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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)

PROFIT WARNING

This announcement is made by Dalipal Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby informs the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2024 (the “**Year**”) and the information currently available to the Board, although the Group’s operating conditions in the second half of the Year continued to improve compared with the first half of the Year, the loss was significantly narrowed compared with the first half of the Year; the loss after taxation recorded in the second half of the Year was not more than RMB10 million (the unaudited loss after taxation in the first half of the Year was close to RMB70 million). The loss after taxation for the Year will not exceed RMB80 million (the audited profit after taxation for the year ended 31 December 2023 was RMB134.52 million).

The main reasons for the loss of the Year are as follows:

- (i) From the perspective of overall situation of the industry, the industry in which the Group operates still had insufficient endogenous driving force during the Year, resulting in a further imbalance in the relation between supply and demand, showing the characteristics of supply remaining at a high level, demand structure adjustment, product prices continuing to decline, raw material prices remaining firm, and benefits being continuously squeezed.

- (ii) From the perspective of business development needs, the initial investment in the Middle East development strategy plan is relatively large. The Group has invested a lot of resources in market research, channel construction, team building, project preparation and other basic work. Although these initial investments have laid the foundation for future business development, they have not yet generated income returns in the short term, resulting in a large gap between cost expenditure and income. Therefore, although the Group is optimistic about the long-term prospects of the Middle East strategic development, the initial investment is still one of the factors for the current loss.

Although the Group still recorded a loss for the Year, the operating conditions in the second half of the Year have improved significantly compared to the first half. At present, although the domestic and international situations are still unclear and affect the overall pipe industry, the Board believes that the Group's operations and overall strategic execution for the year of 2025 have remained steady, and is cautiously optimistic about the overall industry recovery and improvement in 2025.

As the Company is still finalising the Group's results for the year ended 31 December 2024, the information contained in this announcement is based only on a preliminary assessment of the Group's 2024 annual unaudited management accounts and data available to the Board as of the date of this announcement. Such information has not been audited or reviewed by the Company's auditors or the Company's Audit and Risk Management Committee and may be subject to adjustment upon further review.

Shareholders and the potential investors of the Company are advised to carefully read the annual results announcement of the Company for the year ended 31 December 2024, which will contain details of the financial information and performance of the Group during the year ended 31 December 2024 and is expected to be published on or before 31 March 2025.

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

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

Hong Kong, 14 March 2025

As at the date of this announcement, the Board comprises Mr. Meng Fanyong, Mr. Zhang Hongyao, Ms. Xu Wenhong and Mr. Meng Yuxiang, 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.