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Able Reliance Limited

*(Incorporated in the British Virgin Islands
with limited liability)*

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)

JOINT ANNOUNCEMENT
(1) RESTRUCTURING FRAMEWORK AGREEMENT
IN RELATION TO
THE PROPOSED RESTRUCTURING INVOLVING
(i) CAPITAL REORGANISATION;
(ii) SUBSCRIPTION;
(iii) CREDITORS SCHEME; AND
(iv) SPECIAL DEAL;
(2) CONNECTED TRANSACTION — ISSUE OF SCHEME SHARES
UNDER SPECIFIC MANDATE;
(3) APPLICATION FOR WHITEWASH WAIVER;
(4) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER;
AND
(5) CONTINUED SUSPENSION OF TRADING

Independent Financial Adviser

MERDEKA 領智

THE RESTRUCTURING FRAMEWORK AGREEMENT

On 27 September 2023, the Company, the Liquidators and the Investor entered into the Restructuring Framework Agreement, pursuant to which the Company will implement the Proposed Restructuring which involves (i) the Capital Reorganisation; (ii) the Subscription; and (iii) the Creditors Scheme.

THE CAPITAL REORGANISATION

As part of the Proposed Restructuring, the Company proposed to implement the Capital Reorganisation, which comprises: (i) the Share Consolidation; (ii) the Share Premium Reduction; and (iii) the Increase in Authorised Share Capital.

Immediately following the Share Consolidation and the Increase in Authorised Share Capital, the authorised share capital of the Company shall be HK\$500,000,000 divided into 50,000,000,000 Consolidated Shares of HK\$0.01 each, and the issued share capital of the Company shall be HK\$298,242.94 divided into 29,824,294 Consolidated Shares of HK\$0.01 each.

THE SUBSCRIPTION

On 27 September 2023, the Investor (as subscriber), the Company (as issuer) and the Liquidators entered into the Subscription Agreement, pursuant to which the Investor shall subscribe for a total of 5,000,000,000 Subscription Shares at the total subscription price of HK\$50,000,000 (representing approximately 16,765% of the existing issued share capital of the Company as at the date of this joint announcement and 71.13% of the Enlarged Issued Share Capital) with a subscription price of HK\$0.01 per Subscription Share, which shall be satisfied by way of set-off against the outstanding amounts under the Funding Agreement of up to HK\$13,000,000 in whole or in part on a dollar-for-dollar basis; and the remaining amount shall be satisfied by way of cash payable to the Company. Assuming the credit facility up to HK\$13,000,000 under the Funding Agreement are fully drawn down, the Investor shall pay HK\$37,000,000 in cash to the Company for the Subscription after the set-off against the outstanding amounts of HK\$13,000,000 under the Funding Agreement.

The Subscription Shares will be allotted and issued under the Specific Mandate to be sought for approval from the Independent Shareholders at the SGM. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

THE CREDITORS SCHEME

Pursuant to the terms of the Restructuring Framework Agreement, the Company shall propose the Creditors Scheme, pursuant to which each Creditor with Admitted Scheme Claim(s) would be entitled to (a) the receipt of the Scheme Shares of 2,000,000,000 Consolidated Shares which fall to be allotted and issued by the Company, representing approximately 28.45% of the Enlarged Issued Share Capital (assuming there is no change in the issued share capital of the Company other than the allotment and issue of the Subscription Shares and the Scheme Shares after the effective date of the Capital Reorganisation); and (b) the receipt of proceeds from the realisation of the Excluded Companies and the Transferred Claims.

Upon the Creditors Scheme becoming effective, subject to the fulfilment of the terms and conditions of the Creditors Scheme as set out in the scheme document for the Creditors Scheme, the Creditors shall accept the Scheme Consideration in full and final discharge of their Claim(s).

For the purpose of effecting the Creditors Scheme, the Liquidators have applied to the Court for leave to convene the Scheme Meeting and a court hearing for such purpose was fixed on Monday, 6 November 2023 at 10:00 a.m. Please refer to the announcement of the Company dated 11 October 2023 for further details.

The consideration of the Disposal, which is estimated in nominal value, will be determined at the time of entering into the Disposal Agreement.

Upon completion of the Disposal, the Excluded Companies will cease to be subsidiaries of the Company and/or member companies of the Group.

IMPLICATIONS UNDER THE LISTING RULES AND THE TAKEOVERS CODE

Listing Rules Implication

Connected Transactions — Issue of Scheme Shares to Directors and substantial Shareholders

Based on the records available to the Company, the Company has:

- (1) certain Directors' remuneration owed to four existing Directors (namely Mr. Yi Shuhao, Mr. Zhang Lirui, Professor Xiao Rong Ge and Professor Zhang Tianyu) and one former Director (namely Mr. Huang Zhiwei);
- (2) certain Shareholders' loan owed to a substantial Shareholder, namely Mr. Koo; and
- (3) certain debts owed to an associate of substantial Shareholders, namely Shenzhen Ruiying.

According to the Creditors Scheme, these Director Creditors, Mr. Koo and Shenzhen Ruiying are also the Creditors (subject to adjudication by the Scheme Administrators upon the Creditors Scheme taking effect).

Accordingly, the issue and allotment of Scheme Shares to the Director Creditors, Mr. Koo and Shenzhen Ruiying under the Creditors Scheme constitutes connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to the approval of the Independent Shareholders by way of poll. The Director Creditors, Mr. Koo, Shenzhen Ruiying, their respective associates and parties acting in concert with any of them shall abstain from voting in respect of the resolution(s) to approve the Creditors Scheme.

Specific Mandate

The Subscription Shares and the Scheme Shares will be allotted and issued pursuant to the Specific Mandate to be obtained upon approval by the Shareholders at the SGM.

Pursuant to Rule 7.27B of the Listing Rules, a listed issuer may not undertake a rights issue, open offer or specific mandate placings that would result in a theoretical dilution effect of 25% or more, unless the Stock Exchange is satisfied that there are exceptional circumstances.

In view of the insolvent financial position and the liquidation status of the Company as well as the prolonged suspension of the trading in the Shares on the Stock Exchange, the closing price of the Shares on the Last Trading Day does not reasonably reflect the existing condition of the Company and the financial position of the Company could be considered as an exceptional circumstance under Rule 7.27B of the Listing Rules. Accordingly, the Liquidators consider that it is fair and reasonable (i) for the Subscription Price and the Issue Price to be set at a relatively deep discount to the historical trading prices of the Shares; and (ii) the allotment and issue of the Subscription Shares and the Scheme Shares in aggregate would result in a relatively significant theoretical dilution effect of approximately 99.37%.

Takeovers Code implications

Whitewash Waiver

As at the date of this joint announcement, the Company has 298,242,947 issued Shares. The Company does not have any other issued securities other than such Shares.

As at the date of this joint announcement, the Investor Concert Group did not hold, own, control or have direction over any Shares, outstanding options, warrants or any securities that are convertible into Shares or any derivatives in respect of the securities in the Company, or hold any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company. The Investor is also a Creditor which has a total claim amount of approximately RMB112.18 million (equivalent to approximately HK\$127.37 million), which is subject to adjudication in accordance with the terms of the Creditors Scheme and the final determination by the Scheme Administrators. As such, the Investor will be entitled to a total of 50,948,903 Scheme Shares under the Creditors Scheme (assuming the outstanding debt to be converted at HK\$2.50 per Scheme Share, which was arrived at assuming there will be in aggregate HK\$5,000,000,000 Admitted Scheme Claims filed by all Creditors, which together with the 5,000,000,000 Subscription Shares, will hold an aggregate of 5,050,948,903 Consolidated Shares upon Completion, representing approximately 71.85% of the enlarged issued share capital of the Company.

Assuming that (i) the Capital Reorganisation has become effective; (ii) the allotment and issue of the Subscription Shares and the Scheme Shares at Completion have taken place; and (iii) there is no other change in the issued share capital of the Company from the date of this joint announcement and up to Completion (other than as a result of the Capital Reorganisation and the allotment and issue of the Subscription Shares and the Scheme Shares), the Investor Concert Group will be interested in 5,050,948,903 Consolidated Shares, representing approximately 71.85% of the Enlarged Issued Share Capital.

As such, the Investor would be required to make a mandatory general offer for all the issued shares of the Company (not already owned or agreed to be acquired by the Investor Concert Group) under Rule 26.1 of the Takeovers Code, unless a waiver from strict compliance with Rule 26.1 of the Takeovers Code is granted by the Executive.

The Investor will make an application to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, (i) the approval by at least 75% of the votes cast by the Independent Shareholders at the SGM by way of poll in respect of the Whitewash Waiver; and (ii) the approval by more than 50% of the votes cast by the Independent Shareholders at the SGM by way of poll in respect of the transactions contemplated under the Restructuring Framework Agreement. The Investor, the Director Creditors, Mr. Koo, Chance Talent, Shenzhen Ruiying, their respective associates and parties acting in concert with any of them, and the Shareholders who are interested in or involved in any of the Proposed Restructuring, the Whitewash Waiver and the Special Deal (including the Creditors and the Scheme Administrators) will be required to abstain from voting on the relevant resolution(s).

The Proposed Restructuring (which involves the Creditors Scheme) will not proceed if the Whitewash Waiver is not obtained from the Executive or not approved by the Independent Shareholders. The Executive may or may not grant the Whitewash Waiver.

Special Deal

The (i) proposed settlement of Admitted Scheme Claims (which include debts held by three Creditors (subject to adjudication by the Scheme Administrators upon the Creditors Scheme taking effect), namely (a) Mr. Koo and Chance Talent, who are also Shareholders and held 30,567,286 Shares and 673,750 Shares, respectively; and (b) Shenzhen Ruiying, a company wholly-owned by Ms. Guan, whose spouse is Mr. Liu, who together with Grace Silver are Shareholders holding 18,273,859 Shares and 65,251,940 Shares, respectively, based on the information from the Company as at the date of this joint announcement) under the Creditors Scheme; and (ii) proposed Disposal to the Scheme Company which may result in proceeds to be distributed to the Creditors under the Creditors Scheme, which are not extended to all other Shareholders, constitute a special deal under Rule 25 of the Takeovers Code and therefore requires consent by the Executive. The Executive's consent, if granted, will be conditional on (i) the Independent Financial Adviser publicly states that in its opinion the terms thereunder are fair and reasonable; and (ii) approval by the Independent Shareholders at the SGM. The Investor, the Director Creditors, Mr. Koo, Chance Talent, Shenzhen Ruiying, their respective associates and parties acting in concert with any of them, and the Shareholders who are interested in or involved in any of the Proposed Restructuring, the Whitewash Waiver and the Special Deal (including the Creditors and the Scheme Administrators) will be required to abstain from voting on the relevant resolution(s).

Based on the information available to the Company, as at the date of this joint announcement, save for three Creditors, namely,

- (a) Mr. Koo and Chance Talent, holding 30,567,286 Shares and 673,750 Shares, respectively, representing approximately 10.25% and 0.23% of the issued share capital of the Company as at the date of this joint announcement, respectively; and
- (b) Shenzhen Ruiying, a company wholly-owned by Ms. Guan, whose spouse is Mr. Liu, who together with Grace Silver are Shareholders holding 18,273,859 Shares and 65,251,940 Shares, respectively, representing approximately 6.13% and 21.88% as at the date of this joint announcement, respectively,

the other Creditors are not Shareholders.

None of the Directors and any person who was a director of the Company or any of its subsidiaries in the last 12 months from the date of this joint announcement and the Creditors are or had been acting in concert with the Investor and parties acting in concert with it.

The Company will apply to the Executive for its consent to the Special Deal under Rule 25 of the Takeovers Code.

THE APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

As the power of the Board has ceased following the appointment of the Liquidators by the Court, accordingly, no independent board committee can be formed to advise the Independent Shareholders. The Company has appointed Merdeka Corporate Finance Limited as the Independent Financial Adviser to advise the Independent Shareholders in accordance with the requirements under the Listing Rules and the Takeovers Code on such matters.

GENERAL

The SGM will be convened and held to consider and, if thought fit, approve, among others, the Restructuring Framework Agreement and the transactions contemplated thereunder, the Subscription, the grant of the Specific Mandate, the Whitewash Waiver and the Special Deal.

The Company will submit an application to the Listing Committee for the listing of, and permission to deal in (a) the Consolidated Shares arising from the Capital Reorganisation; (b) the Subscription Shares; and (c) the Scheme Shares.

Under Rule 8.2 of the Takeovers Code, the Company is required to despatch to the Shareholders a circular containing, among others, details of: (a) the Restructuring Framework Agreement and the transactions contemplated thereunder; (b) the Specific Mandate; (c) the Subscription; (d) the Whitewash Waiver; (e) the Special Deal; (f) a letter of advice from the Independent Financial Adviser to the Independent Shareholders in relation to the Restructuring Framework Agreement and the transactions contemplated thereunder, the Subscription, the grant of the Specific Mandate, the Whitewash Waiver and the Special Deal; and (g) a notice of the SGM, within 21 days from the date of this joint announcement, that is on or before 1 December 2023, or such later date as the Executive may approve. Further announcement(s) will be made as and when appropriate.

CONTINUED SUSPENSION OF TRADING

Since the Company did not publish its financial information within the time frame which is in breach of the Listing Rules, at the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2022 and will remain suspended pending fulfilment of the Resumption Guidance. Further announcement(s) will be made to provide further updates to the Shareholders and potential investor of the Company as and when appropriate.

WARNINGS

The transactions contemplated under the Restructuring Framework Agreement are subject to fulfilment of various conditions and therefore may or may not materialise. The release of this joint announcement does not necessarily indicate that the Proposed Restructuring will be completed or trading in the Shares will be resumed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

The Company has submitted its Resumption Proposal to the Stock Exchange and will keep the Shareholders and investors informed of the latest development by making further announcements as and when appropriate.

INTRODUCTION

References are made to (i) the announcements of the Company dated 15 June 2022, 24 June 2022, 1 September 2022, 20 January 2023, 12 April 2023, 30 June 2023 and 3 November 2023 in relation to, among other matters, the Resumption Guidance issued by the Stock Exchange, the Winding-up Order made against the Company, the appointment of the Liquidators and the decision of the Listing Committee of the Stock Exchange; (ii) the announcement of the Company dated 22 September 2023 in relation to, among other things, the entering into of the Funding Agreement; and (iii) the announcement of the Company dated 11 October 2023 in relation to the fixing of the hearing for leave to convene the Scheme Meeting and the hearing for sanction of the proposed Creditors Scheme.

At the request of the Company, the Shares were suspended from trading on the Stock Exchange with effect from 9:00 a.m. on 1 April 2022.

On 9 June 2022, the Company received from the Stock Exchange the Resumption Guidance as follows:

- (a) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (b) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules;
- (c) have the winding-up petitions (or order, if made) against the Company withdrawn or dismissed; and
- (d) announce all material information for the Company's shareholders and investors to appraise the Company's position.

As at the date of this joint announcement, the outstanding financial results required under the Listing Rules have not yet been published and none of the resumption conditions above has been fulfilled. The audited financial results of the Company for each of the year ended 31 December 2021 and 31 December 2022, respectively, and the interim financial results of the Company for the six months ended 30 June 2022 and 30 June 2023, respectively, are subject to the finalisation of the ongoing audited process and will be published as soon as possible and the exact date has to be agreed upon with the auditors of the Company. Further announcement(s) will be made as and when appropriate.

On 27 October 2023, the Company received a letter from the Stock Exchange of even date stating that the Listing Committee decided to cancel the Company's listing under Rule 6.01A(1) of the Listing Rules. The Company has submitted a written request to seek a review of such decision of the Listing Committee to the Listing Review Committee of the Stock Exchange. Please refer to the announcement of the Company dated 3 November 2023 for further details.

With respect to the suspension of trading in the Shares, the Stock Exchange required the Company to remedy the issue causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange's satisfaction before trading in its securities is allowed to resume and, for this purpose, the Company has the primary responsibility to devise its action plan for the Resumption.

To proceed with the Proposed Restructuring and to achieve the Resumption, the Investor (as lender), the Company (as borrower) and the Liquidators entered into the Funding Agreement on 11 September 2023 in relation to the provision of a credit facility for a total sum of up to HK\$13,000,000 (or such other sum as to be agreed among the parties thereto) for the purposes of, among others, facilitating and/or supporting the Proposed Restructuring and other costs which have been or are to be incurred in respect of the Proposed Restructuring. As at the date of this joint announcement, approximately HK\$5.7 million has been drawn down by the Company. Please refer to the announcement of the Company dated 22 September 2023 for further details. The transactions relating to the Proposed Restructuring include (i) the Capital Reorganisation; (ii) the Subscription; and (iii) the Creditors Scheme, each of which is explained below.

THE RESTRUCTURING FRAMEWORK AGREEMENT

On 27 September 2023, the Company, the Liquidators and the Investor entered into the Restructuring Framework Agreement, pursuant to which the Company will implement the Proposed Restructuring which involves (i) the Capital Reorganisation; (ii) the Subscription; and (iii) the Creditors Scheme.

Details of the Restructuring Framework Agreement, together with the detailed arrangements are set out below:

Date

27 September 2023 (as amended and supplemented by the Supplemental Restructuring Framework Agreement dated 10 November 2023)

Parties

- (i) the Company;
- (ii) the Investor; and
- (iii) the Liquidators

The Investor is a company incorporated in the British Virgin Islands with limited liability, and is wholly and beneficially owned by Mr. Zhu. He is also the sole shareholder of Jiansai Mining, which filed a proof of debt against the Company for approximately RMB112.18 million (equivalent to approximately HK\$127.37 million). For details of the proof of debt, please refer to the section headed “Information of the Investor” in this joint announcement. To the best of the knowledge, information and belief of the Liquidators, having made all reasonable enquiries, the Investor and its ultimate beneficial owner are Independent Third Parties.

Conditions precedent for Completion

Completion of the Proposed Restructuring shall be conditional upon the following conditions precedent being fulfilled or waived on or before the Long Stop Date:

- (1) the signing of all the Restructuring Documents by all the parties thereunder as may be required to be entered into before Completion;
- (2) an office copy of the order of the Court sanctioning the Creditors Scheme pursuant to the Companies Ordinance having been delivered to the Registrar of Companies in Hong Kong for registration;
- (3) the order of the Court sanctioning (a) the winding-up petitions been permanently stayed and (b) the discharge of the Liquidators in Hong Kong;
- (4) the passing of the necessary resolutions by the Shareholders or the Independent Shareholders (as the case may be) at the SGM for the Creditors Scheme, the Restructuring Framework Agreement, the Subscription Agreement and the transactions contemplated thereunder respectively (including the granting of the Specific Mandate, the Capital Reorganisation, the Subscription, the Special Deal and the Whitewash Waiver) and not having been revoked or vitiated;

- (5) the Company having obtained either conditional approval or approval-in-principle from the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares, the Subscription Shares and the Scheme Shares on the Stock Exchange, and such permission not having been subsequently revoked or withdrawn;
- (6) the Executive having granted the Whitewash Waiver, the satisfaction of all conditions (if any) attached to the Whitewash Waiver, and such Whitewash Waiver not having been subsequently revoked or withdrawn;
- (7) the necessary consent of the Executive for the Special Deal having been obtained and such consent not having been subsequently revoked or withdrawn;
- (8) the Creditors Scheme becoming effective and being implemented in accordance with their terms;
- (9) the resumption of trading of the Shares (or the Consolidated Shares if the Capital Reorganisation has become effective) on the Stock Exchange; and
- (10) all necessary governmental, regulatory and corporate authorisations, approvals, consents and/or waivers for the entering into of the Restructuring Framework Agreement and the performance of obligations thereunder having been obtained and effective.

None of the above conditions is capable of being waived. As at the date of this joint announcement, save for the consents, approvals and/or waivers required to be obtained by the Company as set out in conditions (2) to (7) above, there are no other governmental, regulatory and corporate authorisations and approvals required to be obtained in respect of condition (10) above. In the event that the above conditions precedent have not been fulfilled on or before the Long Stop Date, the Restructuring Framework Agreement shall be automatically terminated.

As at the date of this joint announcement, save for condition (1) above which has been fulfilled, none of the conditions above is fulfilled.

Termination of the Restructuring Framework Agreement

The Liquidators and/or the Investor may terminate the Restructuring Framework Agreement by serving written notice to other parties thereto if the Investor or the Liquidators (as the case may be) (i) materially breach or default in any of its/their obligations under the Restructuring Framework Agreement or fail to comply fully with such obligations; and (ii) fail to rectify such breach, default or non-compliance within ten (10) Business Days of the non-defaulting party notifying the defaulting party in writing of such breach, default or non-compliance.

Unless the Liquidators and the Investor shall otherwise agree, and subject to any breach of or default in the obligations by the Investor, the Restructuring Framework Agreement shall be terminated automatically if:

- (i) the listing of the Shares has been cancelled by the Stock Exchange before the date of Completion and the Company has failed in a review to the Listing Review Committee of the Stock Exchange to reverse such decision;
- (ii) Completion has not taken place on or before the Long Stop Date; or
- (iii) the Liquidators and the Investor agree in writing that the Restructuring Framework Agreement shall be terminated.

1. THE RESTRUCTURING FUNDING

Funding Agreement

To proceed with the Proposed Restructuring and to achieve the Resumption, the Investor (as lender), the Company (as borrower) and the Liquidators entered into the Funding Agreement dated 11 September 2023 in relation to the provision of a credit facility for a total sum of up to HK\$13,000,000 (or such other sum as to be agreed among the parties thereto) for the purposes of, among others, facilitating and/or supporting the Proposed Restructuring and other costs which have been or are to be incurred in respect of the Proposed Restructuring. As at the date of this joint announcement, approximately HK\$5.7 million has been drawn down by the Company. Please refer to the announcement of the Company dated 22 September 2023 for further details.

Working Capital Facility Agreement

On 27 September 2023, the Investor (as lender), the Company (as borrower) and the Liquidators acting in their capacity as the joint and several liquidators of the Company, entered into the Working Capital Facility Agreement for the purpose of providing funding for financing the general working capital requirements of the Group. The principal terms of the Working Capital Facility Agreement are set out below:

Date

27 September 2023

Parties

- (i) the Investor, as lender
- (ii) the Company, as borrower
- (iii) the Liquidators

Principal amount of Facilities

A revolving loan facility of not less than a total principal amount of up to HK\$300,000,000, which is available for the period of 24 months commencing on the first day of resumption of trading of the Shares on the Stock Exchange immediately subsequent to the suspension of trading of the Shares on the Stock Exchange since 1 April 2022.

Interest and security

The Facilities under the Working Capital Facility Agreement is an interest-free and unsecured loan.

Conditions precedent

The Working Capital Facility Agreement is unconditional.

Application of the Facilities

The purpose of the Facilities is to provide funding for financing the general working capital requirements of the Group.

Repayment

The Facilities actually drawn shall be repaid by the Company on the date falling 12 months from the relevant date on which the Company makes the drawdown (or such other date as the Investor and the Company may agree in writing).

2. THE CAPITAL REORGANISATION

As at the date of this joint announcement, the authorised ordinary share capital of the Company is HK\$50,000,000 comprising 50,000,000,000 ordinary Shares of par value of HK\$0.001 each, of which 298,242,947 ordinary Shares have been issued and are fully paid or credited as fully paid, and the aggregate par value of the issued share capital of the Company is approximately HK\$298,243.

As part of the Proposed Restructuring, the Company proposed to use reasonable endeavours to restructure the Company's existing share capital so that:

- (i) every ten (10) issued Existing Shares of HK\$0.001 each will be consolidated into one (1) Consolidated Share of HK\$0.01 each;
- (ii) immediately after the Share Consolidation becoming effective, the share capital of the Company will be reduced whereby:
 - (1) where applicable, any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation be cancelled;
 - (2) the amount then standing to the credit of the Share Premium Account be reduced to nil and that the credit arising therefrom be transferred to the contributed surplus account of the Company within the meaning of the Companies Act (i.e. the Share Premium Reduction); and
- (iii) following the Share Consolidation, the authorised share capital of the Company shall be increased to HK\$500,000,000 divided into 50,000,000,000 Consolidated Shares of HK\$0.01 each.

Immediately following the Share Consolidation, the Company's authorised share capital will become HK\$500,000,000 divided into 50,000,000,000 Consolidated Shares of HK\$0.01 each, and the issued share capital will be HK\$298,242.94 divided into 29,824,294 Consolidated Shares of HK\$0.01 each.

Effects of the Capital Reorganisation

Other than the relevant expenses incurred, the implementation of the Capital Reorganisation will not, by itself, alter the underlying assets, liabilities, businesses, operations, management or financial position of the Company and the Group or the rights of the Shareholders.

The following table sets out the effect of the Capital Reorganisation on the share capital of the Company, before and after completion of the Capital Reorganisation (assuming no Existing Shares are issued or repurchased, and there are no other changes in the issued share capital of the Company from the date of this joint announcement until the effective date of the Capital Reorganisation):

	Immediately before the Capital Reorganisation becoming effective	Immediately after the Capital Reorganisation becoming effective
Par value	HK\$0.001 per Share	HK\$0.01 per Consolidated Share
Number of authorised shares	50,000,000,000 Shares	50,000,000,000 Consolidated Shares
Authorised share capital	HK\$50,000,000	HK\$500,000,000
Number of issued and paid-up shares	298,242,947	29,824,294
Paid-up capital	HK\$298,242.947	HK\$298,242.94

The Consolidated Shares will rank *pari passu* in all respects with each other in accordance with the bye-laws of the Company.

Arrangement of odd lot trading

In order to facilitate the trading of odd lots of the Consolidated Shares arising from the Capital Reorganisation, the Company will appoint a securities firm as an agent to provide a matching service, on a best-effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the circular, in respect of, among others, the Restructuring Framework Agreement and the transactions contemplated thereunder, the Subscription, the grant of the Specific Mandate, the Whitewash Waiver and the Special Deal.

Shareholders should note that the successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed.

Conditions precedent of the Capital Reorganisation

The implementation of the Capital Reorganisation shall be conditional upon:

- (1) the passing of an ordinary resolution by the Shareholders by way of poll at the SGM to approve the Capital Reorganisation;

- (2) the Company having obtained either conditional approval or approval-in-principle from the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares, upon the Capital Reorganisation becoming effective, on the Stock Exchange; and
- (3) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation, if any.

As at the date of this joint announcement, none of the conditions contemplated above has been fulfilled.

Expected effective date of the Capital Reorganisation

The Capital Reorganisation shall become effective when the conditions mentioned above are fulfilled. Further announcement(s) will be made to inform the Shareholders of the progress of the matter, including the proposed timetable, and the arrangements of the free exchange of the Consolidated Share certificates for the Existing Share certificates, as and when appropriate.

To facilitate the Capital Reorganisation, (i) the Company will take all necessary steps required by the Company to effect and complete the Capital Reorganisation under the applicable requirements of the Companies Act and other applicable laws, codes, regulations and to facilitate the preparation and filing of all necessary documents with the relevant regulatory authorities and/or agents in Hong Kong and Bermuda; and (ii) the Investor undertakes to the Company that it will use its reasonable endeavours to fully co-operate in the preparation of all relevant documents in connection with the implementation of the Capital Reorganisation.

3. THE SUBSCRIPTION

Subscription Shares

Subject to the terms and conditions of the Restructuring Framework Agreement and the Subscription Agreement, the Investor shall subscribe for a total of 5,000,000,000 Subscription Shares at the total subscription price of HK\$50,000,000 (representing a subscription price of HK\$0.01 per Subscription Share), which shall be satisfied by way of set-off against the outstanding amounts under the Funding Agreement of up to HK\$13,000,000 in whole or in part on a dollar-for-dollar basis, and the remaining amount shall be satisfied by way of cash payable to the Company. Assuming the credit facility up to HK\$13,000,000 under the Funding Agreement are fully drawn down, the Investor shall pay HK\$37,000,000 in cash to the Company for the Subscription after the set-off against the outstanding amounts of HK\$13,000,000 under the Funding Agreement.

The Subscription Shares will be allotted and issued under the Specific Mandate to be sought for approval from the Independent Shareholders at the SGM. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

The Subscription Shares represent:

- (i) approximately 16,765% of the total number of Shares in issue as at the date immediately upon the Capital Reorganisation becoming effective but prior to the allotment and issue of the Subscription Shares and the Scheme Shares; and
- (ii) approximately 71.13% of the Enlarged Issued Share Capital (assuming there is no change in the issued share capital of the Company other than the allotment and issue of the Subscription Shares and Schemes Shares immediately after the effective date of the Capital Reorganisation).

Ranking of the Subscription Shares

The Subscription Shares shall, when fully paid, rank *pari passu* in all respects with the Consolidated Shares in issue on the date of allotment of the Subscription Shares.

The Subscription Price

The Subscription Price of HK\$0.01 per Subscription Share under the Subscription represents:

- (i) a discount of approximately 99.71% to the theoretical closing price of HK\$3.50 per Consolidated Share as adjusted for the effect of the Capital Reorganisation based on the closing price of HK\$0.35 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 99.71% to the average theoretical closing price of HK\$3.42 per Consolidated Share as adjusted for the effect of the Capital Reorganisation based on the average closing price of HK\$0.342 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 99.71% to the average theoretical closing price of HK\$3.42 per Consolidated Share as adjusted for the effect of the Capital Reorganisation based on the average closing price of HK\$0.342 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 99.99% to the Group's audited consolidated equity per Consolidated Share of approximately HK\$147.58 as at 31 December 2020, based on the audited consolidated equity attributable to Shareholders of approximately HK\$4,401.42 million as at 31 December 2020 and 29,824,294

Consolidated Shares in issue upon the Capital Reorganisation becoming effective but prior to the allotment and issue of the Subscription Shares and the Scheme Shares; and

- (v) a premium of approximately HK\$183.77 over the unaudited net liabilities value of approximately HK\$183.76 of the Company for the six months ended 30 June 2023 based on 29,824,294 Consolidated Shares in issue upon the Capital Reorganisation becoming effective but prior to the allotment and issue of the Subscription Shares and the Scheme Shares.

The Subscription Price is determined after arm's length negotiation between the Company, the Liquidators and the Investor with reference to (i) the financial position of the Company and the fact that the Company is insolvent and in liquidation; (ii) the financial position and prospects of the business operations of the Retained Group; (iii) the prevailing market conditions; and (iv) the fact that trading in the Shares on the Stock Exchange has been suspended since 1 April 2022 and the Proposed Restructuring is the only viable resumption proposal to rescue the Company to avert a delisting of the Shares on the Stock Exchange.

The difference in the Issue Price and the Subscription Price is due to the vastly different nature and background leading up to the issue of the Scheme Shares and the Subscription Shares. The Scheme Shares are issued as part of the compromised arrangement between the Company and the Creditors for indebtedness of the Company which involved the allotment and issue of the Scheme Shares to the Creditors. On the other hand, the Subscription Shares are issued to the Investor to settle the outstanding amounts under the Funding Agreement for the cost of the Proposed Restructuring and to provide working capital of not less than HK\$37,000,000 to the Company which the Investor, being one of the Creditors, has to bear additional and significant risks on the success of the Proposed Restructuring and the resumption of trading in the Shares on the Stock Exchange.

As the Group has been recording audited net losses since the year ended 31 December 2014 up to and including the year ended 31 December 2020 and is heavily in debt, and taking into account that the Investor, being the only white knight as at the date of this joint announcement, is willing to inject capital into the Company during its hard time to maintain its operation and pursue the Proposed Restructuring, the only available resumption proposal to the Group, and to support its future operation despite the uncertainty surrounding the future performance of the Group and the rescue plan may or may not succeed, which may or may not generate return to the Investor, the Liquidators consider that a discounted Subscription Price is inevitable in this large-scale fundraising exercise and therefore are of the view that the Subscription Price is fair and reasonable and in the interest of the Company, its creditors, and the Shareholders as a whole.

It is proposed that the net proceeds from the Subscription (after set-off against the outstanding amounts under the Funding Agreement) will be applied as general working capital of the Group.

The above proposed use of proceeds of the Subscription is for indicative purpose only and may be changed subject to the agreement among the Company, the Liquidators and the Investor after taking into account the actual implementation of the Resumption Proposal.

Conditions precedent of the Subscription

Completion of the Subscription shall be inter-conditional and conditional upon:

- (1) the Investor being reasonably satisfied with the results of the due diligence review on the Group to be conducted;
- (2) all necessary consents, licenses and approvals required to be obtained on the part of the Company in respect of the Subscription Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect;
- (3) all necessary consents, licenses and approvals required to be obtained on the part of the Investor in respect of the Subscription Agreement and the transactions contemplated thereunder have been obtained and remain in full force and effect;
- (4) the Capital Reorganisation becoming effective;
- (5) the Court sanctions the Creditors Scheme and an office copy of the order of the Court sanctioning the Creditors Scheme is delivered to the Registrar of Companies in Hong Kong for registration;
- (6) the passing of the necessary resolutions by the Shareholders or Independent Shareholders (as the case may be) at the SGM to approve, among others, the Creditors Scheme, the Restructuring Framework Agreement, the Subscription Agreement and the transactions contemplated thereunder respectively (including the granting of the Specific Mandate, the Capital Reorganisation, the Subscription, the Special Deal and the Whitewash Waiver);
- (7) the Company having obtained either conditional approval or approval-in-principle from the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange, and such permission not having been subsequently revoked or withdrawn;

- (8) the Executive having granted the Whitewash Waiver, the satisfaction of all conditions (if any) attached to the Whitewash Waiver, and such Whitewash Waiver not having been subsequently revoked or withdrawn;
- (9) the Stock Exchange having conditionally or unconditionally approved or decided to allow the Company to proceed with the Resumption and all the conditions attached to such approval or decision (if any) having been fulfilled (other than those conditions relating to or in connection with the restoration of public float) or waived by the Stock Exchange;
- (10) the Creditors having approved the Creditors Scheme at the Scheme Meeting and the Creditors Scheme having become unconditional (other than the condition precedent (6) of the Creditors Scheme for the fulfilment of all conditions precedent to completion of the Subscription);
- (11) all winding-up proceedings having been permanently stayed and the Liquidators having been discharged; and
- (12) all other necessary waivers, consents and approval including but not limited to those from the Stock Exchange, the SFC and any other relevant government or regulatory authorities, which are required (if any) for the implementation of the Restructuring Proposal and all transactions contemplated thereunder having been obtained.

Save and except for condition (1) above which is waivable by the Investor, none of the above conditions is capable of being waived. The Company shall use its best endeavours to procure the fulfilment of the conditions precedent above. As at the date of this joint announcement, none of the conditions contemplated above has been fulfilled. Furthermore, as at the date of this joint announcement, save for the consents, licenses, approvals and/or waivers required to be obtained by the Company as set out in conditions (5) to (11) above, there is no other governmental, regulatory and corporate consents, licenses, approvals and/or waivers required to be obtained in respect of conditions (2), (3) and (12) above.

If the public float of the Company falls below 25% upon completion of the Subscription, the Investor will, as soon as practicable, dispose of such number of Shares through a placing agent to ensure that the public float requirement under the Listing Rules can be complied with by the Company.

Further announcement(s) will be made by the Company in relation to the Subscription as and when appropriate.

4. THE CREDITORS SCHEME

Issue of Scheme Shares

Based on the latest available record of the Liquidators, the total indebtedness under the filed proof of debt by the Creditors, owed by the Company to the Creditors amounted to approximately HK\$4.6 billion as at the date of this joint announcement. The figure is indicative only and will be subject to the total amount of proofs of debts filed and adjudication of the same in accordance with the terms of the Creditors Scheme and the final determination by the Scheme Administrators.

Subject to the Sanction Order on the Creditors Scheme by the Court, the Creditors Scheme will become legally binding on the Company and the Creditors upon filing of the Sanction Order of the Court with the Companies Registry in Hong Kong.

Upon the Creditors Scheme having become effective, all the debts claimed by the Creditors will be discharged and released in full and in return, and the Creditors with the Admitted Scheme Claims would be entitled to receive (a) the Scheme Shares which will be allotted and issued by the Company; and (b) the receipt of proceeds from the realisation of the Excluded Companies and the Transferred Claims, by reference to the following formula for allotment of the Scheme Shares:

For allotment of the Scheme Shares:

$$\begin{array}{l} 2,000,000,000 \\ \text{Scheme Shares} \end{array} \times \frac{\text{Admitted Scheme Claim(s) of the individual Creditor}}{\text{Total Admitted Scheme Claims of all Creditors}}$$

For the proceeds from the realisation of Excluded Companies and Transferred Claims:

The Excluded Companies and the Transferred Claims will be transferred at a nominal value to the Scheme Company to be established and controlled by the Scheme Administrators to hold the Scheme assets pursuant to the Disposal Agreement to be realised (if any) for the benefit of the Creditors.

The 2,000,000,000 Consolidated Shares to be issued and allotted as the Scheme Shares represent (i) approximately 6,706% of the total number of Shares in issue as at the date immediately upon the Capital Reorganisation becoming effective but prior to the allotment and issue of the Subscription Shares and the Scheme Shares; and (ii) approximately 28.45% of the Enlarged Issued Share capital (assuming there is no change in the issued share capital of the Company other than the allotment and issue of the Subscription Shares and the Scheme Shares immediately after the effective date of the Capital Reorganisation).

Upon the Creditors Scheme becoming effective, subject to the fulfilment of the terms and conditions of the Creditors Scheme as set out in the scheme document for the Creditors Scheme, the Creditors shall accept the Scheme Consideration in full and final discharge of their Claim(s).

The Scheme Shares will be allotted and issued pursuant to the terms of the Creditors Scheme and are solely allotted and issued to satisfy the liabilities owed by the Company to the Creditors, which will be crucial in overturning the adverse financial position of the Company. As such, although the issue of the Scheme Shares will cause dilution to the value of the Shares of the existing Shareholders, it is considered that the Company is under exceptional circumstances and there is a genuine need for it to implement the Creditors Scheme and to issue the Scheme Shares in order to avoid liquidation under such circumstances there could be no substantial assets left for realisation for repayment to the Creditors, and not to mention to secure any residual value for distribution to the Shareholders, as such, it would be beneficial to the Company, the Shareholders and the Creditors as a whole.

For the purpose of effecting the Creditors Scheme, the Liquidators have applied to the Court for leave to convene the Scheme Meeting and a court hearing for such purpose was fixed on Monday, 6 November 2023 at 10:00 a.m. Please refer to the announcement of the Company dated 11 October 2023 for further details.

Ranking of the Scheme Shares

The Scheme Shares shall, when fully paid, rank *pari passu* in all respects with the Consolidated Shares in issue on the date of allotment of the Scheme Shares.

Issue Price

The Issue Price of HK\$2.50 per Scheme Share, which was arrived at assuming there will be in aggregate HK\$5 billion Admitted Scheme Claims filed by all Creditors, represents:

- (i) a discount of approximately 28.57% to the theoretical closing price of HK\$3.50 per Consolidated Share as adjusted for the effect of the Capital Reorganisation based on the closing price of HK\$0.35 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 26.90% to the average theoretical closing price of HK\$3.42 per Consolidated Share as adjusted for the effect of the Capital Reorganisation based on the average closing price of HK\$0.342 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day;

- (iii) a discount of approximately 26.90% to the average theoretical closing price of HK\$3.42 per Consolidated Share as adjusted for the effect of the Capital Reorganisation based on the average closing price of HK\$0.342 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 98.31% to the Group's audited consolidated equity per Consolidated Share of approximately HK\$147.58 as at 31 December 2020, based on the audited consolidated net liabilities attributable to Shareholders of approximately HK\$4,401.42 million as at 31 December 2020 and 29,824,294 Consolidated Shares in issue upon the Capital Reorganisation becoming effective but prior to the allotment and issue of the Subscription Shares and the Scheme Shares; and
- (v) a premium of approximately HK\$186.26 over the unaudited net liabilities value of approximately HK\$183.76 of the Company for the six months ended 30 June 2023 based on 29,824,294 Consolidated Shares in issue upon the Capital Reorganisation becoming effective but prior to the allotment and issue of the Subscription Shares and the Scheme Shares.

The Issue Price is determined after arm's length negotiation between the Company, the Liquidators and the Investor with reference to (i) the financial position of the Company and the fact that the Company is insolvent and in liquidation; (ii) the financial position and prospects of the business operations of the Retained Group; (iii) the prevailing market conditions; (iv) the fact that trading in the Shares on the Stock Exchange has been suspended since 1 April 2022 and the Proposed Restructuring is the only viable resumption proposal to rescue the Company to avert a delisting of the Shares on the Stock Exchange; and (v) the nil recovery rate from the Company's assets under full liquidation scenario based on the Company's current estimation.

Based on the information from the Company, as at the date of this joint announcement, save for Mr. Koo, Chance Talent and Shenzhen Ruiying (as elaborated further under the paragraph headed "Special Deal" in this joint announcement), none of the Creditors and their ultimate beneficial owners are Shareholders. Save for Mr. Koo, Chance Talent and Shenzhen Ruiying, the Creditors are Independent Third Parties. As confirmed by the Investor, none of the Creditors are acting in concert with the Investor or its ultimate beneficial owner.

Condition precedent of the Creditors Scheme

The Creditors Scheme will become effective upon fulfilment of the following conditions precedent:

- (1) over fifty per cent (50%) in number of the Creditors, representing at least seventy-five per cent (75%) in value of the Creditors, present and voting in person (or through electronic means if applicable) or by proxy at the Scheme Meeting, voting in favour of the Creditors Scheme;
- (2) the Court sanctions the Creditors Scheme and an office copy of the order of the Court sanctioning the Creditors Scheme is delivered to the Registrar of Companies in Hong Kong for registration;
- (3) the passing of the necessary resolutions by the Shareholders or Independent Shareholders (as the case may be) at the SGM for the Creditors Scheme (which also constitutes the Special Deal) (including the granting of the Specific Mandate for allotment and issue of the Scheme Shares) as required under the Listing Rules and the Takeovers Code;
- (4) the Company having obtained either conditional approval or approval-in-principle from the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Scheme Shares on the Stock Exchange, and such permission not having been subsequently revoked or withdrawn;
- (5) the Company having obtained the necessary consent of the Executive for the Special Deal; and
- (6) all conditions precedent to completion of the Subscription (other than conditions (10) and (11) of the Subscription Agreement, being the condition precedent of the Creditors Scheme having become unconditional and the condition precedent that all winding-up proceedings having been permanently stayed and the Liquidations having been discharged) having been fulfilled.

As at the date of this joint announcement, none of the conditions above have been fulfilled. The Company will provide an update on the Creditors Scheme as and when appropriate.

Disposal of Excluded Companies and the Transferred Claims

The Company undertakes to enter into a formal Disposal Agreement by Completion, where necessary and appropriate, with the Scheme Company or the Scheme Administrators in respect of the disposal of the Excluded Companies and the Transferred Claims to the Scheme Company held and controlled by the Scheme Administrators, or the Scheme Administrators, upon Completion.

Details of the Excluded Companies are as follows:

Company	Place of incorporation	Direct or indirect subsidiaries and interest of the Company	Principal business
China Precious Resources Holdings Company Limited	British Virgin Islands	Direct (100%)	Investment holding
China Precious Resources Holdings Company Limited	Hong Kong	Indirect (100%)	Investment holding
Shenzhen Baosheng Mining Holding Company Limited* (深圳保勝礦業控股有限責任公司) (“ Shenzhen Baosheng ”)	PRC	Indirect (100%)	Investment holding
Zhuhai Munsun Asset Management Co., Ltd.* (珠海麥盛資產管理有限公司)	PRC	Indirect (1%)	Engaging in investment activities
Luanchuan County Jinxing Mining Company Limited* (欒川縣金興礦業有限責任公司) (“ Jinxing Mining ”)	PRC	Indirect (67.12%)	Mining and processing of gold ores and sale of gold products and purchase and sale of metals and minerals
Luoyang County Yuliu Mining Company Limited* (洛陽市毓琉礦業有限公司)	PRC	Indirect (100% held by Jinxing Mining)	Dormant
Hetai Life Insurance Company Limited* (和泰人壽保險股份有限公司)	PRC	Indirect (14% held by Jinxing Mining)	Insurance
Hongkong Bay Asset Management Limited (港灣資產管理有限公司)	Hong Kong	Direct (100%)	Inactive

Having considered that (i) the control over Shenzhen Baosheng and its subsidiaries have been lost; (ii) China Precious Resources Holdings Company Limited (incorporated in the British Virgin Islands) and China Precious Resources Holdings Company Limited (incorporated in Hong Kong) are the holding companies of Shenzhen Baosheng; and (iii) the net liabilities position of the Excluded Companies, the Liquidators are of the view that the exclusion of the Excluded Companies could streamline the operation, improve the financial position of the Retained Group and consolidate the Retained Group’s resources for more focused development of the businesses of the Retained Group, whilst the claims or cause of action against the Excluded Companies could be carved out and handled under the Scheme Company by the Scheme Administrators.

Any proceeds from the realisation of the Excluded Companies and the Transferred Claims shall be pooled to the Scheme Funds and shall form part of the Scheme Consideration. Based on the information currently available to the Liquidators, it is expected no proceeds can be realised from the Excluded Companies and the Transferred claims.

The consideration of the Disposal, which is estimated in nominal value, will be determined at the time of entering into the Disposal Agreement.

Upon completion of the Disposal, the Excluded Companies will cease to be subsidiaries of the Company and/or member companies of the Group.

The Company will provide an update on the Disposal by way of announcement as and when appropriate.

5. THE SPECIAL DEAL

As the Creditors Scheme involves (i) the proposed settlement of the Admitted Scheme Claims under the Creditors Scheme; and (ii) the proposed Disposal to the Scheme Company, and as the Admitted Scheme Claims include debts held by three Creditors, namely (a) Mr. Koo and Chance Talent, who are also Shareholders and held 30,567,286 Shares and 673,750 Shares, respectively; and (b) Shenzhen Ruiying, a company wholly-owned by Ms. Guan, whose spouse is Mr. Liu, who together with Grace Silver are Shareholders holding 18,273,859 Shares and 65,251,940 Shares, respectively, based on the information from the Company as at the date of this joint announcement, the issue of Scheme Shares to them and the proceeds which may be derived from the Disposal and to be distributed to the Creditors under the Creditors Scheme will result in distribution which are not extended to all the Shareholders, and correspondingly this constitutes a special deal under Rule 25 of the Takeovers Code and therefore requires consent by the Executive.

The Executive's consent, if granted, will be conditional on (i) the Independent Financial Adviser publicly states that in its opinion the terms thereunder are fair and reasonable; and (ii) approval by the Independent Shareholders at the SGM. The Investor, the Director Creditors, Mr. Koo, Chance Talent, Shenzhen Ruiying, their respective associates and parties acting in concert with any of them, and the Shareholders who are interested in or involved in any of the Proposed Restructuring, the Whitewash Waiver and the Special Deal (including the Creditors and the Scheme Administrators) will be required to abstain from voting on the relevant resolution(s).

Based on the information from the Company, as at the date of this joint announcement, save for three Creditors, namely,

- (a) Mr. Koo and Chance Talent, who holds 30,567,286 Shares and 673,750 Shares, respectively, representing approximately 10.25% and 0.23% of the issued share capital of the Company as at the date of this joint announcement, respectively; and
- (b) Shenzhen Ruiying, a company wholly-owned by Ms. Guan, whose spouse is Mr. Liu, who together with Grace Silver are Shareholders holding 18,273,859 Shares and 65,251,940 Shares, respectively, representing approximately 6.13% and 21.88% of the issued share capital of the Company as at the date of this joint announcement, respectively,

the other Creditors are not Shareholders.

None of the Directors and any person who was a director of the Company or any of its subsidiaries in the last 12 months from the date of this joint announcement and the Creditors are or had been acting in concert with the Investor and parties acting in concert with it.

The Company will apply to the Executive for its consent to the Special Deal under Rule 25 of the Takeovers Code.

REASONS FOR AND BENEFITS OF ENTERING INTO THE RESTRUCTURING FRAMEWORK AGREEMENT AND THE USE OF PROCEEDS FROM THE SUBSCRIPTION

The Company is an investment holding company, and the Group is principally engaged in gold-related business, including processing of gold ores and sale of gold products in the PRC, and trading of metals and minerals in the PRC.

Reference is made to the announcement of the Company dated 1 April 2022 in relation to the Resumption Guidance imposed to the Company by the Stock Exchange. The Proposed Restructuring forms a vital part of the Resumption as it provides the Group with the necessary financing to restructure the debts of the Company by the implementation of the Creditors Scheme.

In view of the above and considering the liquidity shortage and adverse financial situation of the Group and the willingness of the Investor to finance the Group in order to relieve the indebtedness of the Company and to support the business operations and expansion of the Group, the Liquidators consider that the entering into of the Restructuring Framework Agreement will facilitate the debt restructuring of the Group and to satisfy the Resumption Guidance set out by the Stock Exchange. In addition, the Group has been endeavouring on the process of formulating and implementation of the Proposed Restructuring, and in order to comply with the Resumption Guidance, one of which is to demonstrate its compliance with Rule 13.24 of the Listing Rules to warrant the continued listing of the Shares. With the introduction of the Investor as a Shareholder and Director (as set out in the section headed “Information of the Investor” below), it is expected that the experience, expertise and extensive network of the management team and the Investor in the gold mining industry in the PRC could facilitate the Retained Group to expand and develop its gold-related business, being the strategic focus of the future operations of the Retained Group. Going forward, the Group intends to leverage on the network and business connection of the Investor to solicit new customers for the gold-related business and explore other business opportunities within the gold mining industry in the PRC.

Having considered the factors above, the Liquidators consider that the terms of the Restructuring Framework Agreement are on normal commercial terms that are fair and reasonable and the entering into of the Restructuring Framework Agreement will be in the interest of the Company and the Shareholders as a whole.

EFFECT OF THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purpose only, set out below is the shareholding structure of the Company (i) as at the date of this joint announcement; (ii) immediately after the Capital Reorganisation becoming effective; and (iii) immediately after the Capital Reorganisation becoming effective and completion of the Subscription and the Creditors Scheme:

Shareholder	As at the date of this joint announcement		Immediately after the Capital Reorganisation becoming effective		Immediately after the Capital Reorganisation becoming effective and completion of the Subscription and the Creditors Scheme	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Consolidated Shares</i>	<i>Approx. %</i>	<i>Number of Consolidated Shares</i>	<i>Approx. %</i>
The Investor (<i>Note 1</i>)	—	—	—	—	5,000,000,000	71.13
Jiangsai Mining (<i>Note 1</i>)	—	—	—	—	50,948,903	0.72
Sub-total (Investor Concert Group)	—	—	—	—	5,050,948,903	71.85

Shareholder	As at the date of this joint announcement		Immediately after the Capital Reorganisation becoming effective		Immediately after the Capital Reorganisation becoming effective and completion of the Subscription and the Creditors Scheme	
	<i>Number of</i>	<i>Approx.</i>	<i>Number of</i>	<i>Approx.</i>	<i>Number of</i>	<i>Approx.</i>
	<i>Shares</i>	<i>%</i>	<i>Consolidated</i> <i>Shares</i>	<i>%</i>	<i>Consolidated</i> <i>Shares</i>	<i>%</i>
Liu Shiwei (“Mr. Liu”), Grace Silver Limited (“Grace Silver”) and Shenzhen Ruiying (Notes 2 and 3)	83,525,799	28.01	8,352,580	28.01	10,814,826	0.153
Mr. Koo (Note 4)	30,567,286	10.25	3,056,728	10.25	49,397,265	0.70
Chance Talent (Note 5)	673,750	0.23	67,375	0.23	205,351,210	2.92
China Home Hong Kong Limited (Note 6)	32,153,054	10.78	3,215,305	10.78	3,215,305	0.05
Mr. Yi Shuhao (Note 6)	—	—	—	—	16,066	0.000
Mr. Zhang Lirui (Note 7)	—	—	—	—	185,413	0.003
Professor Xiao Rong Ge (Note 7)	—	—	—	—	8,000	0.000
Professor Zhang Tianyu (Note 7)	—	—	—	—	8,000	0.000
Mr. Huang Zhiwei (Note 7)	—	—	—	—	280,584	0.004
Other Creditors (Note 8)	—	—	—	—	1,694,466,416	24.10
Existing public Shareholders	<u>151,323,058</u>	<u>50.73</u>	<u>15,132,306</u>	<u>50.73</u>	<u>15,132,306</u>	<u>0.22</u>
Total	<u>298,242,947</u>	<u>100.00</u>	<u>29,824,294</u>	<u>100.00</u>	<u>7,029,824,294</u>	<u>100.00</u>

Notes:

- The Investor is a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Mr. Zhu Shiqiang. Jiangsai Mining is a company established in the PRC with limited liability and is also wholly and beneficially owned by Mr. Zhu. By virtue of Part XV of the SFO, Mr. Zhu Shiqiang is deemed to be interested in all the Shares held by the Investor and Jiangsai Mining. As Jiangsai Mining filed a proof of debt against the Company for approximately RMB112.18 million (equivalent to approximately HK\$127.37 million), Jiangsai Mining would be entitled to 50,948,903 Scheme Shares upon the Creditors Scheme becoming effective.
- Mr. Liu (who has not held any current or previous position in the Group) holds 18,273,859 Shares by virtue of his personal interest. Ms. Guan Yuyan (“Ms. Guan”), being Mr. Liu’s spouse, has interest of 65,251,940 Shares in the Company via her wholly-owned controlled corporation namely Grace Silver. Accordingly, Mr. Liu is also taken to be interested in 65,251,940 Shares via his spouse by virtue of Part XV of the SFO. As Ms. Guan is also the ultimate beneficial owner of Shenzhen Ruiying, which filed a proof of debt against the Company for approximately HK\$6.16 million, Shenzhen Ruiying would be entitled to 2,462,246 Scheme Shares upon the Creditors Scheme becoming effective (assuming the outstanding debt to be converted at HK\$2.50 per Scheme Share).
- Ms. Guan (who has not held any current or previous position in the Group) has deemed interest in 65,251,940 Shares via her wholly-owned controlled corporation namely Grace Silver. Mr. Liu being the spouse of Ms. Guan has interest of 18,273,859 Shares in the Company. Accordingly, Ms. Guan is also taken to be interested in 18,273,859 Shares via her spouse by virtue of Part XV of the SFO. As Ms. Guan is also the ultimate beneficial owner of Shenzhen Ruiying, which filed a proof of debt

against the Company for approximately HK\$6.16 million, Shenzhen Ruiying would be entitled to 2,462,246 Scheme Shares upon the Creditors Scheme becoming effective (assuming the outstanding debt to be converted at HK\$2.50 per Scheme Share).

4. Mr. Koo holds 29,762,947 Shares by virtue of his personal interest and 804,339 Shares through his wholly-owned controlled corporation namely Golden Eagle (Asia) Investment Limited. Mr. Koo will be entitled to a total of 46,340,537 Scheme Shares under the Creditors Scheme (assuming the outstanding debt to be converted at HK\$2.50 per Scheme Share), which together with the aforementioned 30,567,286 Shares (i.e. 3,056,728 Consolidated Shares assuming the Capital Reorganisation becoming effective), will hold an aggregate of 49,397,265 Consolidated Shares.
5. Chance Talent is directly holding 673,750 Shares (i.e. 67,375 Consolidated Shares assuming the Capital Reorganisation becoming effective). Chance Talent will be entitled to a total of 205,283,835 Scheme Shares under the Creditors Scheme (assuming the outstanding debt to be converted at HK\$2.50 per Scheme Share), which together with the aforementioned 673,750 Shares (i.e. 67,375 Consolidated Shares assuming the Capital Reorganisation becoming effective), will hold an aggregate of 205,351,210 Consolidated Shares. To the best of the knowledge, information and belief of the Liquidators having made all reasonable enquiries, the ultimate beneficial owner of Chance Talent is China Construction Bank Corporation.
6. China Home Hong Kong Limited (“**China Home**”) is wholly-owned by Beijing Easyhome Investment Holding Group Co., Ltd. (“**Beijing Easyhome**”). China Home is directly holding 32,153,054 Shares (i.e. 3,215,305 Consolidated Shares assuming the Capital Reorganisation becoming effective) and Beijing Easyhome is deemed to hold 32,153,054 Shares through its controlled interests in China Home. Beijing Easyhome is wholly-owned by Mr. Wang Linpeng and his spouse. Accordingly, Mr. Wang and his spouse are deemed to have interest in 32,153,054 Shares (i.e. 3,215,305 Consolidated Shares assuming the Capital Reorganisation becoming effective) via Beijing Easyhome.
7. Some of the Scheme Shares will be held by Mr. Yi Shuhao, Mr. Zhang Lirui, Professor Xiao Rong Ge, Professor Zhang Tianyu and Mr. Huang Zhiwei, being the Director Creditors. Save for the Director Creditors, none of other Directors will be interested in the Scheme Shares.
8. Based on the information from the Company, save for Mr. Koo, Chance Talent and Shenzhen Ruiying, none of the Creditors are Shareholders. Based on the books and records currently available to the Liquidators, there are a total of 179 known Creditors as at the date of this joint announcement.
9. Based on the information from the Company, none of the Directors are Shareholders as at the date of this joint announcement.

To the best of the knowledge, information and belief of the Liquidators, save as disclosed above, none of the Directors, or chief executives of the Company had any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as defined in Part XV of the SFO as recorded in the register to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules as at the date of this joint announcement.

APPLICATION FOR LISTING

Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Consolidated Shares arising from the Capital Reorganisation, the Subscription Shares and the Scheme Shares on the Stock Exchange.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares, the Subscription Shares and the Scheme Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, upon the Capital Reorganisation, the Subscription and the Creditors Scheme becoming effective, the Consolidated Shares, the Subscription Shares and the Scheme 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 Consolidated Shares, the Subscription Shares and the Scheme 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 settlement 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 Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

SPECIFIC MANDATE

The Subscription Shares and the Scheme Shares will be allotted and issued pursuant to the Specific Mandate to be obtained upon approval by the Independent Shareholders at the SGM.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company had not conducted any equity fund raising activities involving the issue of its equity securities in the 12 months immediately preceding the date of this joint announcement.

FINANCIAL EFFECT OF THE PROPOSED RESTRUCTURING

Since the Excluded Companies will cease to be subsidiaries of the Company and/or member companies of the Group upon the transfer of all their issued shares to the Scheme Company on or after Completion, all the assets (being approximately HK\$4.6 billion as at 30 June 2023) and liabilities (being approximately HK\$3 billion as at 30 June 2023) of the Excluded Companies, based on the books and records available to the Liquidators and before any accounting adjustment, will no longer be consolidated into the consolidated financial statements of the Group. Upon the Creditors Scheme becoming effective, all the claims against, and liabilities of, the Company (excluding the normal operating liabilities incurred during the ordinary course of business operations of the Group) will be discharged and compromised in full.

IMPLICATIONS UNDER THE LISTING RULES AND THE TAKEOVERS CODE

Listing Rules implications

Connected Transactions — Issue of Scheme Shares to Directors and substantial Shareholders

Based on the records available to the Company, the Company has:

- (1) certain Directors' remuneration owed to four existing Directors (namely Mr. Yi Shuhao, Mr. Zhang Lirui, Professor Xiao Rong Ge and Professor Zhang Tianyu) and one former Director (namely Mr. Huang Zhiwei);
- (2) certain Shareholders' loan owed to a substantial Shareholder, namely Mr. Koo; and
- (3) certain debts owed to an associate of substantial Shareholders, namely Shenzhen Ruiying.

According to the Creditors Scheme, these Director Creditors, Mr. Koo and Shenzhen Ruiying are also the Creditors (subject to adjudication by the Scheme Administrators upon the Creditors Scheme taking effect).

As at the date of this joint announcement, based on the available books and records of the Company, (i) the approximate amount owed by the Company to the Director Creditors, Mr. Koo and Shenzhen Ruiying are set out hereinbelow; and (ii) for illustrative purpose and subject to their respective proofs of debts filed, and the adjudication and the final determination of the same by the Scheme Administrators, based on the total estimated indebtedness owed by the Company, under the Creditors Scheme, each of these Director Creditors, Mr. Koo and Shenzhen Ruiying will receive:

Director Creditors	Amount owed by the Company (Approximate) (HK\$)	Settlement of indebtedness under the Creditors Scheme	
		Number of Scheme Shares (assuming the outstanding debt to be converted at HK\$2.50 per Scheme Shares)	% (as enlarged by the allotment and issue of the Subscription Shares and the Scheme Shares, assuming no other change in the issued share capital of the Company) (Approximate)
Huang Zhiwei	701,462	280,584	0.004%
Xiao Rong Ge	20,000	8,000	0.000%
Yi Shuhao	40,166	16,066	0.000%
Zhang Lirui	463,534	185,413	0.003%
Zhang Tianyu	20,000	8,000	0.000%
Total	1,245,162	498,063	0.007%

**Amount owed to
Mr. Koo (Based on the
filed proof of debt)**

**Settlement of indebtedness
under the Creditors Scheme**

*% (as enlarged by the
allotment and issue of the
Subscription Shares and
the Scheme Shares,
assuming no other change
in the issued share capital
of the Company)
(Approximate)*

*Number of Scheme Shares
(assuming the outstanding
debt to be converted at
HK\$2.50 per
Scheme Shares)*

HK\$115,851,342.73

46,340,537

0.66%

**Amount owed to
Shenzhen Ruiying
(Based on the filed proof
of debt)**

**Settlement of indebtedness
under the Creditors Scheme**

*% (as enlarged by the
allotment and issue of the
Subscription Shares and
the Scheme Shares,
assuming no other change
in the issued share capital
of the Company)
(Approximate)*

*Number of Scheme Shares
(assuming the outstanding
debt to be converted at
HK\$2.50 per
Scheme Shares)*

HK\$6,155,615.09

2,462,246

0.035%

Accordingly, the issue of Scheme Shares to the Director Creditors, Mr. Koo and Shenzhen Ruiying under the Creditors Scheme constitute connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to the approval of the Independent Shareholders by way of poll. The Director Creditors, Mr. Koo, Shenzhen Ruiying, their respective associates and parties acting in concert with any of them shall abstain from voting in respect of the resolution(s) to approve the Creditors Scheme.

Specific Mandate

The Subscription Shares and the Scheme Shares will be allotted and issued pursuant to the Specific Mandate to be obtained upon approval by the Shareholders at the SGM.

Pursuant to Rule 7.27B of the Listing Rules, a listed issuer may not undertake a rights issue, open offer or specific mandate placings that would result in a theoretical dilution effect of 25% or more, unless the Stock Exchange is satisfied that there are exceptional circumstances.

In view of the insolvent financial position and the liquidation status of the Company as well as the prolonged suspension of the trading in the Shares on the Stock Exchange, the closing price of the Shares on the Last Trading Day does not reasonably reflect the existing condition of the Company and the financial position of the Company could be considered as an exceptional circumstance under Rule 7.27B of the Listing Rules. Accordingly, the Liquidators consider that it is fair and reasonable (i) for the Subscription Price and the Issue Price to be set at a relatively deep discount to the historical trading prices of the Shares; and (ii) the allotment and issue of the Subscription Shares and the Scheme Shares in aggregate would result in a relatively significant theoretical dilution effect of approximately 99.37%.

Takeovers Code implications

Whitewash Waiver

As at the date of this joint announcement, the Company has 298,242,947 issued Shares. The Company does not have any other issued securities other than such Shares.

As at the date of this joint announcement, the Investor Concert Group did not hold, own, control or have direction over any Shares, outstanding options, warrants or any securities that are convertible into Shares or any derivatives in respect of the securities in the Company, or hold any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company. The Investor is also a Creditor which has a total claim amount of approximately RMB112.18 million (equivalent to approximately HK\$127.37 million), which is subject to adjudication in accordance with the terms of the Creditors Scheme and the final determination by the Scheme Administrators. As such, the Investor will be entitled to a total of 50,948,903 Scheme Shares under the Creditors Scheme (assuming the outstanding debt to be converted at HK\$2.50 per Scheme Shares), which together with the 5,000,000,000 Subscription Shares, will hold an aggregate of 5,050,948,903 Consolidated Shares upon Completion, representing approximately 71.85% of the enlarged issued share capital of the Company.

Assuming that (i) the Capital Reorganisation has become effective; (ii) the allotment and issue of the Subscription Shares and the Scheme Shares at Completion has taken place; and (iii) there is no other change in the issued share capital of the Company from the date of this joint announcement and up to Completion (other than as a result of the Capital Reorganisation and the allotment and issue of the Subscription Shares and the Scheme Shares), the Investor Concert Group will be interested in 5,050,948,903 Consolidated Shares, representing approximately 71.85% of the Enlarged Issued Share Capital.

As such, the Investor would be required to make a mandatory general offer for all the issued shares of the Company (not already owned or agreed to be acquired by the Investor Concert Group) under Rule 26.1 of the Takeovers Code, unless a waiver from strict compliance with Rule 26.1 of the Takeovers Code is granted by the Executive.

The Investor will make an application to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, (i) the approval by at least 75% of the votes cast by the Independent Shareholders at the SGM by way of poll in respect of the Whitewash Waiver; and (ii) the approval by more than 50% of the votes cast by the Independent Shareholders at the SGM by way of poll in respect of the transactions contemplated under the Restructuring Framework Agreement. The Investor, the Director Creditors, Mr. Koo, Chance Talent, Grace Silver, Shenzhen Ruiying, their respective associates and parties acting in concert with any of them, and the Shareholders who are interested in or involved in any of the Proposed Restructuring, the Whitewash Waiver and the Special Deal (including the Creditors and the Scheme Administrators) will be required to abstain from voting on the relevant resolution(s).

The Proposed Restructuring will not proceed if the Whitewash Waiver is not obtained from the Executive or not approved by the Independent Shareholders. The Executive may or may not grant the Whitewash Waiver.

Special Deal

The (i) proposed settlement of Admitted Scheme Claims (which include debts held by three Creditors (subject to adjudication by the Scheme Administrators upon the Creditors Scheme taking effect), namely (a) Mr. Koo and Chance Talent, who are also Shareholders and held 30,567,286 Shares and 673,750 Shares; and (b) Shenzhen Ruiying, a company wholly-owned by Ms. Guan, whose spouse is Mr. Liu, who together with Grace Silver are Shareholders holding 18,273,859 Shares and 65,251,940 Shares, respectively, based on the information from the Company as at the date of this joint announcement) under the Creditors Scheme; and (ii) proposed Disposal to the Scheme Company which may result in proceeds to be distributed to the Creditors under the Creditors Scheme, which are not extended to all other Shareholders, constitute a special deal under Rule 25 of the Takeovers Code and therefore requires consent by the Executive. The Executive's consent, if granted, will be conditional on (i) the Independent Financial Adviser publicly states that in its opinion the terms thereunder are fair and reasonable; and (ii) approval by the Independent Shareholders at the SGM. The Investor, the Director Creditors, Mr. Koo, Chance Talent, Shenzhen Ruiying, their respective associates and parties acting in concert with any of them, and the Shareholders who are interested in or involved in any of the Proposed Restructuring, the Whitewash Waiver and the Special Deal (including the Creditors and the Scheme Administrators) will be required to abstain from voting on the relevant resolution(s).

Based on the information available to the Company, as at the date of this joint announcement, save for three Creditors, namely,

- (a) Mr. Koo and Chance Talent, holding 30,567,286 Shares and 673,750 Shares, respectively, representing approximately 10.25% and 0.23% of the issued share capital of the Company as at the date of this joint announcement, respectively; and

- (b) Shenzhen Ruiying, a company wholly-owned by Ms. Guan, whose spouse is Mr. Liu, who together with Grace Silver are Shareholders holding 18,273,859 Shares and 65,251,940 Shares, respectively, representing approximately 6.13% and 21.88% as at the date of this joint announcement, respectively,

the other Creditors are not Shareholders.

None of the Directors and the former Directors in the past 12 months from the date of this joint announcement and the Creditors are acting in concert with the Investor and parties acting in concert with it.

The Company will apply to the Executive for its consent to the Special Deal under Rule 25 of the Takeovers Code.

Unaudited Results

On 29 September 2023, the Company has published announcements in respect of the publication of unaudited management accounts for each of (1) the year ended 31 December 2021; (2) the six months ended 30 June 2022; (3) the year ended 31 December 2022; and (4) the six months ended 30 June 2023 (collectively, “**Unaudited Results**”). The Unaudited Results constitutes a profit forecast under Rule 10 of the Takeovers Code and should be reported on by the Company’s financial adviser and auditors in accordance with Rule 10.4 of the Takeovers Code. In view of the requirements of timely publishing outstanding financial results pursuant to the Resumption Guidance, the Company has encountered practical difficulties in meeting the reporting requirements set out in Rule 10.4 of the Takeovers Code.

Under Rule 10.4 of the Takeovers Code, if a profit forecast is made by the Company during an offer period and the forecast is published first in an announcement, it must be repeated in full, together with the reports from the Company’s financial adviser and auditors on the said profit forecast, in the next document to be sent to the Shareholders (“**Shareholders’ Document**”) by the Company under the Takeovers Code. In the event that results for the relevant periods which fall within the ambit of Rule 10.9 of the Takeovers Code are published prior to the despatch of the next Shareholders’ Document and relevant results together with the notes to the financial statements are included in the next Shareholders’ Document, the requirement under Rule 10 of the Takeovers Code to report on the Unaudited Results will no longer apply.

Shareholders and potential investors should note that the financial information set out in the Unaudited Results has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code and does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors should therefore exercise caution in placing reliance on the Unaudited Results in assessing the financial position of the Company and/or the Group. Shareholders and potential investors are advised to exercise caution when

dealing in securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

INFORMATION OF THE GROUP

The Company is an investment holding company, and 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.

INFORMATION OF THE INVESTOR

The Investor is a company incorporated in the British Virgin Islands with limited liability, and is wholly and beneficially owned by Mr. Zhu. He is also the sole shareholder of Jiangsai Mining, which filed a proof of debt against the Company for approximately RMB112.18 million (equivalent to approximately HK\$127.37 million). According to the proof of debt filed by Jiangsai Mining, the debt relates to the breach of a guarantee agreement dated 1 March 2021 entered into between Jiangsai Mining as creditor and the Company as guarantor for the due performance of the repayment obligations under a loan agreement of even date between Jiangsai Mining and Jinxing Mining, a subsidiary of the Company, for the principal amount of RMB100 million. The relevant debt has been outstanding since August 2021, being the date of a winding-up petition filed against the Company, details of which are set out in the announcement of the Company dated 20 August 2021. To the best of the knowledge, information and belief of the Liquidators, having made all reasonable enquiries, the Investor and its ultimate beneficial owner are Independent Third Parties.

In the event that all the conditions precedent to Completion are fulfilled or waived (as the case may be), it is the intention of Mr. Zhu to continue the existing businesses of the Group and nominate himself as an executive Director. His appointment will be subject to approval of the Board and will not take effect earlier than the date of Completion. Mr. Zhu has no intention to introduce any major changes to the existing businesses of the Group or terminate the continued employment of the employees of the Group.

Mr. Zhu, aged 45, who does not hold any directorship currently or previously in the Company, has over 20 years of experience in construction engineering, and over five years of experience in mining and processing of gold mines and lead and zinc mines in the PRC. Jiangsai Mining, the sole shareholder and the sole director of which being Mr. Zhu as at the date of this joint announcement, is principally engaged in the construction of mines (operating with valid qualification certificates), ecological protection and environmental governance services (operating with valid qualification certificates), leasing of construction machineries and equipment and sales of daily necessities and hardware products, and is involved in the construction work of the mines of Luanchuan County Luanling Gold Mine Company Limited* (樂川縣樂靈金礦有限公司), Luanchuan County Dinghui Mining Company Limited* (樂川縣鼎惠礦業有限公司), and Mojiang

County Mining Company Limited* (墨江縣礦業有限公司), as well as the mining and inspection of the number 1 and 2 of the vertical mines of Jinxing Mining, all of which are the subsidiaries and/or former subsidiaries of the Company.

INFORMATION REQUIRED UNDER THE TAKEOVERS CODE

The Investor confirmed to the Company and the Liquidators that, as at the date of this joint announcement, save for entering into the Restructuring Framework Agreement, the Funding Agreement, the Working Capital Facility Agreement and the Subscription Agreement:

- (a) the Investor Concert Group does not hold, own, control or has direction over any Shares, outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of securities in the Company, or hold any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (b) the Investor Concert Group does not have any arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Investor (save as holding the shares of the Investor) or the Company, which might be material to the Whitewash Waiver, the Special Deal, the Creditors Scheme, the Subscription, the Restructuring Framework Agreement, or any transactions contemplated thereunder;
- (c) the Investor Concert Group has not dealt in the Shares, outstanding options, derivatives, warrants or other securities (as defined in Note 4 to Rule 22 of the Takeovers Code) convertible or exchangeable into the Shares during the period commencing on the date falling six (6) months prior to 10 November 2023, being the date of this joint announcement, and up to and including the date of this joint announcement;
- (d) the Investor Concert Group has not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (e) there is no agreement or arrangement to which any Investor or other members of the Investor Concert Group is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Capital Reorganisation, the Whitewash Waiver, the Special Deal, the Subscription, the Creditors Scheme, the Disposal or any transactions contemplated under the Restructuring Framework Agreement, including any break fees payable as a result;
- (f) the Investor Concert Group has not received any irrevocable undertaking relating to voting for or against the resolutions in respect of (i) the Restructuring Framework Agreement and the transactions contemplated thereunder; (ii) the Subscription; (iii) the grant of the Specific Mandate; (iv) the Whitewash Waiver; (v) the Special Deal;

- (vi) the Capital Reorganisation; and (vii) any other matters as required under the law, the Listing Rules, the Takeovers Code, or by the Stock Exchange and/or the SFC, which are necessary to give effect to any transactions contemplated under the Restructuring Framework Agreement, at the SGM;
- (g) there is no understanding, arrangement, agreement or special deal between the Investor Concert Group, and any of the Directors, recent Directors or any Shareholder;
- (h) apart from the Special Deal as detailed in this joint announcement, there is no understanding, arrangement, agreement or special deal between (i) any Shareholder; and (ii) (a) the Company, its subsidiaries or associated companies and (b) the Investor Concert Group;
- (i) it shall comply with the applicable rules and regulations of the Listing Rules and the Takeovers Code;
- (j) it shall not take any actions (including the acquisition of the Shares or Consolidated Shares) to voluntarily withdraw the application for the Whitewash Waiver, or voluntarily revoke or request for the revocation of the Whitewash Waiver that has been granted; and
- (k) it shall provide all relevant information requested by the Stock Exchange and the SFC to the extent permissible under the applicable laws and regulations.

As at the date of this joint announcement, the issued share capital of the Company comprises 298,242,947 Shares and the Company does not have any options, warrants or convertible securities in issue.

As at the date of this joint announcement, the Company believes that the transactions contemplated under the Restructuring Framework Agreement, the Subscription, the grant of the Specific Mandate, the Whitewash Waiver and the Special Deal would not give rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this joint announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the circular, in respect of, among others, the Restructuring Framework Agreement and the transactions contemplated thereunder, the Subscription, the grant of the Specific Mandate, the Whitewash Waiver and the Special Deal.

THE APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

As the power of the Board has ceased following the appointment of the Liquidators by the Court, accordingly, no independent board committee will be established to advise the Independent Shareholders. The Company has appointed Merdeka Corporate Finance

Limited as the Independent Financial Adviser to advise the Independent Shareholders in accordance with the requirements under the Listing Rules and the Takeovers Code on such matters.

GENERAL

The SGM will be convened and held to consider and, if thought fit, approve, among others, the Restructuring Framework Agreement and the transactions contemplated thereunder, the Subscription, the grant of the Specific Mandate, the Whitewash Waiver and the Special Deal.

The Company will submit an application to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in (a) the Consolidated Shares arising from the Capital Reorganisation; (b) the Subscription Shares; and (c) the Scheme Shares.

Under Rule 8.2 of the Takeovers Code, the Company is required to despatch to the Shareholders a circular containing, among others, details of: (a) the Restructuring Framework Agreement and the transactions contemplated thereunder; (b) the Specific Mandate; (c) the Subscription; (d) the Whitewash Waiver; (e) the Special Deal; (f) a letter of advice from the Independent Financial Adviser to the Independent Shareholders in relation to the Restructuring Framework Agreement and the transactions contemplated thereunder, the Subscription, the grant of the Specific Mandate, the Whitewash Waiver and the Special Deal; and (g) a notice of the SGM within 21 days from the date of this joint announcement, that is on or before 1 December 2023, or such later date as the Executive may approve. Further announcement(s) will be made as and when appropriate.

CONTINUED SUSPENSION OF TRADING

Since the Company did not publish its financial information within the time frame which is in breach of the Listing Rules, at the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2022 and will remain suspended pending fulfilment of the Resumption Guidance. Further announcement(s) will be made to provide further updates to the Shareholders and potential investor of the Company as and when appropriate.

WARNINGS

The transactions contemplated under the Restructuring Framework Agreement are subject to fulfilment of various conditions and therefore may or may not materialise. The release of this joint announcement does not necessarily indicate that the Proposed Restructuring will be completed or trading in the Shares will be resumed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

The Company has submitted its Resumption Proposal to the Stock Exchange and will keep the Shareholders and investors informed of the latest development by making further announcements as and when appropriate.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Admitted Scheme Claim(s)”	all Scheme Claim(s) against the Company which have been admitted under the Creditors Scheme by the Scheme Administrators or the adjudicator (as the case may be)
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	board of Directors
“Business Day(s)”	a day other than a Saturday, Sunday or public holiday or a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted or an Extreme Condition is announced in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Capital Reorganisation”	the reorganisation of the share capital of the Company by way of, among others, (i) the Share Consolidation; (ii) the Share Premium Reduction; and (iii) the Increase in Authorised Share Capital
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Chance Talent”	Chance Talent Management Limited, a company incorporated in the British Virgin Islands with limited liability, which is an Independent Third Party. The ultimate beneficial owner of Chance Talent is China Construction Bank Corporation as at the date of this joint announcement

“Claim(s)”	any debt, liability or obligation of the Company (whether known or unknown, whether actual or contingent, whether present, future or prospective, whether liquidated or unliquidated), whether arising by virtue of contract, at common law, in equity or by statute in Hong Kong, Bermuda or in any other jurisdiction or in any manner whatsoever and which includes without limitation a debt or liability to pay money or money’s worth, any liability for breach of trust, any liability in contract (including any guarantee liability of the Company), tort or bailment and any liability arising out of an obligation to make restitution, together with all interest on such debt, obligation or liability
“Companies Act”	Companies Act 1981 of Bermuda as amended from time to time
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended from time to time
“Company”	Bay Area Gold Group Limited (In Compulsory Liquidation), a company incorporated in Cayman Islands and continued in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1194), and the trading of its issued Shares have been suspended since 1 April 2022
“Completion”	within three (3) Business Days after the conditions precedent to the Proposed Restructuring are fulfilled or waived (as the case may be) or such other day as shall be agreed in writing between the parties thereto, where completion of the Restructuring shall occur
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consolidated Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company upon the Share Consolidation becoming effective
“Court”	the High Court of Hong Kong
“Creditors”	collectively, all the creditors of the Company with Admitted Scheme Claims against the Company as at the date on which the Creditors Scheme becomes effective

“Creditors Scheme”	the proposed scheme of arrangement in Hong Kong pursuant to section 670 of the Companies Ordinance made between the Company and the Scheme Creditors in its present form or with or subject to any non-material modifications, additions or conditions that the Court may approve or impose
“Director(s)”	director(s) of the Company
“Director Creditor(s)”	Mr. Yi Shuhao, Mr. Zhang Lirui, Professor Xiao Rong Ge and Professor Zhang Tianyu (being the Directors) and Mr. Huang Zhiwei (being the former Director) who are creditors of the Company, and subject to adjudication by the Scheme Administrators upon the Creditors Scheme taking effect, may be Creditors
“Disposal”	the transfer of the Excluded Companies
“Disposal Agreement”	the legally binding agreement to be entered into between the Company and the Scheme Company or the Scheme Administrators in relation to the Disposal
“Enlarged Issued Share Capital”	7,029,824,294 Consolidated Shares, being the total number of issued Shares upon Completion as enlarged by the allotment and issue of the Subscription Shares and the Scheme Shares and after adjustment for the effect of the Capital Reorganisation
“Excluded Companies”	the subsidiaries of the Company and their related companies to be disposed of and transferred to the Scheme Company under the Disposal Agreement, details of which are set out in the section headed “Disposal of Excluded Companies and the Transferred Claims” in this joint announcement
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegate(s)
“Existing Shares”	ordinary share(s) of HK\$0.001 each in the share capital of the Company prior to the Capital Reorganisation becoming effective
“Extreme Conditions”	extreme conditions including but not limited to serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage after super typhoons according to the revised “Code of Practice in Times of Typhoons and Rainstorms” issued by the Labour Department of the government of Hong Kong in June 2019, as announced by the government of Hong Kong

“Facilities”	the loan facilities to be made available by the Investor to the Company under the Working Capital Facility Agreement
“Funding Agreement”	the funding agreement dated 11 September 2023 entered into among the Company as the borrower, the Liquidators, and the Investor as the lender in relation to the provision of a facility in the maximum amount of HK\$13 million (or such other sum as to be agreed among the parties thereto) for the purposes of facilitating and/or supporting the Proposed Restructuring and other costs which have been or are to be incurred in respect of the Proposed Restructuring as amended, modified or supplemented from time to time, details of which are set out in the announcement of the Company dated 22 September 2023
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Increase in Authorised Share Capital”	the proposed increase of the authorised share capital of the Company to HK\$500,000,000 divided into 50,000,000,000 Consolidated Shares of HK\$0.01 each after the Share Consolidation and the Share Premium Reduction becoming effective
“Independent Financial Adviser”	Merdeka Corporate Finance Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Shareholders on whether the Restructuring Framework Agreement and the transactions contemplated thereunder, the grant of the Specific Mandate, the Whitewash Waiver and the Special Deal are fair and reasonable and as to their voting

“Independent Shareholder(s)”	Shareholder(s), other than: (a) the Investor Concert Group; (b) the Director Creditors, Mr. Koo, Chance Talent, Shenzhen Ruiying, their respective associates and parties acting in concert with any of them; and (c) those Shareholders (other than in their capacity as a Shareholder of the Company) who are interested in or involved in, the Restructuring Framework Agreement and the transactions contemplated thereunder, the Subscription, the grant of the Specific Mandate, the Whitewash Waiver and the Special Deal (including the Creditors and the Scheme Administrators)
“Independent Third Party(ies)”	a person(s) or company(ies) together with its ultimate beneficial owner(s), who or which is/are not connected person(s) (as defined under the Listing Rules) of the Company and is/are third party(ies) independent of the Company and its connected person(s)
“Investor”	Able Reliance Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly and beneficially owned by Mr. Zhu
“Investor Concert Group”	the Investor, its ultimate beneficial owner (being Mr. Zhu) and parties acting in concert with any of them, including but not limited to Jiangsai Mining
“Issue Price”	HK\$2.50 per Scheme Share, being the issue price of each Scheme Share
“Jiangsai Mining”	Henan Jiangsai Mining Engineering Company Limited* (河南江賽礦山工程有限公司), a company established in the PRC with limited liability and is wholly-owned by Mr. Zhu as at the date of this joint announcement
“Last Trading Day”	31 March 2022, the last full trading day before the suspension of trading in the Shares
“Liquidators”	Mr. Osman Mohammed Arab and Mr. Wong Kwok Keung of Acclime Corporate Advisory (Hong Kong) Limited (formerly known as RSM Corporate Advisory (Hong Kong) Limited)
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Long Stop Date”	30 June 2024 or such later date as the Investor, the Company and the Liquidators may agree
“Mr. Koo”	Mr. Koo Yuen Kim (古潤金), a substantial shareholder of the Company
“Mr. Zhu”	Mr. Zhu Shiqiang (朱士強), the sole director and sole beneficial owner of the Investor
“PRC”	the People’s Republic of China which for the purpose of this joint announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Proposed Restructuring”	the proposed restructuring of the capital, business and indebtedness of the Company involving (i) the Capital Reorganisation becoming effective; (ii) the completion of the Subscription; and (iii) the Creditors Scheme becoming effective
“Restructuring Documents”	the Restructuring Framework Agreement, the Subscription Agreement and other documents necessary to document and implement the transactions contemplated under the Restructuring Proposal, the Restructuring Framework Agreement, the Creditors Scheme and the Resumption
“Restructuring Framework Agreement”	the restructuring framework agreement dated 27 September 2023 (as amended and supplemented by the Supplemental Restructuring Framework Agreement) entered into amongst the Company, the Liquidators and the Investor, in relation to the Proposed Restructuring
“Restructuring Funding”	the funding provided and to be provided by the Investor to the Company under the Funding Agreement and the Working Capital Facility Agreement
“Restructuring Proposal”	a proposal setting out the agreements or arrangements proposed or contemplated by the Company and the Investor for the purpose of implementing the Restructuring under the Restructuring Framework Agreement
“Resumption”	resumption of trading of the Shares (or the Consolidated Shares when the Capital Reorganisation has become effective) on the Stock Exchange

“Resumption Guidance”	the resumption guidance issued by the Stock Exchange to the Company on 9 June 2022 in relation to the Resumption (as supplemented or amended by the Stock Exchange from time to time)
“Resumption Proposal”	the proposal in relation to the Resumption submitted by the Company to the Stock Exchange
“Retained Group”	the Company and its subsidiaries upon completion of the Disposal
“RMB”	Renminbi, the lawful currency of the PRC
“Scheme Administrators”	the Liquidators or such persons who are appointed as the scheme administrators or their successors pursuant to the terms of the Creditors Scheme
“Scheme Claim(s)”	a Claim: (a) which is not a preferential Claim (and where the Claim is only in part a preferential Claim, then the person is a Creditor only to the extent of the non-preferential portion of the Claim); (b) which is not a secured Claim (and where the Claim is only in part a secured Claim, then the person is a Creditor only to the extent of the unsecured part of the Claim); (c) which is not a claim for the petition costs, restructuring costs and Scheme Costs; and (d) which is not the liabilities due under the Funding Agreement, the Restructuring Framework Agreement and the Working Capital Facility Agreement
“Scheme Company”	a company to be incorporated in Hong Kong with limited liability, being a special purpose vehicle to be held and controlled by the Scheme Administrators or such other company as may be nominated by the Scheme Administrators
“Scheme Consideration”	subject to, among others, the approval from the Stock Exchange for the resumption of trading of the Shares (or the Consolidated Shares upon the Capital Reorganisation becoming effective), such amount(s) which consists of: <ul style="list-style-type: none"> (I) the Scheme Shares; and (II) such other sums as may be realised by the Scheme Administrators from the Excluded Companies and the Transferred Claims

“Scheme Costs”	costs, charges, expenses and disbursements necessary and properly incurred after the effective date of the Creditors Scheme, in connection with the administration and implementation of the Creditors Scheme including the fees and remuneration of the Scheme Administrators and the adjudicator and their respective advisers and those set out in the scheme document for the Creditors Scheme
“Scheme Funds”	any proceeds from the realisation of the Excluded Companies and the Transferred Claims
“Scheme Meeting”	the meeting(s) of the Creditors to be convened at the direction of the Court for the purpose of considering and, if thought fit, approving the Creditors Scheme
“Scheme Share(s)”	an aggregate of 2,000,000,000 new Consolidated Shares which fall to be allotted and issued by the Company to the Creditors pursuant to the Creditors Scheme
“Scheme Trust Account”	a trust account to be opened in the names of the Scheme Company and/or any of the Scheme Administrators with a licensed bank in Hong Kong for the purposes of holding Scheme Funds for the benefit of the Creditors
“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“SGM”	a special general meeting of the Company to be convened and held to consider and, if thought fit, approve, among others, all the resolutions of the Company necessary and appropriate in relation to (i) the Capital Reorganisation; (ii) the Subscription (including the grant of Specific Mandate for the allotment and issue of the Subscription Shares); (iii) the Creditors Scheme (including the grant of Specific Mandate for the allotment and issue of the Scheme Shares), (iv) the Special Deal and the Whitewash Waiver; and (v) any other matters as required by law, the Listing Rules, the Takeovers Code, the Stock Exchange and/or the SFC, which are necessary to give effect to any transactions contemplated under the Restructuring Framework Agreement
“Share(s)”	the Existing Share(s) and/or the Consolidated Share(s), as the case may be

“Share Consolidation”	the proposed consolidation of every ten (10) issued Shares of HK\$0.001 each into one (1) Consolidated Share of HK\$0.01 each
“Share Premium Account”	the share premium account of the Company
“Share Premium Reduction”	the proposed reduction of the amount standing to the credit of the Share Premium Account
“Shareholder(s)”	holder of the issued Share(s) (or Consolidated Shares, if the Capital Reorganisation has become effective)
“Shenzhen Ruiying”	Shenzhen Ruiying Equity Investment Fund Management Co., Ltd.* (深圳睿盈股權投資基金管理有限公司), a company established in the PRC with limited liability. The ultimate beneficial owner of Shenzhen Ruiying is Ms. Guan as at the date of this joint announcement
“Special Deal”	the proposed settlement of indebtedness under the Creditors Scheme which may result in proceeds to be distributed to the Creditors who are also Shareholders, which constitutes a special deal under Rule 25 of the Takeovers Code
“Specific Mandate”	the specific mandate to be granted by the Independent Shareholders to the Board at the SGM for the allotment and issue of the Subscription Shares and the Scheme Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares subject to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 27 September 2023 (as amended and supplemented by the Supplemental Subscription Agreement) entered into between the Investor (as subscriber), the Company (as issuer) and the Liquidators in relation to the Subscription
“Subscription Price”	subscription price of HK\$0.01 per Subscription Share
“Subscription Share(s)”	an aggregate of 5,000,000,000 new Consolidated Shares to be subscribed by the Investor pursuant to the terms and conditions of the Subscription Agreement, each a “Subscription Share”

“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Supplemental Restructuring Framework Agreement”	the supplemental restructuring framework agreement dated 10 November 2023 entered into amongst the Company, the Liquidators and the Investor to amend certain terms of and/or supplement the Restructuring Framework Agreement
“Supplemental Subscription Agreement”	the supplemental subscription agreement dated 10 November 2023 entered into amongst the Company (as issuer), the Liquidators and the Investor (as subscriber) to amend certain terms of and/or supplement the Subscription Agreement
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers issued by the SFC
“Transferred Claims”	(i) all causes of action and claims which the Company has or may have against any person, the rights and obligations in respect of the litigations or any potential litigations involved under the name of the Company or any member of the Group on or before the effective date of the Creditors Scheme, (ii) all rights to claims which the Company has or may have against any person and the benefit of all sums to which the Company and/or any member of the Group is entitled from third parties and/or insurers in respect of loss or damage to the Company and/or any member of the Group subsisting on or before the effective date of the Creditors Scheme; and (iii) all claims of any member of the Group after the Restructuring against the deconsolidated subsidiaries and its related companies
“Whitewash Waiver”	the whitewash waiver as may be granted by the Executive pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code from the obligation of the Investor to make a mandatory general offer for all the issued Shares other than those already owned or agreed to be acquired by the Investor Concert Group as a result of the transaction(s) contemplated under the Restructuring Framework Agreement
“Working Capital Facility Agreement”	the working capital facility agreement dated 27 September 2023 entered into among the Company as the borrower, the Liquidators, and the Investor as the lender in relation to the provision of a revolving loan facilities of not less than a total principal amount of HK\$300,000,000 for the purpose of financing the general working capital requirements of the Group

“%”

per cent.

By order of the board of director of
Able Reliance Limited
Zhu Shiqiang
Sole Director

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

* *For identification purposes only*

Hong Kong, 10 November 2023

As at the date of this joint 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 Liquidators jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those relating to the Investor Concert Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the sole director of the Investor) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the sole director and the sole beneficial owner of the Investor is Mr. Zhu.

Mr. Zhu accepts full responsibility for the accuracy of the information contained in this joint announcement (other than those relating to the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Liquidators) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.