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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)**

## **PROPOSED SHARE CONSOLIDATION**

**Financial adviser to the Company**

**RAINBOW.**

RAINBOW CAPITAL (HK) LIMITED  
泓博資本有限公司

### **PROPOSED SHARE CONSOLIDATION**

The Board proposed that every two (2) Existing Shares in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share and to round down the number of the Consolidated Shares in the issued share capital of the Company to the nearest whole number by disregarding each and every fractional Consolidated Share which would otherwise arise therefrom. As at the date of this announcement, there are 1,691,359,093 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued from the date of this announcement up to the date of the EGM, upon the Share Consolidation becoming effective, there will be 845,679,546 Consolidated Shares in issue which are fully paid or credited as fully paid.

Currently, the Existing Shares are traded on the Stock Exchange in the board lot size of 30,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain unchanged at 30,000 Consolidated Shares.

### **GENERAL**

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. No Shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation. A circular containing, among other things, further details of the Share Consolidation and a notice convening the EGM is expected to be despatched to the Shareholders on or before 28 September 2023.

**Shareholders should take note that the Share Consolidation is conditional upon the fulfilment of certain conditions set out below. Therefore, the Share Consolidation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.**

## **PROPOSED SHARE CONSOLIDATION**

The Board proposes to implement the Share Consolidation on the basis that every two (2) issued Existing Shares be consolidated into one (1) Consolidated Share and to round down the number of the Consolidated Shares in the issued share capital of the Company to the nearest whole number by disregarding each and every fractional Consolidated Share which would otherwise arise therefrom.

### **Effects of the Share Consolidation**

As at the date of this announcement, there are 1,691,359,093 Existing Shares have been allotted and issued. Upon the Share Consolidation becoming effective and assuming that no Existing Shares are issued or bought back from the date of this announcement until the effective date of the Share Consolidation, not more than 845,679,546 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation and the payment to be made to Shareholders in relation to fractional Consolidated Shares to which they would otherwise be entitled as mentioned in the paragraph headed “Fractional entitlement to Consolidated Shares” below, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders would otherwise be entitled.

### **Conditions of the Share Consolidation**

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares; and
- (iii) the compliance with all relevant procedures and requirements under the applicable laws of Cayman Islands and the Listing Rules to effect the Share Consolidation.

The Share Consolidation is expected to become effective on Tuesday, 24 October 2023, being one clear Business Day immediately after the date of the EGM, subject to the fulfilment of the above conditions.

As at the date of this announcement, none of the above conditions have been fulfilled.

## **Listing Application**

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated 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 Consolidated Shares on the Stock Exchange or such other date 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 settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

## **Fractional entitlement to Consolidated Shares**

Fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

## **Arrangement on odd lot trading**

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, the Company will appoint a securities firm as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the circular to be despatched to the Shareholders.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

## **Exchange of certificates for Consolidated Shares**

Subject to the Share Consolidation becoming effective, which is currently expected to be Tuesday, 24 October 2023, Shareholders may during the period from Tuesday, 24 October 2023 to Wednesday, 29 November 2023 (both days inclusive), submit their existing share certificates for the Existing Shares (in blue colour) to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, No. 183 Queen's Road East, Wanchai, Hong Kong to exchange for new share certificates for the Consolidated Shares (in green colour) at the expense of the Company.

Shareholders should note that after the prescribed time for free exchange of new share certificates, a fee of HK\$2.50 per share certificate (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the branch share registrar for exchange of new share certificates issued for the Consolidated Shares or each existing share certificate for the Existing Shares submitted for cancellation, whichever the number of certificates issued or cancelled is higher.

After 4:10 p.m. on Monday, 27 November 2023, trading will only be in Consolidated Shares. Existing share certificates in blue colour for the Existing Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title.

## **ADJUSTMENTS IN RELATION TO OTHER SECURITIES OF THE COMPANY**

The Company issued the Convertible Bonds at an aggregate principal amount of HK\$7,800,000 on 24 March 2023 and the Convertible Bonds will mature on 23 March 2025. Pursuant to the terms of the Convertible Bonds, the conversion price of the Convertible Bonds will be adjusted upon the Share Consolidation becoming effective. The Company will make further announcement(s) on such adjustments as and when appropriate.

Save as disclosed above, as at the date of this announcement, the Company has no other outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

## **REASONS FOR AND BENEFITS OF THE SHARE CONSOLIDATION**

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. The "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 (the "**Guide**") has further stated that market price of the shares at a level less than HK\$0.10 will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules. It has also stated in the Guide that taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000.

In view of the recent trading price of the Shares, the Board considers that the Share Consolidation will increase the nominal value of the Shares and will reduce the total number of Shares currently in issue and therefore, it is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price of the Consolidated Shares and would enable the Company to comply with the trading requirements under the Listing Rules. In addition, the Share Consolidation would reduce the overall transaction and handling costs of dealings in the Consolidated Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction costs for each securities transaction. With a corresponding upward adjustment in the trading price of the Consolidated Shares, the Board believes that the Share Consolidation would make investing in the Shares more attractive to a broader range of investors, and therefore further broaden the shareholder base of the Company.

The Board considers that the Share Consolidation is essential to achieve the above-mentioned purpose. Taking into account of the potential benefits, the Board is of the view that the Share Consolidation is in the best interest of the Company and the Shareholders as a whole.

With reference to the announcement of the Company dated 7 September 2023, the Company entered into a settlement deed with Mr. Wong Tseng Hon, pursuant to which the Company has conditionally agreed to allot and issue, and Mr. Wong Tseng Hon has conditionally agreed to subscribe for, a total of 500,000,000 Shares at the price of HK\$0.04 per Share for the settlement of an indebted sum in the amount of HK\$20.0 million (the “**Subscription**”). Save for the Subscription, the Company does not have any concrete plan or intention to conduct any other fund-raising activities or corporate actions which may have an effect of undermining or negating the intended purpose of the Share Consolidation in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund-raising activities when suitable fund-raising and/or investment opportunities arise in order to support, among others, working capital requirements and future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

## **NO CHANGE IN BOARD LOT SIZE**

The Existing Shares are currently traded on the Stock Exchange in board lot size of 30,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain unchanged at 30,000 Consolidated Shares per board lot.

Based on the closing price of HK\$0.076 per Existing Share (equivalent to the theoretical closing price of HK\$0.152 per Consolidated Share) as at the date of this announcement, (i) the value per board lot of 30,000 Existing Shares is HK\$2,280; and (ii) the value per board lot of 30,000 Consolidated Shares would be HK\$4,560 on the assumption that the Share Consolidation becomes effective.

## EXPECTED TIMETABLE

The expected timetable for the Share Consolidation is set out below. The expected timetable is subject to the results of the EGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

<b>Event</b>	<b>2023</b>
Despatch date of circular with notice of the EGM	On or before Thursday, 28 September
Latest time for lodging transfers of shares in order to qualify for attendance and voting at the EGM	4:30 p.m. on Monday, 16 October
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the EGM (both days inclusive)	Tuesday, 17 October to Thursday, 19 October
Latest time for lodging forms of proxy for the EGM	2:00 p.m. on Tuesday, 17 October
Date and time of the EGM	2:00 p.m. on Thursday, 19 October
Publication of the announcement of the poll results of the EGM	Thursday, 19 October
Effective date of the Share Consolidation	Tuesday, 24 October
First day of free exchange of existing share certificates into new share certificates for the Consolidated Shares	Tuesday, 24 October
Commencement of dealings in the Consolidated Shares	9:00 a.m. on Tuesday, 24 October
Original counter for trading in the Existing Shares in board lots of 30,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Tuesday, 24 October
Temporary counter for trading in Consolidated Shares in board lots of 15,000 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Tuesday, 24 October

## Event

2023

Original counter for trading in the Consolidated Shares in board lots of 30,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Tuesday, 7 November
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) commences	9:00 a.m. on Tuesday, 7 November
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m. on Tuesday, 7 November
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares	4:00 p.m., on Monday, 27 November
Temporary counter for trading in the Consolidated Shares in board lots of 15,000 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m., on Monday, 27 November
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) ends	4:10 p.m., on Monday, 27 November
Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares	4:30 p.m., on Wednesday, 29 November

## GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. No Shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation. A circular containing, among other things, further details of the Share Consolidation and a notice convening the EGM is expected to be despatched to the Shareholders on or before 28 September 2023.

**Shareholders should take note that the Share Consolidation is conditional upon the fulfilment of certain conditions set out below. Therefore, the Share Consolidation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.**

## DEFINITIONS

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

“Board”	the board of directors of the Company
“Business Day”	day(s) (excluding Saturdays, Sundays and public holidays) on which banks are open for business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“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)
“Consolidated Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company after the Share Consolidation becoming effective
“Convertible Bonds”	the convertible bonds in an aggregate principal amount of HK\$7,800,000 issued by the Company on 24 March 2023
“Director(s)”	member(s) of the Board of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the proposed Share Consolidation
“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the existing share capital of the Company before the Share Consolidation becoming effective
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Share(s)”	the Existing Share(s) and/or the Consolidated Share(s), as the case may be
“Share Consolidation”	the proposed consolidation of every two (2) issued and unissued Existing Shares in the share capital of the Company into one (1) Consolidated Share in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board  
**Da Sen Holdings Group Limited**  
**SUN Yongtao**  
*Chairman and non-executive Director*

Hong Kong, 15 September 2023

*As at the date of this announcement, the executive Directors are Mr. CHAI Kaw Sing, Mr. WONG Ben and Mr. ZHANG Ayang (duties suspended); the non-executive Director is Mr. SUN Yongtao; and the independent non-executive Directors are Mr. CHAN Shiu Yuen Sammy, Mr. KWOK Yiu Tong and Ms. LO Yuk Yee.*