



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 2017

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.

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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 2017 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2017

	<i>Notes</i>	2017 HK\$’000	2016 HK\$’000
Revenue	4	131,658	112,374
Cost of sales		<u>(61,189)</u>	<u>(46,022)</u>
Gross profit		70,469	66,352
Other income and expenses, net		15,836	1,143
Selling and distribution expenses		(654)	(4,065)
Legal and resumption expenses		(23,047)	–
Administrative expenses		<u>(34,455)</u>	<u>(21,550)</u>
Operating results		28,149	41,880
Finance costs	5	<u>(18,527)</u>	<u>(19,360)</u>
Profit before tax	6	9,622	22,520
Income tax expense	7	<u>(8,032)</u>	<u>(2,294)</u>
Profit for the year		<u>1,590</u>	<u>20,226</u>
Profit/(loss) for the year attributable to:			
Equity holders of the Company		(9,779)	11,114
Non-controlling interest		<u>11,369</u>	<u>9,112</u>
		<u>1,590</u>	<u>20,226</u>
		<i>HK Cents</i>	<i>HK Cents</i>
(Loss)/Earnings per share			
Basic		<u>(0.07)</u>	<u>0.08</u>
Diluted		<u>(0.07)</u>	<u>0.08</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2017

	<i>Notes</i>	2017 HK\$'000	2016 HK\$'000
Profit for the year		1,590	20,226
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		<u>(13,273)</u>	<u>(8,997)</u>
		<u>(13,273)</u>	<u>(8,997)</u>
Total comprehensive (expense)/income for the year		<u>(11,683)</u>	<u>11,229</u>
Total comprehensive (expense)/income attributable to:			
Equity holders of the Company		(22,829)	2,238
Non-controlling interest		<u>11,146</u>	<u>8,991</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

	<i>Notes</i>	2017 HK\$'000	2016 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		511,326	542,382
Prepaid land lease premium		1,128	1,199
Mining rights related assets		52,660	55,380
Construction in process		2,634	–
		<u>567,748</u>	<u>598,961</u>
CURRENT ASSETS			
Inventories		73,741	116,527
Other receivables and prepayments	<i>10</i>	62,498	70,136
Cash and cash equivalents		6,127	3,277
		<u>142,366</u>	<u>189,940</u>
CURRENT LIABILITIES			
Trade and other payables	<i>12</i>	133,927	125,297
Deferred income		–	452
Promissory notes		12,500	12,500
Tax payables		32,386	3,011
Bonds		19,687	19,167
Interest-bearing borrowings	<i>13</i>	23,371	28,587
		<u>221,871</u>	<u>189,014</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(79,505)</u>	<u>926</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		488,243	599,887
NON-CURRENT LIABILITIES			
Long term loans	<i>13</i>	412,889	484,650
		<u>412,889</u>	<u>484,650</u>
NET ASSETS		<u>75,354</u>	<u>115,237</u>
CAPITAL AND RESERVES			
Share capital		53,794	53,794
Reserves		12,806	56,200
		<u>66,600</u>	<u>109,994</u>
Equity attributable to equity holders of the Company		66,600	109,994
Non-controlling interest		8,754	5,243
		<u>75,354</u>	<u>115,237</u>
TOTAL EQUITY		<u>75,354</u>	<u>115,237</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 Unit 801, 8th Floor, Beautiful Group Tower, 74-77 Connaught Road Central, Central, 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 places of the business are in The People’s Republic of China (“**PRC**”) and Hong Kong. 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.

The consolidated financial statements have been prepared on a going concern basis notwithstanding the Group’s net current liabilities of HK\$79.5 million as at 31 March 2017. However, in the opinion of the Directors, the Group is able to maintain itself as a going concern in the coming year by taking into consideration the arrangements which include, but are not limited to, the following:

- (i) management will continue to control the operating costs and spend more efforts to increase more revenue with an aim to attain better operating cash flows; and
- (ii) the Group has conducted an open offer to raise additional funds to support the operation and investment of the Group.

Based on the aforesaid measures, the Directors are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis. The consolidated financial statements do not include any adjustments relating to the carrying amount and reclassification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

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

The HKICPA has issued certain amendments and interpretations which are or have become effective. It has also issued certain new and revised Hong Kong Financial Reporting Standards (“**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.

2.1 *Amendments to existing standards that are mandatorily effective for the current year*

Amendment 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	Agriculture: Bearer plants
Amendments HKFRS 10, HKFRS12 and IAS 28	Investment entities: Applying the Consolidation Exception
Amendment to HKFRS 11	Accounting for acquisition of interests in joint operations
Amendment to HKFRSs	Annual improvements to HKFRS 2012-2014 cycle

The application of these amendments in the current year has had no material effect on the amounts reported in these consolidated financial statements and disclosures set out in these consolidated financial statements.

2.2 *New and revised HKFRS issued but not yet effective*

The Group has not early applied the following new and revised HKFRS that have been issued but are not yet effective:

HKFRSs 9	Financial instruments
HKFRSs 15	Revenue from Contracts with Customers and the related amendments
HKFRSs 16	Leases
HKFRIC 22	Foreign Currency Transactions and advance consideration
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial instruments with HKFRS 4 Insurance contracts
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture
Amendments to HKFRS 7	Disclosure Initiative
Amendments to HKFRS 12	Recognition of deferred tax assets for unrealized losses
Amendments to HKFRS 40	Transfers of Investment property
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle

¹ *Effective for annual periods beginning on or after 1 January 2018*

² *Effective for annual periods beginning on or after 1 January 2019*

³ *Effective for annual periods beginning on or after a date to be determined*

⁴ *Effective for annual periods beginning on or after 1 January 2017*

⁵ *Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate*

The Group anticipates that the application of the above new or amended standards have no material impact on the results and the financial position of the Group.

3. **SEGMENT INFORMATION**

The Group had two operating segments for the year ended 31 March 2017, 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 2017

	Gold Mining HK\$'000	Corporate HK\$'000	Elimination HK\$'000	Total HK\$'000
Segment revenue:				
Turnover for external customers	<u>131,658</u>	<u>–</u>	<u>–</u>	<u>131,658</u>
Gross profit	70,469	–	–	70,469
Other income	15,836	–	–	15,836
Operating expenses	(9,400)	(36,473)	–	(45,873)
Depreciation and amortization*	<u>(12,278)</u>	<u>(5)</u>	<u>–</u>	<u>(12,283)</u>
Segment results	64,627	(36,478)	–	28,149
Finance costs	<u>(15,775)</u>	<u>(2,752)</u>	<u>–</u>	<u>(18,527)</u>
Profit/(loss) before tax	48,852	(39,230)	–	9,622
Income tax expense	<u>(8,032)</u>	<u>–</u>	<u>–</u>	<u>(8,032)</u>
Net profit (loss) for the year	<u>40,820</u>	<u>(39,230)</u>	<u>–</u>	<u>1,590</u>
Segment assets	<u>703,156</u>	<u>1,782,011</u>	<u>(1,775,053)</u>	<u>710,114</u>
Segment liabilities	<u>685,073</u>	<u>270,099</u>	<u>(320,412)</u>	<u>634,760</u>
Capital expenditure	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Depreciation and amortization**	<u>24,192</u>	<u>5</u>	<u>–</u>	<u>24,197</u>

Year ended 31 March 2016

	Gold Mining HK\$'000	Corporate HK\$'000	Elimination HK\$'000	Total HK'000
Segment revenue:				
Turnover for external customers	112,374	–	–	112,374
Gross profit	66,352	–	–	66,352
Other income	1,143	–	–	1,143
Operating expenses	(15,002)	(10,351)	–	(25,353)
Depreciation and amortization*	(262)	–	–	(262)
Segment results	52,231	(10,351)	–	41,880
Finance costs	(17,370)	(1,990)	–	(19,360)
Profit/(loss) before tax	34,861	(12,341)	–	22,520
Income tax expense	(2,294)	–	–	(2,294)
Net profit for the year	<u>32,567</u>	<u>(12,341)</u>	<u>–</u>	<u>20,226</u>
Segment assets	787,376	1,786,047	(1,784,522)	788,901
Segment liabilities	782,021	231,996	(340,353)	673,664
Capital expenditure	76,118	–	–	76,118
Depreciation and amortization**	<u>24,353</u>	<u>–</u>	<u>–</u>	<u>24,353</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 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:

	2017 HK\$'000	2016 <i>HK\$'000</i>
Segment revenue by location of customers		
PRC, excluding Hong Kong, Macau and Taiwan	<u>131,658</u>	<u>112,374</u>
	<u>131,658</u>	<u>112,374</u>
Non-current assets		
PRC, excluding Hong Kong, Macau and Taiwan	567,720	598,960
Hong Kong	<u>28</u>	<u>1</u>
	<u>567,748</u>	<u>598,961</u>

Included in revenues are revenues of approximately HK\$131 million (2016: HK\$108 million) which arose from sales to the Group's largest customer. There is one customer contributed 10% or more to the Group's revenues for both 2017 and 2016.

4. REVENUE

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

	2017 HK\$'000	2016 <i>HK\$'000</i>
Revenue		
Sale of goods	<u>131,658</u>	<u>112,374</u>
	<u>131,658</u>	<u>112,374</u>

5. FINANCE COSTS

	2017 HK\$'000	2016 <i>HK\$'000</i>
Interest on bank borrowing	71	612
Interest on bonds	520	514
Interest on short term loans	2,233	1,476
Interest on long term loans	<u>15,703</u>	<u>16,758</u>
Finance costs	<u>18,527</u>	<u>19,360</u>

The weighted average capitalisation rate on funds borrowed generally is 5% per annum (2016: 5.31% per annum).

6. PROFIT BEFORE TAX

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

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Cost of inventories sold	<u>37,253</u>	<u>46,022</u>
Auditors' remuneration	1,000	1,000
Amortisation of intangible assets	830	2,171
Depreciation*	23,367	22,182
Operating lease rentals in respect of land and buildings	276	397
Staff costs including directors' emoluments:		
Salaries, wages, allowances and benefits in kind	9,835	9,426
Retirement benefits scheme contributions	<u>290</u>	<u>38</u>
Staff costs	<u>10,125</u>	<u>9,464</u>

* *HK\$11,448,000 (2016: HK\$262,000) are included in administrative expenses and HK\$11,919,000 (2016: HK\$21,919,000) are included in cost of sales.*

7. INCOME TAX EXPENSE

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Current tax – overseas		
Provision for the year	<u>8,032</u>	<u>2,294</u>
Income tax expense	<u>8,032</u>	<u>2,294</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 (2016: 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:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Profit before tax	<u>9,622</u>	<u>22,520</u>
Tax at the applicable tax rate in Hong Kong	1,588	3,716
Tax effect of non-deductible expenses	855	2,569
Effect of different tax rates of subsidiaries operating in other jurisdictions	(784)	2,959
Tax effect of tax losses not recognised	6,373	2,041
Tax losses utilised	<u>–</u>	<u>(8,991)</u>
Income tax expense	<u>8,032</u>	<u>2,294</u>

8. DIVIDEND

No dividend has been paid or proposed by the Company for the years ended 31 March 2017 and 2016.

9. (LOSS)/EARNINGS PER SHARE

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

Basic

	2017	2016
Profit/(loss) attributable to the equity holders of the Company (<i>HK\$'000</i>)	(9,779)	11,114
Weighted average number of ordinary shares in issue (<i>in thousands</i>)	<u>13,448,488</u>	<u>13,448,488</u>
Basic (loss)/earnings per share (<i>HK cents</i>)	<u>(0.07)</u>	<u>0.08</u>

10. OTHER RECEIVABLES AND PREPAYMENTS

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

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Prepayment for the intended ore refinery	48,033	50,939
Others	<u>14,438</u>	<u>19,197</u>
	<u>62,471</u>	<u>70,136</u>

The fair values of other receivables approximate their carrying amounts.

11. CASH AND BANK BALANCES

As at 31 March 2017, approximately HK\$785,000 (2016: HK\$3,275,000) of the Group's cash and bank balances were denominated in Renminbi, a currency which is subject to exchange control restrictions imposed by the Government of the PRC.

12. TRADE AND OTHER PAYABLES

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Trade payables	3,381	2,827
Other payables and accruals	<u>130,546</u>	<u>122,470</u>
	<u>133,927</u>	<u>125,297</u>

Included in other payables and accruals are HK\$30,345,000 (2016: HK\$37,944,000) payable to present and former directors of the Company.

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

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
0-30 days	–	–
31-60 days	–	–
61-90 days	–	–
Over 90 days	<u>3,381</u>	<u>2,827</u>
	<u>3,381</u>	<u>2,827</u>

13. BORROWINGS

	Group	
	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Bank borrowings	–	5,875
Short-term loans	23,371	22,712
Long-term loans	<u>412,889</u>	<u>484,650</u>
	<u>436,260</u>	<u>513,237</u>

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

Amount due within one year included in current liabilities	23,371	28,587
Amount due after one year	<u>412,889</u>	<u>484,650</u>
	<u>436,260</u>	<u>513,237</u>

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% for the year ended 31 March 2016.

The short-term loan is unsecured and the interest rate is 5% (2016: 5%) per annum.

The long term loan is secured by the inventory of the Group's operating subsidiary Taizhou Mining and the interest rate is nil to 5% (2016: nil to 12%).

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 2017:

Emphasis of Matter

We draw attention to Note 1 of the consolidated financial statements, as at 31 March 2017, the Group’s net current liabilities is approximately HK\$79.5 million. This condition indicates the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern. The Groups’ financial statements have been prepared on a going concern basis, the validity of which depends upon the future revenue and the availability of funding is forthcoming to meet the Group’s financial obligations as and when they fall due in the foreseeable future. Our opinion is not modified in respect of this matter.

Basis for Qualified Opinion

The Group has expressed its position that Tongguan Taizhou Mining Company Limited (“**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. For the year ended 31 March 2017, though from 1 January 2017 to 31 March 2017, most of transactions were performed through banks, from 1 April 2016 to 31 December 2016, there were material amounts transacted in cash, we are unable to satisfy ourselves as to the amount of sales transactions executed in cash receipts and payment between the financier and purchasers without sufficient third party evidence on such cash receipt and payments from 1 April 2016 to 31 December 2016 under our audit procedures and whether the related disclosures had been properly recorded and reflected in the consolidated financial statements as at 31 March 2017 and for the year then ended.

MANAGEMENT DISCUSSION AND ANALYSIS

Business and financial performance

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in gold exploration, mining and mineral processing with gold concentrate as their product.

For the year ended 31 March 2017, the Group’s revenue was approximately HK\$131.7 million (2016: approximately HK\$112.4 million), representing an increase of approximately 17% as compared to the previous financial year due to increase in sales. Gross profit margin of the Group was approximately 54% in the year ended 31 March 2017. 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 decreased to approximately HK\$1.6 million for the year ended 31 March 2017 as compared with consolidated profit of approximately HK\$20 million for the previous financial year. This change was mainly attributable to the substantial non-recurring legal and resumption expenses of approximately HK\$23 million incurred by the Company in the year ended 31 March 2017 (2016: nil) for, among others, defending vigorously the two winding up petitions against the Company in the Cayman Islands and Hong Kong as well as for the resumption in trading of the Company’s shares after more than six years of suspension in trading (the “**Legal and Resumption Expenses**”).

Before the Legal and Resumption Expenses, the consolidated profit of the Company for the year ended 31 March 2017 would be approximately HK\$24.6 million.

The Legal and Resumption Expenses were absorbed by the equity holders of the Company. As such, as compared to profit attributable to equity holders of the Company of approximately HK\$11.1 million for the previous financial year, the Company recorded a loss of approximately HK\$9.8 million attributable to equity holders of the Company whereas profit attributable to non-controlling interest was approximately HK\$11.4 million (2016: approximately HK\$9.1 million).

The Legal and Resumption Expenses are non-recurring in nature since trading in the shares of the Company on the Stock Exchange has already been resumed on 9 May 2017 and the winding up petitions in the Cayman Islands and Hong Kong have already been withdrawn in April 2017.

Basic loss per share was approximately HK cents 0.07 for the year ended 31 March 2017 (2016: profit of HK cents 0.08 per share). There will be no payment of dividend for the year ended 31 March 2017 (2016: nil).

Liquidity, financial resources and funding

As at 31 March 2017, the Group had cash and cash equivalents amounted to approximately HK\$6.1 million (2016: approximately HK\$3.3 million) whereas inventories of the Group amounted to approximately HK\$73.7 million representing a decrease of approximately 36.7% as compared to the previous financial year. The Group generally financed its operating activities with internally generated cash flow as well as borrowings as detailed in note 13 of this announcement.

As at 31 March 2017, the current ratio is 0.64 (2016: 1.00).

As at 31 March 2017, the Group's gearing ratio was approximately 66% (31 March 2016: 69%), calculated based on total borrowings over total assets.

Capital structure

As at 31 March 2017, the Company's issued share capital was HK\$53,793,953.084 which were divided into 13,448,488,271 ordinary shares ("**Share(s)**") of HK\$0.004 each. There was no change in the issued capital of the Company in the year.

Charge on the Group's assets

As at 31 March 2017, the Group's long term loans were secured by the inventories of the Group's operating subsidiary, 潼關縣太洲礦業有限責任公司 Tongguan Taizhou Mining Company Limited* ("**Taizhou Mining**").

In mid-2016, the Group fully repaid its bank borrowings and thus, the security over the Group's mining rights had been released. As at 31 March 2017, the Group did not have any bank borrowings.

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 and future plans for material investments

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

In addition, the Company is now focusing on developing and strengthening its existing business and will explore investment opportunities in order to broaden the income stream of the Group, enrich its reserves and resources, enhance the profitability of the Group and eventually bring a fruitful return to the shareholders of the Company and shareholders of the Company's subsidiaries.

Related party transactions with connected person(s)

The loans from Mr. Ma Qianzhou and Ms. Zhao Yuebing, directors of Taizhou Mining and thus connected persons 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 these were not secured by the assets of the Group.

Employees and remuneration policies

As at 31 March 2017, the Group had 61 employees (2016: 71) 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 2017, the total staff costs (including directors' emoluments) amounted to approximately HK\$10.1 million (2016: approximately HK\$9.5 million). During the year ended 31 March 2017, no share option had been granted by the Company. Details of employees' remuneration are set out in note 6 of this announcement.

POST BALANCE SHEET EVENTS

(i) Completion of the Open Offer and resumption in trading in the shares of the Company on 9 May 2017

After suspension in trading of more than 6 years since 11 November 2010, trading in the shares of the Company has been resumed on 9 May 2017.

Following the review hearing held on 9 December 2016, the Listing Appeals Committee of the Stock Exchange decided to conditionally accept the resumption proposal of the Company (the "**Resumption Proposal**"). The Resumption Proposal as approved by the Listing Appeals Committee of the Stock Exchange involves, among others, an open offer (the "**Open Offer**"), debt capitalisation, debt settlement and release of all outstanding financial results.

On 24 February 2017, the Company entered into an underwriting agreement with Mr. Ma Qianzhou and China Sky Securities Limited as the underwriters for the purpose of conducting the Open Offer to raise approximately HK\$134.48 million before expenses by issuing 6,724,244,135 offer Shares on the basis of one (1) offer Share for every two (2) existing Shares held on the record date to the qualifying shareholders at the subscription price of HK\$0.02 per offer Share. The Company intended to apply the net proceeds from the Open Offer of approximately HK\$131 million as to approximately HK\$88 million for repayment of the Company's debts and as to approximately HK\$43 million as general working capital of the Group.

The Company received overwhelming support from its shareholders in respect of the Open Offer and the Open Offer was over-subscribed.

With the Company's fulfillment of all the resumption conditions as set by the Listing Appeals Committee of the Stock Exchange and completion of the Open Offer, trading in the Shares has been resumed on 9 May 2017.

For details, please refer to the announcements of the Company dated 21 March 2017 and 5 May 2017.

(ii) Withdrawal of the winding up petitions in the Cayman Islands and Hong Kong

Regarding the winding-up petition presented by Mr. Lau Kin to the Grand Court of the Cayman Islands (the "**Cayman Petition**") against the Company and the petition for the winding-up of the Company presented by Mr. Lee Shing in Hong Kong (the "**Hong Kong Petition**"), on 30 March 2017, the Company entered to (i) a settlement agreement with Mr. Lau Kin for an out-of-court settlement of the Cayman Petition; and (ii) a settlement agreement with Mr. Lee Shing for an out-of-court settlement of the Hong Kong Petition.

On 12 April 2017, the Company received the sealed order of the High Court of Hong Kong for the dismissal of the Hong Kong Petition on 10 April 2017. As such, the Hong Kong Petition was dismissed on 10 April 2017.

At the adjourned hearing on 26 April 2017 (Cayman time), the Grand Court of the Cayman Islands granted leave to Mr. Lau Kin, the petitioner, to withdraw the Cayman Petition presented by him with no order as to costs.

(iii) Debt Capitalisation

The Company entered into the following subscription agreements with its creditors in furtherance of the Resumption Proposal:

(a) *The first subscription agreement*

On 10 April 2017, a share subscription agreement (as amended by a supplemental agreement dated 8 June 2017) was entered into by the Company as the issuer and Mr. Lee Wing Leung (the "**First Subscriber**") as the subscriber whereby the Company conditionally agreed to issue and allot, and the First Subscriber conditionally agreed to subscribe for 329,000,000 new Shares at the subscription price of HK\$0.02 per new Share. The subscription monies payable by the First Subscriber for the 329,000,000 new Shares will be satisfied by way of capitalising the debts due by the Company to the First Subscriber to the extent of HK\$6,580,000.00.

(b) *The second subscription agreement*

On 10 April 2017, a share subscription agreement was entered into by the Company as the issuer and Mr. Zhou Yong (the "**Second Subscriber**") as the subscriber whereby the Company conditionally agreed to issue and allot, and the Second Subscriber conditionally agreed to subscribe for 1,750,000,000 new Shares at the subscription price of HK\$0.02 per new Share. The subscription monies payable by the Second Subscriber for the 1,750,000,000 new Shares will be satisfied by way of capitalising the debts due by the Company to the First Subscriber to the extent of HK\$35,000,000.00.

(c) *The third subscription agreement*

On 8 June 2017, a share subscription agreement was entered into by the Company as the issuer and J. Thomson Asset Investment Limited (the “**Third Subscriber**”) as the subscriber whereby the Company conditionally agreed to issue and allot, and the Third Subscriber conditionally agreed to subscribe for 200,000,000 new Shares at the subscription price of HK\$0.02 per new Share. The subscription monies payable by the Third Subscriber for the 200,000,000 new Shares will be satisfied by way of capitalising the debts due by the Company to the Third Subscriber to the extent of HK\$4,000,000.00.

(d) *The convertible bonds subscription agreement*

On 10 April 2017, a convertible bonds subscription agreement was entered into between the Company as the issuer and the Third Subscriber as the subscriber in relation to the issue of the unlisted convertible bonds in an aggregate principal amount of HK\$30,095,357.00 (the “**Convertible Bonds**”) by the Company to the Third Subscriber, which consideration will be satisfied by way of capitalising and set off against the debts due by the Company to the Third Subscriber to the extent of HK\$30,095,357.00. The Convertible Bonds are convertible into new Shares at an initial conversion price of HK\$0.02 per new Share.

Further details of the aforesaid agreements were set out in the circular of the Company dated 21 June 2017.

PROSPECT

With completion of the Open Offer, resumption in trading of the shares of the Company took place on 9 May 2017 which formally put an end to the more than six years of trading suspension period of the Company.

Although the financial performance of the Company in the year was adversely affected by the substantial non-recurring Legal and Resumption Expenses incurred by the Company for, among others, defending vigorously the winding up petitions against the Company and the implementation of the Resumption Proposal, the Company is back to the right track now.

The Company is now focusing on developing and strengthening its existing business and will explore investment opportunities in order to broaden the income stream of the Group, enrich its reserves and resources, enhance the profitability of the Group and eventually bring a fruitful return to the shareholders of the Company and shareholders of the Company’s subsidiaries.

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

The Company strives to attain and maintain the highest standard of corporate governance as it believes that effective corporate governance practices are fundamental to enhancing shareholder value and safeguarding shareholder interests.

The principles of corporate governance adopted by the Group emphasize a quality board, sound internal control, and transparency and accountability to all its shareholders.

The Company has adopted the code provisions (“**Code Provisions**”) set out in the Code on Corporate Governance Practices (the “**Code**”) set out in Appendix 15 to the GEM Listing Rules and the Company had complied with all Code Provisions as set out in the Code in the year under view, except for the following deviations:

Code Provision A.4.2

Code Provision A.4.2 of the Code stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The Company had not held any annual general meeting since the latest annual general meeting held on 16 August 2010. As such, Mr. Orr Joseph Wai Shing, being a director retired and re-elected at the annual general meeting held on 30 September 2009, had not been retired by rotation at least once every three years.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding the securities transactions by Directors on terms no less exacting than the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company in the year under review.

COMPLIANCE WITH RULE 5.15

Ms. Lam Yuen Ling Eva, being the company secretary of the Company since 6 April 2017, has confirmed with the Company her compliance of Rule 5.15 of the GEM Listing Rules by the Company’s former Company Secretary in 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 2017.

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 2017 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, 27 June 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).