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## **Bay Area Gold Group Limited**

## **灣區黃金集團有限公司**

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 1194)**

**(In Compulsory Liquidation)**

### **VOLUNTARY ANNOUNCEMENT FUNDING AGREEMENT**

#### **FUNDING AGREEMENT**

The Board announces that on 11 September 2023, Able Reliance, the Company, and the Joint and Several Liquidators entered into the Funding Agreement, pursuant to which Able Reliance unconditionally agreed to grant a credit facility for a total sum of up to HK\$13,000,000 to the Company subject to and upon the terms and conditions of the Funding Agreement to, among others, facilitate the preparation and implementation of the Restructuring and the Resumption Proposal of the Company.

Reference is made to the announcement of the Company dated 20 January 2023 in relation to, among others, the appointment of the Joint and Several Liquidators.

#### **THE FUNDING AGREEMENT**

The Board announces that on 11 September 2023, Able Reliance as lender, the Company as borrower, and the Joint and Several Liquidators acting in their capacity as the joint and several liquidators of the Company, entered into the Funding Agreement. The principal terms of the Funding Agreement are set out below.

#### **Date**

11 September 2023

## **Parties**

- (i) Able Reliance, as lender
- (ii) the Company, as borrower
- (iii) the Joint and Several Liquidators

## **Principal amount of Funding**

A term loan facility in an aggregate principal amount of HK\$13,000,000. As of the date of this announcement, HK\$4,700,000 of which has been drawn down.

## **Interest and security**

The Funding under the Funding Agreement is an interest-free and unsecured loan.

## **Conditions precedent**

The Funding Agreement is unconditional.

## **Application of the Funding**

The purpose of the Funding is to provide funding to facilitate preparation and implementation of the Restructuring and the Resumption Proposal.

## **Nature and priority of the Funding**

Subject to the approval of the Hong Kong Court, provided that Able Reliance is not in breach of any terms and conditions of the Funding Agreement, the Funding shall be treated or regarded as the fees and expenses properly incurred by the Company in preserving, realising or getting in the assets, which will be paid out of the assets of the Company in priority to all other existing and future unsecured liabilities and debts of the Company.

## **Repayment and Right of Set-off**

The Funding actually drawn (together with the interest thereon, if any) shall be repaid by the Company upon the occurrence of any of the following:

- (i) any scheme for the restructuring of the debts of the Company becomes effective; or
- (ii) upon the termination of the Funding Agreement in accordance with terms and conditions therein,

whichever is the earlier, and subject to the availability of any proceeds (after deducting expenses) from the realisation of assets of the Company.

Notwithstanding the above, subject to the agreement of the Company, Able Reliance may set-off the payment payable by it or its nominee to the Company (if any) including but not limited to the consideration for the subscription of new shares of the Company against the amount of the Funding actually received by the Company on a dollar-to-dollar basis.

### **First right for Able Reliance to participate in the Restructuring**

In consideration of the Funding by Able Reliance, the Company shall give an exclusive right to Able Reliance and/or its nominee to negotiate with the Company and/or the Joint and Several Liquidators in respect of the Restructuring and the Resumption Proposal for a period of six (6)-month period from the date of the Funding Agreement or until the termination of the Funding Agreement, whichever is earlier.

### **INFORMATION ON THE GROUP**

The principal activity of the Company is investment holding. The Group is principally engaged in gold-related business, including processing of gold ores and sale of gold products in the PRC, trading of metals and minerals in the PRC, and provision of financial services business in Hong Kong and the PRC, including asset management, securities brokerage, financing and advisory services.

### **INFORMATION ON ABLE RELIANCE**

Able Reliance is a company incorporated in the British Virgin Islands and is principally engaged in investment holding. As confirmed by Able Reliance, Able Reliance is directly wholly-owned by Mr. Zhu Shiqiang, who is also the sole director of Able Reliance as at the date of this announcement. Mr. Zhu Shiqiang is operating mining business in the PRC and a third party independent of the Company and its connected persons.

### **REASONS AND BENEFITS FOR THE ENTERING OF FUNDING AGREEMENT**

References are made to the announcements of the Company dated 20 August 2021, 24 August 2021, 1 September 2021, 15 September 2021, 20 October 2021, 17 November 2021, 29 December 2021, 9 February 2022, 2 March 2022, 27 April 2022, 8 June 2022, 3 August 2022, 1 September 2022 and 20 January 2023 in relation to, among others, the winding-up petitions presented against the Company, the winding-up order against the Company and the appointment of the Joint and Several Liquidators.

The Restructuring along with the Funding Agreement form a vital part of the Resumption Proposal as it provides the Group with the necessary financing to resolve the debts of the Company by the implementation of the Resumption Proposal.

Taking into account of the financial situation of the Group, the urgent need of the Company to implement the Restructuring and to relieve the winding-up petitions against the Company, as well as the willingness of Able Reliance to provide funding for corporate rescue attempt, the Joint and Several Liquidators consider that the entering into of the Funding Agreement will facilitate the Restructuring and to fulfil the Resumption Guidance.

In view of the above, the Joint and Several Liquidators consider the terms of the Funding Agreement are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

## **GENERAL**

The Company and the Joint and Several Liquidators are in the course of (i) finalising the Restructuring plan; and (ii) formulating a detailed Resumption Proposal.

**Since the Restructuring is subject to various sanctions and approvals by the Hong Kong Court, the Shareholders, the Stock Exchange, the creditors of the Company, etc., there is no guarantee that the Restructuring will be materialised.**

## **CONTINUED SUSPENSION OF TRADING**

Trading on the Stock Exchange in the shares of the Company, which has suspended with effect from 9:00 a.m. on 1 April 2022, remains suspended and will continue to be so until further notice.

**The publication of this announcement does not indicate any decision or conclusion from the Stock Exchange nor warrant any approval from the Stock Exchange on the resumption of trading in Shares given that the Resumption is subject to the fulfilment of the Resumption Guidance. Therefore, the Restructuring and the Resumption may or may not proceed. The Company will keep the public informed of the latest development by making further announcement(s) as and when appropriate.**

## DEFINITIONS

Unless the context requires otherwise, capitalised terms used in this announcement shall have the following meanings:

“Able Reliance”	Able Reliance Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly owned by Mr. Zhu Shiqiang
“Board”	Board of Directors
“Company”	Bay Area Gold Group Limited (In Compulsory Liquidators), a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1194)
“Director(s)”	director(s) of the Company
“Funding”	credit facility for a total sum of up to HK\$13,000,000 to be provided by Able Reliance to the Company pursuant to the terms and conditions of the Funding Agreement
“Funding Agreement”	the funding agreement dated 11 September 2023 and entered into between Able Reliance as lender, the Company, and the Joint and Several Liquidators in relation to the granting of funding in form of a credit facility for a total sum of up to HK\$13,000,000
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Court”	any Court in Hong Kong
“Joint and Several Liquidators”	Mr. Osman Mohammed Arab and Mr. Wong Kwok Keung, both of Acclime Corporate Advisory (Hong Kong) Limited (formerly known as RSM Corporate Advisory (Hong Kong) Limited)
“Joint and Several Liquidators’ Fees and Expenses”	fees and expenses (including legal fees) due and payable to and/or incurred or to be incurred by the Joint and Several Liquidators relating to their performance of their duties as joint and several liquidators of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Administrative Region of the People’s Republic of China and Taiwan
“Restructuring”	restructuring of the capital, business and indebtedness of the Company
“Restructuring Agreement”	a restructuring framework agreement to be entered into amongst the Company, the Joint and Several Liquidators and Able Reliance (as may be amended or supplemented from time to time) relating to the Restructuring
“Resumption”	resumption of trading of the Shares on the Stock Exchange
“Resumption Guidance”	the guidance for the Resumption imposed by the Stock Exchange on 9 June 2022
“Resumption Proposal”	a resumption proposal containing information as to the proposed Restructuring to be submitted to the Stock Exchange for approval for the purpose of seeking the Resumption, subject to such conditions as the Stock Exchange may direct
“Shareholder(s)”	holder(s) of the issued Shares
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

For and on behalf of  
**Bay Area Gold Group Limited**  
**(In Compulsory Liquidation)**  
**Osman Mohammed Arab**  
**Wong Kwok Keung**  
 Joint and Several Liquidators  
 Acting as agents of the Company  
 without personal liabilities

Hong Kong, 22 September 2023

*As at the date of this announcement, the Board comprises Mr. Yi Shuhao, Mr. Chen Sheng and Mr. Zhang Lirui as the Executive Directors, Mr. Tang Yiu Kay, Mr. Zhu Tianxiang, Professor Xiao Rong Ge and Professor Zhang Tianyu as the Independent Non-executive Directors. All powers of the directors ceased upon granting of the Winding-up Order by the High Court of Hong Kong on 31 August 2022.*

*The affairs, business and property of the Company are being managed by the Joint and Several Liquidators who act as agents of the Company only and without personal liabilities.*