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Da Sen Holdings Group Limited
大森控股集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1580)

**MAJOR TRANSACTION IN RELATION TO THE
ACQUISITION OF A TARGET COMPANY INVOLVING
ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE**

Financial adviser to the Company

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
泓博資本有限公司

THE ACQUISITION

On 18 January 2026, the Company, the Purchaser, being a wholly-owned subsidiary of the Company, and the Vendors entered into the Agreement, pursuant to which the Purchaser has agreed conditionally to acquire from the Vendors the entire issued share capital of the Target Company at the Consideration of approximately HK\$9.5 million. The Consideration will be settled by the issuance of the Consideration Shares under the Specific Mandate.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 25% but is less than 100%, such transaction constitute a major transaction for the Company and is therefore subject to the reporting, announcement, and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Acquisition, the Agreement and the transactions contemplated thereunder, including, among others, issue of the Consideration Shares under the Specific Mandate. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has any material interest in the Acquisition, the Agreement and the transactions contemplated thereunder. Accordingly, no Shareholder is required to abstain from voting on the resolution in relation to the Acquisition, the Agreement and the transactions contemplated thereunder at the EGM.

GENERAL

A circular containing, among other things, further details of the Acquisition, the Agreement, issue of the Consideration Shares under the Specific Mandate, the notice convening the EGM and other information as required under the Listing Rules will be despatched to the Shareholders in this connection. As additional time is required to prepare the information to be disclosed in the circular, it is expected that the circular will be despatched to the Shareholders on or before 13 February 2026.

The Acquisition is subject to the satisfaction of the conditions precedent as described in this announcement. There is no assurance that such conditions precedent will be fulfilled. Therefore, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

On 18 January 2026, the Company, the Purchaser, being a wholly-owned subsidiary of the Company, and the Vendors entered into the Agreement, pursuant to which the Purchaser has agreed conditionally to acquire from the Vendors the entire issued share capital of the Target Company at the Consideration of approximately HK\$9.5 million.

THE AGREEMENT

Date

18 January 2026

Parties

- (1) The Company
- (2) The Vendors
- (3) The Purchaser

As at the date of this announcement, the Purchaser is an indirect wholly-owned subsidiary of the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendors are third parties independent of the Company and its connected persons.

Subject Matter

Pursuant to the Agreement, the Purchaser has agreed conditionally to acquire from the Vendors the entire issued share capital of the Target Company free from any encumbrances, pledges, liens or any other rights or interests of any third party at the Consideration of approximately HK\$9.5 million.

Consideration

The Consideration of approximately HK\$9.5 million is determined by the Vendors and the Purchaser after arm's length negotiation taking into account (i) the net assets value of the Target Company as at 31 March 2025 of approximately HK\$4.2 million; (ii) the revenue and profit guarantees to be provided by the Vendors under the Agreement, and in particular that the Consideration represented a premium of only approximately 18.8% over the aggregated amount of guaranteed profit of HK\$8.0 million for the 24 months following the Completion; (iii) the lock-up on the Consideration Shares which provides a security for the due performance of the Vendors under the revenue and profit guarantees; (iv) the prospects of the Target Company; and (v) the recent market situation.

The Consideration will be settled by the issuance of the Consideration Shares at the Issue Price of HK\$0.17 per Consideration Share. The Consideration Shares will be subject to a lock-up periods, among which

- (i) 27,900,000 Consideration Shares will be subject to the lock-up period of up to the date of publication of the announcement of the results and financial information of the Group for the year ending 31 March 2027; and
- (ii) 27,900,000 Consideration Shares will be subject to the lock-up period of up to the date of publication of the announcement of the results and financial information of the Group for the year ending 31 March 2028.

The Consideration Shares

The 55,800,000 Consideration Shares will be allotted and issued at the Issue Price of HK\$0.17 each, credited as fully paid, among which 28,458,000 Consideration Shares will be issued to Mr. Huang Jianting and 27,342,000 Consideration Shares will be issued to Ms. Li Ziyun. The Consideration Shares, when allotted and issued, shall rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Consideration Shares including the right to all dividends, distributions and other payments made or to be made, on the record date which falls on or after the date of such allotment and issue.

The Issue Price represents:

- (i) a discount of approximately 43.3% to the closing price per Share of HK\$0.3 as quoted on the Stock Exchange on 16 January 2026, being the last trading day immediately before the date of the Agreement;
- (ii) a discount of approximately 26.2% to the average closing price per Share of approximately HK\$0.2302 as quoted on the Stock Exchange for the last 5 consecutive trading days immediately before the date of the Agreement;
- (iii) a discount of approximately 17.7% to the average closing price per Share of approximately HK\$0.2066 as quoted on the Stock Exchange for the last 10 consecutive trading days immediately before the date of the Agreement;
- (iv) a discount of approximately 12.6% to the average closing price per Share of approximately HK\$0.1944 as quoted on the Stock Exchange for the last 30 consecutive trading days immediately before the date of the Agreement; and
- (v) a discount of approximately 3.2% to the average closing price per Share of approximately HK\$0.1757 as quoted on the Stock Exchange for the last 60 consecutive trading days immediately before the date of the Agreement.

The Issue Price was arrived at after arm's length negotiations among the Company and the Vendors with reference to the average closing price of the Shares during the negotiations on the terms of the Agreement and the last 10 consecutive trading days immediately prior to the signing of the Agreement of approximately HK\$0.2066, the current market conditions, the reasons for and benefits of the Acquisition as described in the section headed "Reasons for and benefits of the Acquisition" in this announcement and the future prospects and development of the Group's business.

The Directors consider the Issue Price is fair and reasonable and the allotment and issuance of the Consideration Shares at the Issue Price is in the interests of the Company and the Shareholders as a whole.

The Consideration Shares represent (i) approximately 5.09% of the number of issued Shares as at the date of this announcement; and (ii) approximately 4.85% of the number of issued Shares as enlarged by the allotment and issue of the Consideration Shares.

The Consideration Shares will be allotted and issued pursuant to the Specific Mandate and will be allotted and issued on the date of Completion. An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares.

Conditions Precedent

Completion of the Acquisition is subject to the fulfilment and/or waiver (as the case may be) of the following conditions:

- (a) the board of directors of the Purchaser having passed all necessary resolutions approving the Agreement and the transactions contemplated thereunder;
- (b) the Board and the Shareholders having approved all necessary resolutions at the Board meetings and Shareholder meetings to approve the Agreement, the issue of the Consideration Shares to the Vendors, and the transactions contemplated hereunder;
- (c) the Listing Committee of the Stock Exchange granted approval for the listing of, and permission to deal in, the Consideration Shares, and such approval has not been revoked before the issuance and allotment of the Consideration Shares;
- (d) the Purchaser having completed the due diligence on the Target Company and is satisfied with the results;
- (e) all statements and warranties made by the Vendors under the Agreement (including but not limited to warranties and arrangements prior to Completion) remaining true, accurate, and not misleading in all respects until the date of Completion;
- (f) the Vendors and the Target Company having obtained all necessary consents, licenses, and approvals required for the entering into of the Agreement and the transactions contemplated thereunder, and shall maintain full force and effect;
- (g) the Company and the Purchaser having obtained all necessary consents, licenses, and approvals required for the entering into of the Agreement and the transactions contemplated thereunder, and shall maintain full force and effect;
- (h) there are no orders or judgments having been made or issued by any court, government, statutory or regulatory authorities before the Completion, and there is no laws or regulatory requirements that are pending which would cause the parties to the Agreement to be unlawful or forbidden from entering into the Agreement or proceeding the transactions contemplated thereunder or Completion; and
- (i) during the period from the date of the management account until Completion, there have been no facts or circumstances that could have a material adverse impact on the Target Company or its prospects.

The conditions precedent (a), (b), (c), (g) and (h) cannot be waived.

Completion

Completion shall take place within 10 business days following the date that all conditions precedents have been fulfilled and/or waived (as the case may be) or such other date as the Vendors and the Purchaser may agree in writing.

Upon Completion, the Group will be interested in the entire issued share capital of the Target Company and the Target Company will become a direct wholly-owned subsidiary of the Company and accordingly, the financial results of the Target Company will be consolidated into the accounts of the Company.

Guarantees and Undertakings

Pursuant to the Agreement, the Vendors undertakes that the Target Company shall achieve:

- (i) revenue of not less than HK\$50,000,000 during the 12 months period following the Completion;
- (ii) net profit of not less than HK\$4,000,000 during the 12 months period following the Completion;
- (iii) revenue of not less than HK\$50,000,000 during the 13 to 24 months period following the Completion; and
- (iv) net profit of not less than HK\$4,000,000 during the 13 to 24 months period following the Completion.

If the Target Company could not achieve the revenue and profit figures as set out in the above, the Vendors shall jointly and severally compensate the Company on the shortfall in cash.

In addition, the Vendors has jointly and severally undertakes that during the 24 months period from the date of the Agreement, they will not cause any action or inaction that: (i) will results in the departure of any existing management or senior of the Target Company, except for those who resign voluntarily or are dismissed for any reason; (ii) will affect or damage the Target Company's relationship with its customers; or (iii) will affect or damage the Target Company's relationship with its suppliers and banks, and any one or more of the above actions that would have a material adverse impact on the Target Company. In addition, each of the Vendors undertake that they will not resign from the Target Company during the 24 months period from the date of the Agreement.

The Company and the Purchaser undertake that they will use their best commercial endeavours to assist the Target Company to obtain a banking facility in the amount of HK\$10.0 million after Completion, which will be utilised as working capital of the Target Company.

Information of the Target Company

The Target Company is a limited liabilities company incorporated in Hong Kong on 6 August 2019 and is principally engaged in the sourcing and sales of plywood products and other building materials.

Set out below is a summary of unaudited financial information of the Target Company for the years ended 31 March 2024 and 2025:

	For the year ended 31 March 2024 (unaudited) HK\$'000	For the year ended 31 March 2025 (unaudited) HK\$'000
Profit/(Loss) before tax	231	(737)
Profit/(Loss) for the year	215	(737)

As at 31 March 2025, the unaudited net asset value of the Target Company amounted to approximately HK\$4.2 million.

The products of the Target Company mainly include (i) general plywood (普通板) used in interior applications of buildings and manufacture of wooden furniture for home and office; (ii) packing plywood (包裝板) used as packaging material; (iii) structural panel (結構板) used for construction; (iv) floor base (地板基材) used for flooring; and (v) other building materials products, such as concrete panels used for exterior construction.

The Target Company placed efforts on identifying and monitoring qualities on the wood products that are sourced to ensure their high quality, and attended to the wood's origin being sourced from sustainable forest management practices. The sourced woods will be processed with specialized finishes or treatments that enhance its appearance or structural integrity, which offers excellent visual quality for interior designs, accepting natural, varnished, or painted finishes. The Target Company also offer unique selling point for each product, such as special cuts or specific grain patterns that appeal to customers. The plywood products of the Target Company have obtained various certifications under international industry standards which facilitated the sale and distribution of the products in Japan and Europe where the major customers of the Target Company are located. Such certifications of the Target Company's products also provide competitive edge over the peers in the market.

The major customers of the Target Company are mainly located in overseas, including Japan, Thailand and other European countries. With the high-quality products, the Target Company had maintained long term and stable business relationships with the established customer base and established a branding with its perception of quality. The major suppliers of the Target Company include major factories in Greater Bay Area of Guangdong Province, particularly Jiangmen.

Information of the Vendors

The Vendors include Mr. Huang Jianting and Ms. Li Ziyun, who are Hong Kong residents. The Target Company is owned as to 51% by Mr. Huang Jianting and 49% by Ms. Li Ziyun.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendors are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally in (i) the plywood product business; (ii) wood-related services business, including referral, design and project management services; and (iii) the leasing business.

During the year ended 31 March 2025, the Group maintained minimal scale operation under the sales of plywood due to the low gross profit margin of the plywood business as a result of the intense competition in the plywood industry. Nevertheless, the Group does not intend to cease the operations of the sales of plywood business and the Group has been in the progress of developing new wood products which would have higher margins as compared to traditional plywood products. However, the existing customers of the Group are primarily mid end furniture or building material manufacturers located in the PRC. Due to the keen competition in both the plywood industry and the reduction in demand in the mid end furniture and building material markets in the PRC, the Group could not sell products to its existing customers with good profitable margin. In this respect, the Target Company has established a stable customer base for its wood products, which is diversified geographically in various countries as well as diversified in industry. Also, the management of the Target Company are experienced in operating overseas market and had established network and reputation in recurring customers in the overseas market. As such, the Acquisition will allow the Group to access and commence the plywood business in oversea market efficiently.

Upon completion of the Acquisition, the Group will modernize and upgrade the Group's current production base in Heze, Shandong to become the production center of the new additional plywood products, which will then covers the majority of the plywood products that are currently sourced and sold by the Target Company. It is expected that the production facility will complete the modernization by mid of 2026 and commence production of the new products. As the senior management of the Target Company will be retained and join the Group, leveraged on their experience and knowledge, the Group is expected to save the time and cost required for the preparation on the commencement of the upgraded production facilities, and thereby improve operation efficiency in the plywood business.

Having considered the above, the Directors consider that the terms of the Agreement are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

Effect on shareholding structure of the Company

The shareholding structure of the Company (i) on the date of this announcement; and (ii) immediately following the issue of Consideration Shares are set out as follows:

	As at the date of this announcement		Immediately following the issue of Consideration Shares	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Mr. WONG Tseng Hon	734,165,278	67.01	734,165,278	63.76
Mr. CHAI Kaw Sing and his spouse (Note)	62,776,486	5.73	62,776,486	5.45
Existing public Shareholders	298,737,782	27.26	298,737,782	25.94
The Vendors	—	—	55,800,000	4.85
Total	1,095,679,546	100.00	1,151,479,546	100.00

Note: As at the date of this announcement, Mr. Chai Kaw Sing was the legal owner of 47,061,522 Shares and Ms. Chang Yu Chen, the spouse of Mr. Chai Kaw Sing, was the legal owner of 15,714,964 Shares. Mr. Chai Kaw Sing is deemed to be interested in all the Shares in which his spouse is interested in by virtue of the SFO.

LISTING RULES IMPLICATIONS

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The EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Acquisition, the Agreement and the transactions contemplated thereunder, including, among others, the issue of the Consideration Shares under the Specific Mandate. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has any material interest in the Acquisition, the Agreement and the transactions contemplated thereunder. Accordingly, no Shareholder is required to abstain from voting on the resolution in relation to the Acquisition, the Agreement and the transactions contemplated thereunder at the EGM.

GENERAL

A circular containing, among other things, further details of the Acquisition, the Agreement, the issue of the Consideration Shares under the Specific Mandate, the notice convening the EGM and other information as required under the Listing Rules will be despatched to the Shareholders in this connection. As additional time is required to prepare the information to be disclosed in the circular, it is expected that the circular will be despatched to the Shareholders on or before 13 February 2026.

The Acquisition is subject to the satisfaction of the conditions precedent as described in this announcement. There is no assurance that such conditions precedent will be fulfilled. Therefore, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Acquisition”	the acquisition of the entire issued share capital of the Target Company pursuant to the Agreement
“Agreement”	the sale and purchase agreement dated 18 January 2026 entered into between the Purchaser and the Vendors in relation to Acquisition
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Company”	Da Sen Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1580)
“Completion”	completion of the Acquisition pursuant to the terms and conditions of the Agreement
“Completion Date”	the date of Completion
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration payable by the Purchaser to the Vendors in relation to the Acquisition
“Consideration Share(s)”	55,800,000 new Shares to be issued to the Vendors at the Issue Price for settlement of the Consideration
“Director(s)”	member(s) of the Board of the Company

“EGM”	the extraordinary general meeting to be convened and held by the Company to consider and, if thought fit, approve the Acquisition, the issue of the Consideration Shares under the Specific Mandate, the Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Price”	the issue price of HK\$0.17 per Consideration Share
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 July 2026 or such later date as may be agreed between the Vendors and the Purchaser
“PRC”	People’s Republic of China
“Purchaser”	Heroic Group Limited, a company incorporated in the British Virgin Islands, being a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	the specific mandate to be sought from the Shareholders at the EGM and to be granted to the Board for the allotment and issue of the Consideration Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Chance Rich International Trading Limited, a limited liabilities company incorporated in Hong Kong

“USD”	United States dollars, the lawful currency of the United States of America
“Vendors”	Mr. Huang Jianting and Ms. Li Ziyun
“%”	per cent

By order of the Board
Da Sen Holdings Group Limited
SUN Yongtao
Chairman

Hong Kong, 18 January 2026

As at the date of this announcement, the executive Directors are Mr. WONG Ben; the non-executive Director is Dr. LEUNG Clara Ka-wah; and the independent non-executive Directors are Mr. KWOK Yiu Tong, and Mr. SUN Yongtao.