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 2012

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 2012 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2012

	Notes	**2012** **HK$'000**	2011 HK$'000
Revenue	*4*	**–**	–
Cost of sales		**–**	–
Gross profit		**–**	–
Other losses	*4*	**(10,449)**	(26,490)
Selling and distribution expenses		**(566)**	(41)
Impairment loss of goodwill		**–**	(1,408,061)
Administrative expenses		**(30,597)**	(38,179)
Operating results		**(41,612)**	(1,472,771)
Finance costs	*5*	**(22,882)**	(14,042)
Loss before tax	*6*	**(64,494)**	(1,486,813)
Income tax credit	*7*	**–**	18,926
Loss for the year		**(64,494)**	(1,467,887)
Loss for the year attributable to:			
Equity holders of the Company		**(54,970)**	(1,469,476)
Non-controlling interest		**(9,524)**	1,589
		(64,494)	(1,467,887)
		HK Cents	*HK Cents*
Loss per share			
Basic		**(0.41)**	(11.94)
Diluted		**(0.41)**	(11.94)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2012

	Notes	**2012** **HK$'000**	2011 HK$'000
Loss for the year		**(64,494)**	(1,467,887)
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		**9,958**	11,417
Fair value change and reclassification to profit or loss in regard of available for sale investment		**3,068**	(28,227)
		13,026	(16,810)
Total comprehensive loss for the year		**(51,468)**	(1,484,697)
Total comprehensive loss attributable to:			
Equity holders of the Company		**(42,227)**	(1,486,669)
Non-controlling interest		**(9,241)**	1,972

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2012

	Notes	2012 HK$'000	2011 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**385,017**	320,646
Prepaid land lease premium		**1,233**	1,188
Mining rights related assets		**51,547**	50,287
Construction in progress		**1,794**	1,727
Available-for-sale financial assets		**1,243**	10,905
		440,834	384,753
CURRENT ASSETS			
Inventories		**52,554**	24,539
Other receivables, prepayments	*10*	**43,342**	44,265
Cash and cash equivalents		**1,452**	1,933
		97,348	70,737
CURRENT LIABILITIES			
Trade and other payables	*11*	**71,239**	111,615
Deferred income		**654**	36
Promissory notes		**12,500**	12,500
Tax payables		**128**	63
Interest-bearing borrowings	*12*	**20,873**	16,783
		105,394	140,997
NET CURRENT LIABILITIES		**(8,046)**	(70,260)
TOTAL ASSETS LESS CURRENT LIABILITIES		**432,788**	314,493
NON-CURRENT LIABILITIES			
Convertible bonds		**15,897**	14,374
Long term loans	*12*	**234,746**	66,506
		250,643	80,880
NET ASSETS		**182,145**	233,613
CAPITAL AND RESERVES			
Share capital		**53,794**	53,794
Reserves		**119,964**	162,191
Equity attributable to equity holders of the Company		**173,758**	215,985
Non-controlling interest		**8,387**	17,628
TOTAL EQUITY		**182,145**	233,613

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 the Hong Kong Institute of Certified Public Accountants ("**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 Company has adopted the following new and revised standards, amendments and interpretations (hereinafter collectively referred to as "new and revised **HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") which are relevant to and effective for the Company's financial period beginning on 1 April 2011:

HKFRSs (Amendments)	Improvements to HKFRSs 2010 except for the amendments to HKFRS (as revised in 2008), HKFRS 7, HKAS 1 and HKAS 28
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for Firs-time Adopters
HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
HKFRS 7 (Amendments)	Disclosures — Transfers of Financial Assets
HKFRS 9	Financial Instruments
HKAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Assets
HKAS 24 (as revised in 2009)	Related Party Disclosures
HKAS 32 (Amendments)	Classification of Rights Issues
HK (IFRIC)-Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement HK
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments

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

HKAS 24 (Revised) — Related Party Disclosures

HKAS 24 was revised to include a new definition of related party and to provide a partial exemption from the disclosure requirements in relation to related party transactions and outstanding balances, including commitments, with:

(a) a government that has control, joint control or significant influence over the reporting entity; and

(b) another entity that is a related party because the same government has control, joint control or significant influence over both the reporting entity and the other entity.

The Company adopted the new definition in its accounting policies but such adoption does not have an effect on the disclosures made in the financial statements.

Improvements to HKFRSs 2010 — Improvements to HKFRSs 2010

The improvements comprise a number of improvements to Standards including the following that are considered to be relevant to the Company:

Amendments to HKFRS 7 Financial Instrument Disclosures: Clarification of disclosures

The Amendments clarify the required level of disclosures about credit risk and collateral held and provide relief from disclosures previously required for renegotiated loans. The Company has amended its disclosures accordingly.

The Company 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 2011:

HKFRS 1 Amendments	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[1]
HKFRS 7 Amendments	Amendments to HKFRS 7 Financial Instruments: Disclosures – Transfers of Financial Assets[1]
HKFRS 7 Amendments	Amendments to HKFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities[4]
HKFRS 9	Financial Instruments[6]
HKFRS 10	Consolidated Financial Statements[4]
HKFRS 11	Joint Arrangements[4]
HKFRS 12	Disclosure of Interests in Other Entities[4]
HKFRS 13	Fair Value Measurement[4]
HKAS 1 Amendments	Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income[3]
HKAS 12 Amendments	Amendments to HKAS 12 Income Taxes – Deferred Tax: Recovery of Underlying Assets[2]
HKAS 19 (2011)	Employee Benefits[4]
HKAS 27 (2011)	Separate Financial Statements[4]
HKAS 28 (2011)	Investments in Associates and Joint Ventures[4]
HKAS 32 Amendments	Amendments to HKAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities[5]
HK (IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine[4]

[1] Effective for annual periods beginning on or after 1 July 2011
[2] Effective for annual periods beginning on or after 1 January 2012
[3] Effective for annual periods beginning on or after 1 July 2012
[4] Effective for annual periods beginning on or after 1 January 2013
[5] Effective for annual periods beginning on or after 1 January 2014
[6] Effective for annual periods beginning on or after 1 January 2015

HKFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace HKAS 39 Financial Instruments: Recognition and Measurement. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of HKAS 39.

In November 2010, the HKICPA issued additions to HKFRS 9 to address financial liabilities (the "Additions") and incorporated in HKFRS 9 the current derecognition principles of financial instruments of HKAS 39. Most of the Additions were carried forward unchanged from HKAS 39, while changes were made to the measurement of financial liabilities designated at fair value through profit or loss using the fair value option ("FVO"). For these FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in other comprehensive income ("OCI"). The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. However, loan commitments and financial guarantee contracts which have been designated under the FVO are scoped out of the Additions.

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on hedge accounting and impairment of financial assets continues to apply. The Company expects to adopt HKFRS 9 from 1 April 2018.

HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The standard does not change the circumstances in which the Company is required to use fair value, but provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. The Company expects to adopt HKFRS 13 prospectively from 1 April 2013.

Amendments to HKAS 1 change the Companying of items presented in OCI. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items which will never be reclassified. The Company expects to adopt the amendments from 1 April 2013.

HKAS 19 (2011) includes a number of amendments that range from fundamental changes to simple clarifications and re-wording. The revised standard introduces significant changes in the accounting for defined benefit pension plans including removing the choice to defer the recognition of actuarial gains and losses. Other changes include modifications to the timing of recognition for termination benefits, the classification of short-term employee benefits and disclosures of defined benefit plans. The Company expects to adopt HKAS 19 (2011) from 1 April 2013.

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 Company's results and the financial position of the Company.

3. SEGMENT INFORMATION

The Group had two operating segments for the year ended 31 March 2012, 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 2012

	Gold Mining *HK$'000*	Corporate *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
Segment revenue:				
Turnover for external customers	**–**	**–**	**–**	**–**
Gross profit	**–**	**–**	**–**	**–**
Other losses	**(8)**	**(10,441)**	**–**	**(10,449)**
Operating expenses	**(11,390)**	**(19,064)**	**–**	**(30,454)**
Depreciation and amortisation*	**(680)**	**(29)**	**–**	**(709)**
Segment results	**(12,078)**	**(29,534)**	**–**	**(41,612)**
Finance costs	**(20,834)**	**(2,048)**	**–**	**(22,882)**
Loss before taxation	**(32,912)**	**(31,582)**	**–**	**(64,494)**
Net loss for the year	**(32,912)**	**(31,582)**	**–**	**(64,494)**
Segment assets	**533,654**	**1,793,222**	**(1,788,694)**	**538,182**
Segment liabilities	**518,169**	**187,472**	**(349,604)**	**356,037**
Capital expenditure	**64,678**	**–**	**–**	**64,678**
Depreciation and amortisation**	**14,352**	**–**	**–**	**14,352**

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

* *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:

	2012	2011
	HK$'000	*HK$'000*
Non-current assets		
PRC, excluding Hong Kong, Macau and Taiwan	**439,532**	373,768
Hong Kong	**1,302**	10,985
	440,834	384,753

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:

	2012	2011
	HK$'000	*HK$'000*
Revenue		
Sale of goods	**–**	–
	–	–
Other income		
Sundry income	**3**	6,618
	3	6,618

5. FINANCE COSTS

	2012	2011
	HK$'000	*HK$'000*
Interest on bank borrowing	**894**	793
Interest and amortisation on convertible bonds	**1,524**	4,647
Interest on short term loans	**524**	6,387
Interest on long term loans	**19,940**	2,215
Finance costs	**22,882**	14,042

The weighted average capitalisation rate on funds borrowed generally is 12.12% per annum (2011: 2% per annum).

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging the following:

	2012 *HK$'000*	2011 *HK$'000*
Impairment loss	**–**	5,450
Auditors' remuneration	**1,000**	1,000
Loss on disposal of available for sale investment	**10,443**	24,910
Amortisation of intangible assets	**673**	743
Depreciation*	**36**	411
Operating lease rentals in respect of land and buildings	**1,211**	1,065
Staff costs including directors' emoluments:		
Salaries, wages, allowances and benefits in kind	**12,195**	12,964
Retirement benefits scheme contributions	**102**	104
Staff costs	**12,297**	13,068

* *HK$36,000 (2011: HK$411,000) are included in administrative expenses and HK$ nil (2011: HK$ nil) are included in cost of sales.*

7. INCOME TAX 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 (2011: Nil).

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 at applicable tax rates:

	2012 *HK$'000*	2011 *HK$'000*
Loss before tax	**(64,494)**	(1,486,813)
Tax at the applicable tax rate in Hong Kong	**(10,642)**	(245,324)
Tax effect of non-deductible expenses	**4,293**	234,960
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(3,060)**	(1,882)
Tax effect of tax losses not recognised	**9,409**	12,246
Deferred tax assets not recognised	**–**	4,226
Reverse of over provision	**–**	(23,152)
Income tax credit	**–**	(18,926)

8. DIVIDEND

No dividend has been paid or proposed by the Company for the years ended 31 March 2012 and 2011.

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

	2012	2011
	HK$'000	*HK$'000*
Loss attributable to the equity holders of the Company	**(54,970)**	(1,469,476)
Weighted average number of ordinary shares in issue	**13,448,488,271**	12,303,868,041
Basic earnings per share *(HK cents)*	**(0.41)**	(11.94)

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 2012 and 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 2012 and 2011 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

	2012	2011
	HK$'000	*HK$'000*
Other receivables, deposits and prepayments	43,342	44,265
	43,342	44,265

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

	2012	2011
	HK$'000	*HK$'000*
Prepayment for the intended ore refinery	**28,913**	27,716
Others	**14,429**	16,549
	43,342	44,265

The fair values of other receivables approximate their carrying amounts.

11. TRADE AND OTHER PAYABLES

	2012 *HK$'000*	2011 *HK$'000*
Trade payables	**8,954**	1,983
Other payables and accruals	**62,285**	109,632
	71,239	111,615

Included in other payables and accruals are HK$22,211,000 (2011: 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

	2012 *HK$'000*	2011 *HK$'000*
0-30 days	**–**	–
31-60 days	**–**	–
61-90 days	**–**	–
Over 90 days	**8,954**	1,983
	8,954	1,983

12. BORROWINGS

	2012 *HK$'000*	2011 *HK$'000*
Bank borrowings	**10,953**	10,783
Short-term loans	**9,920**	6,000
Long-term loans	**234,746**	66,506
	255,619	83,289

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

Amount due within one year included in current liabilities	**20,873**	16,783
Amount due after one year	**234,746**	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% (2011: 7.49%).

The short-term loan is unsecured and the interest rate is 5% (2011: 5%) per annum.

The long term loans are secured by the inventories of Taizhou Mining and the interest rate is nil to 24% (2011: 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 2012.

"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

Financial results

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.

In the year ended 31 March 2012, the Group continued the business model of last year, i.e. obtaining asset backing finance from financier with its inventories pledged as collaterals for its development. As such, the Group recorded no revenue for the year ended 31 March 2012 (2011: nil) while at the same time, the property (mostly exploration and mining tunnels and inclined mining shafts), plant and equipment of the Group increased by approximately HK$64.4 million to approximately HK$385.0 million as at 31 March 2012. Respective state of affairs of the Group is set out in the consolidated financial statements on pages 2 to 12 of this announcement.

Consolidated loss of the Company amounted to approximately HK$64.5 million for the year ended 31 March 2012 (2011: loss of approximately HK$1,467.9 million). Basic loss per share was approximately HK cents 0.41 for the year ended 31 March 2012 (2011: loss of HK cents 11.94). There will be no payment of dividend for the year ended 31 March 2012 (2011: nil).

Liquidity, financial resources and funding

As at 31 March 2012, the Group had cash and cash equivalents and net current liabilities amounted to approximately HK$1.5 million and approximately HK$8.0 million (2011: HK$1.9 million and HK$70.3 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 Company's operating subsidiary, Tongguan Taizhou Mining Company Limited ("**Taizhou Mining**"), were pledged to one of the financiers of Taizhou Mining rather than for sale, the Group's inventories had increased from HK$24.5 million as at 31 March 2011 to approximately HK$52.6 million as at 31 March 2012.

As at 31 March 2012, the current ratio is 0.92 (2011: 0.50).

As at 31 March 2012, the Group's gearing ratio was approximately 53% (31 March 2011: 24%), which was calculated based on total borrowings over total assets.

Charge on the Group's assets

As at 31 March 2012, 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 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 Minerals NL, a company listed on the Australian Stock Exchange, and realised a loss on disposal of approximately HK$10.4 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 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 2012.

Employees and remuneration policies

As at 31 March 2012, the Group had 126 employees (2011: 124) 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 2012, the total staff costs (including directors' emoluments) amounted to approximately HK$12.3 million (2011: HK$13.1 million). During the year ended 31 March 2012, 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

Subsequent to the financial year ended 31 March 2012, there had been material changes in the management team of the Company as follows:

(a) (i) the offices of Mr. Chan Yeuk Sen and Mr. Guo Jian Jun as Directors were 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 they had been absent from meetings of the Board for more than six consecutive months and no alternate Director has attended in their places; (ii) 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) and (ii) 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.

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 2012:

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 2012.

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 2012.

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 2012.

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 2012 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).