

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS			
	Year ended 31 December		
	2025	2024	
	RMB'000	RMB'000	% change
Revenue	44,193,176	46,453,309	-4.9%
Gross profit	1,060,606	685,686	+54.7%
Profit/(loss) and total comprehensive income/ (loss) for the year	12,236	(385,139)	+103.2%
OPERATING HIGHLIGHTS			
	Year ended 31 December		
	2025	2024	% change
Stainless steel			
Sales volume (tonnes)	2,103,748	2,056,957	+2.3%
Processing volume (tonnes)	3,266,703	3,179,884	+2.7%
Processing multiple (<i>note</i>)	1.55	1.55	
Carbon steel			
Sales volume (tonnes)	5,101,149	5,059,186	+0.8%
Processing volume (tonnes)	5,017,871	4,785,147	+4.9%
Processing multiple (<i>note</i>)	0.98	0.95	
<i>Note:</i>	Processing multiple = Processing volume/Sales volume		

FINAL RESULTS

The board of directors (the “Board”) of Da Ming International Holdings Limited (the “Company”) hereby announce the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2025 together with comparative figures for the year ended 31 December 2024, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

		Year ended 31 December	
		2025	2024
	Note	RMB'000	RMB'000
Revenue	2	44,193,176	46,453,309
Cost of goods sold	3	(43,132,570)	(45,767,623)
Gross profit		1,060,606	685,686
Other income	4	55,599	57,313
Other (loss)/gain – net	5	(5,340)	4,406
Net impairment losses on financial assets	3	(3,645)	(16,737)
Distribution costs	3	(493,575)	(506,393)
Administrative expenses	3	(357,895)	(420,962)
Operating profit/(loss)		255,750	(196,687)
Finance income	6	50,311	44,838
Finance costs	6	(262,527)	(286,679)
Finance costs – net	6	(212,216)	(241,841)
Profit/(loss) before income tax		43,534	(438,528)
Income tax (expense)/credit	7	(31,298)	53,389
Profit/(loss) and total comprehensive income/ (loss) for the year		12,236	(385,139)
Attributable to:			
Shareholders of the Company		(35,559)	(414,579)
Non-controlling interests		47,795	29,440
		12,236	(385,139)
Earnings per share for loss attributable to shareholders of the Company during the year (expressed in RMB per share)			
– Basic loss per share	8	(0.03)	(0.33)
– Diluted loss per share	8	(0.03)	(0.33)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

		As at 31 December	
		2025	2024
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		4,900,870	5,121,368
Right-of-use assets		515,316	521,364
Investment properties		1,371	1,638
Intangible assets		15,899	19,987
Deferred income tax assets		261,934	254,394
Contract assets	10	4,814	5,651
Other non-current assets		55,970	38,957
		<u>5,756,174</u>	<u>5,963,359</u>
Current assets			
Inventories		3,597,406	3,821,706
Trade receivables, notes receivables and contract assets	10	552,859	414,538
Prepayments, deposits and other receivables		1,051,031	1,075,670
Financial assets at fair value through other comprehensive income		55,887	49,762
Restricted bank deposits		1,306,737	1,491,549
Cash and cash equivalents		109,181	153,891
		<u>6,673,101</u>	<u>7,007,116</u>
Total assets		<u>12,429,275</u>	<u>12,970,475</u>
EQUITY			
Equity attributable to shareholders of the Company			
Share capital		109,041	109,041
Reserves		2,383,776	2,418,872
		2,492,817	2,527,913
Non-controlling interests		<u>347,711</u>	<u>336,885</u>
Total equity		<u>2,840,528</u>	<u>2,864,798</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2025

		As at 31 December	
		2025	2024
	Note	RMB'000	RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings		1,411,115	1,659,376
Deferred government grants		114,804	126,898
Deferred income tax liabilities		23,187	13,020
Lease liabilities		1,582	523
Long-term payables		30,826	28,149
		<u>1,581,514</u>	<u>1,827,966</u>
Current liabilities			
Trade payables	11	1,130,891	1,082,057
Accruals and other payables		450,383	513,452
Contract liabilities		970,287	960,491
Current income tax liabilities		31,564	35,418
Borrowings		5,395,576	5,652,858
Lease liabilities		532	3,174
Dividends payable		28,000	30,261
		<u>8,007,233</u>	<u>8,277,711</u>
Total liabilities		<u>9,588,747</u>	<u>10,105,677</u>
Total equity and liabilities		<u><u>12,429,275</u></u>	<u><u>12,970,475</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to shareholders of the Company		Non- controlling interests	Total equity
	Share capital <i>RMB'000</i>	Reserves <i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Balance at 1 January 2025	109,041	2,418,872	336,885	2,864,798
Comprehensive income (Loss)/profit for the year	–	(35,559)	47,795	12,236
Transactions with owners				
Acquisition of non-controlling interest	–	463	(8,969)	(8,506)
Dividends	–	–	(28,000)	(28,000)
Total transactions with owners	–	463	(36,969)	(36,506)
Balance at 31 December 2025	109,041	2,383,776	347,711	2,840,528
Balance at 1 January 2024	109,041	2,833,451	338,756	3,281,248
Comprehensive income (Loss)/profit for the year	–	(414,579)	29,440	(385,139)
Transactions with owners				
Dividends	–	–	(31,311)	(31,311)
Balance at 31 December 2024	109,041	2,418,872	336,885	2,864,798

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	2025 RMB'000	2024 <i>RMB'000</i>
Cash flows from operating activities	526,805	439,462
Cash flows from investing activities	(284,121)	(432,333)
Cash flows from financing activities	(286,703)	(118,767)
Net decrease in cash and cash equivalents	(44,019)	(111,638)
Cash and cash equivalents at beginning of year	153,891	265,311
Exchange (loss)/gain on cash and cash equivalents	(691)	218
Cash and cash equivalents at end of year	109,181	153,891

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) as issued by the Hong Kong Institute of Certified Public Accountants and requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities which are measured at fair value.

Going concern

The Group’s current liabilities exceeded its current assets by approximately RMB1,334,132,000 as at 31 December 2025, as compared to RMB1,270,595,000 as at 31 December 2024. The Group’s cash and cash equivalents decreased from RMB153,891,000 as at 31 December 2024 to RMB109,181,000 as at 31 December 2025. These financial conditions may cast significant doubt upon the Group’s ability to continue as a going concern.

The Group meets its day-to-day working capital requirements mainly through its operating cash flows and bank borrowings. In preparing the financial statements, the Directors of the Company have given a careful consideration to the projected needs for liquidity, operating results and the available financial sources of the Group in evaluating whether the Group will have sufficient financial resources to continue as a going concern. Management’s plan has included a number of measures to mitigate the liquidity pressure and to improve the financial position and operating results:

- (i) the Group will continue to make efforts to improve its operating results and cash flows, including but not limited to increasing sales volume, improving working capital turnover by enhancing inventory level management and trade receivables collection, and controlling operating expenditures;
- (ii) the Group will continue to maintain ongoing relationships with banks and other financial institutions to secure sufficient available bank credit quota, and manage financing from bank borrowings to pursue renewal or refinancing of existing bank borrowings upon maturity;
- (iii) The Group will continue to manage its capital expenditures in line with the available funding from operating and financing activities and sufficiency of liquidity.

Having considered the above and based on a cashflow forecast prepared by the Company, the Directors of the Company believe that the Group will have adequate liquidity to fulfill its financial obligations when fall due, and to continue operations for the foreseeable future of not less than twelve months from period end date of these financial statements. The Directors, therefore, are of the opinion that it is appropriate to adopt the going concern basis in preparing the Group’s consolidated financial statements.

Changes in accounting policies and disclosures

(a) *New and amended standards adopted by the Group*

An amended standard became applicable for the current reporting period. The Group did not have to change its accounting policies as a result of adopting this standard.

Standards and amendments	Key requirements	Effective for annual periods beginning on or after
HKAS 21 (Amendments)	Lack of Exchangeability	1 January 2025

(b) *New standards and amendments to standards not yet adopted*

The following new standards and amendments to standards have been issued but are not effective for the financial year beginning 1 January 2025 and have not been early adopted by the Group in preparing these consolidated financial statements.

Standards and amendments	Key requirements	Effective for annual periods beginning on or after
HKFRS 9 and HKFRS 7 (Amendments)	The Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 and Amendments	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HK Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
HKAS 21	Amendment to HKAS 21 – Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

(i) *HKFRS 18 Presentation and Disclosure in Financial Statements*

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, although the adoption of HKFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the income statement into the new categories will impact how operating profit is calculated and reported.

- **Impact on consolidated statements of comprehensive income**
Although the adoption of HKFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the income statement into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:

Foreign exchange differences

Foreign exchange differences currently aggregated in the line item "other gains/(losses) – net" in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit, unless doing so would involve undue cost or effort.

The gain or loss of investments measured at fair value through profit or loss currently aggregated in the line item "other gains/(losses) – net" in operating profit and will be presented below operating profit.

- **Impact on consolidated statements of finance position**
The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.
- **Impact on disclosures:**
The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for the first annual period of application of HKFRS 18, a reconciliation for each line item in the income statement between the restated amounts presented by applying HKFRS 18 and the amounts previously presented applying HKAS 1.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

2. Revenue

The Group's revenue from sales to external customers in different countries and regions is as follows:

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
– Mainland China	42,919,086	44,970,767
– Hong Kong and other overseas countries and regions ⁽ⁱ⁾	1,274,090	1,482,542
Total revenue	44,193,176	46,453,309

- (i) Other overseas countries and regions mainly represented Australia, United States of America, South Korea, Japan, Europe, South America and Southeast Asia.

The Group's revenue from sales by segment products is as follows:

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Processing:		
Processing of metal materials	41,523,026	43,686,749
Components manufacturing	1,485,670	1,310,956
Manufacturing:		
High-end equipment manufacturing	1,184,480	1,455,604
	44,193,176	46,453,309

The segment results for the year ended 31 December 2025:

	Processing <i>RMB'000</i>	Manufacturing <i>RMB'000</i>	Elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Sales to external customers	43,008,696	1,184,480	–	44,193,176
Intra-group sales	<u>581,151</u>	<u>93,990</u>	<u>(675,141)</u>	<u>–</u>
Segment revenue	<u><u>43,589,847</u></u>	<u><u>1,278,470</u></u>	<u><u>(675,141)</u></u>	<u><u>44,193,176</u></u>
Segment results	294,231	(84,122)	(4,618)	205,491
Other income				55,599
Other loss – net				(5,340)
Finance costs – net				<u>(212,216)</u>
Profit before income tax				43,534
Income tax expense				<u>(31,298)</u>
Profit for the year				<u><u>12,236</u></u>
<i>Items included in profit and loss:</i>				
Depreciation and amortisation	<u><u>317,069</u></u>	<u><u>146,195</u></u>	<u><u>–</u></u>	<u><u>463,264</u></u>

The segment results for the year ended 31 December 2024:

	Processing <i>RMB'000</i>	Manufacturing <i>RMB'000</i>	Elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Sales to external customers	44,997,705	1,455,604	–	46,453,309
Intra-group sales	<u>645,070</u>	<u>107,285</u>	<u>(752,355)</u>	<u>–</u>
Segment revenue	<u>45,642,775</u>	<u>1,562,889</u>	<u>(752,355)</u>	<u>46,453,309</u>
Segment results	(155,770)	(91,505)	(11,131)	(258,406)
Other income				57,313
Other loss – net				4,406
Finance costs – net				<u>(241,841)</u>
Loss before income tax				(438,528)
Income tax credit				<u>53,389</u>
Loss for the year				<u><u>(385,139)</u></u>
<i>Items included in profit and loss:</i>				
Depreciation and amortisation	<u>325,713</u>	<u>125,877</u>	<u>–</u>	<u>451,590</u>

3. Expenses by nature

Expenses included in cost of goods sold, distribution costs, administrative expenses were analysed as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Changes in inventories of finished goods	(25,221)	(42,540)
Raw materials consumed	41,801,836	44,411,966
Outsourced processing cost	138,683	129,290
Stamp duty, property tax and other surcharges	73,610	76,384
Transportation costs	274,649	283,446
Employee benefit expenses, including directors' emoluments	1,054,148	1,108,236
Depreciation and amortisation		
– Depreciation of property, plant and equipment	440,006	426,963
– Depreciation of right-of-use assets	18,103	18,864
– Depreciation of investment properties	267	267
– Amortisation of intangible assets	4,888	5,496
Operating lease rental for buildings and equipments	6,149	5,344
Utilities charges	88,782	88,311
(Reversal)/provision for write-down of inventories	(57,060)	17,854
Provision for impairment of trade receivables and contract assets	3,645	16,737
Auditors' remuneration		
– Audit services	2,610	2,610
– Non-audit services	649	199
Entertainment and travelling expenses	58,541	48,765
Bank charges	28,623	28,457
Others	74,777	85,066
	<u>43,987,685</u>	<u>46,711,715</u>

4. Other income

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Sales of scraps and packaging materials	16,436	15,497
Amortisation of deferred government grants	13,036	12,908
Government subsidy income	12,079	18,722
Rental income from investment properties	1,042	1,286
Others	13,006	8,900
	<u>55,599</u>	<u>57,313</u>

5. Other (loss)/gain – net

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Losses on disposal of property, plant and equipment – net	(2,299)	(707)
Foreign exchange gain – net	59	9,854
Others	(3,100)	(4,741)
	<u>(5,340)</u>	<u>4,406</u>
Other (loss)/gain – net	<u>(5,340)</u>	<u>4,406</u>

6. Finance costs – net

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Finance costs:		
Interest expenses on borrowings	180,042	208,105
Interest expenses on bank acceptance notes and letters of credit	88,090	97,498
Exchange loss – net	241	250
	<u>268,373</u>	<u>305,853</u>
Less: amounts capitalised on qualifying assets	<u>(5,846)</u>	<u>(19,174)</u>
Total finance costs	<u>262,527</u>	<u>286,679</u>
Finance income:		
Interest income on bank deposits	<u>(50,311)</u>	<u>(44,838)</u>
Finance costs – net	<u>212,216</u>	<u>241,841</u>

7. Income tax expense/(credit)

The amount of income tax charged to the consolidated statement of comprehensive income represents:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current income tax		
– Mainland China corporate income tax	28,671	23,832
Deferred income tax	2,627	(77,221)
	<u>31,298</u>	<u>(53,389)</u>

The income tax expense for the period comprises current and deferred income tax. Tax is recognised in the comprehensive income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and it considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on either the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of Cayman Islands and, accordingly, is exempted from payment of Cayman Islands income tax.

The subsidiary incorporated in British Virgin Islands under the International Business Companies Acts of the British Virgin Islands is exempted from payment of British Virgin Islands income tax.

Subsidiaries incorporated in Hong Kong are subject to income tax at the prevailing rates of 16.5% (2024: 16.5%). Hong Kong profits tax has not been provided as there is no estimated assessable profit arising in or derived from Hong Kong during the financial periods.

The PRC Corporate Income Tax (“CIT”) is calculated based on the statutory profit of subsidiaries incorporated in the PRC in accordance with the PRC tax laws and regulations, after adjustments on certain income and expense items, which are not assessable or deductible for income tax purposes. All of the subsidiaries of the Group in Mainland China, except for Intercity Logistics, Steel Union Logistics and Daming Heavy Industry, are subject to corporate income tax rate of 25% (2024: 25%) for the year 2025.

As small low-profit enterprises, the annual taxable income of Intercity Logistics and Steel Union Logistics did not exceed RMB1 million, their corporate income tax shall be computed at 25% of the entities' annual taxable income multiplied by corporate income tax rate of 20%.

Daming Heavy Industry has been accredited as a High New Tech Enterprise since 2020. According to the CIT Law for High New Tech Enterprises, it is subject to a reduced corporate income tax rate of 15% (2024: 15%) for the year ended 31 December 2025. The qualification of High New Tech Enterprises is subject to renewal for each three years interval. In 2024, Daming Heavy Industry has renewed its qualification of High New Tech Enterprises.

8. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2025	2024
Loss attributable to shareholders of the Company (<i>RMB'000</i>)	<u>(35,559)</u>	<u>(414,579)</u>
Weighted average number of ordinary shares in issue (<i>thousands</i>)	<u>1,274,528</u>	<u>1,274,528</u>
Basic loss per share (<i>RMB per share</i>)	<u>(0.03)</u>	<u>(0.33)</u>

(b) Diluted

As the Group incurred loss for the year ended 31 December 2025 and 2024, the potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the year ended 31 December 2025 and 2024 is the same as basic loss per share for the year.

9. Dividends

The directors did not recommend payment of an interim or final dividend in respect of the year ended 31 December 2025 (2024: nil).

No dividend was paid in the year ended 31 December 2025 (2024: nil).

10. Trade receivables, notes receivables and contract assets

	As at 31 December 2025			As at 31 December 2024		
	Current RMB'000	Non-current RMB'000	Total RMB'000	Current RMB'000	Non-current RMB'000	Total RMB'000
Contract assets	38,876	5,054	43,930	6,316	5,671	11,987
Notes receivable	44,308	–	44,308	–	–	–
Accounts receivable	513,755	–	513,755	448,919	–	448,919
	596,939	5,054	601,993	455,235	5,671	460,906
Less: provision for impairment	(44,080)	(240)	(44,320)	(40,697)	(20)	(40,717)
	552,859	4,814	557,673	414,538	5,651	420,189

The carrying amounts of trade receivables and contract assets approximated their fair value as at the balance sheet date.

As at 31 December 2025, none of bank acceptance notes were pledged as security for notes payable (2024: Nil).

Majority of the Group's sales are made on (i) cash on delivery, (ii) receipt of bank or commercial acceptance, and (iii) credit terms within 180 days. As at 31 December 2025, the aging analysis of trade receivables based on the date of relevant invoices was as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Trade receivables		
– within 30 days	351,696	243,995
– 30 days to 3 months	85,812	119,878
– 3 months to 6 months	33,517	22,595
– 6 months to 1 year	10,501	15,293
– 1 year to 2 years	13,968	31,648
– over 2 years	18,261	15,510
	513,755	448,919
Contract assets		
– within 1 year	38,876	6,316
– 1 year to 2 years	5,054	5,671
	43,930	11,987
Notes receivable		
– 3 months to 6 months	44,308	–
	601,993	460,906

11. Trade payables

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Accounts payable	646,643	707,299
Notes payable	484,248	374,758
	<u>1,130,891</u>	<u>1,082,057</u>

The notes payable as at 31 December 2025 of RMB484,248,000 was secured by restricted bank deposits of approximately RMB149,300,000 (2024: The notes payable as at 31 December 2024 of RMB374,758,000 was secured by restricted bank deposits of approximately RMB149,472,000).

The aging analysis of trade payables based on the date of relevant invoices was as follows:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 6 months	1,089,934	972,012
6 months to 1 year	33,822	106,862
1 year to 2 years	5,271	2,883
More than 2 years	1,864	300
	<u>1,130,891</u>	<u>1,082,057</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We are a leading provider of metal materials and components processing and high-end equipment manufacturing services. Through our eleven processing centres and one manufacturing base in China, we provide professional and customised metal materials processing and components and equipment manufacturing services to over 70,000 customers across various industries. The products of our high-end equipment manufacturing segment mainly include large-scale structural parts and containers, as well as precision sheet metal parts.

As a professional metal solutions provider, the Company facilitates the connection between upstream metal manufacturers and downstream end-user enterprises. Metal materials with different specifications and models are provided by the upstream manufacturers, from which the Company purchases metal materials in bulk. The Company also carries out high-precision and customised material processing (in terms of size, shape, surface processing, etc.) and the manufacturing and sale of various components and high-end equipment in line with customers' needs. Upholding the "customer-centric" philosophy, the Company is committed to offering our downstream customers cost-effective and high-quality materials and manufacturing services together with fast delivery.

Thanks to our extensive experience in equipment and technology, the Company processes the capacity to provide a complete range of processing and manufacturing services for the manufacturing industry. Our services cover the entire manufacturing process, including trimming, polishing, cutting, forming, pre-grooving, welding, heat treating, machinery, painting and assembling. By leveraging a variety of automated processing equipment and one-stop professional processing and manufacturing services, the Company saves time, manpower, and costs for our downstream customers, and reduces their need for capital investment. This enables them to significantly reduce their investment in equipment that requires high utilisation rates to achieve cost-effectiveness, thus saving on overall manufacturing costs. This industry dynamic and business model have created a niche market for metal processing and manufacturing service providers.

The market for metal materials is tremendous which provides the Company with a solid market base for its metal materials and components processing services and high-end equipment manufacturing business. In the meantime, the decentralised end-market demand has largely mitigated the impact of the cyclicity of different end-markets on the Company's performance and hence contributed to the stable growth of the Company's results. Moreover, capitalising on our extensive customer base and increasing customer reliance, the Company has established long-term and secure relationships with our upstream suppliers. Together with its diversified metal processing and product manufacturing capabilities, flexible processing scheduling, solid inventory management, reliable and just-in-time delivery, adjustable requirements for minimum order scale and outperforming quality control, the Company has managed to maintain our results and performance as an industry leader.

The Company strives to improve our profitability through continuous improvements in customer service, operational efficiency, technological innovation, inventory management and the adoption of higher standards of processing and manufacturing services. In recent years, since our existing and potential customers demand higher standards of metal processing and manufacturing services, the Company has boosted its investment in advanced processing equipment and technology to further enhance its processing and manufacturing service capacity, which also helps to raise the price of its products. The Company has also improved its operational efficiency through measures such as the intelligent transformation of certain equipment and optimisation of logistics services. In addition, the Company has invested in key regions to expand its production capacity, further heightening its regional competitiveness and contributing to the implementation of its overall growth strategy.

Business highlights

1. Hong Kong S960 Ultra High Strength Steel Footbridge's successful span lifting

The world's first S960 Ultra High Strength Steel Footbridge Quadruple Span Lifting Ceremony was successfully conducted in Hong Kong. The bridge project is led by the Hong Kong Civil Engineering and Development Department and is situated in the initial phase of the Fanling North New Development Area—specifically, the eastern segment of the Fanling Bypass. This marks the first instance globally of utilizing S960 high-strength steel in civil bridge construction. The successful execution of this project has served as a model for future bridge construction endeavors within the construction sector.

The technical experimental outcomes provided by steel structure specialists from the Hong Kong Polytechnic University and Tsinghua University have been instrumental, with AECOM, a leading global firm, overseeing design and construction supervision, while SGS welding and painting engineers contribute to the overall effort, coordinated by Daming Heavy Industry for contract manufacturing.

2. Anemoi Rotor Sail New Project has been completed at Daming Manufacturing Base

Anemoi Marine Technologies' 3.5x24m Rotor Sail New Project commenced construction at the Daming Manufacturing Base.

Daming provides Anemoi with steel structure manufacturing and dock services. Leveraging globally leading steel processing equipment, modern physical and chemical testing centers, cutting and forming platforms, and robust production capabilities, Daming ensures consistent product delivery quality while offering solid expansion capacity to meet the continuously growing global demand for wind-assisted propulsion systems. In the earlier 2011 and 2012 rotor sail projects, Daming Heavy Industry completed deliveries with high quality and to exacting standards.

Anemoui Marine Technologies, CRRC Qishuyan and Daming Heavy Industry celebrate the delivery of four Rotor Sails, now being transported by barge to COSCO Zhoushan Shipyard for installation.

3. *Water-Land Intermodal breakthrough! Daming Yangtze River Terminal pioneered new logistics pathway for engineering projects*

Four large flatbed trucks carrying four sets of heavy chemical modules rolled into Daming Yangtze River Terminal, marking a landmark breakthrough in engineering project logistics along the Yangtze River basin. This cross-regional cargo transfer, originating in Jingjiang and concluding in Zhejiang, represents Daming Yangtze River Terminal's successful implementation of a chain-based service system through its "water-land intermodal transport" model, exploring new industry directions. It signifies the terminal's formal transition from a "traditional loading/unloading service provider" to a "comprehensive logistics solutions provider," while also pioneering a new track for the development of project logistics along the Yangtze River basin.

Strategic Cooperation

1. *Daming International and Sumitomo Corporation Europe have officially signed a strategic cooperation agreement*

On 16 September, Mr. Shinjiro Takemasu, Deputy Director of Metals at Sumitomo Corporation Europe, and Mr. Yuhei Baba, Director of Steel Department 2 at Sumitomo Corporation Shanghai, visited Daming International. During the visit, both parties engaged in in-depth discussions on enhancing supply chain cooperation, tapping into the European market, and integrating complementary strengths. These discussions culminated in the signing of a strategic agreement to establish a comprehensive partnership between Daming's manufacturing division and Sumitomo Corporation Europe to jointly advance deep integration within the China-Europe industrial chain.

2. *Serving the shipbuilding industry: production, application, and research partner with Daming in strategic agreement*

On 20 November, The 2025 Daming International Shipbuilding Industry Promotion Conference and High-Tech Ship and Offshore Equipment Cluster Material Supply-Demand Matching Event convened in Jingjiang. During the conference, TISCO and Daming signed an agreement to launch a joint laboratory for chemical tanker materials and processing technology. Yangzhou Wanlong Shipbuilding signed an intent agreement with Daming Heavy Industry for section fabrication of the 6800DWT series oil and chemical tankers. and the Harbin Welding Institute signed a strategic cooperation agreement with Daming Heavy Industry.

Operating results

The Group recorded a net profit of approximately RMB12.2 million for the year ended 31 December 2025 representing an increase of approximately 103.2% as compared with the net loss of approximately RMB385.1 million for the year ended 31 December 2024.

The annual sales volume of our stainless steel processing business increased from approximately 2,057,000 tonnes for the year ended 31 December 2024 to approximately 2,104,000 tonnes for the year ended 31 December 2025 representing an increase of approximately 2.3% while the processing volume increased from approximately 3,180,000 tonnes for the year ended 31 December 2024 to approximately 3,267,000 tonnes for the year ended 31 December 2025 representing an increase of approximately 2.7%.

The annual sales volume of our carbon steel processing business increased from approximately 5,059,000 tonnes for the year ended 31 December 2024 to approximately 5,101,000 tonnes for the year ended 31 December 2025 representing an increase of approximately 0.8% while the annual processing volume increased from approximately 4,785,000 tonnes for the year ended 31 December 2024 to approximately 5,018,000 tonnes for the year ended 31 December 2025 representing an increase of approximately 4.9%.

FUTURE DEVELOPMENT

In the coming year, we will continue to enrich and improve our service network, enhance our processing service capabilities through investment in advanced automation equipment, and further improve production efficiency through digitisation and intelligent transformation of existing production equipment. We will also continue to strengthen our strategic cooperation with upstream steel manufacturers and downstream industry-leading customers, and collaborate on resource supply, material application technology, key project development and services in related industries, information technology, and supply chain services to jointly explore markets and achieve mutual benefits. The Company will also initiate the deployment of its overseas service network to further support the expansion of our overseas business, which is expected to continue to grow in revenue. It is also expected that the Company's stainless steel processing services will continue to generate stable income, and our carbon steel processing business will also continue to demonstrate excellent development potential. With the expansion of our in-depth processing business for stainless steel and carbon steel and the diversification of major engineering projects, the Company's component and high-end manufacturing businesses will also continue to grow.

FINANCIAL REVIEW AND ANALYSIS

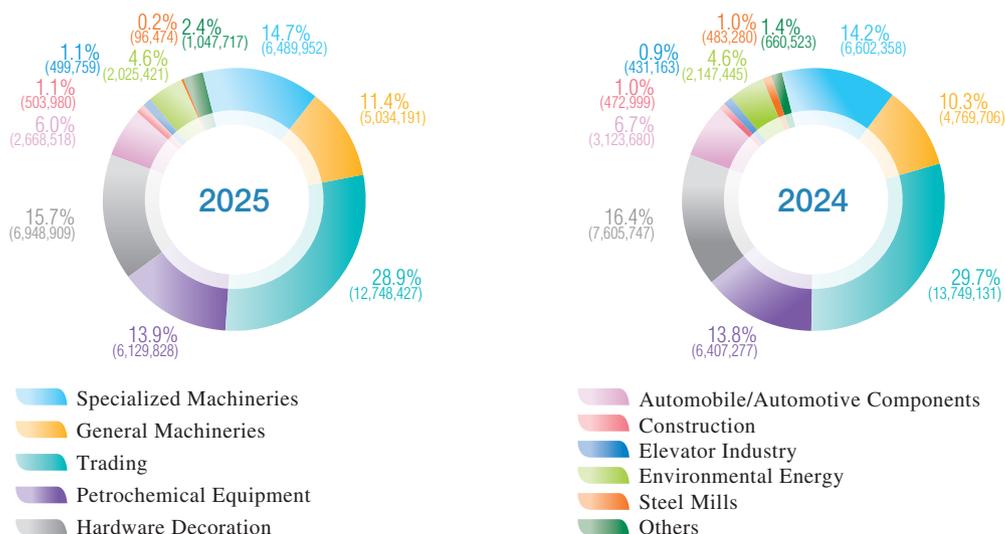
During the year under review, we recorded a revenue of approximately RMB44,193 million, gross profit of approximately RMB1,061 million and the loss attributable to shareholders of the Company of approximately RMB36 million. Total assets of the Group as at 31 December 2025 amounted to approximately RMB12,429 million while equity attributable to shareholders of the Company amounted to approximately RMB2,493 million.

Analysis of revenue by key industry segments

During the years ended 31 December 2025 and 2024, our revenue by key industry segments are shown below:

Industry	Revenue			
	For the year ended 31 December 2025		2024	
	RMB'000	%	RMB'000	%
Specialized Machineries	6,489,952	14.7	6,602,358	14.2
General Machineries	5,034,191	11.4	4,769,706	10.3
Trading	12,748,427	28.9	13,749,131	29.7
Petrochemical Equipment	6,129,828	13.9	6,407,277	13.8
Hardware Decoration	6,948,909	15.7	7,605,747	16.4
Automobile/Automotive Components	2,668,518	6.0	3,123,680	6.7
Construction	503,980	1.1	472,999	0.9
Elevator Industry	499,759	1.1	431,163	0.9
Environmental Energy	2,025,421	4.6	2,147,445	4.6
Steel Mills	96,474	0.2	483,280	1.0
Others	1,047,717	2.4	660,523	1.4
Total	44,193,176	100.0	46,453,309	100.0

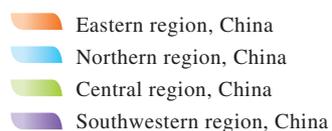
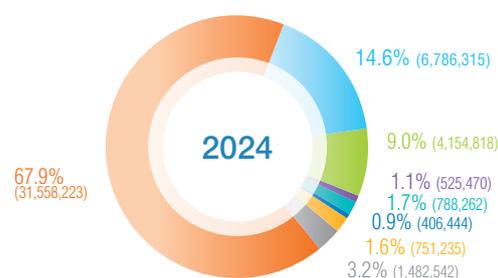
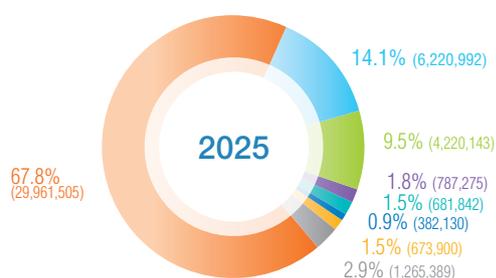
RMB'000



Analysis of revenue by geographic regions

Region	Revenue			
	2025		2024	
	RMB'000	%	RMB'000	%
Eastern region, China	29,961,505	67.8	31,558,223	67.9
Northern region, China	6,220,992	14.1	6,786,315	14.6
Central region, China	4,220,143	9.5	4,154,818	9.0
Southwestern region, China	787,275	1.8	525,470	1.1
Northeastern region, China	681,842	1.5	788,262	1.7
Northwestern region, China	382,130	0.9	406,444	0.9
Southern region, China	673,900	1.5	751,235	1.6
Overseas	1,265,389	2.9	1,482,542	3.2
	44,193,176	100.0	46,453,309	100.0

RMB'000



Revenue

Our revenue for the year ended 31 December 2025 amounted to approximately RMB44,193 million comprising approximately RMB41,523 million from processing of metal materials, approximately RMB1,184 million from high-end equipment manufacturing and approximately RMB1,486 million from components manufacturing. As compared with the revenue for the year ended 31 December 2024 of approximately RMB46,453 million, it represented a decrease of approximately 4.9%.

Gross profit

Gross profit increased from approximately RMB685.7 million in 2024 to approximately RMB1,060.6 million in 2025 mainly due to the improvement in operating efficiency leading to a decrease in labour cost, transportation and other costs during the year.

Other income

Other income decreased from approximately RMB57.3 million for the year ended 31 December 2024 to approximately RMB55.6 million for the year ended 31 December 2025. Such decrease was mainly due to the decrease in government subsidy income.

Other (loss)/gain – net

The Group recorded a net other loss of approximately RMB5.3 million for the year ended 31 December 2025 as compared to a net other gain of approximately RMB4.4 million for the year ended 31 December 2024. The net other loss was mainly due to the increase in losses on disposal of property, plant and equipment and increase in foreign exchange loss.

Distribution costs

Distribution costs decreased from approximately RMB506.4 million for the year ended 31 December 2024 to approximately RMB493.6 million for the year ended 31 December 2025. Such decrease was mainly due to the decrease in transportation costs.

Administrative expenses

Administrative expenses decreased from approximately RMB421.0 million for the year ended 31 December 2024 to approximately RMB357.9 million for the year ended 31 December 2025. Such decrease was mainly due to the decrease in employee benefit expenses.

Finance costs – net

Net finance costs decreased from approximately RMB241.8 million for the year ended 31 December 2024 to approximately RMB212.2 million for the year ended 31 December 2025. Such decrease was mainly due to the decrease in interest expenses on borrowings.

Income tax (expenses)/credit

The Group recorded an income tax expenses of approximately RMB31.3 million for the year ended 31 December 2025 as compared with an income tax credit of approximately RMB53.4 million for the year ended 31 December 2024 mainly due to the profit recorded during the year as compared with the loss recorded last year.

Profit/(loss) for the year

The Group recorded a profit of approximately RMB12.2 million for the year ended 31 December 2025 as compared with a loss of approximately RMB385.1 million for the year ended 31 December 2024 mainly due to the increase in gross profit during the year.

Capital Expenditure

Capital expenditure consisted of additions of property, plant and equipment which amounted to approximately RMB224.7 million (2024: RMB349.0 million).

Foreign Exchange Risk Management

The Group mainly operates in the PRC with most of the transactions denominated and settled in RMB. However, the Group has certain trade receivables and contract assets, deposits and other receivables, restricted bank deposits, cash and cash equivalents, trade payables, other payables and borrowings denominated in foreign currencies, mainly United States Dollar, Euro, Hong Kong Dollar and Japanese Yen, which are exposed to foreign currency translation risk.

Our management will closely monitor the exchange rate fluctuations to ensure sufficient precautionary measures against any adverse impacts.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the borrowings of the Group amounted to approximately RMB6,806.7 million of which approximately RMB5,395.6 million were repayable within one year, notes payables amounted to approximately RMB484.2 million while the bank balances were approximately RMB1,415.9 million of which approximately RMB1,306.7 million were restricted mainly for the issuance of notes payable and letters of credit.

As at 31 December 2025, the Group recorded a net current liabilities of approximately RMB1,334.1 million. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as total equity plus net debt. The gearing ratio as at 31 December 2025 and 2024 calculated on this basis were 70.22% and 71.42% respectively.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP

Fluctuations in raw material may be affected by cyclical fluctuations in the PRC and global markets may adversely affect our profit margins and of operation results

We procure metal materials such as stainless steel and carbon steel in bulk. The prices of metals we purchase and the prices we charge our customers for products fluctuate based on numerous factors beyond our control, including domestic and international economic conditions, market competition, raw material costs, and customer demand levels, as well as government policies. When metal prices decline, we are generally unable to maintain consistent gross profit margins by replacing higher-cost inventory with lower-cost materials, which would reduce our profitability during such periods. Furthermore, a decline in metal prices may require us to make provisions for inventory write-downs at the end of each reporting period.

Maintenance and expansion of our processing operations require substantial capital expenditure, and we may not be able to obtain sufficient financial resources in a timely manner or on favourable terms

Our industry is capital-intensive. To maintain and expand our processing operations, we are required to incur capital expenditure from time to time for the construction of new facilities, procurement of new processing equipment, and technical upgrades of existing machinery. Our expansion plans also require us to make capital expenditures. We may need to raise additional funds through bank borrowings or the issuance of debt or equity securities to finance such expenditures. Our ability to obtain additional financing is subject to various factors, including our financial position, operation results and cash flows, as well as domestic and international economic, political, and other conditions.

Reliance on major suppliers

Our ability to meet customer need and provide value-added services depends on maintaining an uninterrupted supply of high-quality processed metal products. Any failure by our major suppliers to meet our requirements, or the loss of any major supplier, could lead to supply disruptions and adversely affect our business operations.

Our industry is subject to cyclical fluctuations

The metal processing industry is cyclical and sensitive to market demand and the supply of metal materials. An economic slowdown may lead to reduced market demand for our products and exert downward pressure on our pricing. Any downturn in macroeconomic conditions or within our customers' specific industries could negatively impact our profitability and cash flows.

We face intense competition within the industry

We operate in a highly competitive market. Competition is primarily based on price, inventory levels, timely delivery capabilities, customer service, quality, and processing capacity. If we are unable to compete effectively, our operation and financial condition may be adversely affected.

Potential difficulties in penetrating new markets and implementing expansion plans

Our strategy involves expanding the coverage of our processing service network within the PRC and globally. We are also exploring new markets in terms of product and service categories. Newly established or acquired processing centres may fail to achieve budgeted sales volumes and profit margins. Upon entering new markets or introducing new services, we may fail to accurately assess and adapt to the needs of existing and potential customers. Moreover, we may incur higher leasing, administrative, logistical, and promotional costs for new centres and services, which could adversely affect our business, financial condition, and results of operations.

HUMAN RESOURCES

The Group employed a total of 6,641 staffs as at 31 December 2025 (2024: 6,738), of which 4,858 were production and technical personnel, representing 73.1%; 1,162 were sales personnel, representing 17.5%; and 621 were management and financial officer, representing 9.4%. There was a decline of approximately 1.4% in our workforce in 2025 as compared with 2024 mainly due to employee optimisation and staff turnover. The remuneration of employees was based on their performance, skills, knowledge, experiences and market trend. The Group reviews the remuneration policies and packages on a regular basis. In addition to basic salaries, employees may be offered with discretionary bonus on individual performance. The Group has also adopted share award scheme for its employees, providing incentives and rewards to eligible participants with reference to their contribution.

DIVIDEND

The directors did not declare any payment of an interim dividend (2024: Nil) during the year.

To maintain sufficient capital to ensure the development of the Group's business and to safeguard financial stability in the face of future uncertainties, the Board does not recommend the payment of a final dividend (2024: Nil) for the year ended 31 December 2025.

CORPORATE GOVERNANCE

The Company is committed to ensuring high standards of corporate governance in enhancing shareholders' value and safeguarding interests of shareholders and other stakeholders.

The Company has complied with the Corporate Governance Code (the "CG Code") set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the year ended 31 December 2025. The Company adopted the CG Code as its own code of corporate governance.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on Tuesday, 9 June 2026 (the "AGM"). A notice convening the AGM will be published and dispatched to the shareholders in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders who are entitled to attend and vote at the forthcoming AGM, the register of members of the Company will be closed from Thursday, 4 June 2026 to Tuesday, 9 June 2026, both days inclusive. During the aforementioned period, no request for the transfer of shares will be accepted. All transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Wednesday, 3 June 2026 in order to qualify for attending the above AGM.

AUDIT COMMITTEE

The audit committee of the Company has discussed with the management and reviewed the audited consolidated annual results of the Company for the year ended 31 December 2025 and considered that the Company has complied with all applicable accounting standards and requirements.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The financial figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2025 have been agreed by the auditors of the Company, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

PUBLICATION OF INFORMATION ON THE STOCK EXCHANGE WEBSITE

This announcement is published on the websites of the Company (www.dmssc.net) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2025 will be dispatched to the shareholders and available on the above websites in due course.

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

Hong Kong, 26 March 2026

As at the date of this announcement, the executive directors are Mr. Zhou Keming (Chairman), Ms. Xu Xia, Mr. Zou Xiaoping and Mr. Liang Zongren; 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.