19 June 2019.

Save as disclosed herein, as at the Latest Practicable Date, Ms. Gan did not have any interests in the Shares, underlying Shares and debenture of the Company within the meaning of Part XV of the SFO, nor was she related to any other Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company. She did not hold directorship in other listed public companies in the three years preceding the Latest Practicable Date.

Mr. Yin Zhixiang (殷志祥), aged 65

Mr. Yin was an executive Director appointed on 27 February 2019 and the chief technical officer responsible for the overall research and development and technical management of the Group. With effect from 4 April 2022, Mr. Yin was re-designated as a non-executive Director. He has more than 41 years of experience in the operation of oilfield. He joined the Group on 23 August 2010. Mr. Yin has been the chief technical expert and deputy general manager of Dalipal Pipe since June 2017 and October 2016, respectively; the project manager of Dalipal Pipe since January 2018; and the deputy general manager for general affairs from November 2011 to October 2016 and the director of technical centre from December 2012 to October 2015 of Dalipal Pipe. He was also general manager of Dalipal Pipe Company Bohai New District Branch Company* (達力普石油專用管有限公司渤海新區分公司), a deregistered branch office of Dalipal Pipe, from November 2011 to May 2016. He was also the deputy manager for general affairs of Dalipal Equipment Manufacturing from July 2009 to November 2011 and the deputy general manager of Dalipal Group from July 2008 to July 2009. Prior to joining the Group, he was the director and deputy general manager of Rongsheng Machinery Manufacture Ltd. of Huabei Oilfield, Hebei (河北華北石油榮盛機械製造有限公司) from May 2002 to July 2008; and the dispatcher, chief of production division, branch factory manager and deputy factory manager, of the second machinery factory of North China Petroleum Management Authority* (華北石油管理局第二機械廠) from August 1981 to May 2002. Mr. Yin gained his experiences in machinery production in a factory located in Jiangsu in the PRC from March 1977 to August 1979. Mr. Yin had been a director of Dalipal Pipe prior to September 2020. Mr. Yin obtained a diploma in economics management from Communist Party of China Central Party College* (中共中央黨校函授學院) in December 1995 and a diploma in statistics from Hebei University in December 1989.

Mr. Yin has signed a letter of appointment with the Company for an initial term of three years with effect from 4 April 2022 to act as a non-executive Director, which may be terminated by either party by giving not less than 15 days' written notice. Pursuant to the letter of appointment, he was entitled to an annual salary of HK\$300,000 which was determined with reference to industry remuneration benchmarks and market conditions.

As at the Latest Practicable Date, Mr. Yin did not have any interests in the Shares, underlying Shares and debenture of the Company within the meaning of Part XV of the SFO, nor was he related to any other Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company. He did not hold directorship in other listed public companies in the three years preceding the Latest Practicable Date.

GENERAL

Save as disclosed above, there are no other matters concerning any of the above Directors that need to be brought to the attention of the Shareholders in relation to their re-election and there is no information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

* For identification purpose only