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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)

QUARTERLY UPDATE ON IMPLEMENTATION OF ACTION PLAN TO RESOLVE AUDITOR'S DISCLAIMER OF OPINION ON THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

Reference is made to the annual report of Da Sen Holdings Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") for the year ended 31 March 2026 ("**2026 Year**") published on 31 July 2026 (the "**Annual Report**"). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those used in the Annual Report.

As disclosed in the Annual Report, the Auditor expressed a Disclaimer of Opinion on the consolidated financial statements of the Group for the 2026 Year (the "**Disclaimer of Opinion**") due to scope limitation relating to the going concern basis of preparation of the consolidated financial statements, the details of which are set out on pages 33 to 35 of the Annual Report. The Company proposed to implement the action plan as set out on pages 42 to 44 of the Annual Report (the "**Action Plan**") to address the Disclaimer of Opinion.

The Company wishes to provide updates on the implementation of the Action Plan, since 31 July 2026, being the date of publication of the Annual Report, and up to the date of this announcement (the "**Relevant Period**"), as follows:

1. Loan repayments

The Group has made repayment of RMB5 million to other loan lenders in the Relevant Period. The management of the Group is in negotiation with the lenders of the other expired loans to extend the repayment terms. The management of the Group is also working closely with the banks and is reasonably confident that the bank borrowings can be successfully extended when the loans fall due.

The Group is also planning to carry out a placing of new shares under the general mandate to repay a substantial portion of the other loans.

2. Proposed placing of new shares

The management of the Group has been in negotiation with potential investors to subscribe for new shares under the general mandate to finance the operating expenses of the Group. It is expected that the Company can raise not less than RMB20 million to repay the loans as well as to finance the operations of the sales of plywood.

Reference is also made to the Company's previous proposed placing of new shares. As disclosed in the Company's announcements, the last placing was not completed due to technical reasons. Notwithstanding the foregoing, certain potential investors have indicated continued interest in participating in a new placing of shares of the Company.

The Company is actively exploring a fresh placing exercise under the general mandate to raise additional equity capital. The proceeds from any such placing are intended to be used for (i) repayment of outstanding loans and debts, (ii) funding the remaining capital expenditure required for the modernisation of the Shandong production base, and (iii) providing working capital for the Group's plywood operations. Further announcement(s) will be made by the Company as and when appropriate in accordance with the Listing Rules.

3. Business development

The Group has successfully completed the acquisition of Chance Rich International Trading Limited (the "**Target Company**"), a company principally engaged in the sourcing and sales of high-quality plywood products to overseas markets such as Japan and Europe. The acquisition was approved by shareholders on 22 June 2026 and completed on 11 September 2026.

Following completion of the acquisition, the Group has resumed commercial production and sales of both existing and higher-specification plywood products. Production and sales commenced in September 2026, with orders currently being fulfilled from the Group's Shandong facility and an interim production facility in Jiangmen. Based on the Group's unaudited management accounts, aggregate sales of approximately RMB4 million were recorded in September 2026 and October 2026 (to date), with gross profit margins ranging between 8% and 12%.

The modernisation of the Shandong production base is underway. Outstanding items include the recovery of certain leased land required for logistics and storage, and the installation of additional machinery for higher-specification products, which is planned following the proposed equity fundraising. To support near-term production of new products, the Group has entered into a short-term lease of a portion of a factory in Jiangmen as an interim solution. Full-scale production is intended to be carried out at the Shandong facility upon completion of its modernisation, which is currently expected by the end of 2026.

The Group has strategically refocused its resources on the core plywood and wood products manufacturing business. A centralised sales function has been established, consolidating customer relationships from both the Group and the Target Company. Management considers these developments to be positive and expects the financial performance and position of the Group to improve accordingly.

4. Appointment of Independent Non-executive Director

The Board has identified a suitable candidate for appointment as an independent non-executive Director of the Company. The proposed appointee possesses relevant experience and expertise that the Board considers will assist the Company in addressing the matters relating to the Disclaimer of Opinion and in strengthening the corporate governance and oversight of the Group. The Company is currently finalising the relevant appointment procedures and will make a further announcement in accordance with the Listing Rules as and when the appointment is effected.

5. Discussions with the Auditor

The Company has held discussions with its auditor regarding the progress of the implementation of the Action Plan and the measures taken to address the going concern issue. The auditor has expressed positive comments on the Company's efforts to resolve the Disclaimer of Opinion relating to the going concern basis of preparation of the consolidated financial statements. The Company will continue to engage with the auditor and provide further updates as appropriate.

6. Other progress

In addition to the above, the Group has continued to make adjustments to control administrative costs and contain unnecessary capital expenditures to preserve liquidity as well as to actively assess additional measures to further reduce discretionary spending. The Group has also continued to seek suitable opportunities to dispose of the equity interest in certain project development companies to generate additional cash inflows. These efforts are ongoing and would require time to formulate or implement due to ongoing changes in market conditions.

The Board will continue to use its best endeavours to implement the Action Plan with an aim to resolving the Disclaimer of Opinion as soon as possible. The Company will publish further announcement(s) to keep the Company's shareholders and potential investors informed of the status of implementation of the Action Plan as and when appropriate.

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

Hong Kong, 30 October 2026

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