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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)

**CLARIFICATION ANNOUNCEMENT IN RELATION TO
THE INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2022**

Reference is made to the interim results announcement for the six months ended 31 December 2022 (the “**Interim Results Announcement**”) of China Bozza Development Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 28 April 2023. Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the Interim Results Announcement.

The Company would like to clarify that an inadvertent errors has been made in the condensed consolidated financial statements of the Group for the six months ended 31 December 2022. As such, the Company wishes to set out below the updated figures of such affected items in the interim condensed consolidated statement of profit or loss and other comprehensive income and related notes as presented in the Interim Results Announcement with the corresponding corrections underlined:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2022

		Six months ended 31 December	
		2022	2021
	<i>Notes</i>	(Unaudited)	(Unaudited)
		RMB'000	RMB'000
			(Restated)
Continuing operations			
Revenue	4	23,021	6,756
Cost of sales and services		<u>(17,952)</u>	<u>(6,756)</u>
Gross profit		5,069	–
Investment and other income	6	4	32
Other gains, net	7	8,580	6,592
Selling and distribution expenses		(551)	(1)
Administrative expenses		<u>(5,379)</u>	(4,391)
Finance costs	8	<u>(8,967)</u>	<u>(6,713)</u>
Loss before tax	9	<u>(1,244)</u>	(4,481)
Income tax expense	10	<u>–</u>	<u>–</u>
Loss for the period from continuing operations		<u>(1,244)</u>	<u>(4,481)</u>
Discontinued operations			
Loss for the period from discontinued operations	11	<u>–</u>	<u>(977)</u>
Loss for the period		<u>(1,244)</u>	<u>(5,458)</u>
Other comprehensive (expense)/income			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		<u>(13,390)</u>	<u>6,565</u>
Other comprehensive (expense)/income for the period		<u>(13,390)</u>	<u>6,565</u>
Total comprehensive (expense)/income for the period		<u>(14,634)</u>	<u>1,107</u>

		Six months ended 31 December	
		2022	2021
		(Unaudited)	(Unaudited)
	<i>Notes</i>	RMB'000	<i>RMB'000</i> (Restated)
Loss for the period attributable to owners of the Company			
– Continuing operations		<u>(1,244)</u>	(4,481)
– Discontinued operations		<u>–</u>	<u>(977)</u>
Loss for the period		<u>(1,244)</u>	<u>(5,458)</u>
Total comprehensive (expense)/income for the period attributable to owners of the Company			
– Continuing operations		<u>(14,634)</u>	2,084
– Discontinued operations		<u>–</u>	<u>(977)</u>
Total comprehensive (expense)/income for the period		<u>(14,634)</u>	<u>1,107</u>
		RMB cents	<i>RMB cents</i>
Loss per share from continuing operations	<i>13</i>		
Basic		<u>(0.01)</u>	(0.04)
Diluted		<u>N/A</u>	<u>N/A</u>
Loss per share from continuing and discontinued operations	<i>13</i>		
Basic		<u>(0.01)</u>	(0.05)
Diluted		<u>N/A</u>	<u>N/A</u>

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 and the Group's money lending business were classified as discontinued operations during the year ended 30 June 2022 and the prior period respectively and accordingly, the comparative segment information has been restated to conform with the current period's presentation.

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 operations:

- (i) Money Lending Business – provision of money lending services; and
- (ii) 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 six months ended 31 December 2022 and 2021 is presented below.

Segment revenues and results

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

For the six months ended 31 December 2022 (unaudited)

	Continuing operations			Discontinued operations			Total RMB'000
	Forestry Business RMB'000	Ginseng Business RMB'000	Sub total RMB'000	Container Houses Business RMB'000	Money Lending Business RMB'000	Sub total RMB'000	
Segment revenue	<u>8,580</u>	<u>14,441</u>	<u>23,021</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,021</u>
Segment profit/(loss)	<u>7,489</u>	<u>3,344</u>	<u>10,833</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,833</u>
Unallocated bank interest income							4
Other unallocated income							-
Other unallocated expenses							(3,114)
Finance costs							(8,967)
Loss before tax							(1,244)
Income tax expense							-
Loss for the period							<u>(1,244)</u>

For the six months ended 31 December 2021 (unaudited)

	Continuing operation	Discontinued operations			Total RMB'000
	Forestry Business RMB'000	Container Houses Business RMB'000	Money Lending Business RMB'000	Sub total RMB'000	
Segment revenue	<u>6,756</u>	<u>(2,979)</u>	<u>–</u>	<u>(2,979)</u>	<u>3,777</u>
Segment profit/(loss)	<u>5,708</u>	<u>(974)</u>	<u>–</u>	<u>(974)</u>	4,734
Unallocated bank interest income					1
Other unallocated income					32
Other unallocated expenses					(3,510)
Finance costs					<u>(6,713)</u>
Loss before tax					(5,456)
Income tax expense					<u>(2)</u>
Loss for the period					<u>(5,458)</u>

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

	31 December 2022 (Unaudited) RMB'000	30 June 2022 (Audited) RMB'000
Segment assets		
Forestry Business	101,525	84,323
Ginseng Business	<u>173</u>	<u>–</u>
Total segment assets	101,698	84,323
Assets attributable to discontinued operations	<u>–</u>	1,315
Unallocated assets	<u>13,193</u>	7,879
Consolidated assets	<u>114,891</u>	<u>93,517</u>
	31 December 2022 (Unaudited) RMB'000	30 June 2022 (Audited) RMB'000
Segment liabilities		
Forestry Business	13,218	5,958
Ginseng Business	<u>2,284</u>	<u>–</u>
Total segment liabilities	15,502	5,958
Liabilities attributable to discontinued operations	<u>–</u>	1,854
Unallocated liabilities	<u>420,658</u>	392,340
Consolidated liabilities	<u>436,160</u>	<u>400,152</u>

9. LOSS BEFORE TAX

	Six months ended 31 December	
	2022	2021
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
		(Restated)
Continuing operations:		
Loss before tax has been arrived at after charging:		
Directors' emoluments	1,139	2,417
Other staff costs	<u>1,029</u>	<u>502</u>
Total staff costs	<u>2,168</u>	<u>2,919</u>
Auditors' remuneration		
– audit services	–	–
– non-audit services	178	165
Cost of inventories recognised and timber harvested	17,952	6,756
Depreciation charge in respect of:		
– right-of-use assets	732	966
Short-term lease expenses	<u>692</u>	<u>523</u>
Discontinued operations:		
Loss before tax has been arrived at after charging and crediting:		
Directors' emoluments	–	–
Other staff costs	<u>–</u>	<u>363</u>
Total staff costs	<u>–</u>	<u>363</u>
Auditors' remuneration		
– audit services	–	–
– non-audit services	–	–
Cost of inventories recognised	–	(2,892)
Depreciation charge in respect of:		
– right-of-use assets	–	–
Short-term lease expenses	<u>–</u>	<u>–</u>

10. INCOME TAX EXPENSE

	Six months ended 31 December					
	Continuing operations		Discontinued operations		Total	
	2022 (unaudited) RMB'000	2021 (unaudited) RMB'000	2022 (unaudited) RMB'000	2021 (unaudited) RMB'000	2022 (unaudited) RMB'000	2021 (unaudited) RMB'000
PRC Enterprise Income Tax	-	-	-	2	-	2
Income tax expense	-	-	-	2	-	2

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 and prior period has been made in the unaudited condensed consolidated interim financial statements as the Group has no assessable profit subject to tax in respect of both of the periods.

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.

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 and ginseng business are entitled to full exemption from PRC Enterprise Income Tax in respect of both of the periods presented.

11. DISCONTINUED OPERATIONS

The Group ceased its container houses business during the year ended 30 June 2022 and ceased its money lending business during the eighteen-month period ended 30 June 2021, which were regarded discontinued operations in the condensed consolidated financial statements.

The results of the Group’s discontinued operations are analysed as below:

	Notes	Six months ended 31 December	
		2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Revenue (<i>Note below</i>)	4	-	(2,979)
Cost of sales and services (<i>Note below</i>)		-	2,892
Gross Loss		-	(87)
Investment and other income	6	-	1
Selling and distribution expenses		-	(347)
Administrative expenses		-	(542)
Loss before tax		-	(975)
Income tax expense		-	(2)
Loss for the period		-	(977)

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 last period, 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 last period, and the revenue and cost of sales and services of the Group for last period had been arrived at after deducting the sale returns and purchase returns respectively.

12. DIVIDEND

No dividend was paid, declared or proposed during the six months ended 31 December 2022 (twelve months ended 31 December 2021: Nil) nor had any dividend been proposed since the end of the reporting period.

13. LOSS PER SHARE

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

	Six months ended 31 December	
	2022	2021
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Loss		
Loss for the purposes of basic loss per share from continuing operations		
Loss for the period from continuing operations attributable to owners of the Company	<u>(1,244)</u>	<u>(4,481)</u>
Loss for the purpose of basic loss per share from continuing and discontinued operations		
Loss for the period attributable to owners of the Company	<u>(1,244)</u>	<u>(5,458)</u>
	Six months ended 31 December	
	2022	2021
	(Unaudited)	(Unaudited)
	'000	'000
Number of shares		
Weighted average number of ordinary shares in issue during the period for the purpose of basic loss per share	<u>11,024,220</u>	<u>11,024,220</u>

Diluted loss per share is not presented because there were no potentially dilutive ordinary shares in issue for both of the periods presented.

14. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2022, the Group had not acquired any property, plant and equipment (31 December 2021: Nil). No depreciation of property, plant and equipment was recognised in respect of the current and prior periods.

Save for the above adjustments, all information and contents set out in the Interim Results Announcement shall remain unchanged. The condensed consolidated financial statements of the Group for the six months ended 31 December 2022 with the above adjustments will be incorporated and disclosed in the Company's interim report for the six months ended 31 December 2022, which will be published in due course in compliance with the Listing Rules.

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, 12 May 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.