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)

INSIDE INFORMATION ANNOUNCEMENT

ARBITRATION AWARD

This announcement is made by Da Ming International Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong).

Background

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company and potential investors that Daming Heavy Industry Co., Ltd. ("**Daming Heavy Industry**"), an indirect wholly-owned subsidiary of the Company, received a final arbitration award (the "**Award**") dated 29 July 2026 from the Arbitration Institute of the Finland Chamber of Commerce.

The case arose out of a dispute on the compensation of costs in relation to certain alleged defects found in pressure vessels supplied by Daming Heavy Industry to a third-party purchaser ("**Claimant**") under a purchase contract concluded between the parties on 8 July 2020 ("**Contract**").

The relevant vessels were manufactured in China by Daming Heavy Industry and transported in nine separate (but otherwise complete) parts by barge to Finland by the Claimant. The Claimant assembled the vessels from the sections provided into complete units, erecting the vessels in late 2021 and early 2022. On 29 May 2022, the Claimant conducted hydrostatic pressure test on the digester and the digester could not withstand the required pressure and the top flange welding cracked and started to leak water. Further testing conducted by the Claimant between June 2022 and March 2023 revealed further defects in both the digester and the impregnation bin. On 2 March 2023, the Claimant sent Daming Heavy Industry a claim letter estimating that its claim amount would exceed EUR5 million. The parties continued to negotiate on the matter. On 23 September 2024, the Claimant filed the request for arbitration with the Arbitration Institute of the Finland Chamber of Commerce. After several rounds of negotiations from September to October 2024, the parties were unable to reach an agreement. The parties proceeded with arbitration.

Disclosures in the notes to financial statements in the annual reports of the Company

The legal adviser of the Company in the People's Republic of China ("**PRC**") considered that (i) the liability on repair costs attributable to Daming Heavy Industry should be no more than EUR2,000,000 when it considered the matter on 19 March 2025; and (ii) if Daming Heavy Industry was to do the repairs by itself, the relevant repair expenses would not exceed EUR870,000, when it considered the matter on 6 March 2026. Based on the analysis of the Company's PRC legal adviser of the case, the Board was of the view that, (i) although there was a dispute regarding quality defects, the scope of potential compensation was controllable; and (ii) the outcome of the arbitration was uncertain before the Award was received. Therefore, no provision in relation to the arbitration was made in the consolidated financial statements of the Company for the two financial years ended 31 December 2025. Nevertheless, there was a provision of approximately RMB 11 million for trade receivables and contract assets relating to the trade receivable from the Claimant as at 31 December 2024 which was in fact covered in note 14 of the notes to the consolidated financial statements in the annual report of the Company for the year ended 31 December 2024. Furthermore, the dispute was disclosed as a contingent liability in note 35 of the notes to the consolidated financial statements in the annual report of the Company for the year ended 31 December 2025.

Findings of the Arbitral Tribunal

The arbitral tribunal found that Daming Heavy Industry had breached (i) its warranty obligations under the Contract by failing to manufacture the digester top part flange in accordance with the requirements of the Contract and free of defects; (ii) the Contract by delivering goods with a number of defective welds; and (iii) its warranty obligations under the Contract by failing to deliver goods free of defects.

Arbitration Award

Pursuant to the Award, the arbitral tribunal ordered:

(i) Daming Heavy Industry to pay EUR6,471,425.17 to the Claimant as compensation for Claimant's losses and expenses;

(ii) Daming Heavy Industry to pay EUR1,323,005.99 representing the outstanding amount of default interest on the Claimant's losses and expenses, as quantified up to 30 June 2026;

(iii) Daming Heavy Industry to pay default interest accruing on EUR6,471,425.17 as from 1 July 2026 in accordance with the relevant Finnish law set out in the Award until payment has been made in full;

(iv) Daming Heavy Industry to solely bear all costs of the arbitration, including the fees and expenses of the arbitral tribunal, the expenses of the tribunal secretary and the fees of the Arbitration Institute of the Finland Chamber of Commerce, together amounting to EUR430,000.00, and:

    (a) pay to the Claimant its party representation costs of EUR1,812,941.28, SEK240,157.80 and GBP106,513.50; and

    (b) compensate the Claimant for the filing fee and advances already paid for the fees and expenses of the arbitral tribunal and the arbitration institute, totalling EUR215,000.00,

    with late payment interest to be paid on all amounts above in accordance with the relevant Finnish law set out in the Award, which begins to accrue 30 days from the date of the arbitral award until payment has been made in full.

Other Actions taken by the Company

On 26 August 2026, Daming Heavy Industry submitted a post-award request to the arbitral tribunal to request the tribunal to correct errors and provide its interpretations for certain specific points/parts in the Award. On 18 September 2026, Daming Heavy Industry submitted its comments pursuant to the tribunal's direction that Daming Heavy Industry would have an opportunity to provide its final comments by 18 September 2026. On 25 September 2026, the arbitral tribunal denied Daming Heavy Industry's post-award request in full and ordered Daming Heavy Industry to solely bear the costs connected to the request (being arbitral tribunal's total fees EUR9,359.72 and to compensate the Claimant for Claimant's share of the supplementary advance on costs already paid, totalling EUR4,700, with late payment interest to be paid in accordance with the relevant Finnish law, which begins to accrue 30 days from 25 September 2026 until payment has been made in full).

As at the date of this announcement, the Company is seeking legal advice on the possibility of setting aside the Award. Further announcement(s) will be made by the Company as and when appropriate pursuant to the Listing Rules to keep the shareholders and potential investors of the Company informed of the material developments in this matter.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 28 September 2026

As at the date of this announcement, the executive Directors are Mr. Zhou Keming (Chairman), Ms. Xu Xia, Mr. Zou Xiaoping, Mr. Liang Zongren and Mr. Ni Chen; the non-executive Directors are Mr. Lu Jian and Mr. Lu Gang; and the independent non-executive Directors are Mr. Cheuk Wa Pang, Mr. Hu Xuefa, Prof. Chen Xin and Mr. Wang Liuqi.