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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)

ADOPTION OF SHARE AWARD PLANS

The Board is pleased to announce that the Company has adopted the Share Award Plans on 31 May 2022. The purposes of the Share Award Plans are to (i) recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group and to give incentives thereto in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

Pursuant to the Share Award Plans, the Share Incentive Committee may, at its power and authority, select any Eligible Participant (excluding any Excluded Participant) to participate in the Share Award Plans and make an Award of Award Shares to them from time to time. Eligible Executive Participants under the Connected Persons' Share Award Plan (A) are directors (excluding all non-executive directors including independent non-executive directors) and chief executives of the Company and its subsidiaries and Eligible Non-connected Persons Participants under the Non-Connected Persons' Share Award Plan (A) are Employees of the Company and its subsidiaries who are not connected persons of the Company.

The Share Award Plans do not constitute share option schemes under Chapter 17 of the Listing Rules. No Shareholders' approval is required for the adoption of the Share Award Plans.

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The following is a summary of the principal terms and conditions of the Share Award Plans:

Purposes

The purposes of the Share Award Plans are to (i) recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group and to give incentives thereto in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

Duration

Subject to any early termination in accordance with the rules of the Share Award Plans, the Share Award Plans shall be valid and effective for a term of 10 years commencing from the Adoption Date, and after the expiry of such 10-year term, no further Awards may be made but the rules of the Share Award Plans shall remain in full force and effect to the extent necessary to give effect to any Awards made prior thereto and the administration of the trust property held by the Trustee pursuant to the Trust Deed.

Administration

The Share Award Plans shall be subject to the administration of the Share Incentive Committee, as authorised and delegated with such power by the Board, in accordance with the terms stated in the Share Award Plans. The Board's decisions on all matters arising in relation to the Share Award Plans or its interpretation or effect shall be final, conclusive and binding on all persons who may be affected thereby.

The Share Incentive Committee, which comprises Directors and/or senior management of the Group, is delegated with the power and authority by the Board to administer the Share Award Plans. As at the date of this announcement, Mr. Meng Fanyong, Mr. Guo Kaiqi and Mr. Cheng Haitao have been appointed as initial members of the Share Incentive Committee.

In the event that a Selected Participant or his/her/its associate(s) is a member of the Board or the Share Incentive Committee, such person will abstain from voting on any approval by the Board or the Share Incentive Committee of an Award to such Selected Participant.

Eligible Participants

Pursuant to the Share Award Plans, the Share Incentive Committee may, from time to time, at their absolute discretion, select any Eligible Participant (excluding any Excluded Participant) for participation in the Share Award Plans based on his/her/its contribution and/or future contribution to the development and growth of the Group.

Eligible Executive Participants under the Connected Persons' Share Award Plan (A) are directors (excluding all non-executive directors including independent non-executive directors) and chief executives of the Company and its subsidiaries and Eligible Non-connected Persons Participants under the Non-Connected Persons' Share Award Plan (A) are Employees of the Company and its subsidiaries who are not connected persons of the Company.

Eligible Participants are expected to be high caliber individuals of the Group. The Group aims to recognize their contributions and provide them with incentives in order to retain them for the continual contribution and development of the Group's business. They will generally be senior and mid-level management, core technical and operational personnel with key skills and core resources to serve in key roles for the core operations of the Group or Employees with exceptional contributions to the Group.

The Group will assess the performance, qualification, education background, contribution, experience and loyalty of the Eligible Participants to determine whether to grant Award Shares (and if so, the number of Award Shares to be granted) to the Eligible Participants.

Grant of Awards

In accordance with the rules of the Share Award Plans, the Share Incentive Committee (as authorised by the Board) shall be entitled (but shall not be bound) to make an Award out of the Shares Pool to any of the Eligible Participants (as it shall in its absolute discretion select but excluding any Excluded Participant) such number of issued Shares as it shall determine, subject to the plan limit.

Source of Award Shares

According to the Share Award Plans, the Award Shares shall principally be (i) existing Shares as may be purchased by the Trustee on the Stock Exchange or off the market; (ii) new Shares to be allotted and issued to the Trustee by the Company pursuant to general mandate or specific mandate granted by Shareholders at general meeting(s) of the Company from time to time; (iii) such Shares as may be allotted or issued to the Trustee as a holder of Shares, whether by way of scrip dividend or otherwise; and (iv) such Shares which any person or company recommended by the Company may irrevocably donate or transfer to or irrevocably vest or caused to be vested in the Trustee to be held upon trusts.

The Board or the Share Incentive Committee may, after having regard to all relevant circumstances and affairs of the Group (including without limitation the Group's business and operational conditions, its business plans and cashflow requirements currently and in the near future,) from time to time cause to be paid to the Trustee from the Company's resources such amount of money which may be utilised by the Trustee to purchase and/or subscribe for Shares which will constitute the Shares Pool.

The Trustee shall apply relevant resources towards the purchase of the maximum number of board lots of Shares, respectively at the prevailing market price (subject to such maximum price as may be from time to time prescribed by the Board or the Share Incentive Committee). In the event that the Trustee effects any purchases by off-market transactions, the purchase price for such purchases shall not be higher than the lower of the following: (i) the closing market price on the date of such purchase, and (ii) the average closing market price for the five (5) preceding trading days on which the Shares were traded on the Stock Exchange.

Where any Award is specified to be satisfied by an allotment and issue of new Shares to the Trustee, such allotment and issue should only be made upon fulfilment of the following conditions:

- (i) the Company having obtained Shareholders' approval in general meeting under general mandate or specific mandate to authorise the Directors to allot and issue new Shares, provided that (a) the total number of Shares to be allotted and issued to the Trustee under the Share Award Plans shall not exceed the plan limit; and (b) where any Award is proposed to be made to a connected person, the Award shall be separately approved by the Shareholders in general meeting with such connected person and his associates abstaining from voting and shall comply with all other requirements of Chapter 14A of the Listing Rules applicable to such Award; and
- (ii) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Shares which may be allotted and issued by the Company to the Trustee pursuant to the Share Award Plans.

Shares Pool

The Trustee may, at any time during the continuation of the Share Award Plans and the Trust Deed, set aside the appropriate number of Award Shares out of a pool of issued Shares for the time being and from time to time held by the Trustee pursuant to the Trust Deed (the "**Shares Pool**") comprising the following:

- (i) such Shares as may be purchased by the Trustee on the Stock Exchange or off the market by utilising the relevant resources, but subject to the plan limit;
- (ii) such Shares as may be subscribed for by the Trustee by utilising the relevant resources, but subject to the plan limit;
- (iii) such Shares as may be allotted or issued to the Trustee as a holder of Shares, whether by way of scrip dividend or otherwise;
- (iv) such Shares which any person or company recommended by the Company may irrevocably donate or transfer to or irrevocably vest or caused to be vested in the Trustee to be held upon trusts and with and subject to the powers and provisions in the Trust Deed; and
- (v) such Shares which remain unvested and revert to the Trustee upon a lapse of Awards pursuant to the rules of the Share Award Plans.

Restrictions

For so long as the Shares are listed on the Stock Exchange:

- (i) an Award or, as the case may be, any instruction of the Board or the Share Incentive Committee to the Trustee to acquire Shares for the purpose of increasing the Shares in the Shares Pool may not be made or given when inside information has come to the Company's knowledge until such inside information has been published in accordance with the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong); and
- (ii) the Board or the Share Incentive Committee may not make any Award to any Eligible Participant or give any instruction to the Trustee to acquire Shares for the purpose of increasing the Shares in the Shares Pool during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as prescribed in Appendix 10 to the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company. In particular, during the period preceding the publication of financial results in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as prescribed in Appendix 10 to the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company and up to the date of publication of the relevant financial results, no Award may be made and no instruction may be given by the Board or the Share Incentive Committee to the Trustee to acquire Shares for the purpose of increasing the Shares in the Shares Pool.

Assignability and Transferability of Awards

An Award shall be personal to the Selected Participant and shall not be transferable or assignable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any security or adverse interest whatsoever in favour of any third party over or in relation to an Award or enter or purport to enter into any agreement to do so. Any breach of the foregoing by any Selected Participant shall entitle the Company to cancel the Award made to such Selected Participant.

Vesting

The Share Incentive Committee may from time to time, at its discretion, determine the earliest Vesting Date and other subsequent date(s), if any, upon which the Award Shares held by the Trustee upon trust and which are referable to a Selected Participant shall vest in that Selected Participant.

The Share Incentive Committee may specify the condition(s) and/or performance target(s) (if any) that must be duly fulfilled by the relevant Selected Participant before any of the Award Shares may be transferred to and vested in such Selected Participant under an Award.

The Trustee shall transfer to and vest in any Selected Participant the legal and beneficial ownership of the Award Shares to which such Selected Participant is entitled under the relevant Award as soon as practicable after the latest of:

- (i) the earliest Vesting Date as specified in an award notice to which such Award relates;
- (ii) the receipt by the Trustee of the requisite information and documents stipulated by the Trustee within the stipulated period; and
- (iii) where applicable, the date on which the condition(s) and/or performance target(s) (if any) to be fulfilled by such Selected Participant as specified in the related award notice have been fulfilled and notified to the Trustee by the Share Incentive Committee in writing.

Distributions

During the vesting period, any dividends and other distributions (“**Other Distributions**”) declared and made in respect of any Award Shares shall belong to the Trustee and the relevant Selected Participant shall not have any right whatsoever in such Other Distributions in respect of any Award Shares or otherwise unless and until the relevant Award Shares are vested in such Selected Participant in accordance with the rules of the Share Award Plans. Such Other Distributions shall be applied to subscription for and/or purchase of Shares for the purpose of satisfying any further Awards by the Board or the Share Incentive Committee.

Voting Rights

The Trustee shall not exercise the voting rights in respect of any Shares held under the trust constituted by the Trust Deed. No instructions may be given by any Selected Participant to the Trustee in respect of the voting rights in any Shares held by the Trustee under the Share Award Plans.

Selected Participants Having No Rights

The Selected Participants shall not have any right to receive any Award Shares set aside for them unless and until the Trustee has transferred and vested the legal and beneficial ownership of such Award Shares to and in the Selected Participants in accordance with the terms of the Share Award Plans.

For the avoidance of doubt, amongst other things:

- (i) a Selected Participant shall only have a contingent interest in the Award Shares which are referable to him/her/it subject to the vesting of such Shares;
- (ii) no instruction may be given by a Selected Participant to the Trustee in respect of the Award Shares and/or the Other Distributions and/or such other properties or assets of the trust constituted by the Trust Deed; and
- (iii) except by reason of retirement or death, where a Selected Participant ceases to be an Employee on the relevant Vesting Date, the award of the Award Shares in respect of the relevant Vesting Date shall lapse, such Award Shares shall not vest on the relevant Vesting Date and the Selected Participant shall have no claims against the Group or the Trustee.

Lapse of Awards

In the event:

- (i) a Selected Participant ceases to be an Employee (other than by virtue of a corporate reorganisation of the Group or for reason of death or retirement), or
- (ii) the Board or the Share Incentive Committee shall at its absolute discretion determine in respect of a Selected Participant (other than a Selected Participant who is an Employee) that (a) the Selected Participant or his associate has committed any breach of any contract entered into between the Selected Participant or his associate on one part and any member of the Group on the other part as the Board or the Share Incentive Committee may in its absolute discretion determine; or (b) the Selected Participant has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally, or has been convicted any criminal offence involving his integrity or honesty; or (c) the Selected Participant could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relationship with the Group or by any other reasons whatsoever, or
- (iii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company),

the Award shall automatically lapse forthwith and all the Award Shares shall not vest on the relevant Vesting Date.

In the event that (i) a Selected Participant is found to be an Excluded Participant or (ii) a Selected Participant fails to return duly executed transfer documents prescribed by the Trustee (or such later date as may be determined by the Share Incentive Committee at its sole and absolute discretion having to all relevant circumstances) for the relevant Award Shares within the stipulated period (whether in the ordinary vesting pursuant to the vesting timetable or on such other dates as provided in or determined in accordance with the rules of the Share Award Plans), the relevant part of an Award made to such Selected Participant shall automatically lapse forthwith and the relevant Award Shares shall not vest on the relevant Vesting Date.

Plan Limit

The maximum number of Shares to be subscribed for and/or purchased by the Trustee for the purpose of the:

- (i) Connected Persons' Share Award Plan (A); and
- (ii) Non-Connected Persons' Share Award Plan (A);

shall in aggregate not exceed 10% of the total number of issued Shares as at the Adoption Date (i.e. not exceed 149,846,800 Shares) throughout the term of the Share Award Plans.

The maximum number of Shares which may be subject to an award or awards to a Selected Participant shall not in aggregate exceed, in any continuous 12-month period, 1% of the issued share capital of the Company as at the Adoption Date throughout the term of the Share Award Plans.

Termination

The Share Award Plans shall terminate on the earlier of:

- (i) on the 10th anniversary date of the Adoption Date; and
- (ii) such date of early termination as determined by the Board, provided that such termination shall not affect any subsisting rights of any Selected Participant under the Share Award Plans.

If, at the date of the termination of the Share Award Plans, the Trustee holds any Share which has not been set aside in favour of any Selected Participant or retains any unutilised funds, then the Trustee shall, within twenty-one (21) business days or such other period as may be directed by the Board (on which the trading of the Shares has not been suspended) or such longer period as may be agreed with the Company after receiving actual notice of such termination, sell such Shares and remit the proceeds of sale (after making appropriate deductions in respect of stamp duty and other costs, liabilities and expenses in accordance with the Trust Deed) together with such unutilised funds to the Company.

LISTING RULES IMPLICATIONS

The Awarded Shares are held by the Trustee of the Non-connected Persons' Trust on trust for Eligible Non-connected Persons Participants who are not connected persons of the Company. Therefore, the Trustee of the Non-connected Persons' Trust is not an associate of any of the Company's connected persons under Rule 14A.12(1)(b) of the Listing Rules. Accordingly, the granting of Awards to Eligible Connected Persons Participants to be held under the Non-connected Persons' Trust will not constitute a connected transaction under Chapter 14A of the Listing Rules.

The Awarded Shares are held by the Trustee of the Connected Persons' Trust on trust for Eligible Connected Persons Participants, who are connected persons of the Company. Therefore, the Trustee of the Non-connected Persons' Trust is an associate of the Company's connected persons under Rule 14A.12(1)(b) of the Listing Rules.

Under Rule 14A.95 of the Listing Rules, a director entering into a service contract or appointment letter with the listed issuer or its subsidiary is fully exempt from the requirements under Chapter 14A of the Listing Rules. Therefore, if the Awards granted to Eligible Executive Participants are not to be satisfied by the allotment and issue of new Shares to the Trustee of the Connected Persons' Trust, the granting of such Awards are exempt from the requirements under Chapter 14A of the Listing Rules. If the Awards granted to Eligible Executive Participants are to be satisfied by the allotment and issue of new Shares to the Trustee of the Connected Persons' Trust, the granting of such Awards will constitute a connected transaction under Rule 14A.92 of the Listing Rules and the Company will comply with the relevant requirements under Chapter 14A of the Listing Rules.

As the Trustee of the Non-connected Persons' Trust is not a connected person of the Company, the Shares held by the Non-connected Persons' Trust are considered to be held in public hands (as defined under the Listing Rules). As the Trustee of the Connected Persons' Trust is considered to be a close associate of directors and chief executives of the Company and its subsidiaries (who are core connected persons of the Company), the Shares held by the Trustee of the Connected Persons' Trust are not considered to be held by the public (as defined under the Listing Rules) under Rule 8.24 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions have the meanings ascribed to them below:

“Adoption Date”	31 May 2022, being the date on which the Share Award Plans are adopted by the Board
“associate(s)”	has the meaning as ascribed to it under the Listing Rules
“Award”	a provisional award of the Award Shares out of the Shares Pool to any of the Eligible Participants made in accordance with the Share Award Plans

“Award Share(s)”	the Share(s) provisionally awarded to a Selected Participant pursuant to an Award
“Board”	the board of Directors
“chief executive”	has the meaning as ascribed to it under the Listing Rules
“Company”	Dalipal Holdings Limited 達力普控股有限公司, a company incorporated in the Cayman Islands with limited liability whose Shares are listed on the Main Board of the Stock Exchange (stock code: 1921)
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Connected Persons’ Share Award Plan (A)”	the share award plan for directors and chief executives of the Company and its subsidiaries, adopted by the Company on the Adoption Date (i.e. 31 May 2022), as may be altered from time to time
“Connected Persons’ Trust”	the trust constituted by the Connected Persons’ Share Award Plan (A) under which the Trustee holds trust fund (including Shares) upon trust exclusively for the benefit of all or one or more of the Selected Participants and/or persons eligible for Awards thereunder
“Director(s)”	the director(s) of the Company
“Eligible Non-connected Persons Participant”	any person belonging to the following classes of participants who is not a connected person: (a) any full time employee of the Company or any of its subsidiaries (an “ Employee ”); and, for the purposes of the Non-Connected Persons’ Share Award Plan (A), the Award may be made to any company wholly-owned by one or more of the above participant or any trust which the settlor is the above participant
“Eligible Connected Persons Participant”	any person belonging to the following classes of participants: (a) any director (but excluding any non-executive directors including independent non-executive director) and chief executive of the Company or any of its subsidiaries; and (b) for the purposes of the Connected Persons’ Share Award Plan (A), the Award may be made to any company wholly owned by one or more of the above participant or any trust which the settlor is the above participant
“Eligible Participant”	Eligible Non-connected Persons Participant and Eligible Connected Persons Participant

“Excluded Participant”	any person who is resident in a place where the Award and/or the vesting and transfer of Shares pursuant to the terms of the Share Award Plans are not permitted under the laws and regulations of such place or where in the view of the Board or the Share Incentive Committee or the Trustee (as the case may be) compliance with applicable laws and regulations in such place make it necessary or expedient to exclude such person
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Non-Connected Persons’ Share Award Plan (A)”	the share award plan for full-time employees of the Company and its subsidiaries, adopted by the Company on the Adoption Date (i.e. 31 May 2022), as may be altered from time to time
“Non-connected Persons’ Trust”	the trust constituted by the Non-Connected Persons’ Share Award Plan (A) under which the Trustee holds trust fund (including Shares) upon trust exclusively for the benefit of all or one or more of the Selected Participants and/or persons eligible for Awards thereunder
“Other Distributions”	has the meaning ascribed to it in the sub-section headed “Adopting of Share Award Plans – Distributions” of this announcement
“Selected Participant”	any Eligible Participant for whom Shares have been provisionally set aside pursuant to an Award or (where the context so permits) his personal representative
“Share(s)”	ordinary share(s) with par value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Share Award Plans”	the Non-Connected Persons’ Share Award Plan (A) and the Connected Persons’ Share Award Plan (A)

“Share Incentive Committee”	a committee the members of which are from time to time delegated by the Board with the power and authority to administer the Share Award Plans. As at the date of this announcement, Mr. Meng Fanyong, Mr. Guo Kaiqi and Mr. Cheng Haitao, being Directors, have been appointed as initial members of the Share Incentive Committee
“Shares Pool”	has the meaning ascribed to it in the sub-section headed “Adopting of Share Award Plans – Shares Pool” of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust Deeds”	the trust deeds dated 31 May 2022 and entered into by the Company as settlor and the Trustee as trustee in respect of Shares and other trust fund (if any) held or to be held by the Trustee subject to the terms thereof, as amended from time to time
“Trustee”	Tricor Trust (Hong Kong) Limited (in respect of the Non-connected Persons’ Trust) or Teeroy Limited (in respect of the Connected Persons’ Trust), or other trustee or trustees as shall be appointed pursuant to and in accordance with the terms of the Trust Deed
“Vesting Date”	in relation to any Selected Participant, the date on which the legal and beneficial ownership of the Award Shares are vested in such Selected Participant pursuant to an Award under the rules of the Share Award Plans
“%”	per cent

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

Hong Kong, 31 May 2022

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