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)

(Stock code: 1069)

ANNOUNCEMENT OF AUDITED RESULTS FOR THE YEAR ENDED 30 JUNE 2023

FINANCIAL HIGHLIGHTS

- Revenue from continuing operations for the year ended 30 June 2023 ("**FY2023**") amounted to approximately Renminbi ("**RMB**") 58.7 million.
- Loss attributable to owners of the Company for FY2023 amounted to approximately RMB10.8 million (year ended 30 June 2022 (the "**FY2022**"): loss of approximately RMB18.9 million).
- Total comprehensive expense attributable to owners of the Company for FY2023 amounted to approximately RMB10.1 million (FY2022: RMB29.3 million).
- The gearing ratio as at 30 June 2023 was approximately 325.2% (2022: 427.9%), representing a decrease of 24.0% as compared with 2022.
- Basic loss per share from continuing and discontinued operations for FY2023 amounted to RMB9.80 cents (FY2022: loss of RMB17.14 cents).
- The board (the "**Board**") of directors of the Company (the "**Directors**") does not recommend the payment of any dividend for FY2023 (FY2022: nil).

FINANCIAL RESULTS

The board (the "**Board**") of China Bozza Development Holdings Limited (the "**Company**") hereby announces the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 30 June 2023 (the "**FY2023**") together with the comparative figures for the year ended 30 June 2022 (the "**FY2022**") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2023

	Notes	**2023** **RMB'000**	2022 *RMB'000*
Continuing operations			
Revenue	*4*	**58,717**	6,756
Cost of sales		**(47,207)**	(6,756)
Gross profit		**11,510**	–
Investment and other income	*6*	**7,969**	147
Other gains, net	*7*	**2,749**	12,396
Selling and distribution expenses		**(720)**	(45)
Administrative expenses		**(19,198)**	(11,662)
Finance costs	*8*	**(11,684)**	(21,219)
Loss before tax		**(9,374)**	(20,383)
Income tax expense	*9*	**(1,426)**	–
Loss for the year from continuing operations	*10*	**(10,800)**	(20,383)
Discontinued operations			
Profit for the year from discontinued operations	*11*	**–**	1,483
Loss for the year		**(10,800)**	(18,900)
Other comprehensive income/(expense)			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translation of financial statements of foreign operations		**727**	(10,416)
Other comprehensive income/(expense) for the year		**727**	(10,416)
Total comprehensive expense for the year		**(10,073)**	(29,316)

	Notes	**2023**	2022
		RMB'000	*RMB'000*
Loss for the year attributable to owners of the Company			
– Continuing operations		**(10,800)**	(20,383)
– Discontinued operations		**–**	1,483
Loss for the year		**(10,800)**	(18,900)
Total comprehensive expense for the year attributable to owners of the Company			
– Continuing operations		**(10,073)**	(30,799)
– Discontinued operations		**–**	1,483
Total comprehensive expense for the year		**(10,073)**	(29,316)
		RMB cents	*RMB cents* (restated)
Loss per share from continuing operations	*13*		
Basic		**(9.80)**	(18.49)
Diluted		**N/A**	N/A
Loss per share from continuing and discontinued operations	*13*		
Basic		**(9.80)**	(17.14)
Diluted		**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	**2023** **RMB'000**	2022 *RMB'000*
Non-current assets			
Property, plant and equipment		**1,293**	28
Right-of-use assets		**46,309**	44,633
Plantation forest assets		**48,420**	35,910
Plantation ginseng assets		**22,000**	–
Goodwill		**–**	–
Other intangible assets		**–**	–
		118,022	80,571
Current assets			
Inventories		**987**	–
Trade and other receivables	*14*	**10,399**	5,532
Loans receivable		**–**	–
Deposits and prepayments		**6,908**	6,308
Bank balances and cash		**4,327**	1,106
		22,621	12,946
Current liabilities			
Trade and other payables	*15*	**99,008**	78,059
Promissory notes payable		**58,035**	53,429
Corporate bonds payable		**282,191**	216,203
Lease liabilities		**2,092**	–
Contingent consideration payable		**–**	–
Income tax payable		**1,568**	120
		442,894	347,811
Net current liabilities		**(420,273)**	(334,865)
Total assets less current liabilities		**(302,251)**	(254,294)

	Notes	**2023**	2022
		RMB'000	*RMB'000*
Non-current liabilities			
Corporate bonds payable		**13,351**	52,341
Lease liabilities		**1,106**	–
		(14,457)	(52,341)
Net liabilities		**(316,708)**	(306,635)
Capital and reserves			
Share capital		**19,016**	19,016
Reserves		**(335,724)**	(325,651)
Total deficit on equity		**(316,708)**	(306,635)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2023

1. GENERAL INFORMATION

China Bozza Development Holdings Limited (the "**Company**") is a public limited company incorporated in the Cayman Islands. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The trading of shares of the Company had been suspended by the Stock Exchange from 4 October 2021 and the trading of shares was resumed on 28 July 2023 after the Company has completed restructuring on 28 July 2023 and has fulfilled all the resumption guidance issued by the Stock Exchange to the Company. Details of completion of the restructuring and fulfilment of resumption guidance and resumption of trading are set out in the Company's announcements dated 28 July 2023.

The addresses of the registered office and the principal place of business are Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands and Unit 12, 12th Floor, Tower A, New Mandarin Plaza, No. 14 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong respectively. The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in forestry and ginseng management and investment holding.

In prior years, the Company's functional currency was Hong Kong dollar ("**HK$**"). The Company is an investment holding company. Due to the continuing expansion of the Group's business operations in Mainland China ("**PRC**") which are transacted mainly in Renminbi ("**RMB**"), the directors have determined that the functional currency of the Company changed from HK$ to RMB on the prospective basis from 1 July 2022. As the operations of the Group are mainly carried out in the PRC, the directors of the Company consider it appropriate to present the consolidated financial statements in RMB.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

Going concern

Notwithstanding that (a) as of 30 June 2023, the Group's net liabilities amounted to approximately RMB316,708,000; and (b) the current liabilities of the Group at 30 June 2023 exceed its current assets at that date by approximately RMB420,273,000, and that the Group's current liabilities at that date includes promissory notes payable, corporate bonds payable and accrued interests on these payables with the carrying amounts of approximately RMB58,035,000, RMB282,191,000 and RMB37,937,000 respectively, the directors of the Company consider it appropriate for the preparation of the consolidated financial statements on a going concern basis after taking into account of the following circumstances and measures implemented or to be implemented:

(i) On 28 July 2023, the restructuring framework agreement dated 30 December 2022 was approved by the government and regulatory bodies including the SFC and the Stock Exchange, and the shareholders and the creditors of the Company, pursuant to which the Company implemented restructuring of the debts, liabilities and share capital of the Company, including (i) on 28 July 2023, the Company issued 466,000,000 shares to Zhonggangtong International Holdings Group Co., Limited ("**Zhanggangtong**") at the issue price of HK$0.1288 per share for a total consideration of approximately HK$60 million, part of which has been applied for the settlement of the outstanding amount of the credit facility, approximately amounted to HK$26 million, drawn down by the Company under the Funding Agreement and the claims of creditors under the Creditors' Scheme; (ii) on 28 July 2023, the Company issued 140,000,000 shares to China Bozza Scheme Limited ("**Scheme Company**"), which holds the shares for the benefit of the creditors, at the issue price of HK$0.55 per share for a total consideration of approximately HK$77 million, on a pro-rata basis for the claims of creditors under the Creditors' Scheme; and (iii) on 28 July 2023, the Company issued promissory notes with a principal amount of HK$120 million, carrying interest at nil for the first year, 2% per annum for the second year, 3% per annum for the third year, 4% per annum for the fourth year and 6% per annum for the fifth year, to the Scheme Company for the benefit of the creditors on a pro-rata basis for the claims of creditors under the Creditors' Scheme, and the promissory note will mature on 28 July 2028. Details regarding the Restructuring Framework Agreement are set out in the announcements dated 30 December 2022 and 28 July 2023 made by the Company; and

(ii) Management of the Group will closely monitor the financial position of the Group and the directors of the Company will make every effort (a) to secure funds as necessary to finance the business operations of the Group for the foreseeable future; and (b) to negotiate with the holders of the promissory notes payable, and the lenders of the corporate bonds payable for the extension of repayments of these notes and bonds to a date when the Group has adequate working capital to serve the repayments.

In light of the measures and arrangements implemented to date, the directors of the Company are of the view that the Group will have sufficient cash resources to satisfy its working capital and other financial obligations for the next twelve months from the date of approval of these consolidated financial statements after having taken into account of the Group's projected cash flows, current financial resources and capital expenditure requirements with respect to the production facilities and development of its businesses. Accordingly, the directors of the Company are of the view that it is appropriate to prepare these consolidated financial statements on a going concern basis.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to restate the values of assets to their net realisable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these potential adjustments have not been reflected in these consolidated financial statements.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the "Amendments to References to the Conceptual Framework in HKFRS Standards" and the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 July 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRS 1, HKFRS 9, HKFRS 16 and HKAS 41	Annual Improvements to HKFRS 2018–2020
Amendments to AG5	Merger Accounting for Common Control Combinations

The application of the amendments to HKFRSs in the current year had no material impact on the Group's financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments[1]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current[2]
Amendments to HKAS 1	Non-current Liabilities with Covenants[2]
Amendments to HKAS 8	Definition of Accounting Estimates[1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[2]

[1] Effective for annual periods beginning on or after 1 January 2023.

[2] Effective for annual periods beginning on or after 1 January 2024.

[3] Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of all the new and amendments to HKFRSs that are not yet effective will have no material impact on the consolidated financial statements in the foreseeable future.

4. REVENUE

An analysis of the Group's revenue is as follows:

	2023	2022
	RMB'000	*RMB'000*
Continuing operations:		
Revenue from sales of goods	**58,717**	6,756
Revenue from continuing operations	**58,717**	6,756
Discontinued operation:		
Sales and installation of container houses	**–**	833
Sales return from sales and installation of container houses *(Note 11)*	**–**	(3,535)
Revenue from discontinued operation	**–**	(2,702)
Total revenue	**58,717**	4,054

Revenue from sales of goods and sales and installation of container houses is recognised at point in time when the control of the goods and container houses are transferred to customers.

5. SEGMENT INFORMATION

Information reported to the chairman of the Board (being the chief executive decision maker) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods and services delivered. As set out in note 11, the Group's container houses business was classified as discontinued operation in the prior year.

The Group's reportable operating segments are analysed as follows:

Continuing operations:

(i) Forestry Business – plantation, logging and sale of timber related products; and

(ii) Ginseng Business – ginseng plantation and trading of related products.

Discontinued operation:

(i) Container Houses Business – provision of services in relation to management, leasing, sale and installation of container houses and related business.

Information regarding the above segments for the years ended 30 June 2023 and 2022 is presented below.

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments:

For the year ended 30 June 2023

	Continuing operations			**Discontinued operation**	
	Forestry Business *RMB'000*	**Ginseng Business** *RMB'000*	**Sub-total** *RMB'000*	**Container Houses Business** *RMB'000*	**Total** *RMB'000*
Segment revenue	**25,603**	**33,114**	**58,717**	**–**	**58,717**
Segment profit	**32,016***	**7,704**	**39,720**	**–**	**39,720**
Unallocated bank interest income					**13**
Other unallocated income					**7,919**
Unallocated impairment loss on other receivables					**(708)**
Other unallocated expenses					**(44,634)**
Finance costs					**(11,684)**
Loss before tax					**(9,374)**
Income tax expense					**(1,426)**
Loss for the year					**(10,800)**

For the year ended 30 June 2022

	Continuing operations			Discontinued operation	
	Forestry Business *RMB'000*	Ginseng Business *RMB'000*	Sub-total *RMB'000*	Container Houses Business *RMB'000*	Total *RMB'000*
Segment revenue	6,756	–	6,756	(2,702)	4,054
Segment profit	10,902*	–	10,902	725	11,627
Unallocated bank interest income					2
Other unallocated income					146
Unallocated impairment loss on other receivables					–
Other unallocated expenses					(10,213)
Finance costs					(21,219)
Loss before tax					(19,657)
Income tax credit					757
Loss for the year					(18,900)

	2023 *RMB'000*	2022 *RMB'000*
* Segment loss of Forestry Business before change in fair value less costs to sell of plantation forest assets and impairment	**(6,090)**	(1,613)
Net gain on change in fair value less costs to sell of plantation forest assets	**38,113**	12,526
Impairment loss on trade receivables	**(7)**	(11)
Segment profit of Forestry Business	**32,016**	10,902

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2022: Nil).

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/loss represent the profit/loss earned from each segment without allocation of central administrative costs including directors' salaries and other corporate administrative costs, bank interest and sundry income, loss on disposal of a subsidiary, impairment loss on other receivables and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

	2023	2022
	RMB'000	*RMB'000*
Segment assets		
Forestry Business	**98,631**	84,323
Ginseng Business	**34,438**	–
Total segment assets	**133,069**	84,323
Assets attributable to discontinued operations	**–**	1,315
Unallocated assets	**7,574**	7,879
Consolidated assets	**140,643**	93,517

	2023	2022
	RMB'000	*RMB'000*
Segment liabilities		
Forestry Business	**7,235**	5,958
Ginseng Business	**7,656**	–
Total segment liabilities	**14,891**	5,958
Liabilities attributable to discontinued operations	**–**	1,854
Unallocated liabilities	**442,460**	392,340
Consolidated liabilities	**457,351**	400,152

For the purposes of monitoring segment performance and allocating resources between segments:

– all assets are allocated to operating segments other than bank balances and cash and other assets for corporate use including certain property, plant and equipment, other receivables and deposits and prepayments. Assets used jointly by segments are allocated on the basis of the revenue earned by individual segments; and

– all liabilities are allocated to operating segments other than promissory notes payable, corporate bonds payable, contingent consideration payable, income tax payable and certain other payables. Liabilities for which segments are jointly liable are allocated in proportion to segment assets.

Other segment information

For the year ended 30 June 2023

	Continuing operations			Discontinued operation		
	Forestry Business *RMB'000*	**Ginseng Business** *RMB'000*	**Sub-total** *RMB'000*	**Container Houses Business** *RMB'000*	**Unallocated** *RMB'000*	**Total** *RMB'000*
Amounts included in the measure of segment profit/loss or segment assets						
Additions to non-current assets *(Note)*	**–**	**5,460**	**5,460**	**–**	**–**	**5,460**
Depreciation of property, plant and equipment	**–**	**2**	**2**	**–**	**9**	**11**
Depreciation of right-of-use assets	**1,463**	**1,046**	**2,509**	**–**	**–**	**2,509**
Loss on disposal of right-of-use assets	**–**	**–**	**–**	**–**	**–**	**–**
Net gain on change in fair value less costs to sell of plantation forest assets	**(38,113)**	**–**	**(38,113)**	**–**	**–**	**(38,113)**
Impairment losses recognised in respect of:						
– trade receivables	**7**	**–**	**7**	**–**	**47**	**54**
– other receivables	**6**	**138**	**144**	**–**	**564**	**708**
Reversal of impairment losses on trade receivables	**(11)**	**–**	**(11)**	**–**	**(36)**	**(47)**

For the year ended 30 June 2022

	Continuing operations			Discontinued operation		
	Forestry Business *RMB'000*	Ginseng Business *RMB'000*	Sub-total *RMB'000*	Container Houses Business *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Amounts included in the measure of segment profit/loss or segment assets						
Additions to non-current assets *(Note)*	–	–	–	–	776	776
Depreciation of property, plant and equipment	–	–	–	–	12	12
Depreciation of right-of-use assets	1,564	–	1,564	–	139	1,703
Loss on disposal of right-of-use assets	–	–	–	–	79	79
Net gain on change in fair value less costs to sell of plantation forest assets	(12,526)	–	(12,526)	–	–	(12,526)
Impairment losses recognised in respect of:						
– trade receivables	11	–	11	–	–	11
– other receivables	–	–	–	–	–	–
Reversal of impairment losses on trade receivables	(15)	–	(15)	(2,042)	–	(2,057)

Note: The additions to non-current assets exclude the financial assets.

Geographical information

Information about the Group's revenue from external customers is presented based on the location of customers as below:

	Year ended 30 June 2023		
	Continuing operations ***RMB'000***	**Discontinued operation** ***RMB'000***	**Total** ***RMB'000***
PRC	**58,717**	**–**	**58,717**

	Year ended 30 June 2022		
	Continuing operation *RMB'000*	Discontinued operation *RMB'000*	Total *RMB'000*
PRC	6,756	(2,702)	4,054

Information about the Group's assets and liabilities based on the geographical location of the assets is not presented as the Group's assets and liabilities are substantially located in the PRC.

Information about major customers

Revenue from individual customers contributing over 10% of the revenue of the Group is as follows:

		2023 ***RMB'000***	2022 *RMB'000*
Customer A	Ginseng Business	**9,670**	–
Customer B	Forestry Business	**8,756**	6,756
Customer C	Forestry Business	**6,944**	–

6. INVESTMENT AND OTHER INCOME

	2023 ***RMB'000***	2022 *RMB'000*
Continuing operations:		
Bank interest income	**13**	1
Write off of other payables *(Note 15)*	**7,161**	–
Sundry income	**795**	146
	7,969	147
Discontinued operation:		
Bank interest income *(Note 11)*	**–**	1
	–	1
Total investment and other income	**7,969**	148

7. OTHER GAINS, NET

	2023	2022
	RMB'000	*RMB'000*
Continuing operations:		
Impairment losses recognised in respect of:		
– trade receivables	**(54)**	(11)
– other receivables	**(708)**	–
Net gain on change in fair value less costs to sell of plantation forest assets	**38,113**	12,526
Loss on disposal of property, plant and equipment	**–**	(55)
Loss on disposal of right-of-use assets	**–**	(79)
Reversal of impairment losses on trade receivables	**47**	15
Loss on disposal of a subsidiary	**(77)**	–
Exchange loss	**(34,572)**	–
Other gains, net from continuing operations	**2,749**	12,396
Discontinued operation:		
Reversal of impairment losses on trade receivables *(Note 11)*	**–**	2,042
Other gains, net from discontinued operation	**–**	2,042
Total other gains, net	**2,749**	14,438

8. FINANCE COSTS

	2023	2022
	RMB'000	*RMB'000*
Continuing operations:		
Interest on:		
– promissory notes payable	**1,289**	2,395
– corporate bonds payable	**10,250**	18,807
– lease liabilities	**68**	17
– amount due to a shareholder	**77**	–
	11,684	21,219

9. INCOME TAX EXPENSE

	Continuing operations		Discontinued operation		Total	
	2023	2022	**2023**	2022	**2023**	2022
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
PRC Enterprise Income Tax						
Charge for the year	**369**	–	**–**	3	**369**	3
Over-provision in prior years	**–**	–	**–**	(760)	**–**	(760)
Hong Kong Profits Tax						
Under-provision in prior years	**1,057**	–	**–**	–	**1,057**	–
Income tax expense/(credit)	**1,426**	–	**–**	(757)	**1,426**	(757)

A group entity is chargeable to Hong Kong Profits Tax under the two-tiered profits tax rates regime whereby, the first HK$2 million of assessable profits of the qualifying group entity will be taxed at 8.25%, and assessable profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime are chargeable to Hong Kong Profits Tax at the tax rate of 16.5%. No provision for Hong Kong Profits Tax of the current year and the prior period has been made in the consolidated financial statements as the Group has no assessable profit subject to tax in respect of both of the periods.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the PRC Enterprise Income Tax rate of the PRC subsidiaries is 25%. Pursuant to the Implementation Regulation of the EIT Law, the Group's PRC subsidiaries which are engaged in forestry business are entitled to full exemption from PRC Enterprise Income Tax in respect of both of the year presented.

Pursuant to the laws and regulations of the Cayman Islands and the British Virgin Islands ("**BVI**"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

10. LOSS FOR THE YEAR

	2023	2022
	RMB'000	*RMB'000*
Continuing operations:		
Loss for the year has been arrived at after charging:		
Directors' emoluments	**2,259**	3,606
Other staff costs	**3,067**	1,242
Total staff costs	**5,326**	4,848
Auditors' remuneration		
– audit services	**977**	827
– non-audit services	**177**	166
Cost of timber harvested	**25,603**	6,756
Cost of ginseng trading	**21,604**	–
Depreciation charge in respect of:		
– property, plant and equipment	**11**	12
– right-of-use assets	**2,509**	1,703
Short-term lease expenses	**1,392**	944
Discontinued operation:		
Profit for the year has been arrived at after charging and crediting:		
Directors' emoluments	**–**	–
Other staff costs	**–**	699
Total staff costs	**–**	699
Cost of inventories recognised	**–**	(2,644)
Short-term lease expenses	**–**	528

11. DISCONTINUED OPERATION

The Group ceased its container houses business during the prior year ended 30 June 2022, which was regarded discontinued operation in the consolidated financial statements.

The results of the Group's discontinued operation was analysed as below:

	Year ended 30 June 2022 *RMB'000*
Revenue *(Note)*	(2,702)
Cost of sales *(Note)*	2,644
Gross loss	(58)
Investment and other income *(Note 6)*	1
Other gains, net *(Note 7)*	2,042
Selling and distribution expenses	(349)
Administrative expenses	(910)
Profit before tax	726
Income tax credit *(Note 9)*	757
Profit for the year	1,483
Operating cash outflows	(35)
Investing cash inflows	1
Financing cash outflows	–
Total cash outflows	(34)

Note: In the prior period of the eighteen months ended 30 June 2021, certain goods were purchased by the Group at the total cost of approximately RMB3,414,000 and such goods were then sold to a customer for an aggregate sale price of approximately RMB3,535,000, accordingly the sale and purchase of the goods were recognised as the Group's revenue and cost of sales respectively for that period. During the prior year ended 30 June 2022, the customer claimed the relevant goods to be defective and made returns of these goods to the Group and the Group in turn returned such goods to the supplier, which resulted in the recognition of sale returns of approximately RMB3,535,000 and purchase returns of approximately RMB3,414,000 against the Group's revenue and cost of sales respectively for that prior year, and the revenue and cost of sales and services of the Group's discontinued operation for the prior year had been arrived at after deducting the sale returns and purchase returns respectively.

12. DIVIDEND

No dividend was paid, declared or proposed during the year ended 30 June 2023 (2022: Nil), nor had any dividend been proposed since the end of the reporting period (2022: Nil).

13. LOSS PER SHARE

The calculation of basic loss per share attributable to owners of the Company is based on the following data:

	2023	2022
	RMB'000	*RMB'000*
Loss		
Loss for the purpose of basic loss per share from continuing operations		
Loss for the year from continuing operations attributable to owners of the Company	**(10,800)**	(20,383)
Loss for the purpose of basic loss per share from continuing and discontinued operations		
Loss for the year attributable to owners of the Company	**(10,800)**	(18,900)

	2023	2022
	'000	*'000*
		(restated)
Number of shares		
Weighted average number of ordinary shares in issue during the year for the purpose of basic loss per share *(Note (i))*	**110,242**	110,242

Notes:

(i) The weighted average numbers of ordinary shares adopted for the current year ended 30 June 2023 and the comparative prior year ended 30 June 2022 have been calculated to take into account the share consolidation of the Company implemented subsequent to the end of the year. Loss per share for the comparative prior year ended 30 June 2022 has been restated accordingly.

(ii) No diluted loss per share were presented as there were no potentially dilutive ordinary share in issue during both of the years ended 30 June 2023 and 30 June 2022.

14. TRADE AND OTHER RECEIVABLES

	2023	2022
	RMB'000	*RMB'000*
Trade receivables	**6,933**	3,751
Other receivables	**3,466**	1,781
	10,399	5,532

The Group generally allows an average credit period of 120 days (2022: 90 days) to its trade customers, where partial payment in advance is normally required. The Group does not hold any collateral over these balances. The following is an aged analysis of trade receivables, net of allowance for doubtful debts, presented based on invoice dates:

	2023	2022
	RMB'000	*RMB'000*
0–90 days	**20**	–
91–180 days	**6,913**	–
181–365 days	**–**	3,751
Total	**6,933**	3,751

15. TRADE AND OTHER PAYABLES

	2023	2022
	RMB'000	*RMB'000*
Trade payables *(Note (ii))*	**2,145**	280
Consideration payable for acquisition of subsidiary *(Note (iii))*	**–**	7,161
Amounts due to former directors *(Note (iv))*	**1,235**	1,139
Other payables	**36,521**	23,037
Accrued charges	**21,170**	19,069
Interests payable on promissory notes payable and corporate bonds payable	**37,937**	27,373
	99,008	78,059

Notes:

(i) The average credit period on purchase of goods is within 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

(ii) The following is an aged analysis of trade payables presented based on invoice dates:

	2023	2022
	RMB'000	*RMB'000*
0–30 days	**1,000**	–
31–90 days	**–**	–
Over 90 days	**1,145**	280
	2,145	280

(iii) During the current year, the Group reached an agreement with the vendor of the acquisition of a subsidiary in prior years, under which the vendor has agreed not to demand payment for the outstanding balance of the consideration for the acquisition of a subsidiary. Accordingly, the consideration payable was written off and included in investment and other income *(Note 6)*.

(iv) The amounts due to former directors, which resigned during the prior years, were unsecured, interest free and repayable on demand.

EXTRACT FROM INDEPENDENT AUDITORS' REPORT

CCTH CPA Limited, the independent auditor of the Company, expressed a qualified opinion on the Group's consolidated financial statements for the year ended 30 June 2023. The sections headed "Qualified Opinion", "Basis for Qualified Opinion" and "Material Uncertainty Related to Going Concern" set out below are extracted from the independent auditor's report:

QUALIFIED OPINION

We have audited the consolidated financial statements of China Bozza Development Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**"), which comprise the consolidated statement of financial position as at 30 June 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects on the matters as described in the "Basis for Qualified Opinion" section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR QUALIFIED OPINION

As detailed in our auditor's report dated 18 January 2023 with disclaimer of opinion on the Group's consolidated financial statements for the year ended 30 June 2022, we were unable to satisfy ourselves as to the existence, quantities and conditions of the Group's plantation forest assets at 30 June 2022 and the bases used to arrive at the fair value less cost to sell of these plantation forest assets at that date amounted to approximately RMB35,910,000. Any adjustments that may be found to be made on the carrying amount of the plantation forest assets at 30 June 2022 may have significant impact on the net gains on change in fair value less cost to sell of plantation forest assets for the years ended 30 June 2023 and 30 June 2022 which were recognised in the consolidated statement of profit or loss and other comprehensive income and were included in other gains, net (note 6 to the consolidated financial statements).

Our opinion on the Group's consolidated financial statements for the current year ended 30 June 2023 is also modified because of the possible effect of the aforementioned matters on the comparability of the current year's figures and the corresponding figures for the prior year ended 30 June 2022.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

In forming our opinion, we have considered the adequacy of the disclosures made in note 2 to the consolidated financial statements regarding the preparation of the consolidated financial statements on a going concern.

The Group had consolidated net current liabilities and consolidated net liabilities amounted to approximately RMB420,273,000 and RMB316,708,000 respectively at 30 June 2023 while cash and bank balances included in consolidated current assets amounted to approximately RMB4,327,000 as at that date. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. In light of all the measures and arrangements, detailed in note 2 to the consolidated financial statements, the directors are of the opinion that the Group will be able to continue as a going concern. Should the going concern assumption be inappropriate, adjustments would have to be made to the consolidated financial statements to write down the value of assets to their net realisable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments have not been reflected in the consolidated financial statements. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

Business and Operational Review

The Group is principally engaged in the businesses of (a) forestry management and (b) ginseng business.

Forestry Management Business

The Group has been engaging in the forestry management business since 2013. Revenue generated from the Group's forestry management business is mainly derived from sales of timber logs which are harvested from the Group's forests. The Group recognises revenue from timber log sales when control of the relevant goods is transferred to the customers.

As at the date of this announcement, all of the forest lands owned by the Group are located in the Sichuan Province in the PRC.

The table below sets forth all forest land owned by the Group:

Name	Location	Size	Type of timber
Hengchang Forests	Muma Town, Jiange County of Sichuan Province	21,045 Chinese Mu (equivalent to 1,403 hectares)	Cypress
Kunlin Forests	Zhengxing Town, Jiange County of Sichuan Province	9,623 Chinese Mu (equivalent to 642 hectares)	Cypress
Senbo Forests	Yixing Town, Jiange County of Sichuan Province	13,219 Chinese Mu (equivalent to 881 hectares)	Cypress
Ruixiang Forests	Longyuuanzhen, Houshixiang and Dianzixiang town, Jiange County of Sichuan Province	30,653 Chinese Mu (equivalent to 2,044 hectares)	Cypress
Wantai Forests	Kaifeng Town,Yingshui village, Guangping village, and Zheba village, Jiange County of Sichuan Province	42,814 Chinese Mu (equivalent to 2,854 hectares)	Cypress

In November 2022, the Group successfully obtained the logging permits for the calendar year of 2022 with logging quantity of approximately 16,648.0 cubic meters in aggregate. In order to activate the forestry management business of the Group, the management of the Group has further negotiated with the National Forestry and Grassland Administration and had obtained extra logging quotas amounting to approximately 10,305.0 cubic meters in December 2022 for the calendar year of 2023.

As at the date of this announcement, the Group has completed the sales of the aforementioned total approved logging quantity of approximately 26,953 cubic meters and has generated logging revenue of approximately RMB25.6 million for FY2023.

Ginseng Business

To fully utilise the woodland of the Group and to maximise shareholders' return, the Group has begun the plantation of ginseng in the Group's existing forests and has commenced the trading of ginseng in August 2022.

The ginseng planted and sold by the Group is a compound hybridisation breed with traditional wild ginseng grown in the north or cold regions and other different varieties of ginseng, the key highlight of which is it can be planted indoor/under-forest and does not require planting in colder regions. During FY2023, the Group has entered into a legally-binding ginseng planting framework agreement with an independent third party supplier (the "**Supplier**") for the plantation of ginseng on the Senbo Forest. Pursuant to the said framework agreement, the Supplier will be responsible for, among others, the supply of ginseng seeds and culture medium, and provision of technical support and maintenance services (including fertilisation, weeding, insecticide and soil preparation) to the Group for a period of 10 years.

In December 2022, the Group has completed the first phrase of ginseng seeding according to its ginseng plantation plan of approximately 6 million pieces on the designated 59 Chinese Mu forest land in the Senbo Forest, which are expected to be sold in batches within 5 years.

As it will take time for the Group to self-grow its inventory of aged ginseng, as well as to capture the market share and develop its customer base in the ginseng industry in the PRC, the Group has also commenced the ginseng trading business in August 2022 by purchasing aged ginseng. The Group has also entered into a long-term supply framework agreement with the Supplier to ensure the stable supply of aged ginseng. Hence, revenue currently generated from the ginseng business is derived from the sale of ginseng that are purchased from the Supplier. During FY2023, the Group has recorded revenue of approximately RMB33.1 million from the ginseng business.

Prospect

In respect of the forestry management business, the Directors believe that the forestry management business has been resumed to normal and are confident in obtaining similar logging quantity for the calendar year of 2023 in the future, so as to improve the performance of the forestry management business of the Group.

In respect of the ginseng business, to reduce reliance on the Supplier, the Group intends to gradually decrease the purchases of aged ginseng from the Supplier when it has self-grown sufficient inventory of aged ginseng. After the first phase of ginseng is successfully germinated and upon cultivation, the Group could breed the ginseng using its own ginseng seeds through seed cultivation method. The Group will harvest and apply the seeds from the fruit of ginseng upon cultivation in order to achieve self-plantation. The ginseng plants from the plantation process shares the same genes as those supplied by the Supplier, therefore the quality of which is guaranteed. Nonetheless, the Group will conduct self-inspection from time to time and engages third-party laboratory for laboratory testing on an annual basis in order to ensure the quality of its ginseng and the nutrient content is able to meet the customer requirements.

FINANCIAL REVIEW

Revenue

During FY2023, the Company recorded revenue from continuing operations of approximately RMB58.7 million (FY2022: approximately RMB6.8 million). The Group's revenue for FY2023 was attributable to the revenue from the forestry business and the ginseng business of the Group. The Group's container houses business was classified as discontinued operation during the FY2022 respectively and there was no revenue generated from the Group's discontinued operation during FY2023.

Gross profit and gross profit margin

For FY2023, the Group recorded gross profit of approximately RMB11.5 million (FY2022: nil); and gross profit margin of approximately 19.6%. The increase was due to trading of the ginseng business during FY2023 which brought satisfactory revenue to the Group.

Selling and distribution expenses

The selling and distribution expenses recognised for FY2023 from continuing operations amounted to approximately RMB720,000 (FY2022: RMB45,000). The selling and distribution costs were mainly attributable to advertising expense.

Administrative expenses

The administrative expenses from continuing operations increased approximately 64.6% from approximately RMB11.7 million for FY2022 to approximately RMB19.2 million for FY2023. The increase in administrative expenses was mainly attributable to legal and professional fee and management fee.

Other gains, net

For FY2023, the Group recorded other gains of approximately RMB2.7 million from continuing operations (FY2022: approximately RMB12.4 million). Other gains mainly consisted of net gain on change in fair value less costs to sell of plantation forest assets of approximately RMB38.1 million and exchange loss of approximately RMB34.6 million.

Finance costs

For FY2023, the Group recorded finance costs from continuing operations of approximately RMB11.7 million, representing a decrease of approximately 44.9% as compared to approximately RMB21.2 million for FY2022. The finance costs include mainly interests on (i) the promissory notes (being the Note A as stated below), bearing 5% interest rate per annum and with the principal amount of HK$23,800,000 issued on 6 June 2017; (ii) the promissory notes (being the Note B as stated below), bearing 5% interest rate per annum with the principal amount of HK$34,100,000 issued on 15 August 2018; and (iii) the corporate bonds with the aggregate principal amounts of approximately HK$279,769,000 bearing interest rates ranging from 4.00% to 11.33% per annum.

Profit and total comprehensive expenses attributable to owners of the Company

The Company recorded a loss of approximately RMB10.8 million for FY2023 as compared to a loss of approximately RMB18.9 million for FY2022. The total comprehensive expenses attributable to owners of the Company was approximately RMB10.1 million for FY2023 as compared to the total comprehensive expense of approximately RMB29.3 million for FY2022.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its daily operations from internally generated cash flows, proceeds from issue of corporate bonds and promissory notes and certain net proceeds from fund raising activities. As at 30 June 2023, the Group had total assets of approximately RMB140.6 million and net liabilities of approximately RMB316.7 million. The Group's cash and bank balances as at 30 June 2023 amounted to approximately RMB4.3 million. As at 30 June 2023, there was no unutilised banking facilities (2022: nil).

Promissory note issued on 6 June 2017 (the "Note A")

On 31 May 2017, the Company and the vendors, six independent third parties entered into an acquisition agreement, pursuant to which, among other things, the Company has conditionally agreed to acquire the entire issued share capital in Garden Glaze Limited, at total consideration of HK$170,000,000, to be satisfied by the issue of the Promissory Note (being the "**Note A**") to the vendors. Garden Glaze Limited is an investment holding company incorporated in the British Virgin Islands with limited liability. Through its wholly-owned subsidiaries, Garden Glaze Limited indirectly wholly holds the entire equity interest in Jiange Ruixiang Linye Company Limited, which is principally engaged in the plantation, harvesting and selling of timber in the forests, and possesses the Ruixiang Forest and the right to be engaged in the operations and management of the Ruixiang Forest. The Note A bears an interest at 5% per annum for two years and is payable on the maturity date of 5 June 2019. During the year ended 31 December 2017, the Company redeemed part of the Note A with the principal amount of HK$86,200,000 for cash consideration of HK$86,200,000. During the year ended 31 December 2018, the Company redeemed part of the Note A with the principal amount of HK$60,000,000 for cash consideration of HK$60,000,000. On 3 June 2019, the Company entered into a supplemental deed to amend certain terms and conditions of the Note A, pursuant to which the parties thereto agreed to extend the maturity date of the Note A, with the principal amount of HK$23,800,000 from 5 June 2019 to 5 July 2019. On 23 July 2019, the Company entered into the second supplemental deed to amend certain terms and conditions of the Note A, pursuant to which the parties thereto agreed to extend the maturity date of the Note A, with the principal amount HK$23,800,000 from 5 July 2019 to 10 February 2020.

As at 30 June 2023, the Note A with the principal amount of HK$23,800,000 (2022: HK$23,800,000) remained outstanding and overdue.

Promissory note issued on 15 August 2018 (the "Note B")

On 15 August 2018, the Company issued the Note B with the principal amount of HK$34,100,000 as part of the consideration for acquisition of the entire interest in Today Bridge Limited and its subsidiaries. The Note B is unsecured, carries interest at 5% per annum and is payable on the maturity date of 14 August 2020. The Company is also entitled to redeem the whole or part of the Note B at any time after the issue date to one day before the maturity date by 7 business days advance notice.

At 30 June 2022, the Note B with the principal amount of HK$34,100,000 (2021: HK$34,100,000) remained outstanding and overdue.

Corporate bonds

During the eighteen months ended 30 June 2021, the Company entered into subscription agreements with 4 independent private investors pursuant to which the investors have agreed to subscribe and the Company has agreed to issue the corporate bonds in the aggregate principal amount of approximately HK$6.2 million at par value, bearing interest rate of 8% per annum and maturity date is about 1 year from the date of issue.

During the eighteen months ended 30 June 2021, the Group made repayments of part of the corporate bonds with the aggregate principal amount of approximately HK$2.4 million.

As at 30 June 2023, the corporate bonds with the principal amount of approximately HK$279,769,000 (2022: HK$279,769,000) remained outstanding and overdue.

The Creditors' Scheme have become effective on 28 July 2023, the above corporate bonds and promissory notes were eliminated subsequently.

PLEDGE ON ASSETS

As at 30 June 2023, there was no pledge of assets of the Group (2022: nil).

SIGNIFICANT INVESTMENT OR ACQUISITIONS AND DISPOSAL

On 16 August 2023, the Company, as the purchaser, entered into the equity sale and purchase agreement (the "**Equity Sale and Purchase Agreement**") with Shaanxi Jiashisen Pharmaceutical Investment Company Limited* (陝西佳仕森藥業投資有限公司) (the "**Vendor**"), pursuant to which the Company has agreed conditionally to acquire, and the Vendor has agreed conditionally to sell 52% equity interest in Liuba County Jiashisen Traditional Chinese Medicine Comprehensive Development Company Limited* (留壩縣佳仕森中藥綜合開發有限公司) (the "**Target Company**"), at the consideration of RMB7,128,670 (equivalent to approximately HK$7,665,236.56) (the "**Acquisition**").

Upon the completion of the Acquisition, the Company will hold 52% equity interest in the Target Company, which will become a non-wholly owned subsidiary of the Company. The financial statements of the Target Company will be consolidated into the consolidated financial statements of the Group.

For more details, please refer to the announcements of the Company dated 7 September 2023 and 8 September 2023.

Save as disclosed above, there were no significant investment held or material acquisitions and disposals of subsidiaries for FY2023 and up to the date of this announcement. (FY2022: nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group had no future plans for material investments or capital assets as at 30 June 2023.

CAPITAL COMMITMENTS

The Group has no capital commitments as at 30 June 2023 (2022: nil).

FOREIGN EXCHANGE EXPOSURE AND RELATED HEDGES

The Group's transactions are mainly denominated in Hong Kong dollars and Renminbi. Therefore, the Group is exposed to exchange rate risk. The majority of the Group's cash and bank balances are also denominated in these two currencies. During FY2023, the Group did not experience significant exposure to exchange rate and interest rate fluctuations. Accordingly, the Group has not implemented any foreign currency hedging policy at the moment. However, the management of the Group will constantly review the economic situation, development of each business segment and the overall foreign exchange risk profile, and will consider appropriate hedging measures in the future when necessary.

GEARING RATIO

The gearing ratio of the Group, which is calculated as total liabilities divided by total assets of the Group was approximately 325.2% as at 30 June 2023 (2022: 427.9%). As at 30 June 2023, promissory notes with the principal amount of approximately HK$57.9 million remained outstanding and the corporate bonds with the principal amount of approximately HK$279.8 million remained outstanding.

CAPITAL STRUCTURE

The share capital of the Company comprises only ordinary shares. As at 30 June 2023, the total number of the ordinary shares of the Company in issue was 11,024,220,415 shares (2022: 11,024,220,415 shares). The total deficit on equity attributable to owners of the Company was approximately RMB316.7 million (2022: total deficit on equity of approximately RMB306.6 million).

On 14 July 2023, the Company had completed the capital reorganisation of its share capital. As at the date of this announcement, the authorised share capital of the Company is HK$100,000,000 divided into 10,000,000,000 shares of HK$0.01 each and the issued and fully paid-up capital of the Company is HK$7,162,422.04 divided into 716,242,204 shares of HK$0.01 each.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2023, the Group had a total of 18 employees and management personnel as compared to 16 employees and management personnel as at 30 June 2022. Total staff costs for the Reporting Period, including Directors' remuneration, amounted to approximately RMB5.3 million (FY2022: approximately RMB4.9 million). The Group's remuneration policy is in line with the prevailing market standards and is determined on the basis of performance and experience of individual employee. Other employee benefits include contributions to social insurance scheme.

EVENTS AFTER THE REPORTING PERIOD

On 28 July 2023, the Company had (i) completed the restructuring of the company's equity and debt (the "**Restructuring**") pursuant to the restructuring framework agreement entered between the Company, Mr. Osman Mohammed Arab and Mr. Lai Wing Lun of RSM Corporate Advisory (Hong Kong) Limited and Mr. Martin Trott of R&H Restructuring (Cayman) Ltd. as the former joint provisional liquidators (for restructuring purposes) of the Company and Zhonggangtong International Holding Group Co., Limited on 30 December 2022 and (ii) had fulfilled all the resumption guidance issued by the Stock Exchange to the Company.

The trading of the Company's shares was also resumed with effect from 9:00 a.m. on 28 July 2023.

For more details, please refer to the Company's announcements dated 28 July 2023 in relation to the completion of the Restructuring and the fulfilment of resumption guidance and resumption of trading.

On 16 August 2023, the Company, as the purchaser, entered into the equity sale and purchase agreement (the "**Equity Sale and Purchase Agreement**") with Shaanxi Jiashisen Pharmaceutical Investment Company Limited* (陝西佳仕森藥業投資有限公司) (the "**Vendor**"), pursuant to which the Company has agreed conditionally to acquire, and the Vendor has agreed conditionally to sell 52% equity interest in Liuba County Jiashisen Traditional Chinese Medicine Comprehensive Development Company Limited* (留壩縣佳仕森中藥綜合開發有限公司) (the "**Target Company**"), at the consideration of RMB7,128,670 (equivalent to approximately HK$7,665,236.56) (the "**Acquisition**").

As one or more of the percentage ratios applicable to the Acquisition exceeded 100%, the Acquisition constituted a very substantial acquisition for the Company and was subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Rules (the "**Listing Rules**") Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

A circular containing, among other things, (i) further information in relation to the Equity Sale and Purchase Agreement; (ii) financial information on the Group; (iii) other information as required under the Listing Rules; (iv) a notice convening the Extraordinary General Meeting (the "**EGM**") would be despatched to the shareholders of the Company (the "**Shareholder(s)**") in due course.

Upon the completion of the Acquisition, the Company will hold 52% equity interest in the Target Company, which will become a non-wholly owned subsidiary of the Company. The financial statements of the Target Company will be consolidated into the consolidated financial statements of the Group.

For more details, please refer to the announcements of the Company dated 7 September 2023 and 8 September 2023.

Save as disclosed above, no event has occurred after 30 June 2023 and up to the date of this announcement which would have a material effect on the Group.

FINAL DIVIDEND

The Board does not recommend the payment of any dividend for FY2023 (FY2022: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during FY2023.

DIRECTORS' INTEREST IN A COMPETING BUSINESS

During FY2023, the Directors were not aware of any business or interest of the Directors or any substantial shareholder (as defined under the Listing Rules) of the Company and their respective associates that had competed or might compete with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association and the laws of Cayman Islands where the Company is incorporated, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICE

The Company has adopted all the code provisions (the "**Code Provisions**") contained in the Corporate Governance Code (the "**CG Code**") as set out in the Appendix 14 to the Listing Rules as the Company's code on corporate governance. The Board shall review and update its code of corporate governance from time to time to ensure its continuous compliance with the CG Code. Throughout FY2023, in the opinion of the Board, the Company complied with all the Code Provisions contained in the CG Code and, where appropriate, adopted the Recommended Best Practices set out in the CG Code, with the exceptions of Code Provisions C.1.8 and D.1.2 as addressed below:

1. Under Code Provision C.1.8, the Company should arrange appropriate insurance cover in respect of any legal action against its Directors and officers. As at 30 June 2023, the Company has not arranged to purchase any Directors and Officers' Liability Insurance, which covers in respect of legal action against the Directors, as the Directors take the view that the Company shall provide support to the Directors in any events arising from corporate activities;

2. Under Code Provision D.1.2, the management should provide all members of the Board with monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail to enable the Board as a whole and each director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules. Although the management of the Company did not provide a regular monthly update to the members of the Board, the management provides information and updates to the members of the Board from time to time, which the Directors consider to be sufficient and appropriate in the circumstances to enable them to form a balanced and understandable assessment of the Company's performance and to discharge their duties.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Appendix 10 – Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules. Having made specific enquiry with all the Directors, the Company confirmed that all the Directors have complied with the code of conduct and the required standard of dealings concerning securities transactions by the Directors for FY2023.

SCOPE OF WORK OF CCTH CPA LIMITED ("CCTH")

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto in respect of FY2023 as set out in this preliminary announcement have been agreed by the Group's auditor, CCTH, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by CCTH in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by CCTH on the preliminary announcement.

REVIEW BY AUDIT COMMITTEE

The Company established an audit committee in September 2009 with written terms of reference in compliance with Rules 3.21 to 3.23 of the Listing Rules, which were reviewed from time to time by the Board to keep them in line with the most up-to-date requirements. The primary duties of the Audit Committee are, among other things, to review and supervise the financial reporting process and internal control system of our Group. As at the date of this announcement, the Audit Committee has three members comprising our three independent non-executive Directors, namely Mr. Chau Wing Nam, Mr. Guo Zhonglong and Ms. Bu Xue. Mr. Chau Wing Nam has been appointed as the chairman of the Audit Committee.

The Audit Committee reviews the interim and annual reports before submission to the Board. The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the Listing Rules and the legal requirements in the review of the Company's interim and annual reports.

The Audit Committee has reviewed the accounting principles and practices adopted by the Company, the annual results of the Group during FY2023 as well as auditing, internal control and financial reporting matters, including the consolidated financial statements for FY2023. The Audit Committee has no disagreement on the Group's consolidated financial results contained in this announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This audited annual results announcement is published on the websites of the Stock Exchange and the Company. The annual report for FY2023 will be despatched to the Shareholders and will be published on the websites of the Stock Exchange and the Company in due course.

By Order of the Board
China Bozza Development Holdings Limited
Professor Fei Phillip
Chairman and Executive Director

Hong Kong, 30 September 2023

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

* *For identification purpose only*