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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2011

Characteristics of the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors. Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the "**Directors**" or individually a "**Director**") of Grand T G Gold Holdings Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (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 herein or 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/.

* *For identification purpose only*

The board of Directors of the Company (the "**Board**") hereby announces the audited consolidated final results of the Company and its subsidiaries (the "**Group**") for the year ended 31 March 2011 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2011

	Notes	**2011** *HK$'000*	2010 *HK$'000*
Revenue	*4*	**–**	100,213
Cost of sales		**–**	(17,121)
Gross profit		**–**	83,092
Other (losses)/income	*4*	**(26,490)**	1,086
Selling and distribution expenses		**(41)**	(261)
Share-based payment expenses		**–**	(26,703)
Gain on disposal of subsidiaries		**–**	1,674
Impairment loss of goodwill		**(1,408,061)**	–
Administrative expenses		**(38,179)**	(37,882)
Operating results		**(1,472,771)**	21,006
Finance costs	*5*	**(14,042)**	(20,592)
(Loss)/Profit before tax	*6*	**(1,486,813)**	414
Income tax credit/(expense)	*7*	**18,926**	(16,283)
Loss after tax from continuing operations		**(1,467,887)**	(15,869)
Discontinued operation:			
Loss for the year from discontinued operation		**–**	(7,353)
Loss for the year		**(1,467,887)**	(23,222)
Loss for the year attributable to:			
Equity holders of the Company		**(1,469,476)**	(36,529)
Non-controlling interest		**1,589**	13,307
		(1,467,887)	(23,222)
		HK Cents	*HK Cents*
Loss per share			
From continuing and discontinued operations			
Basic		**(11.94)**	(0.80)
Diluted		**(11.94)**	(0.80)
From continuing operations			
Basic		**(11.94)**	(0.64)
Diluted		**(11.94)**	(0.64)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2011

	Notes	2011 HK$'000	2010 HK$'000
Loss for the year		**(1,467,887)**	(23,222)
Other comprehensive income for the year:			
Item that may be reclassified subsequently to profit or loss			
Exchange differences arising from translation of financial statements of overseas subsidiaries		**11,417**	781
Fair value change and reclassification to profit or loss in regard of available for sale investment		**(28,227)**	–
		(16,810)	781
Total comprehensive loss for the year		**(1,484,697)**	(22,441)
Total comprehensive loss attributable to:			
Equity holders of the Company		**(1,486,669)**	(35,748)
Non-controlling interest		**1,972**	13,307

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2011

	Notes	2011 HK$'000	2010 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**320,646**	4,112
Prepaid land lease premium		**1,188**	–
Mining rights related assets		**50,287**	–
Construction in progress		**1,727**	–
Exploration and evaluation assets		**–**	229,429
Goodwill		**–**	1,408,028
Available-for-sale financial assets		**10,905**	85,138
Deferred tax assets		**–**	4,226
		384,753	1,730,933
CURRENT ASSETS			
Prepayments for exploration and evaluation assets and mining rights		**–**	48,878
Inventories		**24,539**	691
Construction in progress	10	**–**	241
Other receivables and prepayments	10	**44,265**	9,130
Cash and cash equivalents		**1,933**	2,087
		70,737	61,027
CURRENT LIABILITIES			
Trade and other payables	11	**111,615**	50,848
Deferred income		**36**	–
Promissory notes		**12,500**	15,000
Tax payables		**63**	26,750
Interest-bearing borrowings	12	**16,783**	51,221
		140,997	143,819
NET CURRENT LIABILITIES		**(70,260)**	(82,792)
TOTAL ASSETS LESS CURRENT LIABILITIES		**314,493**	1,648,141
NON-CURRENT LIABILITIES			
Convertible bonds		**14,374**	94,843
Long term loans	12	**66,506**	–
		80,880	94,843
NET ASSETS		**233,613**	1,553,298
CAPITAL AND RESERVES			
Share capital		**53,794**	44,819
Reserves		**162,191**	1,492,823
Equity attributable to equity holders of the Company		**215,985**	1,537,642
Non-controlling interest		**17,628**	15,656
TOTAL EQUITY		**233,613**	1,553,298

NOTES:

1. CORPORATE INFORMATION

Grand T G Gold Holdings Limited (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Its principal place of business in Hong Kong is Room 2410, 24/F, Wayson Commercial Building, 28 Connaught Road West, Sheung Wan, Hong Kong. The Company's shares are listed on the Growth Enterprise Market (the "**GEM**") of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The principal activity of the Company is investment holding. Its subsidiaries (together with the Company collectively referred to as the "**Group**" hereinafter) are principally engaged in gold exploration, mining and mineral processing.

The financial statements are presented in Hong Kong dollars ("**HK$**"), and the functional currency of the Company is HK$, with values rounded to the nearest thousand.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance.

The HKICPA has issued certain amendments and interpretations which are or have become effective. It has also issued certain new and revised HKFRSs which are first effective or available for early adoption for the current accounting period of the Company. The following paragraph provides information on initial application of these developments to the extent that they are relevant to the Company for the current and prior accounting periods reflected in these consolidated financial statements.

2.2 Standards and Interpretations adopted in the current period

In the current year, the Group has adopted the following new and revised standards, amendments and interpretations (hereinafter collectively referred to as "new and revised **HKFRSs**") issued by HKICPA which are relevant to and effective for the Group's financial period beginning on 1 April 2010:

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRS 2008
HKFRSs (Amendments)	Improvements to HKFRS 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Revised)	First-time Adoption of HKFRSs
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK-Int 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HK (IFRIC)-Int 17	Distributions of Non-cash assets to Owners

Except as described below, the adoption of the new and revised HKFRSs has no material effect on the consolidated financial statements of the Group for the current and prior accounting periods.

HKFRS 3 (as revised in 2008) — Business Combination

HKFRS 3 (as revised in 2008) has been applied in the current year prospectively to business combinations of which the acquisition date is on or after 1 April 2010 in accordance with the relevant transitional provisions. Its application has affected the accounting for business combinations in the current year.

The impact of the application of HKFRS 3 (as revised in 2008) is as follows:

(a) HKFRS 3 (as revised in 2008) allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests at the date of acquisition (previously referred to as 'minority' interests) either at fair value or at the non-controlling interests' shares of recognised identifiable net assets of the acquiree.

(b) HKFRS 3 (as revised in 2008) changes the recognition and subsequent accounting requirements for contingent consideration. Previously contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were always made against the cost of the acquisition. Under the revised Standard, contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against the cost of acquisition only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or liability are recognised in profit or loss.

(c) HKFRS 3 (as revised in 2008) requires the recognition of a settlement gain or loss when the business combination in effect settles a pre-existing relationship between the Group and the acquiree.

(d) HKFRS 3 (as revised in 2008) requires acquisition-related cost to be accounted for separately from the business combination, generally leading to those costs being recognised as expenses in profit or loss as incurred, whereas previously they were accounted for as part of the cost of the acquisition.

The impact of adoption of HKFRS 3 (as revised in 2008) on the acquisition during the current period has been related to the acquisition-related costs. It requires acquisition-related costs to be accounted for separately from the business combination. As a result, the Group has recognised these costs as expenses in profit or loss. The acquisition costs in the current period were insignificant.

Amendment to HKAS 17 Leases

As part of Improvements to HKFRSs issued in 2009, HKAS 17 Leases has been amended in relation to the classification of leasehold land. Before the amendment to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the consolidated statement of financial position. The amendment to HKAS 17 has removed such a requirement. The amendment requires that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee.

In accordance with the transitional provisions set out in the amendment to HKAS 17, the Group reassessed the classification of unexpired leasehold land as at 1 April 2010 based on information that existed at the inception of the leases. The application of amendment to HKAS 17 had no material effect on the consolidated financial statements.

2.3 Standards and Interpretations in issued but not yet adopted

The Group has not early applied any of the following new and revised standards, amendments and interpretations which have been issued but are not yet effective for annual periods beginning on 1 April 2010:

HKFRSs (Amendments)	Improvements to HKFRSs 2010 except for the amendments to HKFRS 3 (Revised in 2008), HKFRS 7, HKAS 1 and HKAS 28[1]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[3]
HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[5]
HKFRS 7 (Amendments)	Disclosures — Transfers of Financial Assets[5]
HKFRS 9	Financial Instruments[7]
HKAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Assets[6]
HKAS 24 (Revised)	Related Party Disclosures[4]
HKAS 32 (Amendment)	Classification of Rights Issues[2]
HK(IFRIC)-Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[4]
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments[3]

[1] Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate
[2] Effective for annual periods beginning on or after 2 February 2010
[3] Effective for annual periods beginning on or after 1 July 2010
[4] Effective for annual periods beginning on or after 1 January 2011
[5] Effective for annual periods beginning on or after 1 July 2011
[6] Effective for annual periods beginning on or after 1 January 2012
[7] Effective for annual periods beginning on or after 1 January 2013

HKFRS 9 "Financial instruments" (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. IFRS 9 "Financial instruments" (as revised in November 2010) adds requirements for financial liabilities and for derecognition. Specifically, under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 "Financial instruments: recognition and measurement" are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2018, with earlier application permitted. The directors anticipate that the application of HKFRS 9 will have no significant impact on amounts reported in respect of the Groups' financial assets and financial liabilities.

The directors of the Company anticipate that the application of the other new and revised standards or interpretations will have no material impact on the Group's results and the financial position of the Group.

3. SEGMENT INFORMATION

The Group had two operating segments for the year ended 31 March 2011, namely Gold Mining Division and Corporate Division.

Segment results do not include finance costs. Segment assets and liabilities are allocated based on the operations of the segments.

Segment information by operating segments is presented as follows:

Year ended 31 March 2011

	Gold Mining *HK$'000*	**Corporate** *HK$'000*	**Elimination** *HK$'000*	**Total** *HK$'000*
Segment revenue:				
Turnover for external customers	**–**	**–**	**–**	**–**
Gross profit	**–**	**–**	**–**	**–**
Other income/(losses)	**2,977**	**(29,467)**	**–**	**(26,490)**
Operating expenses	**(13,812)**	**(18,476)**	**(1,412,839)**	**(1,445,127)**
Depreciation and amortisation*	**(1,050)**	**(104)**	**–**	**(1,154)**
Segment results	**(11,885)**	**(48,047)**	**(1,412,839)**	**(1,472,771)**
Finance costs	**(3,008)**	**(11,034)**	**–**	**(14,042)**
Loss before tax	**(14,893)**	**(59,081)**	**(1,412,839)**	**(1,486,813)**
Income tax credit/(expense)	**23,152**	**(4,226)**	**–**	**18,926**
Net profit/(loss) for the year	**8,259**	**(63,307)**	**(1,412,839)**	**(1,467,887)**
Segment assets	**435,468**	**1,802,589**	**(1,782,567)**	**455,490**
Segment liabilities	**388,273**	**170,323**	**(336,719)**	**221,877**
Capital expenditure	**134,901**	**–**	**–**	**134,901**
Depreciation and amortisation**	**15,982**	**–**	**–**	**15,982**

Year ended 31 March 2010

	Continuing operations				Discontinued operation	
	Gold Mining *HK$'000*	Corporate *HK$'000*	Elimination *HK$'000*	Total *HK$'000*	PC Component *HK$'000*	Total *HK$'000*
Segment revenue:						
Turnover for external customers	100,213	–	–	100,213	32,833	133,046
Gross profit/(loss)	83,092	–	–	83,092	(579)	82,513
Other income	1,086	–	–	1,086	1,261	2,347
Operating expenses	(13,686)	(24,056)	–	(37,742)	(5,028)	(42,770)
	70,492	(24,056)	–	46,436	(4,346)	42,090
Depreciation and amortisation*	(291)	(110)	–	(401)	(2,983)	(3,384)
Segment results	70,201	(24,166)	–	46,035	(7,329)	38,706
Share-based payment expenses	–	–	–	(26,703)	–	(26,703)
Gain on disposal of subsidiaries	–	–	–	1,674	–	1,674
Finance costs	–	–	–	(20,592)	–	(20,592)
Profit/(loss) before taxation	–	–	–	414	(7,329)	(6,915)
Income tax expense	–	–	–	(16,283)	(24)	(16,307)
Net loss for the year	–	–	–	(15,869)	(7,353)	(23,222)
Segment assets	285,115	1,814,622	(307,777)	1,791,960	–	1,791,960
Segment liabilities	199,090	343,048	(303,477)	238,661	–	238,661
Capital expenditure	582	58	–	640	–	640
Depreciation and amortisation**	291	110	–	401	2,983	3,384

* *Represents depreciation and amortisation included in administrative expenses.*

** *Represents total depreciation and amortisation of the Group.*

Geographical segments

The Group's operations are located in Hong Kong and other parts of the People's Republic of China ("**PRC**") whereas the principal markets for the Group's products are mainly located in Hong Kong and other parts of the PRC.

Segment information by geographical segments is presented as follows:

	2011	2010
	HK$'000	*HK$'000*
Segment revenue by location of customers		
PRC, excluding Hong Kong, Macau and Taiwan	**–**	115,140
Taiwan	**–**	9,115
Hong Kong	**–**	3,381
Singapore	**–**	2,003
Australia	**–**	74
Other Asia-Pacific regions	**–**	3,321
Europe	**–**	12
Discontinued operation	**–**	(32,833)
	–	100,213
Non-current assets		
PRC, excluding Hong Kong, Macau and Taiwan	**373,768**	1,641,332
Hong Kong	**10,985**	4,463
Australia	**–**	85,138
	384,753	1,730,933

4. REVENUE AND OTHER INCOME

Revenue represents the net invoiced value of goods sold, net of trade discounts and returns and various types of government surcharges where applicable, and the value of services rendered:

	2011	2010
	HK$'000	*HK$'000*
Revenue		
Sale of goods	**–**	117,796
Trading of goods	**–**	6,871
Rendering of service	**–**	8,379
	–	133,046
Representing:		
Continuing operations	**–**	100,213
Discontinued operation	**–**	32,833
	–	133,046
Other income		
Bank interest income	**–**	1
Sundry income	**6,618**	2,346
	6,618	2,347
Representing:		
Continuing operations	**6,618**	1,086
Discontinued operation	**–**	1,261
	6,618	2,347

5. FINANCE COSTS

	2011	2010
	HK$'000	*HK$'000*
Interest on bank borrowing	**793**	10,430
Interest and amortisation on convertible bonds	**4,647**	10,162
Interest on short term loans	**6,387**	–
Interest on long term loans	**2,215**	–
Finance costs	**14,042**	20,592

The weighted average capitalisation rate on funds borrowed generally is 2% per annum.

6. (LOSS)/PROFIT BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting) the following:

	2011	2010
	HK$'000	*HK$'000*
Continuing operations:		
Cost of inventories sold	**–**	17,121
Impairment loss	**5,450**	–
Share-based payment expenses	**–**	26,703
Loss or (gain) on disposal of investment	**24,910**	(1,674)
Auditors' remuneration	**1,000**	1,387
Amortisation of intangible assets	**743**	–
Depreciation*	**411**	1,073
Operating lease rentals in respect of land and buildings	**1,065**	1,258
Staff costs including directors' emoluments:		
Salaries, wages, allowances and benefits in kind	**12,964**	12,140
Retirement benefits scheme contributions	**104**	1,031
Other staff benefits	**–**	288
Staff costs	**13,068**	13,459

* *HK$411,000 for the year ended 31 March 2011 are included in administrative expenses and HK$ nil for the year ended 31 March 2011 are included in cost of sales.*

7. INCOME TAX (CREDIT)/EXPENSE

No provision for Hong Kong profits tax has been made in the financial statements as the Group had no assessable profit for the year ended 31 March 2011.

Overseas taxation represents tax charges on the estimated assessable profits of subsidiaries operating overseas including the PRC, calculated at rates applicable in the respective jurisdictions for the year.

The reconciliation between the income tax expense and accounting (loss)/profit at applicable tax rates:

	2011	2010
	HK$'000	*HK$'000*
(Loss)/profit before tax	**(1,486,813)**	414
Tax at the applicable tax rate in Hong Kong	**(245,324)**	68
Tax effect of non-deductible expenses	**234,960**	1,376
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(1,882)**	8,644
Tax effect of tax losses not recognised	**12,246**	6,890
Deferred tax assets not recognised	**4,226**	–
Reverse of over provision	**(23,152)**	–
Deferred tax assets recognised	**–**	(695)
Income tax (credit)expense	**(18,926)**	16,283

8. DIVIDEND

No dividend has been paid or proposed by the Company for the years ended 31 March 2011 and 2010.

9. LOSS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the equity holders of the Company is based on the following:

Basic

	2011	2010
	HK$'000	*HK$'000*
Loss attributable to the equity holders of the Company	**(1,469,476)**	(36,529)
Weighted average number of ordinary shares in issue	**12,303,868,041**	4,571,650,926
Basic earnings per share *(HK cents)*	**(11.94)**	(0.80)

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume exercise/conversion of all dilutive potential ordinary shares. The Company has 2 category of dilutive potential ordinary shares: share options and convertible bonds.

For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares during the year) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated above is compared with the number of shares that would have been issued assuming the exercise of the share options. Hence, the share options have a dilutive effect only when the average market price of ordinary shares during the year exceeds the exercise price of the share options.

For the convertible bonds, they are assumed to have been converted into ordinary shares, and the loss attributable to the equity holders of the Company is adjusted to eliminate the interest expenses of the convertible bonds.

The computation of diluted earnings per share for the year ended 31 March 2011 did not assume the exercise of the Company's outstanding share options since the Company's shares were suspended in listing and there is no market price for the shares.

The computation of loss per share for the years ended 31 December 2011 and 2010 did not assume the conversion of the Company's outstanding convertible bonds since their assumed conversion would result in a decrease in loss per share.

10. OTHER RECEIVABLES AND PREPAYMENTS

	2011	2010
	HK$'000	*HK$'000*
Other receivables, deposits and prepayments	**44,265**	9,130
	44,265	9,130

An analysis of other receivables, deposits and prepayments are as follows:

	2011	2010
	HK$'000	*HK$'000*
Prepayment for the intended ore refinery	**27,716**	–
Others	**16,549**	–
	44,265	–

The fair values of other receivables approximate their carrying amounts.

11. TRADE AND OTHER PAYABLES

	2011	2010
	HK$'000	*HK$'000*
Trade payables	**1,983**	3,293
Other payables and accruals	**109,632**	28,922
	111,615	32,215

Included in other payables and accruals are HK$13,540,000 payable to present and former directors of the Company.

As of the end of the reporting period, the ageing analysis of trade payables based on the demand note date, is as follows:

	2011	2010
	HK$'000	*HK$'000*
0-30 days	**–**	2,142
31-60 days	**–**	–
61-90 days	**–**	1,150
Over 90 days	**1,983**	1
	1,983	3,293

12. BORROWINGS

	2011 *HK$'000*	2010 *HK$'000*
Bank borrowings	**10,783**	51,221
Short-term loans	**6,000**	–
Long-term loans	**66,506**	–
	83,289	51,221

The Group's interest-bearing loans were repayable as follows:

Amount due within one year included in current liabilities	**16,783**	51,221
Amount due after one year	**66,506**	–

The bank borrowings bear interest at prevailing rates and secured by the mining right owned by the Group and the interest rate is 7.49% (2010: 7.49%).

The short-term loan is unsecured and the interest rate is 5% (2010: 5%) per annum.

The long term loans are secured by the inventories of Taizhou Mining and the interest rate is nil to 24% (2010: nil to 24%).

The above borrowings are carried at amortised cost and the carrying amounts of interest-bearing borrowings approximate to their fair value.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following are extracted from the independent auditor's report on the consolidated financial statements of the Group for the year ended 31 March 2011.

"Basis for Disclaimer of Opinion

(i) Opening balance on provision of PRC Enterprise Income Tax

We are unable to obtain sufficient audit evidence to satisfy ourselves for the amount of the PRC Enterprise Income Tax provision brought down from previous years had been properly handled by the Company, and the related disclosures had been properly recorded and reflected in the consolidated financial statements as at and for the financial year-end.

(ii) Inventories

We have been invited to attend the physical inventory count conducted by the Company in November 2016. However, due to the prolonged period of time elapsed between the date of physical inventory count attended and the financial year-end, we are unable to satisfy ourselves with any other alternative procedures to be performed on verifying the details of movements provided by the Company, and therefore on the amount of inventories and the related disclosures had been properly recorded and reflected in the consolidated financial statements as at and for its financial year-end.

(iii) Property, plant and equipment and mining rights

We are unable to obtain sufficient audit evidence to satisfy ourselves to ascertain the recoverable amount of the property, plant and equipment and mining rights as to whether the Company can continue as a going concern in continuing its operation to generate sufficient amount of cash to substantiate their recoverability and unable to determine whether any impairment is therefore needed as based on the assumptions as provided by the Company to its valuer under the going concern assumptions with our audit procedures and hence if the related disclosures had been properly recorded and reflected in the consolidated financial statements as at and for its financial year-end.

(iv) Fundamental uncertainty – going concern

The issues on the event of default of convertible bond and also the subsequent winding-up petition instituted with the Grand Court of Cayman Islands as reported in the notes to the consolidated financial statements and certain unresolved litigations, among other things, indicate the existence of a material uncertainty which may cast significant doubt on the Group and its ability to continue as a going concern. We have disclaimed our opinion in respect of the appropriateness of adopting the going concern basis for the preparation of the consolidated financial statements.

Disclaimer of opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, we have not been able obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been prepared in accordance with the Hong Kong Companies Ordinance."

MANAGEMENT DISCUSSION AND ANALYSIS

The principal activity of the Company is investment holding. Its subsidiaries (together with the Company collectively referred to as the "**Group**" hereinafter) are principally engaged in gold exploration, mining and mineral processing with gold concentrate as its product.

Change in business model and financial results

In 2008, when the Company acquired the indirect equity interest in Tongguan Taizhou Mining Company Limited ("**Taizhou Mining**"), the Company agreed to provide financial support to Taizhou Mining for Taizhou Mining's development. After two years of development and since 2010, the Company began to fall short of the originally agreed financial support to Taizhou Mining.

In view of the discontinuation of the agreed financial support from the Company to Taizhou Mining and in order not to hinder the development of Taizhou Mining, Taizhou Mining sourced and successfully obtained financial support from financier(s) since 2010.

According to the arrangement as agreed between Taizhou Mining and one of its financiers, Taizhou Mining adopted a new operating model of obtaining loans from financier and having its inventories pledged as collateral (the "**Operating Model**"). Notwithstanding the pledge of inventories as collateral, legal title and risk of inventories remain with Taizhou Mining. The financier is chargor of inventories only and has the right to monitor the financial function of Taizhou Mining for the purposes of securing its loans to Taizhou Mining. The financier has agreed with Taizhou Mining not to demand repayment of loans until Taizhou Mining has the financial capability to do so.

The financier has further agreed that in the event that Taizhou Mining is unable to repay the indebtedness as they fall due, the financier would be able to realise the collateral on behalf of Taizhou Mining, and apply the amount as agreed between Taizhou Mining and the financier(s) at the time when the collateral is pledged to the financier, to set off against any outstanding loan and interest as they fall due at the agreed value.

As a result of the Operating Model, the property (mostly exploration and mining tunnels and inclined mining shafts), plant and equipment of the Group had substantially increased from approximately HK$4.1 million as at 31 March 2010 to approximately HK$320.6 million as at 31 March 2011 notwithstanding the Group recorded no revenue for the year ended 31 March 2011 (2010: HK$100.2 million) as its inventories were pledged to its financier. Respective state of affairs of the Group is set out in the consolidated financial statements on pages 2 to 13 of this announcement.

In the year ended 31 March 2011, the Company recorded consolidated loss of approximately HK$1,467.9 million compared with a loss of approximately HK$23.2 million in previous year. Such a change was mainly attributable to an impairment loss of goodwill of approximately HK$1,408.1 million and other losses of approximately HK$26.5 million incurred by the Group during the year under review.

The aforesaid impairment loss of approximately HK$1,408.1 million is an impairment loss on goodwill arising from discontinuance of the financial support of the holding company to Taizhou Mining's operation for the generation of the originally expected synergy to the Group, which Taizhou Mining has to procure other source of financing instead of from the holding company for its financial year ended 31 March 2011 and onwards.

The aforesaid other losses of approximately HK$26.5 million incurred by the Group is the net effect of other income of Taizhou Mining of approximately HK$3 million, impairment loss of approximately HK$5.4 million provided for the prepayment intended for the Henan Projects (as defined below) which the Company is now having its PRC lawyer to follow up on the case with the counterparty and loss of approximately HK$24.9 million arising from on partial disposal of the Group's investment in Apex Minerals NL ("**Apex**"), a company listed on the Australian Stock Exchange.

Basic loss per share was approximately HK cents 11.94 for the year ended 31 March 2011 (2010: loss of HK cents 0.80). There will be no payment of dividend for the year ended 31 March 2011 (2010: nil).

Liquidity, financial resources and funding

As at 31 March 2011, the Group had cash and cash equivalents and net current liabilities amounted to approximately HK$1.9 million and approximately HK$70.3 million (2010: HK$2.1 million and HK$82.8 million) respectively. The Group generally financed its operating activities with internally generated cash flow as well as borrowings as detailed in note 12 of this announcement. Since inventories of the Group were pledged to one of the financiers of Taizhou Mining under the Operating Model, its inventories increased materially from approximately HK$0.7 million as at 31 March 2010 to approximately HK$24.5 million as at 31 March 2011.

As at 31 March 2011, the current ratio is 0.50 (2010: 0.42).

As at 31 March 2011, the Group's gearing ratio was approximately 24% (31 March 2010: 9%), which was calculated based on total borrowings over total assets.

Charge on the Group's assets

As at 31 March 2011, the Group's bank borrowings were secured by the mining right owned by the Group whereas its long term loans were secured by the inventories of the Group's operating subsidiary, Taizhou Mining.

Exposure to exchange risks

Since the Group's borrowings and its source of income are primarily denominated in the respective group companies functional currency which are mainly in Hong Kong dollars or Renminbi, the exposure to foreign exchange rate fluctuations is minimal.

Significant investment, material acquisition and disposal

During the year under view, the Group partially disposed of its investment in Apex, and realised a loss on disposal of approximately HK$24.9 million.

Between 2009 and 2010, the Company entered into a series of memorandum of understanding and agreements with the vendors in relation to the Company's proposed acquisition of equity interest in the target companies in Henan Province (the "**Henan Projects**") and paid to the vendors earnest monies totaling HK$13.05 million.

Related party transactions with connected person(s)

The loans from Ms. Zhao Yuebing, a director of Taizhou Mining and thus a connected person of the Group, to Taizhou Mining were fully exempted connected transactions pursuant to Chapter 20 of the GEM Listing Rules as these were conducted on normal commercial terms or better and were not secured by the assets of the Group.

The New Board (as defined below) makes no representation on the compliance of the GEM Listing Rules in relation to the related party transactions between the Former Director(s) (as defined below) and the Group in the year ended 31 March 2011.

Employees and remuneration policies

As at 31 March 2011, the Group had 124 employees (2010: 135) situated mainly in the PRC and Hong Kong. The Group's emoluments policies are formulated based on industry practices and performance of individual employees. For the year ended 31 March 2011, the total staff costs (including directors' emoluments) amounted to approximately HK$13.1 million (2010: HK$13.5 million). During the year ended 31 March 2011, no share option had been granted by the Company. Details of employees' remuneration are set out in note 6 of this announcement.

MATERIAL CHANGE IN THE MANAGEMENT TEAM OF THE COMPANY

During and subsequent to the financial year ended 31 March 2011, there had been material changes in the management team of the Company as follows:

(a) (i) Mr. Lee Sing Leung Robin retired as Director in the Company's annual general meeting held on 16 August 2010; (ii) the office of Mr. Chan Yeuk Sen as Director was vacated in accordance with the articles of association of the Company with effect from the close of the board meeting held on 9 November 2012 as he had been absent from meetings of the Board for more than six consecutive months and no alternate Director has attended in his place; (iii) all but one members of the old Board resigned as of 23 March 2016, namely Mr. Lee Shing, Ms. Kwok Tai Pan, Dr. Cheung Wai Pun Charles JP and Mr. Jiao Zhi ((i) to (iii) are hereinafter collectively, the "**Former Directors**"). Save and except for Mr. Orr Joseph Wai Shing ("**Mr. Orr**") who is an existing independent non-executive Director since 22 December 2008 and was not involved in the daily management and operation of the Group, all of the existing Directors (the "**New Board**") only came into place from late February to late April 2016; and

(b) Mr. Leung Siu Kuen, the Company Secretary of the Company appointed in place of Mr. Ho Wing Kai since 13 July 2010, resigned with effect from 1 July 2012. Mr. Ng Wai Kee was appointed as the Company's Company Secretary with effect from 1 July 2012 and resigned with effect from 5 April 2016. Ms. Lam Yuen Ling Eva has been appointed as the Company Secretary of the Company with effect from 6 April 2016.

POST BALANCE SHEET EVENTS

(i) Conditional Approval of the Listing Appeals Committee on the Company's Resumption for Trading

Trading in the shares of the Company ("**Shares**") has been suspended since 11 November 2010.

On 4 June 2015, the GEM Listing Committee decided to proceed with the cancellation of the listing of the Shares and the Company was required to submit a resumption proposal by 4 December 2015.

On 15 January 2015, the GEM Listing Committee decided that the resumption proposal submitted by the Company on 4 December 2015 was not viable and decided to cancel the listing of the Shares (the "**Listing Decision**").

Notwithstanding the review application made by the Company in January 2016, on 8 April 2016, the Company was informed that the GEM Listing (Review) Committee decided that the resumption proposal submitted by the Company in March 2016 was not viable and thus uphold the Listing Decision.

The New Board appointed Proton Capital Limited as the sole financial adviser of the Company in respect of the Company's resumption and on 15 September 2016, the Company submitted a revised resumption proposal ("**Resumption Proposal**") to the Listing Appeals Committee.

Following the review hearing held on 9 December 2016, the Listing Appeals Committee decided to accept the Resumption Proposal, subject to the Company's compliance with the conditions ("**Conditions**") as summarised below to the satisfaction of the Listing Department by 14 March 2017:

1. publication of audited consolidated financial statements for all the outstanding financial results of the Group with no material audit qualifications indicating questions with respect to the consolidation of the results of Taizhou Mining;

2. resolution of any audit qualification issues;

3. providing a working capital forecast with: (a) all principal assumptions (including appropriate sensitivity analysis relating to gold and RMB movements) for at least twelve months from the expected trading resumption date; (b) a comfort letter from the auditors or financial advisers confirming that they are satisfied that the working capital forecast of the Group has been made by the Directors after due and careful enquiry; (c) assurance to the satisfaction of the Listing Department that any equity financing including the open offer (the "**Open Offer**") will be completed; and

4. conduct a follow up review by a professional party to demonstrate to the satisfaction of the Listing Department, all material weaknesses identified have been rectified and that the Group has in place an adequate and effective financial reporting procedures and internal control systems.

The Listing Appeals Committee also stated in its letter that resumption of trading in the Company's securities should be within a reasonably short period of time after compliance with the Conditions.

(ii) Full repayment of bank borrowings and release of security over the Group's mining rights

In mid-2016, the Group fully repaid its bank borrowings and thus, the security over the Group's mining rights has been released.

(iii) Litigation instituted by Mr. Lau Kin, a purported creditor, in the Cayman Islands

The Company had been served with a winding-up petition by Mr. Lau Kin, a purported creditor of the Company to the Grand Court of the Cayman Islands against the Company. The petitioning debt stated in the winding-up petition is an alleged sum due to Mr. Lau Kin 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 "**Lau Kin Claim**"). Mr. Lau Kin seeks an order for the appointment of joint official liquidators to the Company.

Mr. Lau Kin alleged that by a deed of assignment made between Dragon Hill Development Limited ("**Dragon Hill**") and him dated 3 May 2016, Dragon Hill assigned to him a purported debt of the Company in the amount of HK$19,494,230.43 at a consideration of HK$2 million only.

According to the information available to the Company:

(i) Mr. Lee Shing and Ms. Kwan To Yin are directors and shareholders of Dragon Hill holding approximately 85% and 15% shares therein, respectively;

(ii) Mr. Lee Shing was an executive director of the Company from 17 July 2009 to 23 March 2016. During the aforesaid period, Mr. Lee Shing was (a) the chairman of the board of directors of the Company from 30 September 2009 to 8 November 2011; and (b) the sole executive director of the Company from 28 May 2015 to 23 February 2016.

(iii) Mr. Lee Shing, by himself and/or via his wholly-owned company, Yong Li Investments Limited, is interested in approximately 11.15% of the existing issued shares of the Company.

The Company considers the validity of the Lau Kin Claim is in question and is investigating into and seeking legal advice in relation thereto. If the Lau Kin Claim is indeed found to be valid, the Lau Kin Claim will be fully settled from the net proceeds of the Open Offer.

With agreement of all parties involved, hearing date of the Grand Court of the Cayman Islands for the aforesaid litigation shall be further adjourned with a hearing to be held on the first available date after 14 March 2017 (Cayman time).

(iv) Litigation instituted by Mr. Lee Shing, a purported creditor, in Hong Kong

The Company has recently been served with a petition for the winding-up of the Company by Mr. Lee Shing (a former executive director, ex-Chairman, an existing substantial shareholder of the Company) to the High Court, Hong Kong Special Administrative Region under the provisions of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the laws of Hong Kong) (the "**Lee Shing Petition**").

Mr. Lee Shing alleged in the Lee Shing Petition that the Company is indebted to him in the sum of HK$18,223,125.50 (the "**Alleged Indebtedness**"), comprising (i) a purported loan of HK$6,925,000.00 assigned by a former Director to Mr. Lee Shing on 12 April 2010; (ii) a loan purportedly provided by Mr. Lee Shing plus interest calculated up to 30 August 2016 of HK$7,019,020.50 in aggregate; and (iii) director's emoluments and reimbursements of HK$4,279,105.00 in aggregate.

Before the presentation of the Lee Shing Petition by Mr. Lee Shing, the Company had been in the course of requesting relevant documents and supportings from Mr. Lee Shing so as to substantiate and verify the Alleged Indebtedness. Although Mr. Lee Shing's legal adviser has indicated his client's intention to provide, the Company has never received any of the requested documents up to the date of this announcement.

The first hearing date of the Lee Shing Petition has been scheduled to take place on 15 March 2017 in the High Court, Hong Kong Special Administrative Region. For the avoidance of doubt, 15 March 2017 is not a winding up date of the Company. According to the legal advice obtained by the Company, the hearing of 15 March 2017 is an endorsed hearing whereby a Master would check whether all procedural matters have been complied with and ascertain whether the Company or any other person would oppose to the Lee Shing Petition. If the Company opposes to the Lee Shing Petition at the hearing to be held on 15 March 2017, the case would be adjourned before a High Court Judge for his/her directions as to filing of evidence and other court documents.

The Company is seeking legal advice and endeavor to vigorously oppose the Lee Shing Petition. In light of the conditional approval to the Resumption Proposal from the Listing Appeals Committee as detailed in the Company's announcement dated 19 December 2016, the Company is implementing the Resumption Proposal whereby a fund raising plan will be conducted to fully settle, among others, the Alleged Indebtedness if verified.

PROSPECT

In view of the conditional approval for resumption of trading granted by the Listing Appeals Committee, the New Board is intensifying its effort to implement the Resumption Proposal, which include the Open Offer, debt capitalisation, debt settlement and release of all outstanding financial results, so as to fulfill the Conditions as soon as possible for resumption in trading of the shares of the Company.

As disclosed in the announcements of the Company dated 21 July 2016 and 7 December 2016, the Company will conduct the Open Offer on the basis of 1 Offer Share for each two existing Shares held at a price of not more than HK$0.02 for each Offer Share in order to raise gross proceeds of approximately HK$100 million to HK$130 million. The Company will utilise the net proceeds of the Open Offer for settlement of its indebtedness and as working capital of the Group. Meanwhile, certain debts will be capitalised and settled by way of issue of new Shares of not more than HK$0.02 per new Share. The Company expects that upon completion of the Resumption Proposal, the financial position, net assets value and cash flow of the Group will be significantly improved.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

CHANGE IN CAPITAL STRUCTURE

On 21 April 2010, the Company (as the issuer), Success Asia Investment Limited (as the subscriber) and Mr. Chan Yeuk Sen (as the guarantor) entered into a subscription agreement for the subscription of 792,096,000 new Shares at the subscription price of HK$0.101 per subscription share in two trenches with lock up period of three months from their respective date of issue with gross and net proceeds of approximately HK$80 million and HK$79.8 million in aggregate, respectively.

The subscription shares represented approximately 6.96% of the then issued share capital of the Company and approximately 6.51% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares and were issued under the general mandate of the Company.

Subscription of the two trenches of new shares were completed on 21 April 2010 and 1 June 2010, respectively.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

Due to the material change as stated in the section headed "Material Change in the Management Team of the Company", the New Board cannot make any representation about the adoption and/or compliance of the principles and the applicable provisions of the Code on Corporate Governance Practices (the "**Code**") set out in Appendix 15 to the GEM Listing Rules by the Company and/or the Former Directors for the period during the year ended 31 March 2015, however, based on the information available to the New Board, the Company had the following deviations from the Code during the year ended 31 March 2011:

Code Provision A.4.1 and A.4.2

Code Provisions A.4.1 of the Code stipulates that non-executive directors should be appointed for a specific team, subject to re-election. Code provision A.4.2 of the Code further stipulates, among others, that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The Company's non-executive directors were not appointed for a fixed terms. The Company had not held any annual general meeting since the latest annual general meeting held on 16 August 2010 as it had not yet published its audited accounts since the year ended 31 March 2010. As such, the Former Directors and Mr. Orr had not been retired by rotation at least once every three years.

DIRECTORS' SECURITIES TRANSACTIONS

Due to the material change as stated in the section headed "Material Change in the Management Team of the Company", the New Board cannot make any representation to the compliance of the required standard of dealings as set out in Rules 5.46 to 5.67 of the GEM Listing Rules by the Former Directors in the year ended 31 March 2011.

Having made specific enquiry, Mr. Orr confirmed that he had complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company during the year ended 31 March 2011.

COMPLIANCE WITH RULE 5.15

Due to the material change as stated in the section headed "Material Changes in the Management Team of the Company", the New Board cannot make any representation to the compliance of Rule 5.15 of the GEM Listing Rules by the Company's former Company Secretary during the year under review.

AUDIT COMMITTEE

The audit committee comprises three independent non-executive directors, Mr. Jiang Quanming, Mr. Orr and Mr. Guo Wei. The audit committee has reviewed the audited financial results of the Group for the year ended 31 March 2011.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This final results announcement is published on the GEM website at *www.hkgem.com* and on the website of the Company at *http://www.aplushk.com/clients/8299GrandTG/*. The annual report of the Company for the year ended 31 March 2011 will also be despatched to the shareholders of the Company and published on the aforesaid websites in due course.

For and on behalf of the Board
Grand T G Gold Holdings Limited
Li Dahong
Chairman

Hong Kong, 16 February 2017

The English text of this announcement shall prevail over the Chinese text in case of inconsistencies.

As at the date hereof, 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).