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GRAND T G GOLD HOLDINGS LIMITED

大唐潼金控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8299)

THE COMPANY'S LATEST DEVELOPMENT, CHANGE IN AUDITOR, PROGRESS ON APPEAL APPLICATION AND LITIGATION INSTITUTED BY A PURPORTED CREDITOR

This announcement is made by Grand T G Gold Holdings Limited (the “**Company**”) pursuant to Rules 17.10, 17.27(1)(b) and 17.50(4) of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), and inside information provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

THE COMPANY'S LATEST DEVELOPMENT, CHANGE IN AUDITOR AND PROGRESS ON THE APPEAL APPLICATION

References are made to the announcements of the Company dated 8 June 2015, 5 December 2015, 21 January 2016 and 8 April 2016 in relation to, among others, the decision of the GEM Listing Committee to cancel the listing of the Company pursuant to Rule 9.14 of the GEM Listing Rules (“**GLC Decision**”).

Reference is also made to the announcement of the Company dated 26 April 2016 whereby the Company announced that it had applied to the Listing Appeals Committee (the “**Appeal Application**”) for a further review on the GLC Decision (the “**Appeal**”).

* For identification purpose only

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to update the shareholders of the Company that there have been material progress on the development of the Company and its subsidiaries (the “**Group**”), which include but not limited to the following:

1. Regained control of Taizhou Mining and reconsolidation of Taizhou Mining’s results with that of the Company

In view of the change in the members of the Board between mid February 2016 and April 2016 and the pro-active acts conducted by the Board, the Company has already regained the control of Tongguan Taizhou Mining Company Ltd. (“**Taizhou Mining**”) as its principal operating subsidiary. As such, the Company has reconsolidated the results of Taizhou Mining with that of the Company. The principal business of Taizhou Mining has been exploration, mining and minerals processing with gold concentrate and mined ore as its major products.

Regarding the operation of Taizhou Mining, notwithstanding the absence of support from the Company in the past few years, the operation of Taizhou Mining has not been materially affected. With latest information available, auditor is of the view that Taizhou Mining has been operating on its own with external finance funded by other parties in the past few years.

2. Change in auditor

Parker Randall CF (H.K.) CPA Limited (“**Parker Randall**”) had resigned as the auditor of the Company with effect from 12 May 2016 as Parker Randall did not have sufficient human resources to conduct the audit works of the Company. The Board has resolved to appoint McMillan Woods SG CPA Limited as the new auditor of the Company with effect from 26 May 2016 to fill the casual vacancy following the resignation of Parker Randall and to hold office until the conclusion of the next annual general meeting of the Company. Parker Randall has confirmed that there were no circumstances connected with its resignation which should be brought to the attention of the shareholders of the Company. The Board is not aware of any other matters in relation to the change of auditor that need to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to express its sincere gratitude to Parker Randall for its professional services and support in the past few years.

3. Audit for the six years ended 31 March 2016

Auditors are conducting audit on the Company, Taizhou Mining and other members of the Group, respectively. In view of the long span of period that needs to be covered in the audit, auditors need sufficient and additional time to conduct and complete the works. The Company will announce its financial results for the six years ended 31 March 2016 and to publish all outstanding financial results as soon as possible.

4. Appointment of SRK as technical adviser

The Company has commissioned SRK Consulting China Ltd (“SRK”), a reputable technical adviser in mining industry, as a competent person under Chapter 18A of the GEM Listing Rules to prepare a technical report on the gold mines owned by the Group. The work of SRK is in progress now. The latest findings of SRK will be published by the Company as soon as possible.

5. Proposed settlement of all the indebtedness of the Company by way of capitalisation and/or in cash

Regarding the indebtedness of the Company, the Company is finalising the major terms of settlement with the Group’s creditors holding approximately 30% of the indebtedness of the Company in which such indebtedness will be capitalised and converted into new shares of the Company (the “**Debt Capitalisation**”) whereas the remaining indebtedness of the Company will be fully settled from the net proceeds to be raised by the Company from a fund raising exercise in the form of open offer (the “**Proposed Fund Raising and Debt Settlement Plan**”) upon successful implementation of the Company’s resumption proposal.

6. Proposed fund raising plan

With regard to the Proposed Fund Raising and Debt Settlement Plan, the Board’s discussions with a reputable underwriter to raise approximately HK\$100 million by way of open offer and its fund proof is in an advance form of conclusion. The approximately HK\$100 million to be raised will allow the Company to fully settle all of its indebtedness (save for those indebtedness to be settled under the Debt Capitalisation) and to provide sufficient working capital to the Group for the next twelve months following the Company’s resumption of trading. The Company is confident to complete the Proposed Fund Raising and Debt Settlement Plan for fulfillment of the resumption conditions set out by the Stock Exchange.

7. Extension of deadline for submission to the Listing Appeals Committee to 15 September 2016

In view of the above encouraging and material progresses, the Board had applied to and on 24 June 2016, the Listing Appeals Commission agreed to extend the deadline for the Company’s first written submission to the Listing Appeals Committee to 15 September 2016.

8. The Company can fulfill the resumption conditions to resume trading of the Company’s shares

Reference is made to the Company’s announcement dated 9 December 2010 disclosing, among others, that on 7 December 2010, the Company received a letter from the Stock Exchange setting out, among others, the following conditions for the resumption of trading in the shares of the Company (“**Resumption Conditions**”):

- (i) the Company should publish all outstanding financial results and address any audit qualifications;
- (ii) the Company should inform the market of all material information for it to appraise the Group’s position;
- (iii) the Company should demonstrate sufficiency of working capital for at least twelve months from the resumption date; and

- (iv) the Company should demonstrate adequate financial reporting procedures and internal control systems to meet obligations under the GEM Listing Rules.

The aforesaid letter also stated that the Company should appoint an independent professional party to perform a review on the Group's financial reporting procedures and internal control systems and take remedial actions to rectify any control failings or weakness that the independent professional party may identify. The Company should also comply with the GEM Listing Rules and all applicable laws and regulations in Hong Kong and in its place of incorporation.

The Board is confident that with the measures presently taken by the Company, the Company will be able to (i) demonstrate to the Listing Appeals Committee that the Company can fulfill the Resumption Conditions at the hearing of the Appeal; (ii) obtain the consent of the Listing Appeals Committee to reverse the GLC Decision; and (iii) achieve resumption in trading of the Company's shares on the Stock Exchange in the near future.

Further announcement(s) will be made by the Company if there is any further material development in relation to the aforesaid.

LITIGATION INSTITUTED BY A PURPORTED CREDITOR

The Company has recently been served with a winding-up petition by a purported creditor of the Company (the "**Petitioner**") to the Grand Court of the Cayman Islands (the "**Cayman Court**") against the Company (the "**Winding-up Petition**"). The petitioning debt stated in the Winding-up Petition is an alleged sum due to the Petitioner by the Company of HK\$19,494,230.43, comprising HK\$16,882,000.00 principal and interest of HK\$2,612,230.43 as of 3 May 2016 (the "**Claim**"). The Petitioner seeks an order for the appointment of joint official liquidators to the Company. The Winding-up Petition will be heard at the Cayman Court on 18 July 2016 (Cayman time).

The Company considers the validity of the Claim is in question and is investigating into and seeking legal advice in relation thereto. If the Claim is indeed found to be valid, the Petitioner would be eligible to participate in the Proposed Fund Raising and Debt Settlement Plan outlined above, so that the Claim would be fully settled upon the successful implementation of the Proposed Fund Raising and Debt Settlement Plan.

As the matter now stands, particularly in light of the intended Proposed Fund Raising and Debt Settlement Plan, the Company will defend vigorously against a winding up order being made against the Company under the Winding-up Petition at the hearing in the Cayman Court on 18 July 2016.

While the Company is assessing the impact of the Winding-up Petition on the Company, at present, the Company's principal operating subsidiary, Taizhou Mining, is operating normally notwithstanding the presentation of the Winding-up Petition.

Further announcements relating to the Winding-up Petition will be made by the Company as and when appropriate or as required under the applicable rules and regulations.

CONTINUED SUSPENSION OF TRADING IN THE SHARES

Trading in the shares of the Company has been suspended since 11 November 2010 and will remain suspended until further notice.

By Order of the Board
Grand T G Gold Holdings Limited
Li Dahong
Chairman

Hong Kong, 8 July 2016

As at the date of this announcement, the Board comprises of Dr. Li Dahong (executive Director), Mr. Feng Jun (executive Director), Mr. Jiang Zhiyong (executive Director), Ms. Ma Xiaona (non-executive Director), Mr. Orr Joseph Wai Shing (independent non-executive Director), Mr. Jiang Quanming (independent non-executive Director) and Mr. Guo Wei (independent non-executive Director).

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of its publication and on the website of the Company at <http://www.aplushk.com/clients/8299GrandTG/>.