



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 2015

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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

*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 2015 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2015

	<i>Notes</i>	2015 HK\$'000	2014 <i>HK\$'000</i>
Revenue	4	105,820	–
Cost of sales		<u>(45,230)</u>	<u>–</u>
Gross profit		60,590	–
Other losses	4	(252)	(419)
Selling and distribution expenses		(3,015)	(2,248)
Administrative expenses		<u>(22,573)</u>	<u>(26,306)</u>
Operating results		34,750	(28,973)
Finance costs	5	<u>(10,077)</u>	<u>(12,106)</u>
Profit/(loss) before tax	6	24,673	(41,079)
Income tax expense	7	<u>(236)</u>	<u>–</u>
Profit/(loss) for the year		<u>24,437</u>	<u>(41,079)</u>
Profit/(loss) for the year attributable to:			
Equity holders of the Company		14,384	(32,688)
Non-controlling interest		<u>10,053</u>	<u>(8,391)</u>
		<u>24,437</u>	<u>(41,079)</u>
		<i>HK Cents</i>	<i>HK Cents</i>
Earnings/(losses) per share			
Basic		<u>0.11</u>	<u>(0.24)</u>
Diluted		<u>0.11</u>	<u>(0.24)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2015

	<i>Notes</i>	2015 HK\$'000	2014 HK\$'000
Profit/(loss) for the year		24,437	(41,079)
Other comprehensive income for the year:			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising from translation of financial statements of overseas subsidiaries		53	(210)
Fair value change and reclassification to profit or loss in regard of available for sale investment		<u>30</u>	<u>–</u>
		<u>83</u>	<u>(210)</u>
Total comprehensive income/(loss) for the year		<u>24,520</u>	<u>(41,289)</u>
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		14,467	(32,901)
Non-controlling interest		<u>10,053</u>	<u>(8,388)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	Notes	2015 HK\$'000	2014 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		511,411	491,310
Prepaid land lease premium		1,249	1,249
Mining rights related assets		58,158	59,488
		<u>570,818</u>	<u>552,047</u>
CURRENT ASSETS			
Inventories		125,118	136,714
Other receivables and prepayments	10	67,247	72,738
Cash and cash equivalents		355	400
		<u>192,720</u>	<u>209,852</u>
CURRENT LIABILITIES			
Trade and other payables	11	106,034	105,493
Deferred income		6,384	7,145
Promissory notes		12,500	12,500
Tax payables		621	426
Bonds		18,653	18,145
Interest-bearing borrowings	12	29,138	24,393
		<u>173,330</u>	<u>168,102</u>
NET CURRENT ASSETS		<u>19,390</u>	<u>41,750</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		590,208	593,797
NON-CURRENT LIABILITIES			
Long term loans	12	486,200	514,309
		<u>486,200</u>	<u>514,309</u>
NET ASSETS		<u>104,008</u>	<u>79,488</u>
CAPITAL AND RESERVES			
Share capital		53,794	53,794
Reserves		53,962	39,495
		<u>107,756</u>	<u>93,289</u>
Equity attributable to equity holders of the Company		107,756	93,289
Non-controlling interest		(3,748)	(13,801)
		<u>(3,748)</u>	<u>(13,801)</u>
TOTAL EQUITY		<u>104,008</u>	<u>79,488</u>

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 consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (Cap. 32).

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 *Initial application of Hong Kong Financial Reporting Standards*

In the current year, the Group initially applied the following Hong Kong Financial Reporting Standards:

HK (IFRIC)-Int 21	Levies
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets
Annual improvements (2010–2012)	Amendments to HKFRS 2 and HKFRS 3

The initial application of these financial reporting standards does not necessitate material changes in the Group’s accounting policies.

2.3 *Hong Kong Financial Reporting Standards in issue but not yet effective*

The following Hong Kong Financial Reporting Standards in issue at 31 March 2015 have not been applied in the preparation of the Group's consolidated financial statements for the year then ended since they were not yet effective for the annual period beginning on 1 April 2015.

HKFRS 9 (2014)	Financial Instruments
HKFRS 14	Regulatory Deferral Accounts
HKFRS 15	Revenue from Contracts with Customers
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Bearer Plants
Amendments to HKAS 19	Defined Benefits Plans: Employee Contributions
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKAS 28 and HKFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Annual Improvements (2010–2012)	Amendments to HKFRS 3, HKFRS 13 and HKAS 40
Annual Improvements (2012–2014)	Amendments to HKFRS 5, HKFRS 7 and HKAS 19

The Company and the Group are required to initially apply these standards and amendments in its annual consolidated financial statements beginning on 1 April 2016, except that the Company and the Group are required to initially apply Amendments to HKAS 19, Annual Improvements (2010–2013) and Annual Improvements (2011–2013) in its annual consolidated financial statements beginning on 1 April 2015, and to initially apply HKFRS 15 and HKFRS 9 (2014) in its annual consolidated financial statements beginning on 1 April 2017 and 2018 respectively. HKFRS 14 is not applicable to the Company and the Group.

The Group has commenced an assessment of the impact of these new and amended HKFRSs but is not yet in a position to state whether they would have a significant impact on its results of operations and financial position. In addition, the requirements of Part 9 “Accounts and Audit” of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company's first financial year commencing on or after 3 March 2014 in accordance with Section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

3. SEGMENT INFORMATION

The Group had two operating segments for the year ended 31 March 2015, 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 2015

	Gold Mining HK\$'000	Corporate HK\$'000	Elimination HK\$'000	Total HK\$'000
Segment revenue:				
Turnover for external customers	<u>105,820</u>	<u>–</u>	<u>–</u>	<u>105,820</u>
Gross profit	60,590	–	–	60,590
Other losses	(223)	(29)	–	(252)
Operating expenses	(15,628)	(9,696)	–	(25,324)
Depreciation and amortisation*	<u>(264)</u>	<u>–</u>	<u>–</u>	<u>(264)</u>
Segment results	44,475	(9,725)	–	34,750
Finance costs	<u>(8,281)</u>	<u>(1,796)</u>	<u>–</u>	<u>(10,077)</u>
Profit/(loss) before tax	36,194	(11,521)	–	24,673
Income tax expense	<u>(236)</u>	<u>–</u>	<u>–</u>	<u>(236)</u>
Net profit/(loss) for the year	<u><u>35,958</u></u>	<u><u>(11,521)</u></u>	<u><u>–</u></u>	<u><u>24,437</u></u>
Segment assets	<u>761,895</u>	<u>1,792,826</u>	<u>(1,791,183)</u>	<u>763,538</u>
Segment liabilities	<u>789,552</u>	<u>224,371</u>	<u>(354,393)</u>	<u>659,530</u>
Capital expenditure	<u>42,496</u>	<u>–</u>	<u>–</u>	<u>42,496</u>
Depreciation and amortisation**	<u>22,116</u>	<u>–</u>	<u>–</u>	<u>22,116</u>

Year ended 31 March 2014

	Gold Mining HK\$'000	Corporate HK\$'000	Elimination HK\$'000	Total HK\$'000
Segment revenue:				
Turnover for external customers	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Gross profit	—	—	—	—
Other losses	(394)	(25)	—	(419)
Operating expenses	(17,017)	(9,624)	—	(26,641)
Depreciation and amortisation*	<u>(1,903)</u>	<u>(10)</u>	<u>—</u>	<u>(1,913)</u>
Segment results	(19,314)	(9,659)	—	(28,973)
Finance costs	<u>(10,445)</u>	<u>(1,661)</u>	<u>—</u>	<u>(12,106)</u>
Loss before tax	(29,759)	(11,320)	—	(41,079)
Income tax expense	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net loss for the year	<u><u>(29,759)</u></u>	<u><u>(11,320)</u></u>	<u><u>—</u></u>	<u><u>(41,079)</u></u>
Segment assets	<u>760,293</u>	<u>1,792,630</u>	<u>(1,791,024)</u>	<u>761,899</u>
Segment liabilities	<u>823,896</u>	<u>212,696</u>	<u>(354,181)</u>	<u>682,411</u>
Capital expenditure	<u>50,873</u>	<u>—</u>	<u>—</u>	<u>50,873</u>
Depreciation and amortisation**	<u>21,773</u>	<u>—</u>	<u>—</u>	<u>21,773</u>

* 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 other parts of the PRC.

Segment information by geographical segments is presented as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Segment revenue by location of customers		
PRC, excluding Hong Kong, Macau and Taiwan	<u>105,820</u>	<u>–</u>
	<u>105,820</u>	<u>–</u>
Non-current assets		
PRC, excluding Hong Kong, Macau and Taiwan	570,815	552,041
Hong Kong	<u>3</u>	<u>6</u>
	<u>570,818</u>	<u>552,047</u>

Included in revenues are revenues of approximately HK\$85 million (2014: HK\$ Nil) which arose from sales to the Group's largest customer. There is one customer contributed 10% or more to the Group's revenues for 2015 (2014: Nil).

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:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Revenue		
Sale of goods	<u>105,820</u>	<u>–</u>
	<u>105,820</u>	<u>–</u>
Other income		
Sundry income	<u>–</u>	<u>40</u>
	<u>–</u>	<u>40</u>

5. FINANCE COSTS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interest on bank borrowing	719	756
Interest and amortisation on convertible bonds	509	603
Interest on short term loans	1,287	1,057
Interest on long term loans	<u>7,562</u>	<u>9,690</u>
Finance costs	<u>10,077</u>	<u>12,106</u>

The weighted average capitalisation rate on funds borrowed generally is 2.49% per annum (2014: 2.22% per annum).

6. PROFIT/(LOSS) BEFORE TAX

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Cost of inventories sold	<u>45,230</u>	<u>–</u>
Auditors' remuneration	1,000	1,000
Amortisation of intangible assets	1,346	1,706
Depreciation*	20,770	207
Operating lease rentals in respect of land and buildings	953	533
Staff costs including directors' emoluments:		
Salaries, wages, allowances and benefits in kind	9,501	10,108
Retirement benefits scheme contributions	<u>31</u>	<u>52</u>
Staff costs	<u><u>9,532</u></u>	<u><u>10,160</u></u>

* *HK\$264,000 (2014: HK\$207,000) are included in administrative expenses and HK\$20,506,000 (2014: HK\$ Nil) are included in cost of sales.*

7. INCOME TAX EXPENSE

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current tax – overseas		
Provision for the year	<u>236</u>	<u>–</u>
Income tax expense	<u><u>236</u></u>	<u><u>–</u></u>

No provision for Hong Kong profits tax has been made in the financial statements as the Group had no assessable profit for the year (2014: 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 profit/(loss) at applicable tax rates:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Profit/(loss) before tax	<u>24,673</u>	<u>(41,079)</u>
Tax at the applicable tax rate in Hong Kong	4,071	(6,778)
Tax effect of non-deductible expenses	180	1,042
Effect of different tax rates of subsidiaries operating in other jurisdictions	3,063	(2,578)
Tax effect of tax losses not recognised	1,915	8,314
Tax losses utilised	<u>(8,993)</u>	<u>–</u>
Income tax expense	<u><u>236</u></u>	<u><u>–</u></u>

8. DIVIDEND

No dividend has been paid or proposed by the Company for the years ended 31 March 2015 and 2014.

9. EARNINGS 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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Profit/(loss) attributable to the equity holders of the Company	14,384	(32,688)
Weighted average number of ordinary shares in issue	<u>13,448,488,271</u>	<u>13,448,488,271</u>
Basic earnings per share (<i>HK cents</i>)	<u><u>0.11</u></u>	<u><u>(0.24)</u></u>

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 1 category of dilutive potential ordinary shares: share options.

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.

The computation of diluted earnings per share for the year ended 31 March 2015 and 2014 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.

10. OTHER RECEIVABLES, PREPAYMENTS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Other receivables, deposits and prepayments	<u>67,247</u>	<u>72,738</u>
	<u><u>67,247</u></u>	<u><u>72,738</u></u>

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Prepayment for the intended ore refinery	50,012	45,202
Others	<u>17,235</u>	<u>27,536</u>
	<u><u>67,247</u></u>	<u><u>72,738</u></u>

The fair values of other receivables approximate their carrying amounts.

11. TRADE AND OTHER PAYABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade payables	3,177	15,567
Other payables and accruals	<u>102,857</u>	<u>89,926</u>
	<u>106,034</u>	<u>105,493</u>

Included in other payables and accruals are HK\$34,534,000 (2014: HK\$30,904,000) 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:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
0-30 days	-	-
31-60 days	-	-
61-90 days	-	-
Over 90 days	<u>3,177</u>	<u>15,567</u>
	<u>3,177</u>	<u>15,567</u>

12. BORROWINGS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Bank borrowings	9,556	9,678
Short-term loans	19,582	14,715
Long-term loans	<u>486,200</u>	<u>514,309</u>
	<u>515,338</u>	<u>538,702</u>

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

Amount due within one year included in current liabilities	29,138	24,393
Amount due after one year	486,200	514,309

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% (2014: 7.49%).

The short-term loan is unsecured and the interest rate is 5% (2014: 5%) per annum.

The long term loans are secured by the inventories of Taizhou Mining and the interest rate is nil to 6% (2014: nil to 6%).

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 2015.

“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) Sales

The Group has expressed its position that Taizhou Mining has conducted its business with financing provided by two different parties as financiers and the financier with whom the assets have been pledged has directly handled the relevant cash receipts on sales of such pledged assets on behalf of Taizhou Mining. We are unable to satisfy ourselves as to the amount of sales transactions executed in cash receipts and payment between the financiers and purchasers without sufficient third party evidence on such cash receipt and payments under our audit procedures, and whether the related disclosures had been properly recorded and reflected in the consolidated financial statements as at the end of the respective financial year-end.

(v) 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.

For the year ended 31 March 2015, the Group’s revenue was approximately HK\$105.8 million (2014: nil) with gross profit margin of approximately 57%. The Group recommenced the sale of its products in the year under review. The Group was cautious in controlling its cost of production and overheads. Respective state of affairs of the Group is set out in the consolidated financial statements on pages 2 to 12 of this announcement.

Consolidated profit of the Company amounted to approximately HK\$24.4 million for the year ended 31 March 2015 (2014: loss of approximately HK\$41.1 million). Basic earnings per share was approximately HK cents 0.11 for the year ended 31 March 2015 (2014: loss of HK cents 0.24). The aforesaid changes were because the Group recommenced the sale of its products in the year under review. There will be no payment of dividend for the year ended 31 March 2015 (2014: nil).

Liquidity, financial resources and funding

As at 31 March 2015, the Group had cash and cash equivalents and net current assets amounted to approximately HK\$0.4 million and approximately HK\$19.4 million (2014: HK\$0.4 million and HK\$41.8 million) respectively whereas inventories of the Group amounted to approximately HK\$125.1 million representing a decrease of approximately HK\$11.6 million as compared to the previous year. The Group generally financed its operating activities with internally generated cash flow as well as borrowings as detailed in note 12 of this announcement.

As at 31 March 2015, the current ratio is 1.11 (2014: 1.25).

As at 31 March 2015, the Group’s gearing ratio was approximately 72% (31 March 2014: 75%), calculated based on total borrowings over total assets.

Charge on the Group’s assets

As at 31 March 2015, 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, Tongguan Taizhou Mining Company Limited (“**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

The Group did not have any significant investment, material acquisition and disposal throughout the year.

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 during the year ended 31 March 2015.

Employees and remuneration policies

As at 31 March 2015, the Group had 71 employees (2014: 74) 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 2015, the total staff costs (including directors' emoluments) amounted to approximately HK\$9.5 million (2014: HK\$10.1 million). During the year ended 31 March 2015, 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 2015, there had been material changes in the management team of the Company as follows:

- (a) 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 (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 were/are 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. Ng Wai Kee, the Company's Company Secretary since 1 July 2012, 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).

(iii) 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 2015:

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 term, 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 term. 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 Director 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 2015.

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 2015.

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 2015.

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 2015 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).