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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)**

### **RE-DESIGNATION OF DIRECTOR**

The board (the “**Board**”) of directors (the “**Directors**” and each, a “**Director**”) of Dalipal Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that Mr. Zhang Hongyao (“**Mr. Zhang**”) has been re-designated from a non-executive Director to an executive Director with effect from 1 January 2020.

Mr. Zhang, aged 49, was appointed as a director of the Company on 27 February 2019 and re-designated as a non-executive Director and vice-chairman of the Board on 19 June 2019. Mr. Zhang has more than 14 years of experience in oil pipe manufacturing industry. Prior to joining the Group, he has been the deputy general manager of Baosteel America Inc.\* (寶鋼美洲有限公司), which principally engages in sale of steel and metal products, from July 2015 to October 2019; the deputy general manager of the steel pipe department of Baoshan Iron & Steel Co., Ltd. (寶山鋼鐵股份有限公司), which principally engages in steel and metal manufacturing and processing, from August 2007 to July 2015; the general manager and director of Yantai Lubao Steel Pipe Company Limited (煙臺魯寶鋼管有限責任公司), which principally engages in steel pipe production and processing, from August 2004 to June 2005 and from June 2005 to August 2007 respectively; and the deputy general manager of Baoshan Iron & Steel Co., Ltd. Steel Pipe Branch\* (寶山鋼鐵股份有限公司鋼管分公司), which principally engages in sale and processing of steel pipe, from August 2004 to June 2005. He obtained a bachelor’s degree in trade economics from Shanghai University of Finance and Economics in July 1992 and a master’s degree of arts from West Virginia University in December 2001.

Mr. Zhang will enter into a new service contract with the Company as executive director for an initial term of three years with effect from 1 January 2020 which may be terminated by either party by giving not less than three months' written notice. The term of service contract shall be renewed and extended automatically for successive terms of one year upon expiry of the then current term until terminated by either party by giving not less than three months' written notice to the other. Mr. Zhang is entitled to receive a basic salary of HKD300,000 per annum (subject to an annual increment after 1 January 2021 at the discretion of the Directors of not more than 10% of the average annual salary for the 12 months immediately prior to such increase). In addition, during the term of the service contract, Mr. Zhang is also entitled to a discretionary management bonus in such sum as the Board may in its absolute discretion determine provided that the aggregate amount of bonuses payable to all the executive Directors for any financial year of the Company shall not exceed 1.0% of the audited consolidated net profit attributable to the shareholders of the Company (after taxation and minority interests and payment of such bonuses but before extraordinary or exceptional items) in respect of that financial year of the Company. Mr. Zhang has also entered into (i) an employment contract with Dalipal Pipe Company\* (達力普石油專用管有限公司), an indirect subsidiary of the Company in the PRC, for a term commencing from 1 January 2020 to 31 December 2022, which may be terminated by either party by giving not less than three months' written notice. Pursuant to such employment contract, Mr. Zhang is entitled to a basic salary of RMB30,000 per month; and (ii) a service contract with Dalipal Hong Kong Company Limited ("**Dalipal HK**"), an indirect subsidiary of the Company in Hong Kong, to serve as the general manager of Dalipal HK for a term commencing from 1 January 2020 to 31 December 2022, which may be terminated by either party by giving not less than three months' written notice or payment of three months' salary in lieu of the notice. Pursuant to such service contract, Mr. Zhang is entitled to a basic salary of HKD1,200,000 per annum. Upon completion of every 12-month period of the terms of such service contract, Mr. Zhang shall be entitled to a guaranteed year-end bonus of an amount equivalent to his salary for one month, provided that, if Mr. Zhang does not complete a full 12-month period of the term of his service contract at the time of payment of such bonus, he shall be entitled to a rateable proportion (apportioned on a time basis) of the guaranteed year-end bonus which he would have received had he completed a whole 12-month term. Furthermore, he is also entitled to a discretionary bonus. These emoluments have been determined by the Board with reference to his duties and responsibilities as well as the prevailing market conditions.

As at the date of this announcement, Mr. Zhang was interested in 15,000,000 shares of the Company ("**Shares**") representing the underlying Shares comprised in the options granted to and held by him pursuant to the pre-IPO share option scheme approved and adopted by the Company on 19 June 2019. These share options shall be valid for a term of seven years from the listing date ("**Listing Date**") of the Shares on the main board of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**"), and subject to the fulfilment of certain vesting conditions, one-fifth of such share options shall be vested on the business day immediately after each of the second anniversary, third anniversary, fourth anniversary, fifth anniversary and sixth anniversary of the Listing Date, respectively. Please refer to the prospectus of the Company dated 28 October 2019 for further details of the vesting conditions.

Save as disclosed above, as at the date of this announcement, Mr. Zhang (i) has not held any other directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years, (ii) does not have any other major appointments and professional qualifications, (iii) does not have any relationship with any Directors, senior management, substantial or controlling shareholders (having the meaning ascribed to it in the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”)) of the Company and (iv) is not interested in any shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, there is no further information required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters relating to the re-designation of Mr. Zhang that need to be brought to the attention of the shareholders of the Company.

\* *denotes English translation of the name of a Chinese company, and is provided for identification purposes only*

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

Hong Kong, 1 January 2020

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