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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)

PROFIT WARNING

This announcement is made by Da Sen Holdings Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the unaudited consolidated financial information of the Group for the year ended 31 December 2020 and taking into consideration the information currently available to the Board, the Group is expected to record a consolidated net loss of the Group for the year ended 31 December 2020 of not less than RMB150.0 million as compared with the audited consolidated net loss of the Group of approximately RMB75.6 million for the year ended 31 December 2019. This amount is subject to further adjustments upon completion of impairment assessment on certain items on the Group’s consolidated balance sheet, including but not limited to, the trade and other receivables balance, the inventories balance, the property, plant and equipment balance and right-of-use assets balance.

The Directors consider that the expected deterioration of the Group’s financial performance for the year ended 31 December 2020 is mainly due to (i) a significant drop in revenue brought about by COVID-19 which affected the US and European markets where the end products of the Group’s customers are sold; (ii) a significant discounted sales in the Group’s products to enhance the Group’s cash flow needs after the factory was closed during the initial phases of the COVID-19 pandemic; and (iii) impairments necessary on certain items on the Group’s consolidated balance sheet, including but not limited to impairment provisions made to the trade and other receivables, the inventories, the property, plant and equipment and right-of-use assets.

The information contained in this announcement is only based on a preliminary assessment performed by the Board with reference to the information currently available to the Board, including the latest version of the Group's unaudited consolidated financial information, which have not been confirmed or reviewed by the audit committee of the Company, and is not based on any data or information which has been audited by the external auditor of the Company and is subject to finalization and adjustments. The Company and the external auditor of the Company are in the process of finalising the Group's audited consolidated financial statements for the year ended 31 December 2020 and the audited financial results may be different from what is disclosed in this announcement.

The annual results of the Group for the year ended 31 December 2020 is expected to be published by the end of March 2021 (the “**Annual Result Announcement**”). Shareholders and potential investors are advised to refer to the Annual Result Announcement for more detailed information.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Da Sen Holdings Group Limited
CHAI Kaw Sing
Executive Director

Hong Kong, 15 March 2021

As at the date of this announcement, the executive Directors are Mr. CHAI Kaw Sing, Mr. SUN Yongtao, Mr. WONG Ben, Mr. WONG Wai Keung Frederick and Mr. ZHANG Ayang; and the independent non-executive Directors are Mr. KWOK Wai Ching Harrison, Ms. LO Yuk Yee and Mr. TSO Siu Lun Alan.