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中國寶沙發展控股有限公司
China Bozza Development Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
(Provisional Liquidators Appointed)
(For Restructuring Purpose)
(Stock code: 1069)

**QUARTERLY UPDATE ANNOUNCEMENT ON THE RESUMPTION PROGRESS
AND
CONTINUED SUSPENSION OF TRADING**

This announcement is made by China Bozza Development Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Reference is made to the Company’s (i) announcements dated 3 December 2020, 9 December 2020, 28 January 2021, 11 May 2021 and 29 October 2021 in relation to, among other things, Professor Fei Philip’s filing of a winding up petition against the Company at the Grand Court of the Cayman Islands (the “**Petition**”), the application by the Company for the appointment of joint provisional liquidators (the “**JPLs**”) to the Company for restructuring purposes, and the obtaining of an order granted by the High Court of Hong Kong for the recognition of the appointment of the JPLs; (ii) announcements dated 30 September 2021, 30 November 2021 and 15 December 2021 in relation to, among other things, the delay in publication of the audited results of the Company for the eighteen months ended 30 June 2021 (the “**2021 Annual Results**”); (iii) the announcements of the Company dated 31 December 2021 and 27 June 2022 in relation to the guidance received from the Stock Exchange regarding the resumption of trading of the Company’s shares on the Stock Exchange; (iv) the announcements of the Company dated 5 January 2022, 11 April 2022, 4 July 2022 and 7 October 2022 in relation to the quarterly update on the resumption progress of the Company; (v) the announcements of the Company dated 26 August 2022 and 1 September 2022 in relation to a funding agreement entered into by the Company; and (vi) the announcement of the Company dated 30 December 2022 in relation to the proposed restructuring of the Company (collectively, the “**Announcements**”). Unless the context otherwise requires, capitalised terms used herein shall have the same meaning as those defined in the Announcements.

The Board wishes to inform the Company’s shareholders and potential investors of the progress of actions recently taken by the Company to fulfil the Resumption Guidance, including the latest development of the Group’s business operations.

BUSINESS OPERATION

The Group is principally engaged in forestry management, ginseng related business and investment holding.

As disclosed in the announcements of the Company dated 26 August 2022 and 1 September 2022, the Company, Zhonggangtong International Holding Group Co., Limited (the “**Investor**”), and Mr. Osman Mohammed Arab and Mr. Lai Wing Lun of RSM Corporate Advisory (Hong Kong) Limited and Mr. Nicholas John Trott of R&H Restructuring (Cayman) Ltd., acting in their capacity as the JPLs, have entered into the Funding Agreement on 23 August 2022, pursuant to which the Investor has agreed to grant a credit facility of up to HKD26 million to the Company, subject to the terms and conditions thereunder.

The Funding Agreement was entered into for the sole purpose of securing the Loan to facilitate the preparation and implementation of the proposed restructuring plan of the Group and the fulfilment of the Resumption Guidance, as well as to support the business operation of the Group to ensure that the Company will continue to be in satisfaction of the listing requirements. The Funding Agreement has been sanctioned by the Grand Court of the Cayman Islands on 17 October 2022.

As disclosed in the announcement of the Company dated 30 December 2022, on 30 December 2022, the Company and the Joint Provisional Liquidators entered into the Restructuring Framework Agreement with the Investor, pursuant to which the Company will implement the Proposed Restructuring which involves restructuring of the debts and liabilities, capital structure and share capital of the Company including (i) the Capital Reorganisation and the Change in Board Lot Size; (ii) the Subscription; (iii) the Creditors’ Scheme involving (a) the Creditors’ Scheme Cash Consideration; (b) the Scheme Shares Issue; and (c) the Promissory Notes Issue; (iv) the Whitewash Waiver; and (v) the Special Deals.

Following the entering into of the Restructuring Framework Agreement, the Company intends to submit the Resumption Proposal containing details of the same transactions contemplated under the Proposed Restructuring to the Stock Exchange for the purpose of seeking a resumption of trading of the Shares on the Main Board of the Stock Exchange.

As the Proposed Restructuring is subject to various sanctions and approvals (as applicable) by the Hong Kong Court, the Shareholders, the Stock Exchange, the Executive and the Creditors, there is therefore no assurance that the Proposed Restructuring will be materialised. The Company will make further announcement(s) in accordance with the Listing Rules and the Takeovers Code as and when appropriate.

In addition, the Board remains committed to improving the long-term financial performance and business operations of the Group over time with a view to fulfil the requirements set out in the Resumption Guidance. In this connection, the Board is exploring potential business opportunities and actively examining the possibility of strategic cooperation with potential business partners.

UPDATE ON RESUMPTION PROGRESS

As disclosed in the Company's announcements dated 31 December 2021 and 27 June 2022, the Stock Exchange has given the following Resumption Guidance for the Company:

- (a) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (b) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules;
- (c) have the Petition withdrawn or dismissed and the JPLs discharged;
- (d) inform the market of all material information for the Company's shareholders and investors to appraise the Company's position; and
- (e) re-comply with the requirements under Rules 3.10, 3.10A and 3.21 of the Listing Rules.

The Board would like to provide the following updates on the status of the satisfaction of the resumption conditions pursuant to the Resumption Guidance.

Resumption Condition (i) – publish all outstanding financial results required under the Listing Rules and address any audit modifications

As disclosed in the announcements of the Company dated 15 December 2021, 31 December 2021, 5 January 2022, 11 April 2022, July 2022 and 7 October 2022, the Auditor is currently in the process of carrying out its audit work and performing audit procedures for the 2021 Annual Results. The 2021 Annual Results is expected to be published in January 2023. The interim results of the Group for the six months ended 31 December 2021 and the annual results of the Group for the year ended 30 June 2022 are expected to be published by February 2023.

Resumption Condition (ii) – demonstrate the Company's compliance with Rule 13.24 of the Listing Rules

The Company is currently in the process of assessing the implication(s) of, and the requirements for Company's compliance with, Rule 13.24 of the Listing Rules.

Resumption Condition (iii) – have the Petition withdrawn or dismissed and the JPLs discharged

Pursuant to the Restructuring Framework Agreement, an application will be made to the Cayman Court prior to Completion for an order sanctioning the withdrawal or stay of the Petition and the discharge of the JPLs.

Resumption Condition (iv) – inform the market of all material information for the Company’s shareholders and investors to appraise the Company’s position

To the best of the Directors’ knowledge, information and belief, the Company has disclosed all material information for its shareholders and potential investors to appraise the Company’s position. The Company will continue to make announcement(s) as and when appropriate in accordance with the Listing Rules to keep its shareholders and potential investors informed of all material information of the Group.

Resumption Condition (v) – comply with the requirements under Rules 3.10, 3.10A and 3.21 of the Listing Rules

As disclosed in the announcement of the Company dated 30 June 2022, following the appointment of three independent non-executive Directors (i.e. Ms. Wong Hoi Ying, Mr. Wang Yibin and Mr. Guo Zhonglong), the Company meets the requirements under Rules 3.10, 3.10A and 3.21 of the Listing Rules.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 4 October 2021 and will remain suspended pending the fulfilment of the Resumption Guidance.

Further announcement(s) will be made by the Company as and when appropriate in accordance with the Listing Rules to keep its shareholders and potential investors informed of, amongst others, the progress of the fulfilment of the Resumption Guidance and the business operations of the Group. The Company shall also announce quarterly update(s) every three (3) months from the date of this announcement until resumption or cancellation of listing (whichever is earlier).

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

By order of the Board
China Bozza Development Holdings Limited
(Provisional Liquidators Appointed)
(For Restructuring Purposes)
Professor Fei Phillip
Chairman and Executive Director

Hong Kong, 5 January 2023

As at the date of this announcement, the Board comprises Professor Fei Phillip, Mr. Li Wenjun, Mr. Wang Yue, Ms. Hui Hing Conniel and Mr. Lai Chi Yin Samuel as the executive Directors; and Mr. Gu Sotong as the non-executive Director; and Mr. Liu Zhaoxiang, Ms. Wong Hoi Ying, Mr. Wang Yibin and Mr. Guo Zhonglong as the independent non-executive Directors.