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## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Da Sen Holdings Group Limited**, you should at once hand the Prospectus Documents to the purchaser or the transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee. Dealings in the Offer Shares may be settled through CCASS established and operated by HKSCC. You should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers for details of the settlement arrangements and how such arrangements may affect your rights and interests.

A copy of each of the Prospectus Documents, together with the documents mentioned in the paragraph headed “13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG” in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, the Stock Exchange, HKSCC and the SFC take no responsibility as to the contents of any of the Prospectus Documents or any other documents referred to above.

Subject to the granting of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other dates as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of the Prospectus Documents, make no representation as to their 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 the Prospectus Documents.

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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)**

**OPEN OFFER ON THE BASIS OF THREE (3) OFFER SHARES  
FOR EVERY FIVE (5) EXISTING SHARES  
HELD ON THE RECORD DATE**

**Financial Adviser to the Company**



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Capitalised terms used on this cover shall have the same meanings as those defined in this Prospectus, unless the context requires otherwise.

The Latest Time for Acceptance and payment for the Offer Shares is at 4:00 p.m. on Friday, 15 July 2022. The procedures for application for Offer Shares are set out on pages 13 to 15 of this Prospectus.

**Shareholders and potential investors should note that the Open Offer will proceed on a non-underwritten basis and is subject to fulfillment of the conditions precedent as set out in the section headed “Conditions of the Open Offer” in this Prospectus. Accordingly, the Open Offer may or may not proceed.**

**Shareholders should note that the Shares have been dealt in on an ex-entitlement basis commencing from Tuesday, 14 June 2022 and that dealing in Shares will take place while the conditions to which the Open Offer is subject remain unfulfilled. Any Shareholder or potential investor dealing in the Shares up to the date on which all conditions of the Open Offer are fulfilled will bear the risk that the Open Offer does not become unconditional and does not proceed.**

**Shareholders and potential investors should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

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## EXPECTED TIMETABLE

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*Set out below is the expected timetable of the Open Offer:*

### Event

Latest time for application and payment for the Offer Shares . . . . .	4:00 p.m. on Friday, 15 July 2022
Announcement of the results of the Open Offer . . . . .	Friday, 22 July 2022
Despatch of certificates for the fully-paid Offer Shares and refund cheques . . . . .	Monday, 25 July 2022
First day of dealings in the fully-paid Offer Shares . . . . .	Tuesday, 26 July 2022
Last day for trading of Shares in board lots of 5,000 Shares each on the original counter . . . . .	Tuesday, 2 August 2022
Effective date of the change in board lot size from 5,000 Shares to 30,000 Shares each . . . . .	Wednesday, 3 August 2022

### **Effect of bad weather on the latest time for application and payment for the Offer Shares**

The Latest Time for Acceptance will be postponed if there is:

- (i) a tropical cyclone warning signal number 8 or above; or
- (ii) a black rainstorm warning;

in force in Hong Kong at any local time between 9:00 a.m. and 4:00 p.m. on Friday, 15 July 2022, the Latest Time for Acceptance will be postponed to 4:00 p.m. on the next business day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on Friday, 15 July 2022, the dates mentioned in the above section headed “Expected Timetable” in this Prospectus may be affected. An announcement will be made by the Company in such event.

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## DEFINITIONS

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*In this Prospectus, the following expressions have the following meanings unless the context requires otherwise:*

“Announcements”	the announcement of the Company dated 30 November 2020, 8 January 2021, 18 May 2021, 1 September 2021, 28 October 2021 11 January 2022, 14 February 2022 and 29 April 2022 in relation to, among other things, the Open Offer
“Application Form(s)”	the form(s) of application to be issued to the Qualifying Shareholders to apply for the Offer Shares for their assured entitlement under the Open Offer in the agreed form
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors of the Company
“Bonds”	all the unsecured and interest-bearing bonds in registered form issued by the Company prior to the Scheme becoming effective
“business day”	a day (other than a Saturday, Sunday or public holiday or a day on which a tropical cyclone warning typhoon No. 8 or above or black rainstorm signal is hoisted in Hong Kong between 9:00 a.m. to 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Cash Advance”	the cash advance in the maximum aggregate amount of HK\$5.5 million (or such other amount as may be agreed by the parties in writing) made or to be made by the Substantial Shareholder and Mr. Chai pursuant to (i) the cash advance agreement dated 30 November 2020 and the cash advance agreement dated 18 October 2021 entered into between the Company and the Substantial Shareholder and (ii) the cash advance agreement dated 30 November 2020 and the cash advance agreement dated 18 October 2021 entered into between the Company and Mr. Chai, respectively
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular of the Company dated 20 May 2022 in relation to, among others, the Scheme and the Open Offer
“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)

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## DEFINITIONS

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“Concert Group”	the Controlling Shareholder Concert Group (excluding Mr. Ke Mingcai, whose Shares are currently held by a receiver)
“Concert Party Agreement”	an agreement dated 3 March 2016 entered into among Mr. Ke Mingcai, Mr. Cai Jinxu, Mr. Wang Songmao, Mr. Lin Qingxiong, Mr. Wu Shican and Ms. Wu Haiyan, pursuant to which they have agreed on certain arrangements pertaining to their shareholdings in the Company. Further information on the terms and conditions of the Concert Party Agreement is set forth in the section headed “Relationship with Controlling Shareholders – Summary of the Concert Party Agreement” in the Company’s prospectus dated 7 December 2016
“Consenting Creditors”	Scheme Creditors who have executed or otherwise acceded to the restructuring support agreement in relation to the Scheme on or before 27 October 2021
“Consent Fee Shares”	up to 16,398,159 additional new Shares to be issued and allotted under the General Mandate to Consenting Creditors pursuant to the terms of the restructuring support agreement in relation to the Scheme
“Controlling Shareholder Concert”	Mr. Ke Mingcai and persons acting in concert with him pursuant to the Concert Party Agreement, including, as at the Latest Practicable Date, Mr. Cai Jinxu, Mr. Wang Songmao, Mr. Lin Qingxiong, Mr. Wu Shican and Ms. Wu Haiyan
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering, and, if thought fit, approving the Proposed Restructuring and the transactions contemplated thereunder, including but not limited to, the Scheme and the Open Offer
“excess application form(s)”	the excess application form(s) to be issued to the Qualifying Shareholders, pursuant to which the Qualifying Shareholders may apply for the Offer Shares in excess of such Shareholders’ assured entitlement under the Open Offer in the agreed form
“Gearing Ratio”	the percentage of the Group’s interest-bearing borrowings divided by the Group’s total equity

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## DEFINITIONS

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“General Mandate”	the general mandate, which was granted to the Directors pursuant to an ordinary resolution passed at the Company’s annual general meeting on 25 June 2021, to issue up to 194,880,000 new Shares, representing 20% of the total issued share capital of the Company at the date of grant
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“High Court”	the High Court of Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Independent Shareholders”	Shareholders other than (i) the Controlling Shareholder Concert Group and (ii) other shareholders who are interested or involved in the Scheme and the Open Offer and are required to abstain from voting at the EGM under the Listing Rules
“Independent Third Party(ies)”	third party(ies) independent of the Company and not connected with the Company and its connected persons and independent of and not acting in concert with the Substantial Shareholder, the Concert Group and Mr. Chai and parties acting in concert with any of them
“Irrevocable Undertakings”	letters of irrevocable undertaking executed by the Substantial Shareholder, the Concert Group and Mr. Chai, in favour of the Company, the principal terms of which are disclosed in the section headed “The Irrevocable Undertakings” in this Prospectus
“Last Trading Day”	1 September 2021, being the last trading day of the Shares prior to the release of the Company’s announcement dated 1 September 2021
“Latest Practicable Date”	24 June 2022, being the latest practicable date prior to the printing of the Prospectus for ascertaining certain information contained in the Prospectus prior to its publication
“Latest Time for Acceptance”	4:00 p.m. on Friday, 15 July 2022, being the last date for acceptance of and payment for the Offer Shares
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

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## DEFINITIONS

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“Maximum Consent Fee”	5.0% of the aggregate principal amount and interests accrued up to 31 December 2020 on the Bonds held by the relevant Consenting Creditors
“Mr. Chai”	Mr. Chai Kaw Sing, an executive Director
“Non-Qualifying Shareholder(s)”	such Overseas Shareholders to whom the Company and the Board (having made relevant and necessary enquiries) consider it necessary or expedient not to offer the Offer Shares to them on account of any legal or regulatory restrictions or special formalities in such places
“Offer Price”	HK\$0.04 per Offer Share
“Offer Shares”	584,640,000 new Shares to be issued and allotted to the Qualifying Shareholders pursuant to the Open Offer at the Offer Price
“Open Offer”	the issue of the Offer Shares on the basis of three (3) Offer Share for every five (5) Shares held on the Record Date by the Qualifying Shareholders
“Overseas Letter”	a letter from the Company to the Non-Qualifying Shareholders explaining the circumstances in which the Non-Qualifying Shareholders are not permitted to participate in the Open Offer
“Overseas Shareholder(s)”	the Shareholders with registered addresses as shown in the register of members of the Company on the Record Date which are outside of Hong Kong
“PRC”	the People’s Republic of China, which, for the purpose of this Prospectus only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Restructuring”	the proposed debt restructuring of the Group involving, among other things, the Scheme and the Open Offer
“Prospectus”	the prospectus to be issued by the Company in relation to the Open Offer
“Prospectus Documents”	the Prospectus, and the Application Form(s) and the excess application form(s) in relation to the Open Offer

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## DEFINITIONS

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“Prospectus Posting Date”	Thursday, 30 June 2022 or such other date as may be announced by the Company for the despatch of the Prospectus Documents to the Qualifying Shareholders and the Prospectus, for information only, to the Non-Qualifying Shareholders, to the extent legally and practically permissible
“Qualifying Shareholder(s)”	the Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	Wednesday, 22 June 2022, the record date for ascertaining entitlements to the Application Form and the excess application forms
“Registrar”	Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Restructuring Costs”	all costs and expenses incurred by the Company in and about the finalization and/or implementation of the various elements of the restructuring of the liabilities of the Group as to be described in the scheme documents of the Scheme
“Scheme”	the proposed scheme of arrangement to be made between the Company and the Scheme Creditors pursuant to Sections 666 to 675 of the Companies Ordinance of Hong Kong (Chapter 622 of the Laws of Hong Kong) with, or subject to, any modification, addition or conditions approved or imposed by the High Court
“Scheme Administrators”	Mr. Chan King Wai Leonard and Ms. So Kit Yee Anita of Ernst & Young Transactions Limited, being the Scheme administrators pursuant to the Scheme and are Independent Third Parties
“Scheme Claim(s)”	any claim(s) against the Company arising directly or indirectly out of, in relation to and/or in connection with each or any of the Bonds
“Scheme Consideration”	collectively, the Cash Consideration and the Scheme Shares

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## DEFINITIONS

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“Scheme Creditors”	collectively all the creditors of the Company who have a claim against the Company in relation to the Bonds as at the date on which the Scheme become effective (for the avoidance of doubt, shall not include the Substantial Shareholder and Mr. Chai in respect of the Cash Advance and parties with claims relating to the Restructuring Costs)
“Scheme Meeting”	the meeting of the Scheme Creditors as convened at the direction of the High Court for the purpose of considering and, if thought fit, approving the Scheme, and any adjournment thereof
“Scheme Shares”	49,194,476 new Shares to be allotted and issued pursuant to the Scheme under the General Mandate
“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder”	Mr. Wong Tseng Hon, who is a substantial shareholder (has the meaning ascribed to it under the Listing Rules) of the Company and the legal and beneficial owner of 221,405,000 Shares, representing approximately 22.72% of the entire issued share capital of the Company as at the Latest Practicable Date
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong
“%”	per cent

*For the purpose of this Prospectus, unless the context otherwise requires, conversion of RMB into HK\$ is based on the approximate exchange rate of RMB1 to HK\$1.2. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in RMB or HK\$ have been, could have been or may be converted at such or any other rate or at all.*

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Chai Kaw Sing

Mr. Wong Ben

Mr. Zhang Ayang *(duties suspended)*

*Independent non-executive Director:*

Mr. Sun Yongtao

*Independent non-executive Directors:*

Ms. Lo Yuk Yee

Mr. Tso Siu Lun Alan

Mr. Kwok You Tong Henry

*Registered Office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Principal Place of Business in Hong Kong:*

Room 2703, 27th Floor

K. Wah Centre

No. 191 Java Road

North Point

Hong Kong

30 June 2022

*To the Qualifying Shareholders, and for information purpose only, the Non-Qualifying Shareholders:*

Dear Sir or Madam,

### **OPEN OFFER ON THE BASIS OF THREE (3) OFFER SHARES FOR EVERY FIVE (5) EXISTING SHARES HELD ON THE RECORD DATE**

#### **INTRODUCTION**

References are made to the Announcements and the Circular in relation to, among other things, the Open Offer and the proposed change in board lot size.

The purpose of this Prospectus is to provide you with further information on, among other things, (i) the Open Offer; (ii) the procedures for application and payment for the Offer Shares; (iii) the proposed change in board lot size; and (iv) the financial and other general information of the Group.

At the EGM, the necessary resolution approving, among other things, the Open Offer, was duly passed by the Independent Shareholders by way of poll on which the Directors (excluding independent non-executive Directors) and chief executive of the Company and their associates have abstained from voting in favour at the EGM in respect of the resolution for the Open Offer.

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## LETTER FROM THE BOARD

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### THE OPEN OFFER

Details of the terms of the Open Offer are set out as follows:

#### Issue Statistics

Basis of the Open Offer:	Three (3) Offer Shares for every five (5) existing Shares held on the Record Date
Number of Shares in issue as at the Latest Practicable Date	974,400,000 Shares
Offer Price:	HK\$0.04 per Offer Share
Maximum number of Offer Shares:	584,640,000 Offer Shares
Maximum funds to be raised before expenses:	HK\$23.4 million
Enlarged issued share capital of the Company upon completion of the Open Offer:	1,559,040,000 Shares

Assuming there is no change to the issued share capital of the Company from the Latest Practicable Date up to the Record Date, 584,640,000 Offer Shares represent (a) 60.0% of the Company's issued share capital as at the Latest Practicable Date; and (b) 37.5% of the Company's issued share capital as enlarged by the issuance of the Offer Shares. As at the Latest Practicable Date, the Company has no derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

#### Non-underwritten basis

The Open Offer will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Offer Shares and the level of subscription of the excess Offer Shares. The Qualifying Shareholders are entitled to apply for any Offer Shares in excess of their own assured allotments. In the event that the Open Offer is not fully subscribed, any Offer Shares not taken up by the Qualifying Shareholders will not be issued by the Company and the size of the Open Offer will be reduced accordingly.

The gross proceeds of the Open Offer (before expenses) are approximately HK\$23.4 million and net proceeds of the Open Offer (after expenses) are estimated to be approximately HK\$23.2 million. It is expected that the proceeds from the Open Offer in the sum of approximately HK\$20.0 million will be the Cash Consideration to pay for the implementation of the Scheme and its associated costs, and the balance of approximately HK\$3.2 million shall be retained as the general working capital of the Company after the completion of the Open Offer.

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## LETTER FROM THE BOARD

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### **The Irrevocable Undertakings**

To facilitate the implementation of the Open Offer under the Proposed Restructuring, on 1 September 2021, the Substantial Shareholder, the Concert Group and Mr. Chai, an executive Director, each provided, an Irrevocable Undertaking to the Company.

The Substantial Shareholder has irrevocably undertaken to the Company that he will accept or procure the acceptance of the Offer Shares to be provisionally allotted to him under the Open Offer of 132,843,000 Offer Shares (being all of the assured entitlement of the Substantial Shareholder under the Open Offer based on the existing shareholding structure of the Company, assuming that there will not be any change to the shareholding structure from the date of this Prospectus up to and including the Record Date) and will ensure that the 221,405,000 Shares will remain legally and beneficially owned by him at the close of business on the Record Date. The Irrevocable Undertaking by the Substantial Shareholder is conditional on the proposed implementation of the Open Offer being approved by the Independent Shareholders at the EGM.

The Concert Group has irrevocably undertaken to the Company that it will accept or procure the acceptance of the Offer Shares to be provisionally allotted to it under the Open Offer of 40,441,800 Offer Shares (being all of the assured entitlement of the Concert Group under the Open Offer based on the existing shareholding structure of the Company, assuming that there will not be any change to the shareholding structure from the date of this Prospectus up to and including the Record Date) and will ensure that 67,403,000 Shares will remain legally and beneficially owned by them at the close of business on the Record Date. The Irrevocable Undertaking by the Concert Group is conditional on the proposed implementation of the Open Offer being approved by the Independent Shareholders at the EGM.

Pursuant to the Irrevocable Undertaking, Mr. Chai has irrevocably undertaken to the Company that he will accept or procure the acceptance of the Offer Shares to be provisionally allotted to him and his spouse under the Open Offer of 44,100,000 Offer Shares (being all the assured entitlement of Mr. Chai and his spouse under the Open Offer based on the existing shareholding structure of the Company, assuming that there will not be any change to the shareholding structure from the Latest Practicable Date up to and including the Record Date) and will ensure that 73,500,000 Shares will remain legally and beneficially owned by Mr. Chai and his spouse at the close of business on the Record Date. Mr. Chai has also irrevocably undertaken to apply, by way of excess application, up to a maximum of 162,615,200 additional Offer Shares. The Irrevocable Undertaking by Mr. Chai is conditional on the proposed implementation of the Open Offer being approved by the Independent Shareholders at the EGM.

Save as disclosed above and as at the Latest Practicable Date, the Company has not received any information or irrevocable undertaking from any other substantial Shareholder (as defined under the Listing Rules) of the Company of any intention in relation to the Offer Shares to be provisionally allotted to that substantial Shareholder under the Open Offer.

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## LETTER FROM THE BOARD

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### The Offer Price

The Offer Price of HK\$0.04 per Offer Share, payable in full upon application of the relevant assured allotment of the Offer Shares and, where applicable, application for excess Offer Shares under the Open Offer. The net Offer Price per Offer Share (after deducting the relevant expenses) will be approximately HK\$0.04.

The Offer Price of HK\$0.04 per Offer Share represents:

- (a) a discount of approximately 75.46% to the closing price of HK\$0.163 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a discount of approximately 65.52% to the closing price of HK\$0.116 per Share as quoted on the Stock Exchange on the Last Trading day;
- (c) a discount of approximately 54.55% to the theoretical ex-entitlement price of approximately HK\$0.088 per Share, based on the closing price of HK\$0.116 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (d) a discount of approximately 65.22% to the average closing price of approximately HK\$0.115 per Share as quoted on the Stock Exchange for the last five consecutive trading days up and including the Last Trading Day;
- (e) a discount of approximately 65.22% to the average closing price of approximately HK\$0.115 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up and including the Last Trading Day;
- (f) a discount of approximately 80.49% to the audited net asset value per Share of approximately HK\$0.205 per Share based on the audited financial results of the Group for the year ended 31 December 2020;
- (g) a discount of approximately 75.76% to the unaudited net asset value per Share of approximately HK\$0.165 per Share based on the unaudited interim financial results of the Group for the six months ended 30 June 2021; and
- (h) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of a discount of approximately 24.57% represented by the theoretical diluted price of approximately HK\$0.0875 per Share to the benchmarked price of approximately HK\$0.116 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.116 per Share and the average closing prices per Shares as quoted on the Stock Exchange for the last five trading days prior to the Last Trading Day of approximately HK\$0.115 per Share).

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## LETTER FROM THE BOARD

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The Offer price was arrived at with reference to, (i) the downward trend of the market price and low trading volume of the Shares; (ii) the prevailing unstable market conditions, the working capital requirements of the Company and the financial performance and financial position of the Group as at 31 December 2020 and 30 June 2021; (iii) the uncertainty brought about by the COVID-19 pandemic on the Group's business operations; and (iv) the funding needs for the implementation of the Scheme as part of the Proposed Restructuring, details of which are depicted in the section headed "Reasons for the proposed restructuring and intended use of proceeds from the open offer" below in this Letter from the Board.

### Conditions of the Open Offer

The Open Offer is conditional upon the following conditions being fulfilled:

- (a) the passing of the necessary resolutions by the Independent Shareholders at the EGM to approve the Proposed Restructuring and the transactions contemplated thereunder, including but not limited to the Scheme and the Open Offer (more than 50% of the Independent Shareholders at the EGM by way of poll) by no later than the Prospectus Posting Date;
- (b) the delivery to the Stock Exchange for authorization and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorized in writing) as having been approved by resolution of the Directors (and with all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (as amended, supplemented or otherwise modified from time to time) by no later than the Prospectus Posting Date;
- (c) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and the Overseas Letter to the Non-Qualifying Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Prospectus Posting Date;
- (d) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of and permission to deal in all the Offer Shares by no later than the Prospectus Posting Date, and such listing and permission not being subsequently withdrawn or revoked;
- (e) all requirements and conditions imposed by the Stock Exchange or the SFC or under the Listing Rules otherwise in connection with the Open Offer and the transactions contemplated thereunder (if any) having been fulfilled or complied with;

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## LETTER FROM THE BOARD

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- (f) compliance with and performance of the Irrevocable Undertakings by the Substantial Shareholder, the Concert Group and Mr. Chai; and
- (g) compliance with the requirements under the applicable laws and regulations of Hong Kong and the Cayman Islands.

None of the conditions of the Open Offer as set out above are waivable. As at the Latest Practicable Date, save for condition (a) above, none of the above conditions have been fulfilled.

### **Status of the Offer Shares**

The Offer Shares (when fully paid and allotted) will rank *pari passu* in all respects among themselves and the Shares in issue as at the date of allotment and issuance of the Offer Shares, including all rights to all future dividends or distributions, which may be declared, made or paid by the Company on or after the date of allotment and issuance of the Offer Shares, as well as rights to voting and interest in capital.

### **Qualifying Shareholders**

The Open Offer will be made available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to the Qualifying Shareholders; and (ii) the Prospectus with the Overseas Letter to the Non-Qualifying Shareholders for information purposes only.

To qualify for the Open Offer, a Shareholder must (a) be registered as a member of the Company at the close of business on the Record Date; and (b) not be a Non-Qualifying Shareholder.

In order to be registered as members of the Company at the close of business on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) with the Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. (Hong Kong time) on Wednesday, 15 June 2022.

Qualifying Shareholders who take up their pro-rata allotment in full will not suffer any dilution to their interests in the Company. If a Qualifying Shareholder does not take up any of its/his/her allotment under the Open Offer, its/his/her proportionate shareholding in the Company will be diluted. The invitation to subscribe for the Offer Shares made to the Qualifying Shareholders will not be transferable or capable of renunciation and there will not be any trading in the assured allotments on the Stock Exchange.

### **Rights of the Non-Qualifying Shareholders**

For the avoidance of doubt, Non-Qualifying Shareholders are not entitled to any assured allotment under the Open Offer. As at the Record Date, based on the register of members of the Company, there was no Overseas Shareholder. The Prospectus Documents are not intended to be registered and/or filed under the applicable securities legislation of any jurisdictions other than Hong Kong.

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## LETTER FROM THE BOARD

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The Prospectus Documents are sent to Qualifying Shareholders. To the extent permitted under the relevant laws and regulations and reasonably practicable, the Prospectus only is sent to Non-Qualifying Shareholders for information purposes. The Non-Qualifying Shareholders are not entitled to any assured allotment under the Open Offer.

### **Procedures for application and payment of the Offer Shares**

For each Qualifying Shareholder, an Application Form is enclosed with this Prospectus which entitles him/her/it to whom it is addressed to subscribe for the number of Offer Shares shown thereon. If such Qualifying Shareholder(s) wish(es) to accept all the Offer Shares allocated to him/her/it on assured basis as specified in the Application Form or any lesser number of such Offer Shares, he/she/it must lodge the Application Form in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:00 p.m. on Friday, 15 July 2022 (or, under bad weather conditions, such other time as mentioned in the section headed "Expected Timetable" in this Prospectus). All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, or banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "**Da Sen Holdings Group Limited – Open Offer Account**" and crossed "**Account Payee Only**". No application(s) of Offer Shares can be made by any persons who are Non-Qualifying Shareholders. If a Qualifying Shareholder applies for a number of Offer Share that is in excess of his/her/its assured allotment of Offer Shares, such application is liable to be rejected.

It should be noted that unless the duly completed and signed Application Form, together with the appropriate remittance, are lodged with the Registrar by no later than 4:00 p.m. on Friday, 15 July 2022 (or, under bad weather conditions, such later date and/or time as specified in the section headed "Expected Timetable" in this Prospectus), the Application Form and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled. The Company may, at its discretion, treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions. The Company may require such incomplete Application Form to be completed by the relevant applicants at a later stage.

All cheques or banker's cashier orders will be presented for payment immediately upon receipt and all interest earned on such application monies (if any) will be retained for the benefit of the Company. Any Application Form in respect of which the accompanying cheque and/or banker's cashier order is dishonoured on first presentation is liable to be rejected, and, in such event, the relevant entitlements thereunder will be deemed to have been declined and will be cancelled. The Application Form contains full information regarding the procedures to be followed if you wish to accept the whole or part of your assured entitlement. Each Application Form is for use only by the Qualifying Shareholder named in it and is not transferable. No receipt will be issued in respect of any application monies received.

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## LETTER FROM THE BOARD

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### Procedures for application of excess Offer Shares

The Offer Shares to which the Non-Qualifying Shareholders (if any) would otherwise have been entitled, any assured allotments of Offer Shares which have not been accepted by Qualifying Shareholders, and Offer Shares created by aggregation of fractional Offer Shares, will be available for excess application by the Qualifying Shareholders.

If you as a Qualifying Shareholder wish to apply for any Offer Shares in addition to your assured entitlement indicated on the Application Form enclosed with this Prospectus, you must complete and sign the enclosed excess application form in accordance with the instructions printed thereon and lodge it, together with a separate remittance for the full amount payable on application in respect of the excess Offer Shares applied for, with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:00 p.m. on Friday, 15 July 2022 (or, under bad weather conditions, such later date and/or time as mentioned in the section headed "Expected Timetable" in this Prospectus). The excess application form is for use only by the person(s) named therein and is not transferable. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**Da Sen Holdings Group Limited – Excess Application Account**" and crossed "**Account Payee Only**".

The Directors will allocate the excess Offer Shares at their discretion on a fair and equitable basis as far as practicable according to the following principles:

- (i) no preference will be given to applications for topping-up odd-lot holdings to whole-lot holdings as the giving of such preference may potentially be abused by certain investors by splitting their Shares and thereby receiving more Offer Shares than they would receive, which is an unintended and undesirable result; and
- (ii) subject to availability of excess Offer Shares, the excess Offer Shares will be allocated to the Qualifying Shareholders who have applied for excess application on a pro rata basis based on the excess Offer Shares applied for by them.

In the event that the Board notes unusual patterns of excess applications and has reason to believe that any application may have been made with the intention to abuse the mechanism, such application(s) for excess Offer Shares may be rejected at the sole discretion of the Board.

Any remaining Offer Shares not applied for or taken up by the Qualifying Shareholders will not be issued by the Company and the size of the Open Offer will be reduced accordingly.

If the number of excess Offer Shares allotted and issued to a Qualifying Shareholder is less than that applied for, the surplus application monies are also expected to be refunded to such Qualifying Shareholder without any interest by means of cheque(s) despatched by ordinary post to his/her/its registered address and at the risk of such Shareholder on or before Monday, 25 July 2022.

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## LETTER FROM THE BOARD

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If the Open Offer does not proceed, the monies received in respect of relevant applications for excess Offer Shares will be refunded to the relevant persons without interest, by means of cheque(s) to be despatched by ordinary post to his/her/its registered address at the risk of such persons on or before Monday, 25 July 2022.

All cheques or banker's cashier orders will be presented for payment immediately upon receipt and all interest earned on such application monies (if any) will be retained for the benefit of the Company. Any excess application form in respect of which the accompanying cheque and/or cashier's order is dishonoured on first presentation is liable to be rejected. No receipt will be issued in respect of any excess application form or any application monies received.

Shareholders with their Shares held by a nominee (including HKSCC Nominees Limited) should note that the Directors will regard the nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, investors whose Shares are registered in the name of a nominee (including HKSCC Nominees Limited) should note that the aforesaid arrangements in relation to the allocation of excess Offer Shares will not be extended to them individually. Shareholders should consult their professional advisers if they are in any doubt as to whether they should register their shareholding in their own names prior to the book closure period and apply for the Offer Shares themselves.

The excess application form contains full information regarding the procedures to be followed if you wish to apply for any Offer Shares in excess of your assured allotment.

**Those Qualifying Shareholders who do not take up the Offer Shares in full to which they are entitled to and the Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Open Offer.**

### **Fractions of the Offer Shares**

Entitlement to the Open Offer will be rounded down to the nearest whole number. No fractional entitlements to the Offer Shares will be issued to the Qualifying Shareholders. Any Offer Shares created from the aggregation of fractional assured entitlements will be available for excess application by the Qualifying Shareholders.

### **Share certificates and refund cheques for the Offer Shares**

Subject to the fulfilment of the conditions of the Open Offer, share certificates for all Offer Shares are expected to be posted to the Qualifying Shareholders who have accepted and applied for (where appropriate), and paid for the Offer Shares on or before Monday, 25 July 2022 by ordinary post to their registered address(es) at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Offer Shares, or if the Open Offer is terminated, refund cheques in respect of the applications for Offer Shares are expected to be posted on or before Monday, 25 July 2022 by ordinary post to the respective Shareholders' registered addresses at their own risk.

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## LETTER FROM THE BOARD

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Refund cheques in respect of wholly or partially unsuccessful applications for excess Offer Shares (if any) are also expected to be posted on or before Monday, 25 July 2022 by ordinary post to the respective Shareholders' registered addresses at their own risk.

### **Application for listing of the Offer Shares**

The Company has made an application to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares. No part of the securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no such listing or permission to deal is proposed to be sought. Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty (if any) in Hong Kong and any other applicable fees and charges in Hong Kong.

Subject to the granting of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Offer Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

**Shareholders should note that Shares have been dealt in on an ex-entitlement basis commencing from Tuesday, 14 June 2022 and that dealings in Shares will take place while the conditions to which the Open Offer is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled, will accordingly bear the risk that the Open Offer may not become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares who is in any doubt about their position is recommended to consult their own professional advisor.**

## LETTER FROM THE BOARD

### CHANGES IN SHAREHOLDING STRUCTURE

The following is the shareholding structure of the Company as at the Latest Practicable Date and immediately upon completion of the Open Offer and implementation of the Scheme assuming there is no change in the shareholding structure of the Company from the date of this Prospectus to immediately after completion of the Open Offer and the Scheme (for illustrative purpose only):

	As at the Latest Practicable Date		Immediately after the completion of the Open Offer (assuming all Offer Shares are subscribed by the Qualifying Shareholders)		Immediately after the completion of the Open Offer (assuming no Offer Share is subscribed by the Qualifying Shareholders save for those subscribed under the Irrevocable Undertakings)		Immediately after the completion of the Open Offer (assuming all Offer Share is subscribed by the Qualifying Shareholders) and the issuance of shares under the Scheme		Immediately after the completion of the Open Offer (assuming no Offer Share is subscribed by the Qualifying Shareholders save for those subscribed under the Irrevocable Undertakings) and the issuance of shares under the Scheme	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
The Substantial Shareholder	221,405,000	22.72	354,248,000	22.72	354,248,000	26.16	354,248,000	21.80	354,248,000	24.95
Shares under receivership (Note 1)	190,000,000	19.50	304,000,000	19.50	190,000,000	14.03	304,000,000	18.71	190,000,000	13.38
Concert Group (Note 2)	67,403,000	6.92	107,844,800	6.92	107,844,800	7.96	107,844,800	6.64	107,844,800	7.60
Mr. Chai and his spouse (Note 3)	73,500,000	7.54	117,600,000	7.54	280,215,200	20.69	117,600,000	7.24	280,215,200	19.73
Sub-total	552,308,000	56.68	883,692,800	56.68	932,308,000	68.84	883,692,800	54.39	932,308,000	65.66
<b>Public Shareholders</b>										
Scheme Creditors (Note 4)	—	0.00	—	0.00	—	0.00	65,592,635	4.04	65,592,635	4.62
Other public shareholders	422,092,000	43.32	675,347,200	43.32	422,092,000	31.16	675,347,200	41.57	422,092,000	29.72
Public Sub-total	422,092,000	43.32	675,347,200	43.32	422,092,000	31.16	740,939,835	45.61	487,684,635	34.34
<b>Total</b>	<b>974,400,000</b>	<b>100.00</b>	<b>1,559,040,000</b>	<b>100.00</b>	<b>1,354,400,000</b>	<b>100.00</b>	<b>1,624,632,635</b>	<b>100.00</b>	<b>1,419,992,635</b>	<b>100.00</b>

*Notes:*

- Ms. Leung Leung Wing Yee Winnie was appointed as a receiver on 2 July 2021 of the relevant shares pursuant to the disclosure of interest filed on 14 July 2021.
- Pursuant to the Concert Party Agreement entered into among Mr. KE Mingcai, Mr. CAI Jinxu, Mr. WANG Songmao, Mr. LIN Qingxiong, Mr. WU Shican and Ms. WU Haiyan, they have agreed on certain arrangements pertaining to their shareholdings in the Company. The Company has been given to understand that Mr. KE Mingcai has been declared bankrupt and his interest in the Company is in the hands of the receiver. Ms. WU Haiyan has irrevocably undertaken to take up the assured entitlement of Concert Group for the Open Offer.
- As at the Latest Practicable Date, Mr. Chai is the legal owner of 57,200,000 Shares and his spouse is the legal owner of 16,300,000 Shares. Mr. Chai is deemed to be interested in all the shares in which his spouse is interested by virtue of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).
- The number of Scheme Shares and Consent Fee Shares to be issued is subject to the indebtedness figures and claims of the Scheme Creditors to be determined by the Scheme Administrators and adjudication under the Scheme.
- As illustrated in the shareholding structure above, the Open Offer and the issuance of Scheme Shares and Consent Fee Shares will not trigger or cause any person to be obliged to make a mandatory general offer pursuant to Rule 26 of the Takeovers Code.

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## LETTER FROM THE BOARD

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**Shareholders and public investors should note that the above changes in shareholding structure of the Company are for illustration purpose only and the actual change in the shareholding structure of the Company upon completion of the Open Offer is subject to various factors including, among other things, the acceptance level of the Open Offer.**

### **Reasons for the proposed restructuring and intended use of proceeds from the open offer**

In light of the uncertainties casted by the COVID-19 pandemic, the Sino-US trade war and economic downturn in the PRC, the Group's business has been adversely affected since the beginning of 2020, the Group's PRC main operating subsidiaries have been making a loss since the financial year ended 31 December 2020 and the Company's subsidiaries were unable to distribute dividends to the Company.

The Company has been in discussion with a potential independent buyer, on a possible disposal of certain assets of the Group to repay the Group's bank borrowings in its PRC subsidiaries.

Considering that the current volatile market conditions, the Group's cash and cash equivalents of approximately RMB0.4 million as at 30 June 2021, the imminent need for capital for the already due and outstanding borrowings, and the prevailing financial market conditions and economic outlook, the Board considers that it would be necessary and in the interest of the Company to implement the Open Offer in order to raise sufficient capital to fund the implementation of the Scheme, reduce debt level of the Group and raise additional working capital to sustain the Group's continuing operations during these difficult times.

The Scheme will facilitate the Group in discharging the amounts due to and the Scheme Claims against the Company and alleviating its cash flow burden. The remaining proceeds will also provide additional working capital to the Group, enhance its business operations and the flexibility to make investments through acquisitions or new business ventures when suitable opportunities arise in the future. It is envisaged that the Proposed Restructuring will be completed by July 2022.

The Board has also considered various alternatives means of fund raising including but not limited to, a rights issue, an issuance of shares under general or specific mandate or debt financing such as obtaining new bank borrowings.

The Board considers right issue to be an alternative option for fund raising as opposed to the Open Offer, due to the flexibility of the Shareholders being able to sell their entitled nil-paid rights should they decide not to take up the entitlements. However, conducting a rights issue would incur additional costs and time as compared to the Open Offer, due to the additional trading arrangements of nil-paid right required.

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## LETTER FROM THE BOARD

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It is expected that the timeframe for rights issue (where general meeting is required) and the Open Offer (where general meeting is required) are similar and will take approximately 41 business days after publication of the Circular. However, having considered the low trading volume of the Shares over the past few months, the Board is of the view that should the Company opt for rights issue, its Shareholders should be given a longer trading period of the nil paid rights to ensure more meaningful opportunities for Shareholders to trade under a rights issue. In addition, it is also envisaged that additional time would reasonably be required to complete the extra preparatory administrative work involved in a rights issue, inter alia, liaising and discussing with the share registrar and other professional parties, before the publication of this Prospectus, which would otherwise not be required with the Open Offer. Accordingly, the Board is of the view that conducting a rights issue would require additional time as compared to the Open Offer.

Furthermore, the estimated expenses to be incurred for conducting a rights issue (primarily comprising fees and expenses payable to the share registrar, printing cost and fees for other professional advisers) are expected to be approximately HK\$0.4 million (equivalent to approximately 1.7% of the total funds expected to be raised), while the related expense for the Open Offer were estimated to be approximately HK\$0.2 million (equivalent to approximately 0.85% of the total funds expected to be raised).

Having considered, amongst others, (i) the additional cost of approximately HK\$0.2 million to be incurred for conducting a rights issue as compared to the Open Offer; (ii) the opportunity for Shareholders to vote on the Open Offer at the EGM; (iii) the anticipated low trading volume of the nil paid rights and additional time required to accommodate a meaningful trading period for Shareholders to trade their nil paid rights under a rights issue given the recent tepid trading volume; (iv) additional time might anyway be required for the Company (by itself and/or through the Scheme Administrators) to solicit indication of support to the Proposed Restructuring from the majority of Scheme Creditors (in number and in value) before applying to the High Court for leave to convene the relevant Scheme Meeting for approving the Scheme; and (v) there is certainty as to minimum amount of funds which will be raised pursuant to the Irrevocable Undertakings under the Open Offer whereas it is uncertain in the acceptance for subscribing the nil paid rights by Shareholders and/or transferees of the nil paid rights, the Board is of the view that on balance, the benefits of the proposed Open Offer outweighs the merits of a rights issue in the current circumstances.

The Board has also considered allotting and issuing new shares under general and specific mandate. However, an issuance of new Shares under general or specific mandate would mean that not all Shareholders are treated fairly and equally. The Shareholders would not be able to participate in such fund-raising exercise and their shareholdings would potentially be diluted. The Board is of the view that the Shareholders should be given a fair chance to participate in the Group's future development if they wish to do so. The Company has also previously conducted an informal solicitation of over five potential investors for the Company's convertible bonds to gauge the market sentiment and appetite. However, the Company has not received any positive response for subscribing convertible securities of the Company from the potential investors.

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## LETTER FROM THE BOARD

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Debt financing, such as bank borrowings, was also another method of fund raising which the Board has considered. A total of three financial institutions were approached by the Company relating to potential short to medium term banking facility and the Company was advised that certain assets may have to be pledged to secure such borrowings and this may involve a lengthy approval process of at least 12 months given the Group's current financial position. As at the Latest Practicable Date, the Company has received several writs of summons with a total statement of claim of approximately HK\$5.6 million issued in the District Court of Hong Kong by certain bondholders against the Company, which have been disclosed in the announcements of the Company dated 29 June 2020, 3 September 2020, 24 September 2020 and 17 February 2021. The Company has also received a statutory demand pursuant to section 178(1)(a) or section 327(4)(a) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of Laws of Hong Kong) from one of its bondholders on 19 January 2021 for the claim of HK\$0.1 million, being the unpaid interest of the bond in the principal amount of HK\$2.0 million issued by the Company to that bondholder.

Based on preliminary quotations obtained by the Company, the annualised interest rate offered to the Company were between approximately 30% and 40%, which is substantially higher than the Group's effective interest rate for the year ended 31 December 2020. Given the amount of cash held by the Company, it would be difficult for the Company to repay all the existing debts and liabilities under the Bonds at this juncture. Favourable terms in relation to debt financing on a timely basis would unlikely be achievable. As such, the Board is of the view that debt financing, considering the current economic climate and the indebtedness status of the Company, would be difficult to timely procure.

Having considered that (i) rights issue could incur additional costs and potentially a more lengthy process; (ii) the equity financing by way of general or specific mandate will not allow all Shareholders to participate in this round of fund raising and could potentially lead to a dilution of their respective shareholding in the Company; (iii) muted market response to convertible securities; and (iv) debt financing such as bank financing would increase the interest burden to the Group and adversely affect the financial position of the Group as compared to equity financing, the Directors are of the view that the Open Offer to be the most appropriate fund raising method given the circumstance of the Group and is in the interest of the Company and the Shareholders as a whole.

Assuming a maximum of 584,640,000 Offer Shares and a minimum of 380,000,000 Offer Shares will be issued, the estimated gross proceeds of the Open Offer will range from approximately HK\$15.2 million (pursuant to the Irrevocable Undertakings) to appropriate HK\$23.4 million (assuming the provisionally allotted Offer Shares have been fully subscribed). The estimated expenses in relation to the Open Offer will amount to approximately HK\$0.2 million and the estimated net proceeds of the Open Offer will range from approximately HK\$23.2 million (assuming the provisionally allotted Offer Shares have been fully subscribed) and a minimum of approximately HK\$15.2 million (pursuant to the Irrevocable Undertakings). The net subscription price per Offer Share is expected to be a maximum of HK\$0.040 (assuming the provisionally allotted Offer Shares have been fully subscribed) and a minimum of approximately HK\$0.040 (assuming only the Substantial Shareholder, the Concert Group and Mr. Chai each takes up the undertaken Offer Shares pursuant to the Irrevocable Undertakings).

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## LETTER FROM THE BOARD

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In the event that the maximum proceeds of HK\$23.4 million is raised, (i) approximately HK\$20.0 million will be applied for the purpose of implementing the Scheme and its associated costs, of which HK\$15.2 million will fund the cash consideration under the Scheme and (ii) approximately HK\$3.4 million will be applied as general working capital for the Group's business. In the event that only the minimum net proceeds of HK\$15.2 million is raised, all the proceeds will fund the cash consideration under the Scheme. The net proceeds from the Open Offer will be utilised in the above priority order and allow the Group to reduce its gearing level and interest burden in relation to the Bonds related liabilities amounting to approximately RMB35 million as at 30 April 2022, equivalent to approximately HK\$42 million. Upon the completion of the Proposed Restructuring and based on the unaudited pro forma financial information as disclosed in Appendix II of this Prospectus, the Gearing Ratio is expected to reduce from approximately 125% as at 31 December 2021 to approximately 34% due to a reduction in the Group's borrowings and the interest burden on the Group will accordingly be reduced.

As disclosed in the Company's Announcements, the Board considers it would be in the interest of the Company to restructure its debts by way of implementing the Scheme, as part of the Proposed Restructuring, to discharge the amounts due to and claims by the Scheme Creditors against the Company and to alleviate its cash flow pressure. As the Company is short of cash in meeting its contractual obligations (in particular, its payment obligations under the existing bonds of the Company in issue), a debt restructuring plan will be crucial for the Company.

It is expected that approximately HK\$15.2 million will be raised to fund the implementation of the Scheme which will be implemented in accordance with the terms as approved by the High Court and the Scheme Creditors. The amount of proceeds to be applied to the Scheme was a commercial decision determined by reference to (i) the prevalent unstable financial market conditions; (ii) the Group's recent financial performance and its financial positions as at 31 December 2020 and 30 June 2021; (iii) the business prospects of the Group given the current market sentiment; (iv) the commercial viability of the Scheme; (v) its current cash flow needs; (vi) the reasonable belief of the Board and sufficient certainty regarding the amount of funds that could potentially be raised by way of the Open Offer and the Irrevocable Undertakings.

The Board believes that it would be in the interest of the Company to raise equity funding via the Open Offer to facilitate the implementation of the Scheme and is an equitable method to allow its Shareholders to participate and contribute to the long-term development of the Group.

In the event that the Open Offer is not fully subscribed and further funding may be required for working capital purposes, the Company will consider raising funds via bank borrowings or shareholder's loan as and when necessary.

### **PROPOSED CHANGE IN BOARD LOT SIZE**

As at the Latest Practicable Date, the Shares are traded on the Stock Exchange in board lot size of 5,000 Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 5,000 Shares to 30,000 Shares with effect from 9:00 a.m. on Wednesday, 3 August 2022. For the avoidance of doubt, the change in board lot size is not conditional upon the completion of the Proposed Restructuring, inter alia, the Scheme and the Open Offer.

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## LETTER FROM THE BOARD

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Pursuant to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Stock Exchange on 28 November 2008 and last updated on 30 August 2019, the expected value per board lot should be greater than HK\$2,000 considering the minimum transaction costs for a securities trade. Having considered that (i) the Shares are trading below HK\$2,000 per board lot and (ii) the theoretical adjustment to the closing price of the Share upon completion of the Open Offer, the Board proposes to change the board lot size for trading in Shares from 5,000 Shares to 30,000 Shares on the Stock Exchange after the completion of the Open Offer with a view to complying with the trading requirements under the Listing Rules. Based on the closing price of HK\$0.116 per Share as quoted on the Stock Exchange on the Last Trading Day, the market value per existing board lot is HK\$580 and the estimated market value per new board lot upon completion of the Open Offer and the change in board lot size will be more than HK\$2,000.

Given that the change in board lot size will not result in any change in the relative rights of the Shareholders and the change in board lot size will enable the Company in complying with the trading requirements under the Listing Rules while allowing buffer for price fluctuation above the recommended threshold of HK\$2,000 per board lot, the Board considers that the change in board lot size to be fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

### SHARE CERTIFICATES

No new share certificate for existing Shares will be issued as a result of the change in board lot size, and therefore there will be no arrangement for free exchange of existing share certificate in board lot size of 5,000 Shares to new share certificates in board lot size of 30,000 Shares.

As from Wednesday, 3 August 2022, share certificates will be issued in board lot of 30,000 Shares each (except where the Registrar is otherwise instructed). All existing share certificates in board lot of 5,000 Shares each will continue to be good evidence of legal title to such Shares and continue to be valid for transfer, trading, delivery and settlement purposes. Save and except for the change in the number of Shares of each board lot, new share certificates will have the same format and colour as the existing certificates of the Shares.

### ARRANGEMENT ON ODD LOT TRADING

In order to facilitate the trading of odd lots (if any) of the Shares as a result of the Open Offer and the change in board lot size, the Company has appointed the Registrar, Computershare Hong Kong Investor Services Limited whose address is at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as an agent to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Shares to make up a full board lot, or to dispose of their holding of odd lots of the Shares. Shareholders who wish to take advantage of this service may make an appointment in advance by dialing the telephone number of the Registrar at telephone number (852) 2862 8555 during office hours (i.e. 9:00 a.m. to 6:00 p.m.) during the period (other than public holidays) from 9:00 a.m. on Wednesday, 3 August 2022 to 4:10 p.m. on Wednesday, 17 August 2022 (both dates inclusive).

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## LETTER FROM THE BOARD

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Holders of Shares in odd lots should note that the matching services mentioned above are on a “best effort” basis only and successful matching of the sale and purchase of odd lots of Shares is not guaranteed and will depend on there being adequate amount of odd lots of Shares available for matching. Any Shareholder who is in any doubt about the odd lots arrangements is recommended to consult his/her/its own professional advisers.

### **PUBLIC FLOAT**

The Directors and the Substantial Shareholder will take necessary steps to ensure the minimum public float requirement, as set out under Rule 8.08 of the Listing Rules, be maintained at all times upon completion of the Open Offer.

### **FUNDS RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS**

The Company has not conducted any equity fund raising activity in the past twelve months before the Latest Practicable Date.

### **IMPLICATIONS UNDER THE LISTING RULES**

The Offer Shares will not be issued under the authority of currently available general mandate granted by the Shareholders to the Directors. According to Rules 7.24A(1) and 7.27A of the Listing Rules, the Open Offer will be made conditional on approval by Independent Shareholders in the EGM by a resolution on which the Directors (excluding independent non-executive Directors) and chief executive of the Company and their associates shall abstain from voting in favour at the EGM in respect of the resolution for the Open Offer.

Given that there is no controlling Shareholders as at the Latest Practicable Date, according to Rules 7.24A(1) and 7.27A of the Listing Rules, the Open Offer must be made conditional on approval by Independent Shareholders in the EGM by a resolution on which Directors (excluding independent non-executive Directors) and chief executive of the Company and their associates, together holding 183,283,800 Shares in aggregate, representing approximately 18.81% of total issued Shares, shall abstain from voting in favour at the EGM in respect of the resolution for the Open Offer.

The Open Offer has been approved by the Independent Shareholders at the EGM by way of poll.

**Shareholders and potential investors should note that the Scheme and the Open Offer are subject to various conditions which may or may not fulfilled. There is therefore no assurance that the Proposed Restructuring and/or any of these transactions will proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.**

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## LETTER FROM THE BOARD

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### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this Prospectus.

By Order of the Board  
**Da Sen Holdings Group Limited**  
**SUN Yongtao**  
*Non-Executive Chairman and*  
*Non-Executive Director*

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## APPENDIX I FINANCIAL INFORMATION OF THE GROUP

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### 1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for each of the three years ended 31 December 2019, 2020 and 2021 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.com.hk>) and the Company ([www.msdsdn.com](http://www.msdsdn.com)):

- (a) Annual report of the Company for the year ended 31 December 2021 published on 29 April 2022 (pages 49 to 128)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0429/2022042900005.pdf>

- (b) Annual report of the Company for the year ended 31 December 2020 published on 18 May 2021 (pages 47 to 126)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0518/2021051801130.pdf>

- (c) Annual report of the Company for the year ended 31 December 2019 published on 21 April 2020 (pages 42 to 108)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0421/2020042100501.pdf>

### 2. INDEBTEDNESS STATEMENT

As at 30 April 2022, being the latest practicable date prior to the printing of this Prospectus for the purpose of this indebtedness statement, the Group had outstanding borrowings of approximately RMB77 million which comprised:

- (i) Unsecured outstanding bonds of approximately RMB35 million;
- (ii) Secured short-term bank borrowings of approximately RMB9 million;
- (iii) unsecured cash advances from a shareholder and directors of approximately RMB7.4 million;
- (iv) other unsecured loan from third party of approximately RMB9.5 million; and
- (v) other secured loan from third party of approximately RMB16.1 million.

The Group's short-term bank borrowings are secured by the Group's land use rights, plants and investment properties as at 30 April 2022. The bank borrowings were also guaranteed by Mr. Ke Mingcai, an ex-director of the Company, together with his spouse, Mr. Zhang Ayang, a director and an employee of the Group's PRC subsidiary.

The bonds and cash advances from shareholders are unsecured and unguaranteed.

The Group provided a guarantee with the maximum amount of RMB14,250,000 to bank in respect of banking facility of a third party. As at 30 April 2022, RMB9,500,000 of bank borrowing are drawn down by the third party.

Save as aforesaid and apart from normal trade payables in the ordinary course of business, other payables and accruals, none of the entities of the Group had any debt securities which are issued and outstanding, or authorised or otherwise created but unissued term loans, other borrowings or indebtedness including bank overdrafts loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, mortgage, charges, activities or other material contingent liabilities as at the close of business on 30 April 2022.

*Note:* On 5 May 2022, the local PRC management has been verbally notified by the relationship manager of China Construction Bank Chengwu Branch that the bank has already started the internal procedure to auction the overdue debts of Meisen (Shangdong) and Dasen (Heze) as its standard practice. The local PRC management has not received any written information or further update on this matter as at the Latest Practicable Date.

### **3. WORKING CAPITAL**

The Directors, after due and careful enquiry, are of the opinion that in the absence of unforeseen circumstances, subject to completion of the Proposed Restructuring and the potential disposal of non-core assets in the PRC (details of which were disclosed in the Group's annual report for the year ended 31 December 2021 and the latest progress is disclosed below) which is expected to take place within twelve months from the date of this Prospectus, and considering the financial resources available to the Group, the Group has sufficient working capital for its normal business for at least the twelve months from the date of this Prospectus.

#### **Progress relating to the disposal of non-core assets in the PRC**

The Company has conducted negotiations with five potential buyers to acquire the Group's investment properties (consist of land and factories) currently held by Dasen (Heze) Biomass Energy Limited which will be sold with existing tenancy. As at the Latest Practicable Date, four of the five potential buyers have already completed site inspections and two of the five buyers have commenced due diligence process. The Company has so far received one written offer and two verbal offers for the investment properties but has turned down all the offers as they were either unable to match the Company's expected selling price or they are unable to complete within a reasonable period to improve the Group's short term liquidity.

The Company expects to meet with another two new potential investors in coming weeks after the COVID-19 situation in Heze improves. The Company has deployed a consultant to Heze to oversee the sale process of Groups' investment properties.

The Directors understand that the sale of non-core assets of the Group is a crucial task to improve the Group's liquidity and has been monitoring the situation on a daily basis. The Board will take prompt actions to complete this crucial task and the Board has full confidence that the sale will be completed within the 2022 financial year.

**4. MATERIAL ADVERSE CHANGE**

As at the Latest Practical Date, the Directors confirmed that there had been no material adverse change in the financial position or trading position of the Group since 31 December 2021, being the date to which the latest published audited consolidated financial statements of the Group was made up.

**5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

The Group is principally engaged in the manufacturing and sales of wooden products and leasing activities. As the demand for biomass wood pellets has significantly reduced since the latter part of 2019 which continued more significantly so in the first half of 2020, the Group made the decision to cease the operations of this business segment and leased out part of the biomass wood pellets factories as well as other factories and land which are surplus to the Group with the view to generating a stable recurring rental income.

**Business Outlook**

The management of the Company believes that market conditions are gradually improving in 2021 despite the uncertainties surround COVID-19, when comparing to 2020 and, barring any unforeseen circumstances, expects such improvements to continue.

**Plywood Products**

The management of the Company has seen improvements in both the sales volume and the pricing of its plywood products in the first half of 2021. As vaccines are now widely adopted in the PRC and the Western countries, the management of the Company has seen a gradual surge in demand in the products of our customers and in turn the demand for the Group's plywood products. The Group remains confident in the long-term competitiveness of our plywood products, given its years of development experience in the production process and quality control, and its ability to meet the needs of our customers. The Group will continue to leverage on its strategic advantage of having quality poplar supplies in its neighbourhood as the world recovers from the impact of COVID-19.

Going forward, the Group will also review the prospect of capturing the low to middle end plywood market and explore the prospects of developing, along the furniture supply chain, the manufacturing, sales and distributions of furniture in the longer term. The low to middle end plywood market will allow the Group to serve both domestic and international end users, and if successfully implemented is expected to reduce the degree of the Group's sole reliance on demand from international customers. The longer-term prospects of entering into the furniture business, if successfully implemented, is expected to allow the Group to capture the more profitable parts of the furniture supply chain with significant improvement to the overall gross profit and gross profit margin.

The Group will also explore environmental friendly solutions to reduce its wastes and will take more effective measures to manage its assets in the PRC. All these will become the foundations for transitioning the Group into a more modern day manufacturing and production group and a leader in plywood solutions.

**China Opportunities**

With COVID-19 under control in China and the domestic market demonstrating a recovery in demand, the management of the Company will also make a proactive effort to optimize and diversify its plywood business to focus on business opportunities within China.

UNAUDITED PRO FORMA STATEMENT OF CONSOLIDATED NET TANGIBLE  
ASSETS OF THE GROUP AS AT 31 DECEMBER 2021

The following unaudited pro forma statement of adjusted consolidated net tangible assets (the “**Unaudited Pro Forma Financial Information**”) of the Group attributable to shareholders of the Company has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants to illustrate the effect of the Open Offer on the audited consolidated net tangible assets of the Group attributable to shareholders of the Company as if the Open Offer had been completed on 31 December 2021.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not reflect a true picture of the audited consolidated net tangible assets of the Group attributable to shareholders of the Company upon completion of the Open Offer as at 31 December 2021 or at any future date.

The Unaudited Pro Forma Financial Information is prepared based on the audited consolidated net tangible assets of the Group attributable to shareholders of the Company as at 31 December 2021, as extracted from the audited consolidated statement of financial position of the Group as at 31 December 2021 in the published audited annual report of the Group for the year ended 31 December 2021, and is adjusted for the effect of the Open Offer and debt restructuring described below.

Audited consolidated net tangible assets of the Group attributable to shareholders of the Company as at 31 December 2021 RMB'000 (Note 1)	Estimated net proceeds from the Open Offer RMB'000 (Note 2)	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to shareholders of the Company RMB'000 (Note 6)	Unaudited pro forma adjusted consolidated net tangible assets per Share after the completion of the Open Offer RMB (Note 4)	Unaudited pro forma adjusted consolidated net tangible assets per Share after the completion of the Open Offer HK\$ (Note 8)
Based on completion of Offer Shares	50,120	18,850	68,970	0.0442
	<u>50,120</u>	<u>18,850</u>	<u>68,970</u>	<u>0.0442</u>

Audited consolidated net tangible assets per Share prior to the completion of the Open Offer is RMB0.0514 (Note 7).

**APPENDIX II**

**UNAUDITED PRO FORMA  
FINANCIAL INFORMATION OF THE GROUP**

Audited consolidated net tangible assets of the Group attributable to shareholders of the Company as at 31 December 2021	Estimated net proceeds from the Open Offer	Estimated liabilities to be cancelled and discharged or settled by shares under Scheme	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to shareholders of the Company	Unaudited pro forma adjusted consolidated net tangible assets per Share after the completion of Proposed Restructuring	Unaudited pro forma adjusted consolidated net tangible assets per Share after the completion of Proposed Restructuring	
<i>RMB'000</i> <i>(Note 1)</i>	<i>RMB'000</i> <i>(Note 2)</i>	<i>RMB'000</i> <i>(Note 3)</i>	<i>RMB'000</i> <i>(Note 6)</i>	<i>RMB</i> <i>(Note 5)</i>	<i>HK\$</i> <i>(Note 8)</i>	
Based on completion of Proposed Restructuring	50,120	18,850	16,930	85,900	0.0529	0.0651

*Notes:*

1. The amount is determined based on the audited consolidated net tangible assets of RMB50,120,000 as at 31 December 2021, which is extracted from the audited consolidated statement of financial position of the Group as at 31 December 2021 in the published audited annual report of the Group for the year ended 31 December 2021.
2. The estimated net proceeds from the Open Offer are based on the number of 584,640,000 Offer Shares to be issued at the Offer Price of HK\$0.04 per Offer Share, after deduction of the estimated related expenses which are directly attributable to the Open Offer, of approximately HK\$200,000.
3. The estimated liabilities to be cancelled and discharged under the Scheme are based on:
  - the bond and interest payables to the Scheme Creditors as at 31 December 2021 amounted to approximately RMB33,190,000;
  - Consenting Creditors have executed or otherwise acceded to the restructuring support agreement in relation to the Scheme;
  - approximately 44% of the bond and interest payables to the Scheme Creditors as at 31 December 2021 amounted to approximately RMB14,540,000 to be cancelled and discharged under the Scheme, approximately 37% of the bond and interest payables to the Scheme Creditors will be settled in cash and approximately 14% and 5% of the bond payables of approximately RMB6,292,000 to the Scheme Creditors will be settled by issuing approximately 49,194,000 Scheme Shares and approximately 16,398,000 Consent Fee Shares at the issuance price of HK\$0.118; and
  - after deduction of the estimated related expenses which are directly attributable to the Scheme of approximately HK\$4,800,000.

4. The unaudited pro forma adjusted consolidated net tangible assets per Share attributable to shareholders of the Company after completion of the Open Offer are arrived at after aggregating: (a) the audited consolidated net tangible assets of the Group attributable to shareholders of the Company as at 31 December 2021 of approximately RMB50,120,000 (Note 1); and (b) the estimated net proceeds of approximately HK\$23,200,000 (equivalent to approximately RMB18,850,000) from the Open Offer (Note 2) and on the basis that 974,400,000 Shares were in issue as at 31 December 2021; and 584,640,000 Offer Shares to be issued pursuant to the Open Offer.
5. The unaudited pro forma adjusted consolidated net tangible assets per Share attributable to shareholders of the Company after completion of the Proposed Restructuring are arrived at after aggregating: (a) the audited consolidated net tangible assets of the Group attributable to shareholders of the Company as at 31 December 2021 of approximately RMB50,120,000 (Note 1); (b) the estimated net proceeds of approximately HK\$23,200,000 from the Open Offer (Note 2); and (c) the estimated liabilities of approximately RMB16,930,000 to be cancelled and discharged under the Scheme based on the carrying amount of total Bonds Indebtedness as at 31 December 2021 (Note 3); and on the basis that 974,400,000 Shares were in issue as at 31 December 2021; 584,640,000 Offer Shares to be issued pursuant to the Open Offer; and 49,194,000 Scheme Shares and 16,398,000 Consent Fee Shares to be issued pursuant to the Scheme.
6. No adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results since 31 December 2021.
7. The calculation of the audited consolidated net tangible assets per Share attributable to shareholders of the Company as at 31 December 2021 is determined based on the audited consolidated net tangible assets of the Group attributable to shareholders of the Company of approximately RMB50,120,000 divided by the number of Shares in issue of 974,400,000 as at 31 December 2021.
8. For the purposes of the unaudited pro forma adjusted net tangible assets per Share attributable to shareholders of the Company, the amount stated in RMB is converted into Hong Kong dollar at the rate of RMB1 to HK\$1.23.

*The following is the text of the independent reporting accountants' assurance report, received from Confucius International CPA Limited, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the unaudited pro forma financial information of the Group as set out in this Appendix and prepared for the purpose of inclusion in this Prospectus.*

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the Directors of Da Sen Holdings Group Limited,**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Da Sen Holdings Group Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma net asset statement of the Group as at 31 December 2021 and related notes as set out in Appendix II of the prospectus issued by the Company dated 30 June 2022 (the “**Prospectus**”). The applicable criteria on the basis of which the directors have compiled the unaudited pro forma financial information are described in Appendix II of the Prospectus.

The unaudited pro forma financial information has been compiled by the directors to illustrate the impact of the proposed open offer of 584,640,000 offer shares at HK\$0.04 per offer share on the basis of three (3) offer shares for every five (5) shares held on the record date (the “**Open Offer**”) and proposed debt restructuring on the Group's net assets as at 31 December 2021 as if the Open Offer and debt restructuring had taken place at 31 December 2021. As part of this process, information about the Group's net assets has been extracted by the directors from the Group's financial statements for the year ended 31 December 2021, on which an audit report has been published.

**Directors' Responsibilities for the Unaudited Pro Forma Financial Information**

The directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (the “**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountant’s Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2021 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related unaudited pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

**Confucius International CPA Limited**

*Certified Public Accountants*

**Tsang Kwong Kin**

Practising Certificate Number: P07368

Hong Kong

30 June 2022

**1. RESPONSIBILITY STATEMENT**

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company.

The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

**2. SHARE CAPITAL**

The share capital of the Company as at the Latest Practicable Date and upon the completion of the Open Offer are as follows:

**(i) Share capital as at the Latest Practicable Date:**

	<b>Nominal value per Share</b>	<b>Number of Shares</b>	<b>Amount (HK\$)</b>
<b>Authorised:</b>			
As at the Latest Practicable Date	0.01	3,000,000,000	30,000,000
<b>Issued and fully paid:</b>			
As at the Latest Practicable Date	0.01	974,400,000	9,744,000

## (ii) Share capital upon completion of the Proposed Restructuring (assuming that all Offer Shares are subscribed by Qualifying Shareholders)

	Nominal value per Share	Number of Shares	Amount (HK\$)
<b>Authorised:</b>			
As at the Latest Practicable Date	0.01	3,000,000,000	30,000,000
<b>Issued and fully paid:</b>			
As at the Latest Practicable Date	0.01	974,400,000	9,744,000
Offer Shares to be issued pursuant to the Open Offer	0.01	584,640,000	5,846,400
Shares upon completion of the Open Offer	0.01	1,559,040,000	15,590,400
Scheme Shares and Consent Fee Shares to be issued pursuant to the Scheme	0.01	65,592,635	655,926
Shares upon completion of the Open Offer and the implementation of the Scheme	0.01	1,624,632,635	16,246,326

All of the Offer Shares, the Scheme Shares and the Consent Fee Shares to be issued will rank *pari passu* in all respects, without any preference among themselves and with all Shares then in issue including with respect to all the rights as to dividends, voting and interest in capital.

As at the Latest Practicable Date, the maximum number of unexercised share options permitted to be granted under the share option scheme is an amount equivalent, upon their exercise, to 72,000,000 Shares. The maximum number of Shares issuable under share options to each eligible participant in the share option scheme within any 12-month period is limited to 1% of the Shares in issue as of the date of grant. Any further grant of share options in excess of this limit is subject to Shareholders' approval in a general meeting.

There are no arrangements under which future dividends will be waived or agreed to be waived.

As at the Latest Practicable Date, no capital of any members of the Group was under option or agreed conditionally or unconditionally to be put under option.

Save as disclosed above, no share, options, warrants, conversion rights or any equity or debt securities of the Company were outstanding or were proposed to be issued for cash or otherwise and no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any such capital.

Since 31 December 2021, the date to which the latest audited financial statements of the Company were made up, and up to the Latest Practicable Date, no Shares have been allotted and issued by the Company. No part of the equity or debt securities of the Company is listed or dealt in, nor is any listing or permission to deal in the Shares or loan capital of the Company being, or proposed to be, sought on any other stock exchange.

### 3. DISCLOSURE OF INTERESTS

#### Interests in the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the register therein, or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules (“**Model Code**”) were as follows:

#### (a) *Interests of Directors*

Name of director	Number of Shares held capacity and nature of interest			Percentage of the Company's share capital
	Directly beneficially owned	Through spouse or minor children	Total	
Mr. Zhang Ayang ( <i>Note 1</i> )	–	109,783,800	109,783,800	11.27%
Mr. Chai Kaw Sing	57,200,000	16,300,000	73,500,000	7.54%

*Note:*

- Mr. Zhang Ayang is the spouse of Ms. Wu Haiyan and he is deemed to be interested in these Shares under the SFO.

*(b) Interests of substantial Shareholders*

Name	Number of Shares held, capacity and nature of interest			Percentage of the Company's share capital
	Directly beneficially owned	Interests in persons acting in concert (Note 1)	Total	
Mr. Wong Tseng Hon	221,295,000	–	221,295,000	22.71%
<b>Concert Group (Note 1)</b>				
Mr. Ke Mingcai	42,380,800	67,403,000	109,783,800	11.27%
Mr. Wang Songmao	25,291,000	84,492,800	109,783,800	11.27%
Mr. Wu Shican	12,300,000	97,483,800	109,783,800	11.27%
Mr. Lin Qingxiong	100,000	109,683,800	109,783,800	11.27%
Ms. Wu Haiyan (Note 2)	29,712,000	80,071,800	109,783,800	11.27%
Ms. Leung Leung Wing Yee Winnie (Note 3)	190,000,000	–	190,000,000	19.50%

*Notes:*

- Pursuant to the Concert Party Agreement, Mr. Ke Mingcai, Mr. Cai Jinxu, Mr. Wang Songmao, Mr. Lin Qingxiong, Mr. Wu Shican and Ms. Wu Haiyan have agreed on certain arrangements pertaining to their shareholdings in the Company. Pursuant to the SFO, since each of Lin Qingxiong and Wu Haiyan is a party to the Concert Party Agreement, each of Mr. Lin Qingxiong and Ms. Wu Haiyan is deemed to be interested in the Shares which the other parties to the Concert Party Agreement are interested in.
- Mr. Zhang Ayang is the spouse of Ms. Wu Haiyan and he is deemed to be interested in these Shares under the SFO.
- Mr. Ke Mingcai's Shares are currently held by a receiver. Ms. Leung Leung Wing Yee Winnie was appointed as a receiver on 2 July 2021 of the relevant shares pursuant to the disclosure of interest filed on 14 July 2021.

Save as disclosed above, as at the Latest Practicable Date, there was no other person who had an interest or short position in the Shares, underlying shares (in respect of positions held pursuant to equity derivatives) and debentures which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, beneficially interested in 5% or more of the issued voting shares of the Company; or were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

**4. DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE AND ASSETS**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired, disposed of by or leased, or which were proposed to be acquired, disposed of by or leased to any member of the Group since 31 December 2021, the date to which the latest published audited consolidated financial statements of the Group were made up.

As at the Latest Practical Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement which was significant in relation to the business of the Group.

**5. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries which does not expire or is not determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

**6. MATERIAL CONTRACTS**

There were no material contracts (not being contracts entered into in the ordinary course of business) which had been entered into by any member of the Group within the two years immediately preceding the date of this Prospectus and up to the Latest Practicable Date.

**7. LITIGATION**

The Company has received several writs of summons with a total statement of claim of approximately HK\$5.6 million issued in the District Court of the Hong Kong by certain holders of the Bonds against the Company, which have been disclosed in the announcements of the Company dated 29 June 2020, 3 September 2020 and 24 September 2020 and 17 February 2021, respectively.

The Company has also received a statutory demand pursuant to section 178(1)(a) or section 327(4)(a) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of Laws of Hong Kong) from one of the holders of the Bonds on 19 January 2021 for the claim of HK\$0.1 million, being the unpaid interest of the Bonds in the principal amount of HK\$2.0 million issued by the Company to that bondholder.

For the two writs of summons as disclosed in the announcements of the Company dated 29 June 2020 and 24 September 2020, the District Court of the Hong Kong has granted orders of the Summons in favour of the Plaintiffs and the Company has provided updates for these legal proceedings in the announcements of the Company dated 20 July 2021 and 4 August 2021, respectively.

The two principal subsidiaries of the Company in the PRC were in default with the repayment of certain loans provided by banks in the PRC. Further details of this are set out in interim report of the Company for the six months ended 30 June 2021. On 21 August 2021, the Court of Chengwu County of Shandong Province of the PRC handed down a judgment on one of these two PRC principal subsidiaries of the Company requiring it to repay to a bank the outstanding principal amount of RMB7,441,641.41 together with interest and costs. Further details of this are set out in the announcement of the Company dated 30 August 2021.

As at the Latest Practicable Date, save as disclosed above, no member of the Group was engaged in any litigation or claims of material importance nor was any litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

## 8. EXPERT AND CONSENT

The following is the qualification of the expert who have given opinions, letters or advice which are contained in this Prospectus:

<b>Name</b>	<b>Qualifications</b>
Confucius International CPA Limited (“Confucius”)	Certified Public Accountants

Confucius has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letter or report, as the case may be dated 30 June 2022, and reference to its name, and/or its advice in the form and context in which it respectively appears.

As at the Latest Practicable Date, Confucius did not have any shareholding directly or indirectly, in any member of the Group, nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any interest, either direct or indirect, in any assets which had been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2021, being the date to which the latest published audited consolidated financial statements of the Group were made up.

**9. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE OPEN OFFER**

Principal place of business of the Company in Hong Kong	Room 2703, 27th Floor K. Wah Centre No. 191 Java Road North Point, Hong Kong
Registered office	Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman, KY1-1111 Cayman Islands
Auditor	Confucius International CPA Limited Room 1501-08, 15/F Tai Yau Building 181 Johnston Road Wanchai Hong Kong
Principal bankers	Bank of China 52/F, Bank of China Tower No. 1, Garden Road Hong Kong
Principal share registrar	Conyers Trust Company (Cayman) Limited Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Hong Kong branch share registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Company secretary	Mr. Leung Wing Lun Room 2703, 27th Floor K. Wah Centre No. 191 Java road North Point, Hong Kong

Authorised representative	Mr. Wong Ben Room 2703, 27th Floor K. Wah Centre No. 191 Java Road North Point, Hong Kong
	Mr. Leung Wing Lun Room 2703, 27th Floor K. Wah Centre No. 191 Java Road North Point, Hong Kong
Financial adviser to the Company	Asian Capital Limited Suite 1405-1409 Bank of America Tower 12 Harcourt Road Central Hong Kong
Legal advisers to the Company (as to Hong Kong Law)	P. C. Woo & Co. Room 1225, 12th Floor Prince's Building No. 10 Chater Road Central Hong Kong
Restructuring adviser to the Company	Ernst & Young Transactions Limited 27/F, One Taikoo Place 979 King's Road Quarry Bay Hong Kong

**10. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT**

Set out below are the particulars and biographies of the existing Directors and senior management of the Company:

**(a) Particulars of the Directors and senior management of the Company**

<b>Name</b>	<b>Address</b>
<i>Executive Directors</i>	
Mr. Chai Kaw Sing	Room 2703, 27th Floor K. Wah Centre No. 191 Java road North Point, Hong Kong
Mr. Wong Ben	Room 2703, 27th Floor K. Wah Centre No. 191 Java road North Point, Hong Kong
Mr. Zhang Ayang <i>(duties suspended)</i>	Room 2703, 27th Floor K. Wah Centre No. 191 Java road North Point, Hong Kong
<i>Non-executive Director</i>	
Mr. Sun Yongtao	Room 2703, 27th Floor K. Wah Centre No. 191 Java road North Point, Hong Kong

<b>Name</b>	<b>Address</b>
<i>Independent non-executive Directors</i>	
Ms. Lo Yuk Yee	Room 2703, 27th Floor K. Wah Centre No. 191 Java road North Point, Hong Kong
Mr. Tso Siu Lun Alan	Room 2703, 27th Floor K. Wah Centre No. 191 Java road North Point, Hong Kong
Mr. Kwok Yiu Tong Henry	Room 2703, 27th Floor K. Wah Centre No. 191 Java Road North Point Hong Kong
<i>Senior management</i>	
Mr. Leung Wing Lun	Room 2703, 27th Floor K. Wah Centre No. 191 Java road North Point, Hong Kong

**(b) Biographies of the Directors and senior management of the Company**

*Executive Directors*

*Mr. Chai Kaw Sing*

Aged 45, is the executive Director. Mr. Chai joined the Group in July 2019 as an executive Director. Mr. Chai has extensive experience in general management, financing arrangement and brokering services for stocks and foreign exchange products. Mr. Chai founded Blackwell Global Group (including Blackwell Global Investments Limited and its subsidiaries), a global financial and brokerage service provider, in 2010 and has been its chairman since then. Mr. Chai has been the majority shareholder and director of Blackwell Global Holdings Limited, a company listed on the Main Board of New Zealand's Exchange (stock code: BGI: NZ) since June 2017. Mr. Chai obtained his degree in economics from National Cheng Chi University in 2000. Mr. Chai is responsible for the business development of the Group.

*Mr. Wong Ben (“Mr. Ben Wong”)*

Aged 42, is the executive Director. Mr. Ben Wong joined the Group in July 2019 as an executive Director. He has extensive experience in project investment and management. He has been working as a manager in a privately owned company in Hong Kong responsible for daily operation and exploring investment opportunities in different projects since January 2008. Prior to that, he worked in Stottler Henke as an AI software engineer from April 2005 to August 2007 where Mr. Wong was mainly responsible for software development, including writing proposals to clients, designing and implementing software. Mr. Ben Wong obtained his bachelor of Arts from Cornell University in 2001 and his master of science from Stanford University in 2004. He also obtained the professional certificate in business management from The Open University of Hong Kong in November 2011. He is the son of Mr. Wong Tseng Hon, a substantial shareholder of the Company. Mr. Ben Wong is responsible for the management of the Group’s office in Hong Kong and also the Group’s information technology system.

*Mr. Zhang Ayang (“Mr. Zhang”) (duties suspended)*

Aged 45, is the executive Director responsible for sales and marketing strategy and overseeing the sales of the Group, but his duties and powers as an executive Director have been suspended with effect from 15 December 2021 until further notice. Mr. Zhang joined the Group in December 2010 as the head of sales department. Mr. Zhang was promoted as the general manager of Dasen (Heze) Biomass Energy Limited, a Company’s wholly-owned subsidiary, in November 2014. Since November 2008, Mr. Zhang has been working at Jinjiang Qing Yang Xin Yi Material Trading Company, engaging in the wholesaling and retailing of wooden board, light steel keel and fireproof material. Mr. Zhang is responsible for sales and marketing strategy and overseeing the operations of the Group’s subsidiaries in the PRC.

*Non-executive Director**Mr. Sun Yongyao (“Mr. Sun”)*

Aged 64, is the non-executive Director and Chairman of the Board since March 2022. Mr. Sun joined the Group in May 2020 as an independent non-executive Director and redesignated as the executive Director on 26 November 2020. Mr. Sun has over 30 years of experience in finance and accounting. Mr. Sun is a senior accountant accredited by Guangdong Senior Title Evaluation Committee under Department of Finance of Guangdong Province, the PRC. Mr. Sun obtained his master degree in economics from Nankai University in 1986. From July 1993 to January 1996, he was a director and general manager of finance department of Shum Yip Investment Limited (now known as Shenzhen Investment Limited), a company listed on the Main Board of the Stock Exchange (stock code: 00604). From January 1996 to February 2002, he served as the financial controller, the deputy general

manager (general affairs) and a director of Hengli Weaving (Holdings) Limited. Mr. Sun was the deputy general manager and the financial controller of Daya Bay Nuclear Power Finance Corporation, Ltd. from February 2002 to November 2004. Mr. Sun was the chief accountant of Travelsky Technology Limited (“**Travelsky**”), a company listed on the Main Board of the Stock Exchange (stock code: 0696) from November 2004 to August 2017, and was a non-executive director of Travelsky from January 2007 to March 2009. Mr. Sun is responsible for the financial management and reporting and internal control matters of the Group’s operation in the PRC.

***Independent non-executive Directors***

*Ms. Lo Yuk Yee (“Ms. Lo”)*

Aged 61, is an independent non-executive Director. Ms. Lo joined the Group in November 2020 as an independent non-executive Director. Ms. Lo has over 25 years of experience in the banking, insurance, finance and investment fields. Ms. LO was the chairman and chief executive officer of MAXX Bioscience Holdings Limited (now known as China Grand Pharmaceutical and Healthcare Holding Limited), a company listed on the Main Board of the Stock Exchange (stock code: 512) from 2002 to 2006. Ms. Lo is also the founder of MAXX Capital Finance Limited, a company primarily engaged in providing commercial finance and structured finance advice, and has been the chief executive officer since its incorporation in 1999. Ms. Lo is currently the chairman, executive director and controlling shareholder of Finet Group Limited, a company listed on GEM of the Stock Exchange (stock code: 8317).

*Mr. Tso Siu Lun Alan (“Mr. Tso”)*

Aged 37, is an independent non-executive Director. Mr. Tso joined the Group in May 2020 as an independent non-executive Director. Mr. Tso is currently an independent non-executive director of Shi Shi Services Limited, a company listed on the GEM of the Stock Exchange (stock code: 8181), an independent non-executive director of OCI International Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 0329), and a responsible officer at Fenghua Asset Management Limited (CE No. BKV973), a company holding Type 4 and Type 9 licences from the Securities and Futures Commission for carrying out the regulated activities of advising on securities and asset management. Mr. Tso is the founder and director of China Mini Storage Limited (“**CMS**”), a company primarily engaged in the self storage business in PRC. Prior to establishing CMS, Mr. Tso worked as an investment director at the Everbright Ashmore China Real Estate Fund, a joint venture offshore real estate fund sponsored by the China Everbright Limited (stock code: 0165), a company listed on the Main Board of the Stock Exchange and the Ashmore Group plc, a company listed on the Main Market of the London Stock Exchange (stock code: ASHM), from 2008 to 2012. Previously, Mr. TSO also worked

at Merrill Lynch's Global Commercial Real Estate team from 2006 to 2007, where he was principally involved in investing activities in Asian real estate. Mr. Tso also worked at the HSBC's Global Capital Markets — ABS & Structured Bonds Team from 2005 to 2006 where he was principally involved in the bank's securitization business.

*Mr. Kwok Yiu Tong Henry (“Mr. Kwok”)*

Aged 64, is an independent non-executive Director. Mr. Kwok joined the Group in March 2022 as an independent non-executive Director. Mr. Kwok has over 40 years of experience in financial management field, mainly gained from reputable multi-national corporations. Mr. Kwok was the finance manager of Hyatt Regency Hong Kong from 1978 to 1989. Mr. Kwok was also the deputy CFO of Harvest International Hotel Ltd., Beijing Taiwan Hotel, and Shenzhen Century Hotel respectively from 1989 to 1998. Mr. Kwok is currently the CFO of a Shenzhen property developer. Mr. Kwok is familiar with the Hong Kong and China accounting standards as well as internal control of multi-national corporations.

*Senior management*

*Mr. Leung Wing Lun (“Mr. Leung”)*

Aged 39, has been the company secretary of the Group since April 2019 and is responsible for the secretarial matters of the Group. Mr. Leung has over 15 years of experience in providing professional corporate services and is a member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Group, Mr. Leung worked in Hop Fung Group Holdings Limited (stock code: 2320) from July 2004 to August 2005. He served in the Inland Revenue Department as contract assistant taxation officer in Hong Kong from September 2005 to March 2006. From March 2006 to July 2011, Mr. Leung worked as tax consultant at Thomas Lee & Partners Limited. In November 2010, Mr. Leung founded Superior Alliance Group Company Limited which provides professional corporate services. He has been acting as the director of Superior Alliance Group Company Limited since its establishment. Mr. Leung obtained a bachelor's degree in business administration majoring in accounting from the City University of Hong Kong in 2004. Mr. Leung is currently the company secretary of Maike Tube Industry Holdings Limited (stock code: 1553) since April 2019 and has been the company secretary of Hang Yick Holdings Company Limited from May 2018 to March 2021.

**11. EXPENSES**

The expenses in connection with the Open Offer, including financial advisory fees, printing and translation costs, registration fees, legal and accountancy charges and other fees are estimated to be approximately HK\$0.20 million and will be payable by the Company.

**12. LANGUAGE**

The English texts of this Prospectus and the accompanying Application Form shall prevail their respective Chinese text in case of inconsistency.

**13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG**

A copy of each of the Prospectus Documents and the written consent referred to in the paragraph headed “8. Expert and Consent” in this Appendix have been delivered to the Registrar of Companies in Hong Kong for registration as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

**14. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection (i) during normal business hours from 9:30 a.m. to 5:00 p.m. on any weekday (Monday to Friday, except public holidays) at the principal place of business in Hong Kong of the Company at Room 2703, 27th Floor, K. Wah Centre, No. 191 Java Road, North Point, Hong Kong; and (ii) on the Company’s website ([www.msdsn.com](http://www.msdsn.com)) and the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) for not less than 14 days from the date of this Prospectus:

- (i) the memorandum of association and bye-laws of the Company;
- (ii) the annual reports of the Company for the years ended 31 December 2019, 2020 and 2021;
- (iii) the “Letter from the Board” in this Prospectus;
- (iv) the report from Confucius International CPA Limited on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this Prospectus;
- (v) the written consent referred to in paragraph headed “8. Expert and Consent” in this Appendix III;
- (vi) the Circular; and
- (vii) the Prospectus Documents.