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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)

ANNOUNCEMENT IN RESPECT OF (1) PUBLICATION OF UNAUDITED MANAGEMENT ACCOUNTS FOR THE SIX MONTHS ENDED 30 JUNE 2023 AND (2) CONTINUED SUSPENSION OF TRADING

This announcement is made by Bay Area Gold Group Limited (In Compulsory Liquidation) (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

References are made to (i) the announcement of the Company dated 31 March 2022 in relation to, among others, the delay in publication of the 2021 Annual Results, the delay in despatch of the 2021 Annual Report and the suspension of trading; and (ii) the announcement of the Company dated 20 January 2023 in relation to, among others, the appointment of the Joint and Several Liquidators (collectively, the “**Announcements**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

The Company hereby announces that as additional time will be required for the Company to provide the required information to the independent auditor, CCTH CPA Limited (the “**Auditor**”), to complete the review work in respect of the financial information of the Group for the six months ended 30 June 2023, the Company is not in a position to (i) publish the interim results of the Group for the six months ended 30 June 2023 (the “**2023 Interim Results**”) and (ii) despatch the interim report for the six months ended 30 June 2023 (the “**2023 Interim Report**”) to its Shareholders by the date of this announcement in accordance with the Listing Rules. The Company will issue further announcement(s) on the expected date of publication of the 2023 Interim Results and the despatch of the 2023 Interim Report as and when appropriate in accordance with the requirements of the Listing Rules.

1. UNAUDITED MANAGEMENT ACCOUNTS

In order to keep the shareholders of the Company (the “**Shareholders**”) and the public informed of the Group’s financial performance and position, the Company wishes to set forth below the preliminary unaudited consolidated financial information extracted from the management accounts of the Group for the six months ended 30 June 2023 (the “**Management Accounts**”). The Company confirms that the following unaudited consolidated financial information is prepared on the same basis as used in the latest audited financial statements of the Group for the year ended and as of 31 December 2020 and all new standards, amendments to standards and interpretations, have been consistently applied by the Group throughout the reporting periods.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023

	Six months ended	
	30 June 2023	30 June 2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue	220,703	40,182
Cost of sales	<u>(210,878)</u>	<u>(40,182)</u>
Gross profit	9,825	—
Other income	1,958	25
Selling and distribution costs	(119)	—
Administrative expenses	<u>(4,065)</u>	<u>(4,276)</u>
Profit/(loss) from operations	7,599	(4,251)
Finance costs	<u>(32,412)</u>	<u>(39,809)</u>
Loss before tax	(24,813)	(44,060)
Income tax expense	<u>(2,363)</u>	<u>—</u>
Loss for the period attributable to owners of the Company	<u>(27,176)</u>	<u>(44,060)</u>

	Six months ended	
	30 June 2023	30 June 2022
	HK cents	HK cents
	(Unaudited)	(Unaudited)
Loss per share		
Basic	<u>(9.11)</u>	<u>(14.77)</u>
Diluted	<u>N/A</u>	<u>N/A</u>

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	Six months ended	
	30 June	30 June
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss for the period	<u>(27,176)</u>	<u>(44,060)</u>
Other comprehensive expense		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange difference on translation of foreign operations	<u>(543)</u>	<u>(274)</u>
Other comprehensive expense for the period, net of tax	<u>(543)</u>	<u>(274)</u>
Total comprehensive expense for the period attributable to owners of the Company	<u><u>(27,719)</u></u>	<u><u>(44,334)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	As at 30 June 2023 <i>HK\$'000</i> (Unaudited)	As at 31 December 2022 <i>HK\$'000</i> (Unaudited)
Non-current assets		
Fixed assets	46	55
Other deposits	<u>150</u>	<u>150</u>
Total non-current assets	<u>196</u>	<u>205</u>
Current assets		
Inventories	12,999	4,167
Trade, loans and other receivables, deposits and prepayments	233,190	366,403
Client trust bank balances	4,112	4,112
Cash and bank balances	<u>3,903</u>	<u>18,611</u>
Total current assets	<u>254,204</u>	<u>393,293</u>

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Unaudited)
Current liabilities		
Trade and other payables	476,604	617,660
Contract liabilities	60,460	61,237
Provisions	3,841,948	3,854,332
Bank and other borrowings	1,349,682	1,321,725
Tax payable	<u>2,541</u>	<u>538</u>
Total current liabilities	<u>5,731,235</u>	<u>5,855,492</u>
Net current liabilities	<u>(5,477,031)</u>	<u>(5,462,199)</u>
Total assets less current liabilities	<u>(5,476,835)</u>	<u>(5,461,994)</u>
Non-current liabilities		
Bank and other borrowings	<u>3,800</u>	<u>3,800</u>
Total non-current liabilities	<u>3,800</u>	<u>3,800</u>
NET LIABILITIES	<u>(5,480,635)</u>	<u>(5,465,794)</u>
CAPITAL AND RESERVES		
Share capital	298	298
Reserves	<u>(5,480,933)</u>	<u>(5,466,092)</u>
DEFICIENCY IN EQUITY	<u>(5,480,635)</u>	<u>(5,465,794)</u>

The Company wishes to emphasise that the review of the Management Accounts has not been finalised and the Company is still in the process of providing the required information to the Auditor. Accordingly, the unaudited consolidated financial information set out above is subject to adjustments and finalisation pending the completion of the review. Shareholders and potential investors should note that the above unaudited consolidated financial information of the Group has not been agreed by the Auditor. The unaudited consolidated financial information is only based on the Management Accounts and is not based on any other data or information that has been reviewed by the Auditor. Shareholders and potential investors should note that the actual 2023 Interim Results may be different from the disclosure in this announcement.

2. 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 Joint and Several Liquidators were only appointed on 21 December 2022 and with limited information in relation to the Group who are not in a position to confirm the completeness, existence and accuracy of the historical result of the Group. The Joint and Several Liquidators do not accept or assume responsibility for the Management Accounts for any purpose or to any person to whom these Management Accounts are shown or into whose hands they may come.

Shareholders and potential investors should exercise extreme caution when considering the unaudited consolidated financial information disclosed above and when dealing in the shares of the Company.

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, 29 September 2023

*As at the date of this announcement, the board of directors (the “**Directors**”) of the Company 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.