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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)

(Stock code: 1069)

COMPLETION OF THE PROPOSED RESTRUCTURING

Financial adviser to the Company

Lego Corporate Finance Limited
力高企業融資有限公司

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 Phillip's filing of a winding up petition against the Company at the Grand Court of the Cayman Islands, the application by the Company for the appointment of joint provisional liquidators 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 Joint Provisional Liquidators; (ii) announcements dated 26 August 2022 and 1 September 2022 in relation to a funding agreement entered into by the Company; (iii) announcement dated 30 December 2022 and the circular of the Company dated 3 March 2023 (the "**Circular**") in relation to the proposed restructuring of the Company; (iv) poll results announcement dated 27 March 2023 in relation to the extraordinary general meeting of the Company held on 27 March 2023; (v) announcements dated 25 April 2023, 18 May 2023 and 9 June 2023 in relation to the Creditors' Scheme; and (vi) announcements dated 4 July 2023 and 13 July 2023 in relation to the Capital Reorganisation.

Unless the context otherwise requires, capitalised terms used herein shall have the same meaning as those defined in the Circular.

COMPLETION OF THE PROPOSED RESTRUCTURING

The Board is pleased to announce that the Proposed Restructuring has been completed on 28 July 2023.

The Capital Reorganisation

With all the conditions precedent for the Capital Reorganisation having been fulfilled, the Capital Reorganisation has become effective on 14 July 2023.

The authorised share capital of the Company is now HK$100,000,000 divided into 10,000,000,000 New 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 New Shares of HK$0.01 each.

The New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the New Shares to be admitted into CCASS established and operated by HKSCC.

From 9:00 a.m. on Friday, 14 July 2023 to 4:30 p.m. on Tuesday, 5 September 2023, Shareholders may submit their existing share certificates for the ordinary Shares (in light blue colour) to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong to exchange for certificates for the New Shares (in pink colour) at the expense of the Company. The different colours of the share certificates are for distinguishing the New Shares of different par value to the existing par value of the ordinary Shares. Thereafter, certificates for the ordinary Shares will be accepted for exchange only on payment of a fee of HK$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) by the Shareholders for each certificate issued or cancelled, whichever is higher.

All existing certificates of the ordinary Shares will continue to be evidence of entitlement to such ordinary Shares and be valid for delivery, transfer and settlement purpose.

Change in board lot size

The board lot size for trading on the Stock Exchange will be changed from 40,000 Shares to 16,000 New Shares. For illustration purpose, based on the closing price of HK$0.010 per Share (equivalent to the theoretical closing price of HK$1.00 per New Share) as quoted on the Stock Exchange on the Last Trading Day, the value of each board lot of 16,000 New Shares, assuming the Capital Reorganisation had already been effective, would be HK$16,000.

The change in board lot size will not result in any change in the relative rights of the Shareholders.

In order to facilitate the trading of odd lots of the New Shares arising from the Capital Reorganisation and the Change in Board Lot Size, the Company has appointed Lego Securities Limited as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the New Shares to make up a full board lot, or to dispose of their holding of odd lots of the New Shares, during the period from Friday, 28 July 2023 to Thursday, 17 August 2023 (both dates inclusive).

Holders of the New Shares in odd lots (i.e. board lots which are not in integral multiples of 16,000 New Shares) who wish to take advantage of this matching service should contact Mr. Kelvin Li of Lego Securities Limited at Room 301, 3/F, China Building, 29 Queen's Road Central, Hong Kong or at telephone number (852) 2128 9433 during normal business hours (i.e. 9:00 a.m. to 4:00 p.m., Monday to Friday). Holders of the Shares who would like to match odd lots are recommended to make an appointment in advance by dialing the telephone number of Lego Securities Limited set out above.

Holders of the New Shares in odd lots should note that the matching of sale and purchase of odd lots of the New Shares is on best effort basis and successful matching of sale and purchase of odd lots of the New Shares is not guaranteed. Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.

The Subscription

Completion of the Subscription took place on 28 July 2023, and 466,000,000 Subscription Shares have been issued to the Investor by the Company at the issue price of HK$0.1288 per Subscription Share pursuant to the Subscription Agreement. As of the date of the Completion, the Subscription Shares represents approximately 65.06% of the issued share capital of the Company immediately upon Completion.

The Creditors' Scheme

The Creditors' Scheme has become effective on 28 July 2023. On the same day, (i) HK$30.0 million of the proceeds of the Subscription have been paid to the Scheme Company; (ii) the Company allotted and issued 140,000,000 Scheme Shares to the Scheme Company, which holds such Scheme Shares for the benefit of the Creditors; and (iii) the Company issued the Promissory Notes to the Scheme Company. The Scheme Shares represent approximately 19.55% of the issued share capital of the Company immediately upon Completion.

The payment of the Creditors' Scheme Cash Consideration, the transfer of the Scheme Shares, and the assignment of the Promissory Notes, to the Creditors by the Scheme Company, will take place after the adjudication of Creditors' claims pursuant to the terms of the Creditors' Scheme.

The Whitewash Waiver

The Executive has, on 21 March 2023, granted the Whitewash Waiver to the Investor, subject to the fulfilment of the conditions that (1) (i) the Whitewash Waiver and (ii) the transactions under the Restructuring Framework Agreement and Subscription Agreement being separately approved by (A) at least 75% and (B) more than 50%, respectively, of the independent vote (as defined in Note 1 on dispensations from Rule 26 of the Takeovers Code) that are cast either in person or by proxy at a general meeting of the Company, to be taken on a poll; and (2) unless the Executive gives prior consent, no acquisition or disposal of voting rights being made by the Investor and its concert parties between the announcement of the proposed issue of the new securities and the completion of the issue.

The aforementioned condition (1) and (2) imposed by the Executive have been fulfilled as at the date of this announcement.

The Special Deals

On 21 March 2023, the Executive has conditionally consented to the Special Deals, subject to the Special Deals being approved by a vote of the independent shareholders of the Company at a general meeting of the Company, to be taken on a poll.

The aforementioned condition of the Special Deals has been fulfilled as at the date of this announcement.

The Special Deals (being the settlement of the indebtedness to Mr. Wang, Ms. Tian and Ms. Hui under the Creditors' Scheme) will be completed under the terms of the Creditors' Scheme.

Shareholding structure of the Company immediately upon Completion

The shareholding structure of the Company immediately upon Completion is as follows:

	Number of New Shares	*%*
The Investor	466,000,000	65.06
Director		
Ms. Hui	100,000	0.01
Public Shareholders		
Mr. Wang[1]	31,970,239	4.46
Ms. Tian[2]	7,900	0.00
Scheme Company[3]	140,000,000[4]	19.55
Other public Shareholders	78,164,065	10.91
Total	716,242,204	100.00

Notes:

1. Mr. Wang directly holds 3,092,703,920 Shares and he is deemed to be interested in 104,320,000 Shares which are beneficially owned by his spouse under Part XV of the SFO. With reference to the Company's announcement dated 22 May 2023, Mr. Wang has ceased to be a director of the Company with effect from 22 May 2023.

2. With reference to the Company's announcement dated 1 June 2022, Ms. Tian has ceased to be a director of the Company with effect from 1 June 2022.

3. The Scheme Company, a company incorporated in Hong Kong with limited liability, being the special purpose vehicle holding the Scheme Shares for the benefits of the Creditors and is held and controlled by the Scheme Administrator. Save for Mr. Wang, Ms. Tian and Ms. Hui, none of the creditors of the Company and their ultimate beneficial owners are Shareholders.

4. Some of the Scheme Shares will be held by Mr. Wang, Ms. Tian, Ms. Hui, the Director Creditors and the Former Director Creditors after the adjudication of Creditors' claims pursuant to the terms of the Creditors' Scheme.

5. As at the date of this announcement, save for Ms. Hui, none of the other existing Directors is interested in the Shares.

As at the date of this announcement, there is no outstanding option, warrant or other instrument convertible or exchangeable into Shares.

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

Hong Kong, 28 July 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 and Mr. Wang Yibin as the executive Directors; and Mr. Gu Sotong as the non-executive Director; and Mr. Liu Zhaoxiang, Ms. Wong Hoi Ying, Mr. Guo Zhonglong and Mr. Chan Wai Lung as the independent non-executive Directors.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.