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DA MING INTERNATIONAL HOLDINGS LIMITED

大明國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1090)

**(1) SHARE TRANSACTION – ACQUISITION OF 5.1% EQUITY
INTEREST IN THE TARGET COMPANY INVOLVING ISSUANCE
OF CONSIDERATION SHARES UNDER GENERAL MANDATE;
AND
(2) SUBSCRIPTION OF NEW SHARES UNDER GENERAL
MANDATE**

THE ACQUISITION

On 30 August 2021 (after trading hours), Fortune Express Industrial, a wholly-owned subsidiary of the Company (as purchaser), Hanwa (as seller) and the Company entered into the Sale and Purchase Agreement, pursuant to which Fortune Express Industrial has conditionally agreed to acquire, and Hanwa has conditionally agreed to sell, 5.1% equity interest in the Target Company at a consideration of US\$3,825,000, which shall be satisfied by the allotment and issue of 9,138,000 Consideration Shares, credited as fully paid, by the Company.

The Consideration Shares represent (i) approximately 0.73% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 0.73% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares (assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the date of Acquisition Completion save for the issue of the Consideration Shares).

The Consideration Shares are expected to be allotted and issued under the General Mandate and is not subject to Shareholders' approval. The Consideration Shares will rank equally in all respects among themselves and with all other existing Shares in issue on the date of allotment and issue of the Consideration Shares. Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

As at the date of this announcement, the Target Company is indirectly owned as to 85.0% by the Company through its wholly-owned subsidiaries, Jiangsu Daming and Fortune Express Industrial. Upon Acquisition Completion, the Company's interests in the Target Company will increase from 85.0% to 90.1% and the financial results of the Target Company will continue to be consolidated in the accounts of the Group.

Implications under the Listing Rules

As at the date of this announcement, Hanwa holds 15.0% equity interest in the Target Company. As the Target Company is an insignificant subsidiary of the Company pursuant to Rule 14A.09 of the Listing Rules, Hanwa is not regarded as a connected person of the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios (as defined under Chapter 14 of the Listing Rules) in relation to the Acquisition are less than 5% and the Consideration will be satisfied by the allotment and issue of Consideration Shares, the Acquisition constitutes a share transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under the Listing Rules.

THE SUBSCRIPTION

On 30 August 2021 (after trading hours), the Company entered into the Subscription Agreement with Hanwa, pursuant to which Hanwa conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, 20,000,000 Subscription Shares at the Subscription Price of HK\$3.26 per Subscription Share for an aggregate amount of HK\$65,200,000. The Subscription Price payable by Hanwa shall be settled by cash.

The Subscription Shares represent (i) approximately 1.61% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 1.57% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and the Subscription Shares (assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the date of Subscription Completion save for the issue of the Consideration Shares and the Subscription Shares).

The Subscription Shares are expected to be issued under the General Mandate and is not subject to Shareholders' approval. The Subscription Shares will rank equally in all respects among themselves and with all other existing Shares in issue on the date of allotment and issue of the Subscription Shares. Application will be made to the Stock Exchange for the listing of, and permission to deal, in the Subscription Shares.

The Acquisition Completion and the Subscription Completion are subject to the satisfaction of the conditions precedent set out in the Sale and Purchase Agreement and the Subscription Agreement, respectively. As the Acquisition Completion and the Subscription Completion may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in doubt about their position, they should consult their professional advisers.

THE ACQUISITION

Sale and Purchase Agreement

On 30 August 2021 (after trading hours), Fortune Express Industrial, a wholly-owned subsidiary of the Company (as purchaser), Hanwa (as seller) and the Company entered into the Sale and Purchase Agreement, pursuant to which Fortune Express Industrial has conditionally agreed to acquire, and Hanwa has conditionally agreed to sell, 5.1% equity interest in the Target Company at a consideration of US\$3,825,000, which shall be satisfied by the allotment and issue of 9,138,000 Consideration Shares, credited as fully paid, by the Company.

The principal terms of the Sale and Purchase Agreement are summarised below:

Date : 30 August 2021

Parties : (1) Fortune Express Industrial (as purchaser)
(2) Hanwan (as seller)
(3) the Company

For further details of Hanwa, please refer to the section headed “The Acquisition – Information on Hanwa” in this announcement.

Assets to be acquired : Fortune Express Industrial has conditionally agreed to acquire, and Hanwa has conditionally agreed to sell, 5.1% equity interest in the Target Company.

Consideration : US\$3,825,000, which shall be satisfied by the allotment and issue of 9,138,000 Consideration Shares, credited as fully paid, by the Company.

The Consideration was arrived at based on normal commercial terms after arm’s length negotiations among the parties to the Sale and Purchase Agreement taking into account, among other things, (i) the unaudited net assets value of the Target Company as at 30 June 2021, being RMB477,651,440; (ii) the historical performance of the Target Company; and (iii) the future prospects of the Target Company’s business.

- Currency conversion** : The applicable exchange rate for the calculation of the corresponding amount for the Consideration shall be (i) the central party rate of US dollar against Renminbi; and (ii) the central party rate of HK dollar against Renminbi, in both case as published by the State Administration of Foreign Exchange of the PRC on the date of the Sale and Purchase Agreement.
- Less than one board lot of shares** : The parties to the Sale and Purchase Agreement agree and confirm that the number of Consideration Shares would be calculated with reference to the Consideration and the issue price of HK\$3.26 per Consideration Share, however, such number of Consideration Shares that does not amount to one board lot (being 2,000 shares) will not be counted, and accordingly, the number of Consideration Shares shall be 9,138,000.

Consideration Shares

The Consideration Shares will be allotted and issued at the issue price of HK\$3.26 per Consideration Share, which was determined after arm's length negotiations among the parties to the Sale and Purchase Agreement with reference to, among others, the recent closing price of the Shares.

The issue price of HK\$3.26 per Consideration Share represents:

- (i) a discount of approximately 7.9% to the closing price of HK\$3.54 per Share as quoted on the Stock Exchange on 30 August 2021, being the date of the Sale and Purchase Agreement; and
- (ii) a discount of approximately 4.1% to the average closing price of HK\$3.40 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day.

The Consideration Shares are expected to be allotted and issued under the General Mandate. The Company may allot and issue up to 249,038,000 Shares under the General Mandate. As at the date of this announcement, the General Mandate has not been utilised, and therefore, the General Mandate will be sufficient for the issue and allotment of the Consideration Shares and the issue of the Consideration Shares is not subject to Shareholders' approval.

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

The Consideration Shares will rank equally in all respects among themselves and with all other existing Shares in issue on the date of allotment and issue of the Consideration Shares.

The Consideration Shares are not subject to any lock-up or other disposal restriction under the terms of the Sale and Purchase Agreement.

As at the date of this announcement, the total number of Shares in issue of the Company is 1,245,190,000 Shares. The Consideration Shares represent (i) approximately 0.73% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 0.73% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares (assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the date of Acquisition Completion save for the issue of the Consideration Shares).

Conditions of the Acquisition Completion

The Acquisition Completion is conditional upon the following conditions being fulfilled (or waived, where applicable) by the Acquisition Longstop Date:

- (a) (i) the obtaining in terms acceptable to Fortune Express Industrial, of all consents, approvals, waivers and authorisations of any relevant governmental authorities, regulatory bodies or other relevant third parties in Hong Kong, the PRC, the Cayman Islands and Japan or elsewhere as may be considered necessary by Fortune Express Industrial for the execution and implementation of the Sale and Purchase Agreement;
- (ii) receipt by the Target Company of all relevant consents and approvals from third parties as may be necessary in conjunction with the proposed change in shareholding of the Target Company so as to ensure that the Target Company will maintain all its existing material contractual and other rights and assets in their current state following Acquisition Completion; and
- (iii) the consents, approvals, waivers and authorisations referred to above not being revoked, withdrawn or modified at any time before Acquisition Completion;
- (b) Fortune Express Industrial undertaking a due diligence review of the Sale Interest and being satisfied with such review in all respects;
- (c) there being no material damage to the Property from the date of the Sale and Purchase Agreement up to Acquisition Completion;
- (d) from the date of the Sale and Purchase Agreement up to Acquisition Completion, all representations, warranties and undertaking given by Hanwa under the Sale and Purchase Agreement remaining true and accurate and not misleading in all respects, and there has not been any incident that will lead to any breach of the representations, warranties and undertaking or the terms of the Sale and Purchase Agreement on the part of Hanwa;

- (e) there being no applicable laws or regulations (including but not limited to the PRC law and regulations and any directives of the PRC government) having been passed from the date of the Sale and Purchase Agreement up to Acquisition Completion which would have a material adverse effect on the financial condition or assets of the Target Company as a whole or the Property, or make it impracticable or illegal for Hanwa, Fortune Express Industrial or the Company to complete the transactions contemplated under the Sale and Purchase Agreement; and
- (f) the Stock Exchange granting the approval for the listing of, and permission to deal in, the Consideration Shares and such approval not having been revoked or cancelled on or before the date of Acquisition Completion.

Fortune Express Industrial may, at its sole discretion, (i) waive any of (or any part of) the conditions set out in paragraph (b) at any time before the Acquisition Longstop Date; and (ii) waive any of (or any part of) the conditions set out in paragraphs (c), (d) and (e) at any time before the Acquisition Completion, and any such waiver granted shall be subject to such conditions as Fortune Express Industrial considers appropriate. The conditions set out in paragraphs (a) and (f) cannot be waived.

If any of the above conditions (which have not previously been waived by Fortune Express Industrial) have not been satisfied on or before the Acquisition Longstop Date (other than the conditions set out in paragraphs (c), (d) and (e) which shall be satisfied at Acquisition Completion) then, unless otherwise agreed by the parties to the Sale and Purchase Agreement in writing, the Sale and Purchase Agreement shall terminate automatically, and none of the parties to the Sale and Purchase Agreement shall have any claims in any nature against any other parties for any liabilities thereunder (save for any antecedent breaches of any provisions thereof).

Acquisition Completion

Acquisition Completion shall take place on the third Business Day after the date on which all conditions of the Sale and Purchase Agreement having been fulfilled (or waived, where applicable) (or such other date as may be agreed by the parties to the Sale and Purchase Agreement in writing).

Information on the Target Company

The Target Company is a company established in the PRC with limited liability and a non-wholly-owned subsidiary of the Company. As at the date of this announcement, the Target Company is owned as to 65.0% by Jiangsu Daming (a wholly-owned subsidiary of the Company), 20.0% by Fortune Express Industrial (a wholly-owned subsidiary of the Company) and 15.0% by Hanwa. The Target Company is principally engaged in the processing and sales of stainless steel, carbon steel and steel alloy, research and development, manufacturing, processing and sales of mechanical and metal parts, as well as import and export of various commodities and technology.

Based on the audited financial statements of the Target Company, the financial information of the Target Company for the two years ended 31 December 2020 are set out as follows:

	Year ended 31 December	
	2020	2019
	(audited)	(audited)
	(RMB'000)	(RMB'000)
Profit/(loss) before taxation	1,930.5	(19,512.7)
Profit/(loss) after taxation	1,399.1	(14,737.5)

As at 31 December 2020, based on the audited financial statements of the Target Company, the Target Company had audited net assets of approximately RMB350,664,081.

Effects on the shareholding structure of the Target Company

For illustration purpose only, the table below sets out the shareholding structure of the Target Company as at the date of this announcement and upon the Acquisition Completion (assuming there being no other changes in shareholding structure of the Target Company after the date of this announcement):

	% of shareholding in the Target Company	
	As at the date of this announcement	Immediately after the Acquisition Completion
Jiangsu Daming	65.0%	65.0%
Fortune Express Industrial	20.0%	25.1%
Hanwa	15.0%	9.9%
Total	100.0%	100.0%

Note:

1. Jiangsu Daming and Fortune Express Industrial are wholly-owned subsidiaries of the Company as at the date of this announcement.

Information on Hanwa

Hanwa is a company incorporated in Japan with limited liability, the shares of which are listed on the Tokyo Stock Exchange (stock code: 8078). It is principally engaged in steel business as well as metal and alloy, non-ferrous metal, food products, petroleum and chemical, lumber, machinery and other business.

As at the date of this announcement, Hanwa holds 15.0% equity interest in the Target Company, which is a non-wholly-owned subsidiary of the Company, and therefore, a substantial shareholder of a subsidiary of the Company. As the Target Company is an insignificant subsidiary of the Company pursuant to Rule 14A.09 of the Listing Rules, Hanwa is not regarded as a connected person of the Company under Chapter 14A of the Listing Rules. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, save for Hanwa's equity interest in the Target Company, Hanwa and its ultimate beneficial owners are Independent Third Parties as at the date of this announcement.

INFORMATION ON THE COMPANY AND FORTUNE EXPRESS INDUSTRIAL

The Company is a company incorporated in the Cayman Islands with limited liability. The Group is principally engaged in the processing, distribution and sale of stainless steel and carbon steel products.

Fortune Express Industrial, a wholly-owned subsidiary of the Company, is a company incorporated in Hong Kong with limited liability. It is principally engaged in investment holding and trading of steel products in Hong Kong.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Reference is made to the Public Float Announcements. To the best of the knowledge, information and belief of the Directors, as at the date of this announcement, the public float of the Company is approximately 18.78% which remains below 25.00%, being the minimum prescribed percentage as required by Rule 8.08 of the Listing Rules ("**Minimum Prescribed Percentage**").

As disclosed in the Public Float Announcements, the Company has been considering feasible proposals to restore its public float to the Minimum Prescribed Percentage. As one of the measures, the Company entered into the Sale and Purchase Agreement and the Subscription Agreement which is expected to broaden the Company's shareholder base and to improve its level of public float.

As at the date of this announcement, Hanwa is a core connected person of the Company by reason of being a substantial shareholder of the Target Company, which is a non-wholly owned subsidiary of the Company. Immediately after the Acquisition Completion, Hanwa will cease to be a substantial shareholder of the Target Company and will therefore no longer be a core connected person of the Company. As such, the Shares held by Hanwa will be counted towards the public float of the Company upon the Acquisition Completion. Upon the Acquisition Completion and the Subscription Completion, Hanwa will be interested in 29,138,000 Shares of the Company (comprising the Consideration Shares and the Subscription Shares). As a result, the public float of the Company is expected to increase to approximately 20.64% (assuming that there will be no change in the shareholding structure of the Company between the date of this announcement and the date of Subscription Completion save for the issue of the Consideration Shares and the Subscription Shares). For further details of the shareholding structure of the Company immediately after the Acquisition Completion and the Subscription Completion, please refer to the section headed “The Subscription – Effect on the shareholding structure of the Company” in this announcement.

The terms of the Sale and Purchase Agreement are determined after arm’s length negotiations among the parties thereto. The Directors consider that the terms of the Sale and Purchase Agreement (including the Consideration) are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY UPON THE ACQUISITION COMPLETION

Please refer to the section headed “The Subscription – Effect on the shareholding structure of the Company” in this announcement for further details on the effect on the shareholding structure of the Company upon the Acquisition Completion.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Hanwa holds 15.0% equity interest in the Target Company. As the Target Company is an insignificant subsidiary of the Company pursuant to Rule 14A.09 of the Listing Rules, Hanwa is not regarded as a connected person of the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios (as defined under Chapter 14 of the Listing Rules) in relation to the Acquisition are less than 5% and the Consideration will be satisfied by the allotment and issue of Consideration Shares, the Acquisition constitutes a share transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under the Listing Rules.

THE SUBSCRIPTION

Subscription Agreement

On 30 August 2021 (after trading hours), the Company entered into the Subscription Agreement with Hanwa, pursuant to which Hanwa conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, 20,000,000 Subscription Shares at the Subscription Price of HK\$3.26 per Subscription Share for an aggregate amount of HK\$65,200,000.

The principal terms of the Subscription Agreement are summarised below:

Date : 30 August 2021

Issuer : The Company

Subscriber : Hanwa

Please refer to the section headed “The Acquisition – Information on Hanwa” in this announcement for the details and background of Hanwa.

Immediately after the issue of the Consideration Shares and the Subscription Shares (assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the date of Subscription Completion save for the issue of the Consideration Shares and the Subscription Shares), Hanwa will be interested in 29,138,000 Shares, representing approximately 2.29% of the issued share capital of the Company (as enlarged by the issue of the Consideration Shares and the Subscription Shares).

Aggregate
Subscription Price : HK\$65,200,000

Subscription Shares : 20,000,000 Subscription Shares will be allotted and issued upon the Subscription Completion.

As at the date of this announcement, the total number of Shares in issue of the Company is 1,245,190,000 Shares. The Subscription Shares represent (i) approximately 1.61% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 1.57% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and the Subscription Shares (assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the date of Subscription Completion save for the issue of the Consideration Shares and the Subscription Shares).

The aggregate nominal value of the Subscription Shares (with a nominal value of HK\$0.10 each) is HK\$2,000,000.

Subscription Price

The Subscription Price of each Subscription Share is HK\$3.26, which was determined after arm's length negotiations between the parties to the Subscription Agreement with reference to, among others, the recent closing price of the Shares.

The Subscription Price of HK\$3.26 per Subscription Share represents:

- (i) a discount of approximately 7.9% to the closing price of HK\$3.54 per Share as quoted on the Stock Exchange on 30 August 2021, being the date of the Subscription Agreement; and
- (ii) a discount of approximately 4.1% to the average closing price of HK\$3.40 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day.

Ranking of the Subscription Shares

The Subscription Shares will rank equally in all respects among themselves and with all other existing Shares in issue on the date of allotment and issue of the Subscription Shares.

Disposal and lock-up restriction

The Subscription Shares are not subject to any lock-up or other disposal restriction under the terms of the Subscription Agreement.

Conditions of the Subscription Completion

The Subscription Completion is conditional upon the following conditions being fulfilled by the Subscription Longstop Date:

- (a) the Stock Exchange granting the approval for the listing of, and permission to deal in, the Subscription Shares and such approval not having been revoked or cancelled on or before the date of the Subscription Completion;
- (b) no indication being received by the Company prior to Subscription Completion from the Stock Exchange or the SFC to the effect that the listing of the Shares on the Stock Exchange may be withdrawn or objected to (whether subject to any conditions or not) due to the transactions contemplated under the Subscription Agreement or the Sale and Purchase Agreement; and
- (c) the completion of the transactions contemplated under the Sale and Purchase Agreement.

None of the other above conditions may be waived by any party to the Subscription Agreement.

If the above conditions have not been fulfilled by the Subscription Longstop Date, the Subscription Agreement (save for certain clauses as specified in the Subscription Agreement) shall terminate automatically, and none of the parties to the Subscription Agreement shall have any claims for any compensation, expenses or other fees against the other party by reason of such termination. The termination of the Subscription Agreement shall not affect the right of any party to claim against the other party in respect of any antecedent breaches of any provisions thereof.

Subscription Completion

Subject to the fulfilment of the conditions under the Subscription Agreement, Subscription Completion shall take place on the first Business Day after the fulfilment of the condition set out in paragraph (c) above (i.e. the completion of the transactions contemplated under the Sale and Purchase Agreement) (or such other date as may be agreed by the Hanwa and the Company in writing).

Mandate for the issue of the Subscription Shares

The Subscription Shares are expected to be allotted and issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the AGM subject to the limit of up to 20% of the total number of Shares in issue as at the date of the AGM (i.e. 249,038,000 new Shares, representing 20% of 1,245,190,000 Shares in issue as at the date of the AGM). As at the date of this announcement, the General Mandate has not been utilised. The General Mandate will be sufficient for the allotment and issue of the Subscription Shares. The allotment and issue of the Subscription Shares is therefore not subject to Shareholders' approval.

The aggregate number of the Consideration Shares and the Subscription Shares proposed to be issued under the General Mandate is 29,138,000 Shares. The General Mandate will be sufficient to cover the allotment and issue of the Consideration Shares and the Subscription Shares.

Application for listing

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Subscription, together with the Acquisition, allow the Company to broaden its shareholder base and to improve its level of public float which is currently below the Minimum Prescribed Percentage. For further details of the effect of the Acquisition and the Subscription on the Company's public float, please refer to the section headed "The Acquisition – Reasons for and benefits of the Acquisition" in this announcement.

Moreover, the Directors are of the view that the Subscription represents an opportunity for the Company to strengthen its capital base and financial position without any interest burden, within a relatively short time frame and at lower costs when compared with other means of fund raising.

The Directors consider that the terms of the Subscription Agreement (including the Subscription Price), which were arrived at after arm's length negotiations between the Company and Hanwa, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

USE OF NET PROCEEDS FROM THE SUBSCRIPTION

The gross proceeds of the Subscription would be HK\$65,200,000. The net proceeds of the Subscription, after deducting professional fees and other related expenses, are estimated to be approximately HK\$64,600,000. On this basis, the net issue price per Subscription Share is approximately HK\$3.23.

The net proceeds of the Subscription are intended to be used for general working capital.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the knowledge, information and belief of the Directors and for illustration purpose only, the table below sets out the shareholding structure of the Company based on each of the following scenarios without taking into account of any other issue or repurchase of Shares by the Company:

	As at the date of this announcement		Immediately after the Acquisition Completion but before the Subscription Completion		Immediately after the Acquisition Completion and the Subscription Completion	
	No. of Shares	% of shareholding in the Company	No. of Shares	% of shareholding in the Company	No. of Shares	% of shareholding in the Company
Core connected persons						
Ally Good Group Limited	793,435,000	63.720%	793,435,000	63.256%	793,435,000	62.263%
China Baowu and its subsidiary	207,500,000	16.664%	207,500,000	16.543%	207,500,000	16.283%
Mr. Zhou Keming (Note 1)	60,000	0.005%	60,000	0.005%	60,000	0.005%
Ms. Xu Xia (Note 2)	56,000	0.004%	56,000	0.004%	56,000	0.004%
Mr. Zou Xiaoping and his spouse (Note 3)	5,060,000	0.406%	5,060,000	0.403%	5,060,000	0.397%
Mr. Jiang Changhong (Note 4)	384,000	0.031%	384,000	0.031%	384,000	0.030%
Dr. Fukui Tsutomu and his spouse (Note 5)	1,364,000	0.110%	1,364,000	0.109%	1,364,000	0.107%
Mr. Zhang Feng (Note 6)	2,144,000	0.172%	2,144,000	0.171%	2,144,000	0.168%
Mr. Wang Jian and his spouse (Note 7)	1,296,000	0.104%	1,296,000	0.103%	1,296,000	0.102%
Sub-total (A):	1,011,299,000	81.216%	1,011,299,000	80.625%	1,011,299,000	79.359%
Public shareholders						
Hanwa (Note 8)	-	-	9,138,000	0.729%	29,138,000	2.287%
Other public shareholders	233,891,000	18.784%	233,891,000	18.646%	233,891,000	18.354%
Sub-total (B):	233,891,000	18.784%	243,029,000	19.375%	263,029,000	20.641%
Total (A) + (B):	1,245,190,000	100.000%	1,254,328,000	100.000%	1,274,328,000	100.000%

Notes:

1. Mr. Zhou Keming is a director of the Company.
2. Ms. Xu Xia is a director of the Company and the spouse of Mr. Zhou Keming.
3. Mr. Zou Xiaoping is a director of the Company.
4. Mr. Jiang Changhong is a director of the Company.

5. Dr. Fukui Tsutomu is a director of the Company.
6. Mr. Zhang Feng is a director of the Company.
7. Mr. Wang Jian is a director of the Company.
8. Immediately upon the Acquisition Completion, Hanwa will cease to be a substantial shareholder of the Target Company and will therefore no longer be a core connected person of the Company. Accordingly, Hanwa's shareholding in the Company will be counted towards the public float under the Listing Rules.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not undertaken any equity fund raising activities in the 12 months immediately prior to the date of this announcement.

INFORMATION ON HANWA AND THE COMPANY

Please refer to the sections headed "The Acquisition – Information on Hanwa" and "The Acquisition – Information on the Company and Fortune Express Industrial" in this announcement for further details of Hanwa and the Company, respectively.

The Acquisition Completion and the Subscription Completion are subject to the satisfaction of the conditions precedent set out in the Sale and Purchase Agreement and the Subscription Agreement, respectively. As the Acquisition Completion and the Subscription Completion may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in doubt about their position, they should consult their professional advisers.

DEFINITIONS

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

"Acquisition"	the acquisition of 5.1% equity interest in the Target Company by Fortune Express Industrial from Hanwa pursuant to the Sale and Purchase Agreement
"Acquisition Completion"	the completion of the transactions contemplated under the Sale and Purchase Agreement in accordance with the terms and conditions contained therein
"Acquisition Longstop Date"	30 September 2021
"AGM"	the annual general meeting of the Company held on 10 June 2021

“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturdays and Sundays and a day on which a tropical cyclone warning no. 8 or above is hoisted or a “black rainstorm warning signal” is in force in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which commercial banks are generally open for banking business in Hong Kong
“China Baowu”	China Baowu Steel Group Corporation Limited (中國寶武鋼鐵集團有限公司), a company incorporated in the PRC and a substantial shareholder of the Company as at the date of this announcement
“Consideration”	the consideration in the amount of US\$3,825,000 payable for the Acquisition
“Consideration Shares”	the Shares to be allotted and issued to Hanwa to settle the Consideration for the Acquisition
“Company”	Da Ming International Holdings Limited (大明國際控股有限公司), a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Fortune Express Industrial”	Fortune Express Industrial Limited (通順實業有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM pursuant to which the Directors are authorised to allot, issue and deal with Shares of up to 20% of the total number of issued Shares on the date of the passing such resolution (i.e. up to 249,038,000 Shares)
“Group”	the Company and its subsidiaries

“Hanwa”	Hanwa Co., Ltd. (阪和興業株式會社), a company incorporated in Japan with limited liability, the shares of which are listed on the Tokyo Stock Exchange (stock code: 8078)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company or any of its connected persons
“Jiangsu Daming”	江蘇大明金屬製品有限公司 (Jiangsu Daming Metal Products Co., Ltd.*), a company established in the PRC and a wholly-owned subsidiary of the Company
“Last Trading Day”	27 August 2021, being the last trading day immediately prior to the date of the Sale and Purchase Agreement and the Subscription Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China (excluding Hong Kong, the Macau Special Administrative Region and Taiwan for the purpose of this announcement)
“Property”	the property owned by the Target Company which is located at No. 1399 Chenggong Road, Economic and Technological Development Zone, Jiaxing City, Zhejiang Province, the PRC
“Public Float Announcements”	the announcements of the Company dated 22 February 2021, 31 March 2021, 30 April 2021, 31 May 2021, 30 June 2021 and 30 July 2021 in relation to the status of the public float of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the conditional agreement dated 30 August 2021 and entered into among Fortune Express Industrial, the Company and Hanwa in relation to the Acquisition

“Sale Interest”	the equity interest representing 5.1% of the registered capital of the Target Company to be sold by Hanwa to Fortune Express Industrial pursuant to the Sale and Purchase Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by Hanwa at the Subscription Price for an aggregate amount of HK\$3.26
“Subscription Agreement”	the conditional agreement dated 30 August 2021 entered into between the Company and Hanwa in relation to the Subscription
“Subscription Completion”	the completion of the transactions contemplated under the Subscription Agreement in accordance with the terms and conditions contained therein
“Subscription Longstop Date”	15 October 2021
“Subscription Price”	HK\$3.26 per Subscription Share
“Subscription Shares”	the aggregate of 20,000,000 new Shares
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Target Company”	浙江大明阪和金屬科技有限公司 (Zhejiang Daming Hanwa Metal Technology Company Limited*), a company established in the PRC with limited liability and a non-wholly-owned subsidiary of the Company as at the date of this announcement
“US\$”	United States dollars, the lawful currency of the United States of America

“%”

per cent.

By order of the board of
Da Ming International Holdings Limited
Zhou Keming
Chairman

Hong Kong, 30 August 2021

As at the date of this announcement, the executive Directors are Mr. Zhou Keming (Chairman), Mr. Jiang Changhong (Chief Executive Officer), Ms. Xu Xia, Mr. Zou Xiaoping, Dr. Fukui Tsutomu, Mr. Zhang Feng and Mr. Wang Jian; the non-executive Directors are Mr. Lu Jian and Mr. Zhu Baomin; and the independent non-executive Directors are Mr. Cheuk Wa Pang, Prof. Hua Min, Mr. Lu Daming, Mr. Liu Fuxing and Mr. Hu Xuefa.

* *For identification purpose only*