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DIWANG INDUSTRIAL HOLDINGS LIMITED

帝王實業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1950)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent:



On 30 June 2026 (after the trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place, through the Placing Agent, on a best efforts basis, up to 72,000,000 Placing Shares at the Placing Price of HK\$0.087 per Placing Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and Completion, the Placing Shares represent (i) approximately 10.00% of the existing issued share capital of the Company as at the date of this announcement and (ii) approximately 9.09% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The maximum aggregate nominal value of the Placing Shares under the Placing will be US\$180,000.

The Placing Price of HK\$0.087 per Placing Share represents (i) a discount of approximately 17.92% to the closing price of HK\$0.106 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 19.89% to the average of the closing prices per Share of approximately HK\$0.1086 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

Assuming that all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$6.26 million and the net proceeds from the Placing (after deducting the placing commission for the Placing and other relevant expenses) will be approximately HK\$5.90 million. The Company intends to apply the net proceeds from the Placing for general working capital of the Group, including but not limited to rental, salary and other administrative expenses.

As Completion is subject to the satisfaction of the conditions in the Placing Agreement, the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

30 June 2026 (after trading hours)

Issuer

The Company

Placing Agent

SR Wealth Securities Limited

The Placing Agent has conditionally agreed to procure, on a best efforts basis, Placees to subscribe for up to 72,000,000 Placing Shares at the Placing Price of HK\$0.087 per Placing Share. The Placing Agent may carry out the Placing itself and/or through the agency of such other agents as the Placing Agent may agree with the Company.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placees

The Placing Shares will be placed on a best effort basis to Placees who and whose ultimate beneficial owners are Independent Third Parties.

As at the date of this announcement, the Placing Agent has confirmed that the Placing Shares will be placed to one Placee, namely Ms. Jiang Wei (蔣衛女士).

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Placee and its ultimate beneficial owner is not a connected person of the Company.

Upon Completion, it is expected that the Placee will not become a substantial Shareholder.

Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and Completion, the Placing Agent shall place, on a best efforts basis, up to 72,000,000 Placing Shares, representing (i) approximately 10.00% of the existing issued share capital of the Company as at the date of this announcement and (ii) approximately 9.09% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The maximum aggregate nominal value of the Placing Shares will be US\$180,000.

Placing Price

The Placing Price of HK\$0.087 per Placing Share represents:

- (i) a discount of approximately 17.92% to the closing price of HK\$0.106 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 19.89% to the average of the closing prices per Share of approximately HK\$0.1086 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Price was determined and negotiated on an arm's length basis between the Company and the Placing Agent with reference to the prevailing market conditions, prevailing market prices and liquidity of the Shares. The Directors consider that the Placing Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing commission

The Placing Agent will receive a placing commission calculated as 1% of the amount equal to the Placing Price multiplied by the number of the Placing Shares successfully placed in accordance with the Placing Agreement. Such placing commission was arrived at after arm's length negotiation between the Company and the Placing Agent by reference to the size of the Placing and the prevailing market condition.

General Mandate to issue the Placing Shares

The Placing Shares will be allotted and issued under the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 144,000,000. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. As such, the number of Shares that can be allotted and issued under the General Mandate is 144,000,000 and is sufficient for the allotment and issuance of the Placing Shares. Accordingly, the issue of the Placing Shares is not subject to the approval of the Shareholders.

Conditions of the Placing

The Placing is conditional upon the Stock Exchange granting or agreeing to grant a listing of, and permission to deal in, the Placing Shares.

If the above conditions are not fulfilled by 31 July 2026, or such later date as the Company and the Placing Agent may agree in writing, the Placing Agreement shall terminate and all rights, obligations and liabilities of the parties hereunder in relation to the Placing shall cease and determine and that both parties shall be released from all their respective obligations pursuant to the Placing Agreement and neither party shall have any claim against the other party in respect of the Placing save for any antecedent breach.

Termination

The Placing Agent may upon giving written notice to the Company terminate the Placing Agreement at any time between the execution of the Placing Agreement and at 11:00 a.m. on the Completion Date if there is occurrence of any of the following events:

- (1) any material breach of, or any event rendering untrue or incorrect in any material respect, any of the representations and warranties of the Company contained in the Placing Agreement or any failure to perform any of the Company's undertakings in the Placing Agreement; or
- (2) any new law, rule or regulation or any change in existing laws (including common law), rules or regulations (or the juridical interpretation thereof) or other occurrence of any nature whatsoever which, in the reasonable opinion of the Placing Agent, are or may be materially adverse to the business or financial position of the Group taken as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Placing; or
- (3) any change, or development (regardless of whether permanent or not) involving a prospective change, in or affecting, the business, management, general affairs, assets and/or liabilities, prospects, shareholders' equity, results of operations or position, financial or otherwise, of the Company or the Group as a whole, regardless of whether or not arising in the ordinary course of business; or

- (4) any suspension of dealings in the Shares for any period of five (5) consecutive trading days or more except for suspension relating to any transaction under the Placing Agreement.

Upon termination of the Placing Agreement, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

Application for Listing of Placing Shares

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

Completion

The Placing shall complete on the Completion Date, being the date within 5 Business Days after the date on which all the conditions set out above are satisfied or such other date as the Company and the Placing Agent may agree in writing.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is an established faux leather chemicals manufacturer in the PRC principally engaged in the research and development, manufacturing and sale of coating agents and synthetic resins as well as the production and sale of Chinese liquor products.

Assuming all the 72,000,000 Placing Shares are successfully placed, the gross proceeds raised from the Placing will be HK\$6.26 million. After taking into account the estimated expenses in relation to the Placing, the estimated net proceeds from the Placing will be approximately HK\$5.90 million, representing a net price of approximately HK\$0.082 per Placing Share.

The Company intends to apply the net proceeds from the Placing for general working capital of the Group, including but not limited to rental, salaries and other administrative expenses.

The Directors consider that the Placing represents a good opportunity to raise additional funds through the equity market as well as to broaden the capital and shareholder base of the Company. The Directors consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, the shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately after completion of the Placing (assuming the maximum number of the Placing Shares is placed and there is no other change in the issued share capital of the Company before the completion of the Placing) are set out below:

	As at the date of this announcement		Upon Completion (Assuming all the Placing Shares have been issued and allotted)	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Zheng Xiuyue	52,000,000	7.22	52,000,000	6.57
The Placee(s)	—	—	72,000,000	9.09
Other Public Shareholders	668,000,000	92.78	668,000,000	84.34
Total:	<u>720,000,000</u>	<u>100.0</u>	<u>792,000,000</u>	<u>100.0</u>

FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activity in the past 12 months immediately preceding the date of this announcement.

Shareholders and potential investors should note that Completion is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 30 June 2026
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday or days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are open for general banking business

“Company”	Diwang Industrial Holdings Limited, an exempted company incorporated under the laws of the Cayman Islands, the issued shares of which are listed on of the Stock Exchange
“Completion”	completion of the placing of the Placing Shares in accordance with the terms and conditions as set out in the Placing Agreement
“Completion Date”	the date within five (5) Business Days after the date on which all the conditions set out in the Placing Agreement are satisfied or such other date as the Company and the Placing Agent may agree in writing
“connected persons”	has the meanings as ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors at the AGM to allot, and issue with up to 20% of the total number of the issued Shares of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party(ies) who is (are) not connected person(s) of the Company and its subsidiaries and is (are) third party(ies) independent of the Company and connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individuals, corporates, institutional investors or other investors to be procured by the Placing Agent to subscribe for any of the Placing Shares
“Placing”	the placing, on a best efforts basis, of up to 72,000,000 Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	SR Wealth Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Placing Agreement”	the placing agreement dated 30 June 2026 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.087 per Placing Share
“Placing Shares”	up to 72,000,000 Shares to be placed under the Placing
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary shares of US\$0.0025 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	US dollars, the lawful currency of the United States of America
“%”	per cent.

By order of the Board
Diwang Industrial Holdings Limited
Mr. Lam Kam Kong Nathaniel
Executive Director and Joint Company Secretary

Hong Kong, 30 June 2026

As at the date hereof, the Board comprises Mr. Chen Hua, Mr. Sun Jingang, Mr. Lam Kam Kong Nathaniel and Mr. Zhong Wenlong as executive Directors; Mr. Au Hei Ching, Mr. Lee Cheung Yuet Horace, Mr. Huang Zhenming and Ms. Zhou Xiaochun as independent non-executive Director.