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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)

**UNAUDITED OPERATING STATISTICS AND BUSINESS REVIEW
FOR THE PERIOD FROM 1 JULY 2017 TO 30 SEPTEMBER 2017**

The board of directors of Da Ming International Holdings Limited (the “**Company**”) is pleased to announce certain unaudited operating statistics of the Company and its subsidiaries (the “**Group**”) for the period from 1 July 2017 to 30 September 2017.

Stainless steel	Three months ended 30 September		% Change	Nine months ended 30 September		% Change
	2017	2016		2017	2016	
Sales volume (tonnes)	433,050	452,237	-4.2%	1,263,215	1,174,900	+7.5%
Processing volume (tonnes)	674,951	594,752	+13.5%	1,855,333	1,676,400	+10.7%
Processing multiple (note)	1.56	1.32		1.47	1.43	

Carbon steel	Three months ended 30 September		% Change	Nine months ended 30 September		% Change
	2017	2016		2017	2016	
Sales volume (tonnes)	424,279	340,611	+24.6%	1,158,078	792,500	+46.1%
Processing volume (tonnes)	396,152	307,891	+28.7%	1,095,160	730,500	+49.9%
Processing multiple (note)	0.93	0.90		0.95	0.92	

Note:

Processing multiple = Processing volume / Sales volume

Unaudited result	Three months ended 30 September		% Change	Nine months ended 30 September		% Change
	2017 RMB	2016 RMB		2017 RMB	2016 RMB	
Turnover	7,198.3 million	5,747.3 million	+25.2%	20,178.8 million	14,180.8 million	+42.3%
Net profit	165.1 million	62.6 million	+163.7%	105.4 million	171.9 million	-38.7%

Business review

The increase in turnover for the nine months ended 30 September 2017 as compared with the nine months ended 30 September 2016 was due to the significant increase in the sales volume and processing volume of our carbon steel processing business.

The total sales volume and processing volume of the stainless steel processing services of the Group for the period from 1 July 2017 to 30 September 2017 amounted to 433,050 tonnes and 674,951 tonnes respectively representing a decrease of approximately 4.2% and an increase of approximately 13.5% respectively as compared with the same period last year.

The total sales volume and processing volume of the carbon steel processing services of the Group for the period from 1 July 2017 to 30 September 2017 amounted to 424,279 tonnes and 396,152 tonnes respectively representing an increase of approximately 24.6% and 28.7% respectively as compared with the same period last year.

The Group recorded an unaudited net profit of approximately RMB105.4 million for the nine months ended 30 September 2017. Comparing with a net profit of approximately RMB171.9 million for the nine months ended 30 September 2016, the net profit decreased approximately 38.7% mainly due to the unfavourable results for the six months ended 30 June 2017 as disclosed in our Interim Report 2017.

On the other hand, there was an improvement in operating results for the three months ended 30 September 2017 as compared with the three months ended 30 September 2016 mainly due to the following factors:

- (i) Improvement in gross profit as a result of the increase in the processing volume of our stainless steel and carbon steel processing services during the three months ended 30 September 2017. Particularly, the increase in the processing volume of our carbon steel processing services was more than 28% as compared with the same period of last year; and
- (ii) Improvement in operating efficiency due to the tighter control of operating expenses.

The above operating information is unaudited and is based on preliminary internal information of the Group, which may differ from the figures to be disclosed in the audited or unaudited consolidated financial statements to be published by the Company on an annual or half-yearly basis due to various uncertainties during the process of collating such information. As such, the above information is provided for investors' reference only. Investors are advised to exercise caution and not to place undue reliance on such information when dealing in the securities of the Company. When in doubt, investors are advised to seek professional advice from professional or financial advisers.

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

Hong Kong, 20 October 2017

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