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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)

**UPDATE IN RELATION TO THE ACQUISITION OF
HENG FU DELAISI INTELLIGENT HOUSING LIMITED AND
SETTLEMENT AGREEMENT**

References are made to (i) the announcements of China Bozza Development Holdings Limited (the “**Company**”) dated 22 April 2016, 15 July 2016 and 9 September 2016, and the circular of the Company dated 27 June 2016 (the “**Circular**”), in relation to, among other things, the acquisition of target companies including Shenzhen Heng Fu Delaisi Intelligent Housing Limited; (ii) the announcement of the Company dated 5 February 2021 in relation to the non-fulfilment of the profit guarantee(s) provided by the Vendors in favour of the Company; and (iii) the Company’s interim results announcement for the six months ended 31 December 2021 and the Company’s audited results announcement for the year ended 30 June 2022, both dated 28 February 2023 (the “**Results Announcements**”). Unless otherwise defined, capitalised terms herein shall have the same meanings as those defined in the Circular.

Reference is also made to the paragraph headed “Update of the Profit Guarantee in relation to the Acquisition of Heng Fu Delaisi” in Results Announcements. The Company has recently reached an understanding with the representatives of the Vendors that the parties shall endeavour to reach a settlement arrangement, following the dispute between the Company and the Vendors on the profit guarantee fulfilment and the unsettlement of part of the cash consideration by the Company.

On 28 April 2023, the Company has entered into a settlement agreement with the Vendors, pursuant to which the parties have agreed to terminate the Acquisition Agreement and each of the parties has covenanted not to bring any claim against the other party(ies) in relation to the Acquisition. Taking into account that there was material difference between the issue price the Consideration Share of HK\$0.33 and the then market price of the Shares at the time of issue of the Consideration Shares for the Second Guaranteed Period (i.e. HK\$0.1) while no adjustment on the issue price was made, and the Company might have also breached its obligations under the Acquisition Agreement for not settling the cash consideration in full, and in consideration of the potential time, costs and effort to bring legal actions against the Vendors by the Company, the Board is of the view that the terms of the Settlement Agreement are fair and reasonable and the settlement is in the interests of the Company and the Shareholders as a whole.

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, 28 April 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.