

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.

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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)

**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 Friday, 23 May 2025 at 10:00 a.m. at Room 4006, 40th Floor, Jardine House, 1 Connaught Place, Hong Kong is set out on pages 9 to 14 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 Wednesday, 21 May 2025 (Hong Kong time)), or any adjournment thereof, to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at 17th 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.

30 April 2025

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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 Friday, 23 May 2025 at 10:00 a.m. (or any adjournment thereof) at Room 4006, 40th Floor, Jardine House, 1 Connaught Place, Hong Kong, the notice of which is set out on pages 9 to 14 of this circular
“Articles of Association”	the amended and restated articles of association of the Company (as amended from time to time)
“Audit and Risk Management Committee”	the audit and risk management committee of the Board
“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 total number of Shares in issue (excluding any treasury Shares) as at the date of passing the relevant resolution at the Annual General Meeting
“CCASS”	Central Clearing and Settlement System, a securities settlement system used within the Hong Kong Exchanges and Clearing Limited market system
“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

DEFINITIONS

“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, issued or otherwise dealt with under the Issue Mandate may be increased by an additional number representing such number of Shares actually bought back by the Company under the Buy-back Mandate
“ESG Committee”	the ESG committee of the Board
“Group”	the Company and its subsidiaries
“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 allot, issue or otherwise deal with (including any sale or transfer of treasury Shares out of treasury) new Shares up to a maximum of 20% of the total number of Shares in issue (excluding any treasury Shares) as at the date of passing the relevant resolution at the Annual General Meeting
“Latest Practicable Date”	23 April 2025, 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
“Remuneration Committee”	the remuneration committee of the Board

DEFINITIONS

“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
“treasury Shares”	has the meaning ascribed to it under the Listing Rules
“%”	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

Non-executive Director:

Mr. Yin Zhixiang

Independent Non-executive Directors:

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

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

30 April 2025

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

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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) the proposed re-election of Directors.

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/or deal with new Shares (including any sale or transfer of treasury Shares) up to 20% of the total number of Shares in issue (excluding any treasury Shares) as at the date of passing of the relevant resolution. As at the Latest Practicable Date, a total of 1,503,668,000 Shares were in issue (excluding treasury shares). 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 allot, issue and/or deal with (including any sale or transfer of treasury Shares out of treasury) a maximum of 300,733,600 new Shares.

BUY-BACK MANDATE AND EXTENSION MANDATE

At the Annual General Meeting, an ordinary resolution will also be proposed to grant to the Directors the Buy-back Mandate, i.e. a general and unconditional mandate 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 total number of Shares in issue (excluding treasury Shares) 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, issued and/or dealt with under the Issue Mandate by an additional number representing such number of Shares actually being bought back by the Company 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

LETTER FROM THE BOARD

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.

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.

According to Article 109 of the Articles of Association, any Director appointed by the Board either to fill a casual vacancy or as an additional Director shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at the meeting.

Pursuant to the announcement of the Company dated 23 April 2025, Mr. Al Gosaibi, Saud Yousif M has been appointed as an executive Director with effect from 1 May 2025. Given that Mr. Al Gosaibi would become an additional Director commencing from 1 May 2025, by virtue of Article 109 of the Articles of Association, Mr. Al Gosaibi will hold office as a Director until the Annual General Meeting and will offer himself for re-election at the Annual General Meeting.

By virtue of Articles 105(A) and 105(B) of the Articles of Association, Mr. Guo Kaiqi, Mr. Wong Jovi Chi Wing and Mr. Cheng Haitao 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. Al Gosaibi, Saud Yousif M, Mr. Guo Kaiqi, Mr. Wong Jovi Chi Wing and Mr. Cheng Haitao is set out in Appendix II to this circular.

LETTER FROM THE BOARD

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 2025 (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.

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.

LETTER FROM THE BOARD

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 Tuesday, 20 May 2025 to Friday, 23 May 2025 (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 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 19 May 2025.

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

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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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the physical annual general meeting of Dalipal Holdings Limited (“Company”) will be held at Room 4006, 40th Floor, Jardine House, 1 Connaught Place, Hong Kong at 10:00 a.m. on Friday, 23 May 2025 for the following purposes:

ORDINARY RESOLUTIONS

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

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 2024;
2.
 - (a) to re-elect Mr. Al Gosaibi, Saud Yousif M as a director of the Company;
 - (b) to re-elect Mr. Guo Kaiqi as a director of the Company;
 - (c) to re-elect Mr. Wong Jovi Chi Wing as a director of the Company;
 - (d) to re-elect Mr. Cheng Haitao as a director of the Company; and
 - (e) to authorise the board of directors of the Company to fix the directors’ remuneration;
3. 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;

NOTICE OF ANNUAL GENERAL MEETING

4. “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**”), a general and unconditional mandate be granted to the directors of the Company during the Relevant Period (as defined in paragraph (d) below) to allot, issue and deal with new shares of the Company (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 approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as defined in paragraph (d) below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period (as defined in paragraph (d) below);
- (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 total number of Shares in issue (excluding any treasury Shares) on the date of the passing of this resolution; and
 - (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 total number of Shares in issue (excluding any treasury Shares) on the date of the passing of this resolution),

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

NOTICE OF ANNUAL GENERAL MEETING

(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

5. "THAT:

- (a) subject to paragraph (b) below, a general and unconditional mandate be granted to the directors of the Company during the Relevant Period (as defined in paragraph (c) below) to purchase Shares 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 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 total number of Shares in issue as at the date of the passing of this resolution (excluding any treasury Shares) 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

6. “**THAT** conditional on the passing of resolutions numbered 4 and 5 above, the general mandate granted to the directors of the Company pursuant to paragraph (a) of resolution numbered 4 above be and is hereby extended by the addition thereto of an amount representing the total 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 5 above, provided that such amount shall not exceed 10% of the total number of Shares in issue (excluding any treasury Shares) as at the date of passing the resolution.”

Hong Kong, 30 April 2025

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 17th 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 Wednesday, 21 May 2025 (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 Tuesday, 20 May 2025 to Friday, 23 May 2025 (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 Monday, 19 May 2025.
4. In relation to proposed resolutions numbered 4 and 6 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, issue and/or deal with the Shares in circumstances which they deem appropriate for the benefit of the Company and the Shareholders as a whole.
5. In relation to proposed resolution numbered 5 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.
6. 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.
7. 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 publish 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.

8. 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 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.

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 1,503,668,000 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 150,367,000 Shares which represents 10% of the total 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 buy-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 Share buy-back will benefit the Company and the Shareholders as a whole.

4. SOURCE OF FUNDS FOR SHARE BUY-BACK

In buying back the Shares, the Company may only apply funds legally available for the purpose in accordance with the 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 impact on the working capital and/or the gearing position of the Company as compared with the position as at 31 December 2024, being the date of its latest audited consolidated financial statements. However, the Directors do not intend to make any Share buy-back to such an extent as would, in the circumstances, have a material adverse impact 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 <i>HK\$</i>	Lowest <i>HK\$</i>
April 2024	5.00	4.36
May 2024	5.68	4.95
June 2024	5.46	4.40
July 2024	4.69	3.91
August 2024	4.28	3.80
September 2024	4.06	3.25
October 2024	4.40	3.47
November 2024	8.50	4.01
December 2024	9.35	6.60
January 2025	10.50	8.80
February 2025	10.28	8.72
March 2025	9.88	8.25
April 2025 (up to Latest Practicable Date)	9.48	8.00

6. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If on exercise of 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 47.0% of the issued share capital of the Company; and (ii) Polaris Swift Limited ("**Polaris Swift**") held 417,822,000 Shares representing approximately 27.8% 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 52.2% and 30.9%, 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

No 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 Share buy-back pursuant to the Buy-back Mandate in accordance with the Listing Rules, the applicable laws and regulations of the Cayman Islands, 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 Directors confirmed that neither this explanatory statement nor the proposed Share buy-back has any unusual features.

The Company may cancel such Shares bought back or hold them as treasury Shares, subject to market conditions and the Group's capital management needs at the relevant time of the Share buy-back.

For any treasury Shares deposited with CCASS pending resale on the Stock Exchange, the Company will adopt appropriate measures to ensure that it does not exercise any Shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in the Company's own name as treasury shares, which may include approval by the Board that (i) the Company would not (or would procure its broker not to) give any instructions to Hong Kong Securities Clearing Company Limited to vote at general meetings for the treasury shares deposited with CCASS; and (ii) in the case of dividends or distributions, the Company will withdraw the treasury shares from CCASS, and either re-register them in its own name as treasury shares or cancel them, in each case before the record date for the dividends or distributions.

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

EXECUTIVE DIRECTOR

Al Gosaibi, Saud Yousif M, aged 74

Mr. Al Gosaibi has been appointed by the Board as an executive Director with effect from 1 May 2025. He has more than 50 years of experience in corporate leadership, risk management, and strategic business development within the energy sector. From 1972 to 2003, Mr. Al Gosaibi had worked in Saudi Arabian Oil Company, an integrated energy and chemicals company listed on the Saudi Exchange (stock code: 2222) (“**Saudi Aramco**”), and held several management and leadership roles. In particular, from October 1972 to November 1986, Mr. Al Gosaibi served successively as internship program trainee, government affairs senior representative, contracting and training supervisor, senior auditor and investigator, and superintendent of the industrial security training division at Saudi Aramco. After that, he worked at the loan business assignment department at Aramco Services Company from December 1986 to October 1990. He then returned to Saudi Aramco and held successive management leadership positions including superintendent of the planning program and technical services division, superintendent of the industrial security training division and administrator of the access control system division from November 1990 to September 2003. Subsequently, Mr. Al Gosaibi founded Elegant Training Center in 2004, which was a consultancy firm primarily engaged in the provision of services in relation to management and leadership. He served as the managing director of Elegant Training Center from 2004 to 2007. Then, in 2007, he joined Saudi Petro Gas as an asset protection general manager and was responsible for overseeing the development and execution of enterprise risk management strategies until 2009. Mr. Al Gosaibi obtained his bachelor’s degree in business administration from Robert Morris University in the United States of America in December 1984. He also attended several management training courses in the Kingdom of Saudi Arabia, Europe and the United States.

The appointment of Mr. Al Gosaibi as an executive Director of the Company shall take effect from 1 May 2025 for an initial term of three years, which shall be automatically renewed for successive periods of one year thereafter unless and until terminated by either party. During the term of appointment, either the Company or Mr. Al Gosaibi may terminate the appointment by giving not less than three months’ prior written notice to the other party.

Commencing from 1 May 2025, Mr. Al Gosaibi is entitled to receive an annual remuneration of US\$120,000 pursuant to the terms of the appointment letter.

As at the Latest Practicable Date, Mr. Al Gosaibi 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. Save as disclosed herein, he did not hold directorship in other listed public companies in the three years preceding the Latest Practicable Date.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Guo Kaiqi (郭開旗), aged 69

Mr. Guo is an independent non-executive Director appointed on 19 June 2019. Mr. Guo is the chairman of the Remuneration Committee and Nomination Committee, and a member of each of the Audit and Risk Management Committee and ESG Committee. Mr. Guo has over 52 years of experience in operation of oilfield. Mr. Guo was the party committee secretary and deputy general manager of China Petroleum Materials Corporation (中國石油物資公司) from November 2007 to July 2015; the party committee secretary, party committee deputy secretary, secretary for committee of discipline inspection and union president of North China Oilfield Branch Company* (華北油田分公司) from July 1999 to November 2007; the deputy director of North China Petroleum Administration Bureau from November 1997 to July 1999; the party committee secretary, party committee deputy secretary, party committee member, chief of corporate management department and committee member of organisation department of North China Petroleum Administration Bureau Underground Operation Company* (華北石油管理局井下作業公司) from July 1985 to November 1997; and the worker and committee member, of Dagang oilfield, and North China oilfield from November 1972 to September 1983. Mr. Guo obtained a master's degree in corporate management in Petroleum University (Beijing)* (石油大學(北京)) in June 2002.

The appointment of Mr. Guo as an Independent Non-executive Director of the Company shall take effect from 19 June 2022 for an initial term of two years. During the term of appointment, either the Company or Mr. Guo may terminate the appointment by giving not less than fifteen days' prior written notice to the other party.

Commencing from the effective date of appointment, Mr. Guo's term shall automatically renew annually for successive one-year periods immediately following the expiry of the then-current term, unless terminated by either the Company or Mr. Guo giving not less than fifteen days' prior written notice to the other party.

As at the Latest Practicable Date, Mr. Guo is entitled to receive an annual remuneration of HKD300,000 pursuant to the terms of the appointment letter.

As at the Latest Practicable Date, Mr. Guo held a long position of 810,000 Shares, representing 0.05% of the issued shares of the Company. He was not 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.

Wong Jovi Chi Wing (王志榮), aged 44

Independent non-executive Director Mr. Wong is an independent non-executive Director appointed on 19 June 2019. Mr. Wong is the chairman of the Audit and Risk Management Committee and a member of the ESG Committee. Mr. Wong has over 20 years of experience of corporate finance, investment and asset management experience. Mr. Wong is currently the investment director of TGG Ventures Limited and an independent non-executive directors of Golden Faith Group Holdings Limited (Stock code: 2863), a company listed on the Main Board of the Stock Exchange. Mr. Wong was the managing director of Seazen Resources Asset Management Limited from April 2022 to October 2023; an executive director of Wonder Capital Group Limited from March 2018 to April 2022; a director of distribution department of Janus Henderson Investors (Hong Kong) Limited from July 2014 to March 2018. Before engaging in asset management business, Mr. Wong served at the investment banking division of China Merchants Securities (HK) Co., Ltd. and Haitong International Capital Limited respectively with extensive experience in Initial Public Offer and Merge and Acquisition. Mr. Wong also worked in Auto22.com Ltd from December 2002 to February 2010, and his last position was general manager. Mr. Wong holds a Master of Business Administrative from the Hong Kong University of Science & Technology and a Bachelor of Science from The University of Auckland. He is also a member of CPA Australia.

The appointment of Mr. Wong as an Independent Non-executive Director of the Company shall take effect from 19 June 2022 for an initial term of two years. During the term of appointment, either the Company or Mr. Wong may terminate the appointment by giving not less than fifteen days' prior written notice to the other party.

Commencing from the effective date of appointment, Mr. Wong's term shall automatically renew annually for successive one-year periods immediately following the expiry of the then-current term, unless terminated by either the Company or Mr. Wong giving not less than fifteen days' prior written notice to the other party.

As at the Latest Practicable Date, Mr. Wong is entitled to receive an annual remuneration of HKD300,000 pursuant to the terms of the appointment letter.

As at the Latest Practicable Date, Mr. Wong 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. Save as disclosed herein, he did not hold directorship in other listed public companies in the three years preceding the Latest Practicable Date.

Cheng Haitao (成海濤), aged 66

Mr. Cheng is an independent non-executive Director appointed on 19 June 2019. Mr. Cheng is a member of each of the Audit and Risk Management Committee, Remuneration Committee and Nomination Committee. Mr. Cheng has over 33 years of experience in the steel pipe manufacturing industry. Since March 2019, Mr. Cheng has been the part-time consultant of Mongolia Baogang Steel Union Company Limited* (內蒙古包鋼鋼聯股份有限公司). Mr. Cheng has been the honorary director of the Expert Committee of the Shanghai Steel Pipe Industry Association* (上海鋼管行業協會專家委員會) since May 2018 and he has been certified as the consultant of Steel Pipe Division, China Steel Construction Society* (中國鋼結構協會鋼管分會) in April 2017. Prior to July 2019, he was a committee member of the Fourth Steel Pipe Technician Sub committee, National Steel Standardisation Committee* (全國鋼標準化委員會第四屆鋼管分技術委員會); and president and editor of Steel Pipe (《鋼管》雜誌), a publication relating to the steel and metal pipe industry published in the PRC, from September 1999 and April 2007, respectively, to June 2020. Mr. Cheng was also the deputy manager and deputy general manager of Pangang Group Chengdu Vanadium Steel Company Limited* (攀鋼集團成都鋼釩有限公司) from August 2008 to May 2014 and from May 2014 to May 2017 respectively; deputy manager of Pangang Group Chengdu Steel and Metal Company* (攀鋼集團成都鋼鐵有限責任公司) from June 2002 to August 2008; the deputy general manager of Pangang Group Chengdu Seamless Steel Pipe Company Limited* (攀鋼集團成都無縫鋼管有限責任公司) from December 2000 to May 2002; the chief engineer, deputy general manager and chief dispatcher from June 1995 to December 2000 of Chengdu Seamless Steel Pipe Factory* (成都無縫鋼管廠); and the deputy factory director and the factory director of Chengdu Seamless Rolling Factory* (成都無縫周軋分廠) from June 1993 to May 1995; and the deputy factory director of Chengdu Seamless Tube Factory II* (成都無縫軋管二分廠) from May 1991 to May 1993. Mr. Cheng gained his experiences in production of metal in a factory located in Sichuan in the PRC from July 1987 to May 1989 and technical experiences in iron and steel metallurgical processing and thermal processing in a research institute in the PRC from May 1982 to August 1984. Mr. Cheng obtained a master's degree in metal pressure processing in Beijing Steel and Metal College* (北京鋼鐵學院) in June 1987.

The appointment of Mr. Cheng as an Independent Non-executive Director of the Company shall take effect from 19 June 2022 for an initial term of two years. During the term of appointment, either the Company or Mr. Cheng may terminate the appointment by giving not less than fifteen days' prior written notice to the other party.

Commencing from the effective date of appointment, Mr. Cheng's term shall automatically renew annually for successive one-year periods immediately following the expiry of the then-current term, unless terminated by either the Company or Mr. Cheng giving not less than fifteen days' prior written notice to the other party.

As at the Latest Practicable Date, Mr. Cheng is entitled to receive an annual remuneration of HKD300,000 pursuant to the terms of the appointment letter.

APPENDIX II BIOGRAPHICAL INFORMATION OF DIRECTORS FOR RE-ELECTION

As at the Latest Practicable Date, Mr. Cheng 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.