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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)**

**(1) DISCLOSEABLE TRANSACTION  
THE SHARE PURCHASE AND THE CAPITAL CONTRIBUTION  
REGARDING  
DALIPAL INTERNATIONAL  
AND  
(2) RESUMPTION OF TRADING**

**BACKGROUND**

Reference is made to the voluntary announcements of the Group dated 23 August 2024, 5 November 2024, and 18 November 2024 (the “**Announcements**”).

As disclosed in the Announcements, (i) the Company signed a letter of intent with King Salman Energy Park for the construction of facilities such as a R&D center and intelligent manufacturing base in Dammam, Saudi Arabia (the “**Project**”); and (ii) the Company established a wholly-owned subsidiary, Dalipal International, in Dammam, Saudi Arabia, to implement the Project.

The Project will be constructed in two phases with a total designed production capacity of 1.1 million tons per year. The first phase of the Project is expected to involve an investment of USD600 million (“**Phase One Total Project Cost**”).

## **SHARE PURCHASE AGREEMENT**

The Board is pleased to announce that, in line with the Group's long-term development strategy in the Middle East, on 11 January 2026 (Saudi Arabia time), the Company and Dalipal International entered into a Share Purchase Agreement with Zumar, an independent third party to the Company. Pursuant to the terms of the Share Purchase Agreement, the Company conditionally agrees to sell and Zumar conditionally agrees to purchase the Sale Shares (representing 40.0% of the equity interests in Dalipal International) at the total consideration of SAR3.0 million (the "**Share Purchase**"). Prior to the completion of the Share Purchase, Dalipal International is a wholly-owned subsidiary of the Company. Subject to the completion of the Share Purchase, the Company will hold 60.0% equity interests in Dalipal International.

## **SHAREHOLDERS' AGREEMENT**

The Board is also pleased to announce that, on the same date of the Share Purchase Agreement, the Company entered into the Shareholders' Agreement with Zumar, relating to Dalipal International, upon completion of the Share Purchase. Pursuant to the terms of which, the Company and Zumar agree, subject to a funding plan for the Project to be subsequently agreed between them, to initially increase the share capital of Dalipal International to the range of USD150.0 million to USD240.0 million in proportion to their respective shareholdings in Dalipal International for the subscription for and allotment and issuance of the shares in Dalipal International, to fund part of the Phase One Total Project Cost.

Accordingly, subject to the funding plan to be agreed by the Company and Zumar, the Company agrees to initially contribute up to USD144.0 million to Dalipal International. The remaining balance of the Phase One Total Project Cost will be funded by third-party debt financing, shareholder loans or cash contribution from the shareholders, as agreed from time to time.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio in respect of the Share Purchase and the Capital Contribution calculated with reference to Rule 14.07 of the Listing Rules exceeds 5% but is less than 25%, the Share Purchase and the Capital Contribution constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **THE SHARE PURCHASE AGREEMENT**

On 11 January 2026 (Saudi Arabia time), the Company and Dalipal International entered into the Share Purchase Agreement with Zumar, an independent third party to the Company. Pursuant to the terms of the Share Purchase Agreement, the Company conditionally agrees to sell and Zumar conditionally agrees to purchase the Sale Shares (representing 40.0% of the equity interests of Dalipal International) at the total consideration of SAR3.0 million. Prior to the completion of the Share Purchase, Dalipal International is a wholly-owned subsidiary of the Company. Subject to the completion of the Share Purchase, the Company will hold 60.0% equity interests in Dalipal International.

The principal terms of the Share Purchase Agreement are set out below.

### **Date**

11 January 2026 (Saudi Arabia time)

### **Parties**

- (1) Company;
- (2) Dalipal International; and
- (3) Zumar

### **Subject matter**

The Company conditionally agrees to sell and Zumar conditionally agrees to purchase the Sale Shares (representing 40.0% of the equity interests of Dalipal International) at the total consideration of SAR3.0 million.

### **Consideration**

The consideration for the Sale Shares (representing 40.0% of the equity interests of Dalipal International) has been determined after arm's length negotiation between the parties to the Share Purchase Agreement with reference to the nominal value of the shares of Dalipal International as at the date of the Share Purchase Agreement but prior to the completion thereof. As at the date of the Share Purchase Agreement, the nominal value of one share of Dalipal International was SAR1,500.

### **Financial Impact and Use of Proceeds**

Subsequent to the completion of the Share Purchase Agreement, Dalipal International will be owned as to 60.0% and 40.0% by the Company and Zumar, respectively. Accordingly, it will continue to be a subsidiary of the Company, and the financial results of Dalipal International will continue to be consolidated into the financial statements of the Group.

The Group is expected to record no gain or loss from the sale of the Sale Shares, as the consideration for the Sale Shares is determined with reference to the nominal value of the shares of Dalipal International. The actual gain or loss on the sale of the Sale Shares to be recorded by the Group is to be determined subject to audit by the Company's auditors.

The Group intends to use the proceeds as general working capital of the Group.

### **Payment Conditions and Terms**

Zumar shall pay to the Company the consideration in cash by electronic bank transfer at the completion of the obligations of the parties required under the below conditions.

### **Conditions**

The Share Purchase Agreement shall be effective upon the satisfaction of the following conditions:

- (a) Zumar, the Company and Dalipal International having duly passed a sufficient corporate resolution approving the Project and entry into the Share Purchase Agreement;
- (b) Zumar having received all information, including the business plan, of Dalipal International as specified under the Share Purchase Agreement, to the satisfactory of Zumar;
- (c) the approval(s) for the transactions contemplated under the Share Purchase Agreement being obtained from the necessary governmental department and its authorized offices; and
- (d) no injunction, restraining order or other order or any other legal or regulatory restraint or prohibition having been issued or made by any court of competent jurisdiction or any other person which prevents the consummation of the transactions contemplated by the Share Purchase Agreement.

### **Information of Dalipal International**

Dalipal International is a company established under the laws of the Saudi Arabia with limited liability. It is principally engaged in the research, development, manufacturing and sales of seamless stainless steel pipe products, including oil country tubular goods, drill pipes, hydrogen transmission pipes and high pressure boiler tubes.

Prior to the completion of the Share Purchase, Dalipal International is a wholly-owned subsidiary of the Company. Subject to the completion of the Share Purchase, the Company will hold 60.0% equity interests in Dalipal International.

The financial information of Dalipal International for each of the two financial years ended 31 December 2024 and 2025, respectively, is set out below:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>SAR('000)</b>	<b>SAR('000)</b>
Revenue	<b>Nil</b>	Nil
Net loss before taxation	<b>4,383.7</b>	Nil
Net loss after taxation	<b>4,383.7</b>	Nil

Based on the unaudited financial statements of Dalipal International, as at 31 December 2025, Dalipal International had total assets and net liabilities of approximately SAR4.3 million and SAR0.6 million, respectively.

### **Reasons for and Benefits of Entering into the Share Purchase Agreement**

The Group primarily engaged in business investing in high-end, green and intelligent manufacturing of high-end pipes and has developed material research and development and production focused on high-end pipe products such as oil and gas pipes, new energy pipes and special seamless steel pipes.

As disclosed in the Announcements, pursuant to the Project under the Group's Middle East strategic development plan, the Group will construct facilities in Saudi Arabia, including a production facility with a total designed production capacity of 1.1 million tons per year of various types of oil country tubular goods and hydrogen transmission pipes, serving the international markets such as Middle East and Africa. Dalipal International is a subsidiary established by the Company in Saudi Arabia to undertake the Project.

The introduction of Zumar, a strategic investment and development enterprise in Saudi Arabia, as a shareholder to Dalipal International, brought the resources and experience of Zumar to Dalipal International, which can play a constructive role in implementing the Project and expanding the Group's business layout in the Middle East in line with the Group's development strategy and interest in the long run.

Having considered the above reasons for and benefits of entering into the Share Purchase Agreement, the Directors believe that the terms of the Share Purchase Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

### **THE SHAREHOLDERS' AGREEMENT**

#### **Date**

11 January 2026 (Saudi Arabia time)

## **Parties**

- (1) Company; and
- (2) Zumar

## **Capital Contribution**

After the completion of the Share Purchase, the Company and Zumar agree, subject to a funding plan for the Project to be subsequently agreed between them, to initially increase the share capital of Dalipal International to the range of USD150.0 million to USD240.0 million in proportion to their respective shareholdings in Dalipal International for the subscription for and allotment and issuance of the shares in Dalipal International, to fund part of the Phase One Total Project Cost.

Accordingly, subject to the funding plan to be agreed by the Company and Zumar, the Company agrees to initially contribute up to USD144.0 million to Dalipal International. The remaining balance of the Phase One Total Project Cost will be funded by third-party debt financing, shareholder loans or cash contribution from the shareholders, as agreed from time to time.

The amount of Capital Contribution was determined after arm's length negotiations between the Company and Zumar with reference to the expected capital requirements and the preliminary business plan of Dalipal International.

The Capital Contribution of the Company will be funded by internal resources of the Group or external financing arrangements.

## **Payment Conditions and Terms**

The Company and Zumar shall make their respective Capital Contribution in cash by electronic bank transfer to Dalipal International at the completion of the Share Purchase in accordance with the funding plan of the Project to be agreed by the Company and Zumar.

## **Shareholders' meetings**

Resolutions on matters of Dalipal International shall be passed unanimously by the Company and Zumar.

## **Board of directors**

The board of directors shall consist of five directors, with three directors to be nominated by the Company and two directors to be nominated by Zumar.

Resolutions of the board of directors in relation to major matters of Dalipal International as specified in the Shareholders' Agreement shall be approved unanimously by the directors of Dalipal International. Resolutions on matters other than the specified matters shall be passed by the affirmative vote of a simple majority present at a quorate meeting.

## **Distribution of profits**

The Parties shall be entitled to the distributable profits of Dalipal International according to their respective equity percentages in Dalipal International.

## **Lock-up Arrangement**

During the period starting on the date of completion of the Share Purchase and ending on the date falling ten (10) years from the first day of commercial operations as determined by the Company Zumar subsequently, on the condition that Zumar holds not less than 10% interest of Dalipal International, the Company may not transfer any of its shares in Dalipal International to any other person other than Zumar without written permissions from Zumar.

During the period starting on the date of completion of the Share Purchase and ending on earlier of the fourth anniversary of the date of Shareholders' Agreement or such other dates that may be agreed by the Company and Zumar, Zumar shall maintain at least a 10.0% equity interests in Dalipal International.

## **Reasons for and Benefits of Capital Contribution and Entering into the Shareholders' Agreement**

Dalipal International is principally engaged in the research, development, manufacturing and sales of seamless stainless steel pipe products, including oil country tubular goods, drill pipes, hydrogen transmission pipes and high pressure boiler tubes.

As disclosed in the Announcements, pursuant to the Project under the Group's Middle East strategic development plan, the Group will construct facilities in Saudi Arabia, including a production facility with a total designed production capacity of 1.1 million tons per year of various types of oil country tubular goods and hydrogen transmission pipes, serving the international markets such as Middle East and Africa.

The first phase of the Project is expected to involve an investment of USD600 million. The Capital Contribution will be used to fund the Project. The remaining of the total investment fund will be financed by other third-party financing arrangements in accordance with the Project's construction schedule.

The Capital Contribution contemplated under the Shareholders' Agreement was agreed after arm's length negotiations between the Company and Zumar. By participating in the Capital Contribution in proportion to its shareholding in Dalipal International, the Group can prevent dilution of its shareholding in Dalipal International, which can maximize value to shareholders and further increase return on investment from Dalipal International.

Having considered the above reasons for and benefits of the Capital Contribution and that the Capital Contribution is in proportion to the Group's interest in Dalipal International, the Directors believe that the Capital Contribution and the terms of the Shareholders' Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

## **INFORMATION ON THE PARTIES**

### **The Company**

The Company is an exempted company incorporated under the laws of the Cayman Islands and its Shares are listed on the Main Board of the Stock Exchange (stock code: 1921). The Group is principally engaged in the business investing in high-end, green and intelligent manufacturing of high-end pipes and has developed material research and development and production focused on high-end pipe products such as oil and gas pipes, new energy pipes and special seamless steel pipes.

### **Zumar**

Zumar is a joint stock company incorporated under the laws of Saudi Arabia. Zumar is principally engaged in capital investment, strategic advisory and development expertise in Saudi Arabia's industrial and energy manufacturing sector.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Zumar and its ultimate beneficial owners are independent third parties of the Company and the Company's connected persons.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio in respect of the Share Purchase and the Capital Contribution calculated with reference to Rule 14.07 of the Listing Rules exceeds 5% but is less than 25%, the Share Purchase and the Capital Contribution constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **RESUMPTION OF TRADING**

Trading in the Company's shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 12 January 2026, pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Company's shares with effect from 9:00 a.m. on 13 January 2026.

## **DEFINITIONS**

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

“Board”	The board of Directors
“Capital Contribution”	has the meaning ascribed to it in the paragraph headed “THE SHAREHOLDERS’ AGREEMENT – Capital Contribution” hereto



“Company”	Dalipal Holdings Limited (達力普控股有限公司), an exempted company incorporated under the laws of the Cayman Islands and its Shares are listed on the Main Board of the Stock Exchange (stock code: 1921)
“Dalipal International”	Dalipal International for Industry Company, a company incorporated in Saudi Arabia with limited liability and an indirect wholly owned subsidiary of the Company upon completion of the Share Purchase Agreement
“Directors”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the Peoples’ Republic of China
“Sale Shares”	2,000 shares in Dalipal International with a nominal value of SAR1,500 each, representing 40.0% of the issued share capital of Dalipal International
“SAR”	the lawful currency of Saudi Arabia
“Saudi Arabia”	the Kingdom of Saudi Arabia
“Share(s)”	ordinary share(s) of HKD0.10 each in the share capital of the Company
“Shareholder(s)”	holders of the Share(s)
“Shareholders’ Agreement”	the shareholders’ agreement entered into among the Company, Dalipal International and Zumar to provide for the basis on which Dalipal International shall be operated, managed and administered after completion of the Share Purchase Agreement
“Share Purchase Agreement”	the share purchase agreement entered into among the Company, Dalipal International and Zumar, pursuant to which the Company conditionally agrees to sell and Zumar conditionally agrees to purchase 40.0% of the equity interests in Dalipal International

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	means the arrangements contemplated by the Share Purchase Agreement and the other Transaction Documents
“Transaction Documents”	the Share Purchase Agreement, the Shareholders’ Agreement and any other documents to be entered into pursuant to or in connection with the Share Purchase Agreement
“USD”	United States dollars, the lawful currency of the United States of America
“Zumar”	Zumar Aloufq Company, a joint stock company incorporated in Saudi Arabia
“%”	per cent

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, 12 January 2026

*As at the date of this announcement, the Board comprises Mr. Meng Fanyong, Mr. Zhang Hongyao, Ms. Xu Wenhong, Mr. Meng Yuxiang and Mr. Al Gosaibi, Saud Yousif M, 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.*