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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)

POSITIVE PROFIT ALERT

This announcement is made by Dalipal Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong limited (the “**Listing Rules**”) and 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).

Based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2021 (the “**Year**”) and other information currently available to the board (the “**Board**”) of directors (“**Directors**”) of the Company, the Board would like to inform shareholders of the Company (the “**Shareholders**”) and potential investors that, as compared with a net loss of approximately RMB118 million for the year ended 31 December 2020, the Group expects to record a turnaround from a net loss to a net profit for the Year and record a net profit of no less than RMB80 million.

Main reasons were as follows:

- (1) the negative impact of the COVID-19 pandemic has gradually diminished in the People’s Republic of China and the Group’s operation has gradually resumed to normal;
- (2) the Group has strived to achieve diversification of products and targeted markets, resulting in an increase in customers’ demand for the Group’s products, utilization rate of production lines has increased significantly as compared with the corresponding period in last year, and has resume to saturation level;
- (3) the application of the Group’s technological enhancement and innovation results in the Group’s production process has offset the impact in the cost of raw materials caused by the increase in the price of bulk commodities; and
- (4) one of the reason of the significant increase in revenue resulting from a substantial increase in exports of the Group as compared with the corresponding period in last year.

The information contained in this announcement is only based on preliminary assessment by the Company of its unaudited consolidated management accounts for the Year and the information currently available to it, which has not been confirmed or reviewed by the Company's auditor or audit committee and may be subject to adjustments.

Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the Year which is expected to be published by the end of March 2022 in compliance with the Listing Rules.

Shareholders and potential investors 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, 21 February 2022

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.