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 2018

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

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, 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 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 GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company and its subsidiaries (together, the "**Group**"). The directors of 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 (the "**Board**") hereby announces the audited consolidated final results of the Group for the year ended 31 March 2018 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
Revenue	4	**215,446**	131,658
Cost of sales		**(117,745)**	(61,189)
Gross profit		**97,701**	70,469
Other income and expenses, net	5	**17,399**	15,836
Selling and distribution expenses		**(3,441)**	(654)
Legal and resumption expenses		**(11,189)**	(23,047)
Administrative expenses		**(40,841)**	(34,455)
Operating results		**59,629**	28,149
Finance costs	6	**(13,512)**	(18,527)
Profit before tax	7	**46,117**	9,622
Income tax expense	8	**(11,948)**	(8,032)
Profit for the year		**34,169**	1,590
Profit/(loss) for the year attributable to:			
Equity holders of the Company		**15,290**	(9,779)
Non-controlling interest		**18,879**	11,369
		34,169	1,590
		HK Cents	*HK Cents*
Earnings/(Loss) per share			
Basic	10	**0.07**	(0.07)
Diluted	10	**0.07**	(0.07)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2018

	Notes	2018 *HK$'000*	2017 *HK$'000*
Profit for the year		**34,169**	1,590
Other comprehensive income for the year:			
Item that may be reclassified subsequently to profit or loss			
Exchange differences arising from translation of financial statements of overseas subsidiaries		**11,302**	(13,273)
Total comprehensive income/(expense) for the year		**45,471**	(11,683)
Total comprehensive income/(expense) attributable to:			
Equity holders of the Company		**25,633**	(22,829)
Non-controlling interest		**19,838**	11,146
		45,471	(11,683)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**635,583**	511,326
Prepaid land lease premium		**–**	1,128
Mining rights related assets		**57,102**	52,660
Construction in process		**53,790**	2,634
		746,475	567,748
CURRENT ASSETS			
Inventories		**19,624**	73,741
Deposits, prepayment and other receivable	*11*	**23,974**	62,498
Cash and cash equivalents		**22,377**	6,127
		65,975	142,366
CURRENT LIABILITIES			
Trade and other payables	*13*	**102,172**	133,927
Promissory notes		**12,500**	12,500
Tax payables		**48,671**	32,386
Bonds		**18,074**	19,687
Interest-bearing borrowings	*14*	**3,876**	23,371
Convertible bonds		**16,410**	–
		201,703	221,871
NET CURRENT LIABILITIES		**(135,728)**	(79,505)
TOTAL ASSETS LESS CURRENT LIABILITIES		**610,747**	488,243
NON-CURRENT LIABILITIES			
Long term loans	*14*	**291,926**	412,889
Deferred tax liabilities		**2,258**	–
		294,184	412,889
NET ASSETS		**316,563**	75,354
CAPITAL AND RESERVES			
Share capital		**89,807**	53,794
Reserves		**198,164**	12,806
Equity attributable to equity holders of the Company		**287,971**	66,600
Non-controlling interest		**28,592**	8,754
TOTAL EQUITY		**316,563**	75,354

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 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$136 million as at 31 March 2018. 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 Company is in active fund raising,

Based on the aforesaid measures, the directors believe that upon closure of the current round of fund raising, the Company would significantly increase its current asset position and liquidity and are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis.

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

In the current year, the Group has applied for the first time the following new and amended HKFRSs issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 April 2017:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12 included in Annual Improvements to HKFRSs 2014–2016 Cycle	Disclosure of Interests in Other Entities

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.

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

HKFRS 9	Financial instruments[1]
HKFRS 15	Revenue from Contracts with Customers and the related amendments[1]
HKFRS 16	Leases[2]
HKFRS 17	Insurance Contracts[4]
HKFRIC 22	Foreign Currency Transactions and advance consideration[1]
HKFRIC 23	Uncertainty over Income Tax Treatments[2]
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial instruments with HKFRS 4 Insurance contracts[1]
Amendments to HKFRS 9	Prepayment Features with negative compensation[2]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[3]
Amendments to HKAS 40	Transfers of Investment property[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle[1]

[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 2021*

The directors anticipate that the adoption of the above new standards, amendments and interpretations to existing standards will not result in a significant impact on the results and financial position of the Group except which is set out below:

HKFRS 16 Leases

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the group's operating leases. As at the reporting date, the group has non-cancellable operating lease commitments of HK$983,000. The group estimates that approximately 85% of these relate to payments for short-term and low value leases which will be recognised on a straight-line basis as an expense in profit or loss.

However, the group has not yet assessed what other adjustments, if any, are necessary for example because of the change in the definition of the lease term and the different treatment of variable lease payments and of extension and termination options. It is therefore not yet possible to estimate the amount of right-of-use assets and lease liabilities that will have to be recognised on adoption of the new standard and how this may affect the group's profit or loss and classification of cash flows going forward.

Mandatory for financial years commencing on or after 1 January 2019. At this stage, the group does not intend to adopt the standard before its effective date. The group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

3. SEGMENT INFORMATION

Information is reported internally to the board of directors of the Company (the "**Board**"), being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on the types of goods delivered or services provided.

This is also the basis upon which the Group is organised and specifically focuses on the Group's operating divisions. No operating segments identified by the Board have been aggregated in arriving at the reporting segments of the Group.

The directors primarily use a measure of profit after tax to assess the performance of the operating segments. However, the directors also receive information about the segments' revenue and assets on a monthly basis.

The Group has identified the following reportable segments:

(i) Exploration of gold mine which principally engages in the operation of exploration, mining, processing and sale of gold and related products.;

(ii) Corporation which principally engages in investment holding.

Each of these operating segments is managed separately as each of the product and service line requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

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 2018

	Gold Mining *HK$'000*	Corporate *HK$'000*	Elimination *HK$'000*	Total *HK'000*
Segment revenue:				
Turnover for external customers	**215,446**	**–**	**–**	**215,446**
Gross profit	**97,701**	**–**	**–**	**97,701**
Other income and (expenses), net	**4,060**	**(269,308)**	**282,647**	**17,399**
Operating expenses	**(16,311)**	**(39,160)**	**–**	**(55,471)**
Segment results	**85,450**	**(308,468)**	**282,647**	**59,629**
Finance costs	**(8,261)**	**(5,251)**	**–**	**(13,512)**
Profit/(loss) before tax	**77,189**	**(313,719)**	**282,647**	**46,117**
Income tax expense	**(12,169)**	**221**	**–**	**(11,948)**
Net profit (loss) for the year	**65,020**	**(313,498)**	**282,647**	**34,169**
Segment assets	**783,098**	**365,063**	**(335,711)**	**812,450**
Segment liabilities	**(694,718)**	**(458,872)**	**657,703**	**(495,887)**
Capital expenditure	**89,770**	**23**	**–**	**89,793**
Depreciation and amortization	**29,615**	**10**	**–**	**29,625**

Year ended 31 March 2017

	Gold Mining *HK$'000*	Corporate *HK$'000*	Elimination *HK$'000*	Total *HK'000*
Segment revenue:				
Turnover for external customers	131,658	–	–	131,658
Gross profit	70,469	–	–	70,469
Other income and expenses, net	15,836	–	–	15,836
Operating expenses	(21,678)	(36,478)	–	(58,156)
Segment results	64,627	(36,478)	–	28,149
Finance costs	(15,775)	(2,752)	–	(18,527)
Profit/(loss) before tax	48,852	(39,230)	–	9,622
Income tax expense	(8,032)	–	–	(8,032)
Net profit (loss) for the year	40,820	(39,230)	–	1,590
Segment assets	703,156	1,782,011	(1,775,053)	710,114
Segment liabilities	685,073	270,099	(320,412)	634,760
Capital expenditure	28,609	–	–	28,609
Depreciation and amortization	24,192	5	–	24,197

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:

	2018	2017
	HK$'000	*HK$'000*
Segment revenue by location of customers		
PRC, excluding Hong Kong, Macau and Taiwan	**215,446**	131,658
	215,446	131,658
Non-current assets		
PRC, excluding Hong Kong, Macau and Taiwan	**746,434**	567,720
Hong Kong	**41**	28
	746,475	567,748

Included in revenues are revenues of approximately HK$215 million (2017: HK$131 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 2018 (2017: one).

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:

	2018	2017
	HK$'000	*HK$'000*
Revenue		
Sale of goods	**215,446**	131,658
	215,446	131,658

5. OTHER INCOME AND EXPENSE, NET

	2018	2017
	HK$'000	*HK$'000*
Gain on waiver of bond interest	**873**	–
Gain on waiver of bank loan interests	**–**	6,441
Gain on waiver of long term loan interests	**796**	8,555
Bank interests income	**3**	7
Overprovision of expenses	**3,574**	1,012
Government grant	**476**	279
Exchange gain	**19,151**	–
Gain on waiver of former director remuneration	**517**	–
Loss on disposal of property, plant and equipment	**(27)**	–
Loss on extinguish the financial liability through share subscription	**(6,837)**	–
Impairment loss on receivable	**(1,074)**	–
Others	**(53)**	(458)
	17,399	15,836

6. FINANCE COSTS

	2018	2017
	HK$'000	*HK$'000*
Interest on bank borrowing	**–**	71
Interest on bonds	**1,294**	520
Interest on convertible bond	**2,184**	–
Interest on short term loans	**1,747**	2,233
Interest on long term loans	**8,261**	15,703
Others	**26**	–
Finance costs	**13,512**	18,527

There is no capitalisation of borrowing cost during the year ended 31 March 2018 and 2017.

7. PROFIT BEFORE TAX

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

	2018	2017
	HK$'000	*HK$'000*
Cost of inventories sold	**117,745**	61,189
Auditors' remuneration**	**1,664**	1,000
Amortisation of mining rights related assets	**2,267**	830
Amortisation of prepaid land lease premium	**1,189**	–
Depreciation*	**26,169**	23,367
Operating lease rentals in respect of land and buildings	**851**	276
Staff costs including directors' emoluments:		
Salaries, wages, allowances and benefits in kind	**17,025**	9,835
Retirement benefits scheme contributions	**1,072**	290
Staff costs	**18,097**	10,125

* *HK$324,000 (2017: HK$11,448,000) are included in administrative expenses and HK$25,845,000 (2017: HK$11,919,000) are included in cost of sales.*

** *HK$664,000 was incurred for the audit of the subsidiaries for the year ended 31 March 2018.*

8. INCOME TAX EXPENSE

	2018 *HK$'000*	2017 *HK$'000*
Current tax – overseas		
Provision for the year	**12,169**	8,032
Deferred tax – Hong Kong		
Credited to profit & loss	**(221)**	–
Income tax expense	**11,948**	8,032

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the years ended 31 December 2018 and 2017.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

Pursuant to the Notice of the Ministry of Finance, 財政部國家稅務總局海關總署關於深入實施西部大開發戰略有關稅收政策問題的通知(財稅〔2011〕58號) (transliterated as General Administration of Customs and the State Administration of Taxation on the Issues of Preferential Taxation Policies for Further Implementing the Western Development Strategy (Cai Shui 2011 No. 58)*), from 1 January 2011 to 31 December 2020, the enterprises in the western region, which engaged in encouraged industries as indicated in the 西部地區鼓勵類產業目錄(transliterated as Catalogue of Encouraged Industries of Western Region*) and 產業結構調整指導目錄(2011年本)(修正) (transliterated as Catalogue of Industrial Structure Adjustment Guidance (2011 Revised)*)(國家發改委令2013年第21號) (transliterated as National Development and Reform Commission Order 2013 No. 21*) and which derive 70% of their operating income from the encouraged industries could apply for a tax incentive.

After getting in-charge tax bureau's approval, those enterprises could enjoy a reduced EIT rate of 15% from the statutory EIT rate of 25%.

The company's operating subsidiary Tongguan Taizhou Mining Company Limited ("**Taizhou Mining**") has been granted a reduced EIT rate of 15% from year 2015 to 2020.

The reconciliation between the income tax expense and accounting profit at applicable tax rates:

	2018 *HK$'000*	2017 *HK$'000*
Profit before tax	**46,117**	9,622
Tax at the applicable tax rate in Hong Kong	**7,609**	1,588
Tax effect of non-deductible expenses	**8,974**	855
Tax effect of non-taxable income	**(4,049)**	–
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(586)**	(784)
Tax effect of tax losses not recognised	**–**	6,373
Income tax expense	**11,948**	8,032

9. DIVIDEND

No dividend has been paid or proposed by the Company for the years ended 31 March 2018 and 2017.

10. EARNINGS/(LOSS) PER SHARE

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

Basic and Diluted

	2018	2017
Profit/(loss) attributable to the equity holders of the Company *(HK$'000)*	**15,290**	(9,779)
Weighted average number of ordinary shares in issue *(in thousands)*	**20,899,358**	13,448,488
Basic earnings/(loss) per share *(HK cents)*	**0.07**	(0.07)

11. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

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

	2018	2017
	HK$'000	*HK$'000*
Prepayment for the intended ore refinery	**–**	48,033
Deposit	**9,640**	8,285
Prepayments	**1,568**	2,440
Other receivables	**12,766**	3,740
	23,974	62,498

The fair values of deposit, prepayments and other receivables approximate their carrying amounts.

During the year, HK$1,074,000 was recognised as impairment loss on other receivables (2017: Nil).

12. CASH AND BANK BALANCES

As at 31 March 2018, approximately HK$2,774,000 (2017: HK$785,000) of the Group's cash and bank balances were subject to exchange control restrictions imposed by the Government of the PRC.

13. TRADE AND OTHER PAYABLES

	2018	2017
	HK$'000	*HK$'000*
Trade payables	**8,039**	3,381
Accruals	**7,277**	11,894
Deposits received	**3,442**	3,107
Other payables	**49,264**	69,040
Salary and benefits payables	**34,150**	46,505
	102,172	133,927

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

	2018	2017
	HK$'000	*HK$'000*
0-30 days	**1,641**	–
31-60 days	**573**	–
61-90 days	**4,886**	–
Over 90 days	**939**	3,381
	8,039	3,381

14. BORROWINGS

	Group	
	2018	2017
	HK$'000	*HK$'000*
Short-term loans	**3,876**	23,371
Long-term loans	**291,926**	412,889
	295,802	436,260

The Group's interest-bearing loans were repayable as follows:		
Amount due within one year included in current liabilities	**3,876**	23,371
Amount due after one year	**291,926**	412,889
	295,802	436,260

The short-term loan is unsecured and the interest rate is 5% (2017: 5%) per annum.

The long term loan of HK$37,070,000 is secured by the inventory of the Group's operating subsidiary Taizhou Mining with the interest rate at zero. The interest rate of other long term loan is 5% to 30% (2017: nil to 5%).

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 2018:

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, as at 31 March 2018, the Group's net current liabilities is approximately HK$136 million. These conditions indicate 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 Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("**the Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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.

FINANCIAL REVIEW

Revenue

For the year ended 31 March 2018 (the "**Year**"), the Group's revenue was approximately HK$215.4 million, representing an increase of approximately 63.6% from approximately HK$131.7 million as compared with that of the last year. The substantial increase in revenue was mainly due to that the Group had been operating its ore processing plants at 400 tonnes of ore per day for the most part of the Year while it was at 300 tonnes of ore per day mostly last year, as well as due to sales of a certain amount of the inventory.

Gross profit and gross profit margin

During the Year, the Group's gross profit was approximately HK$97.7 million, representing an increase of approximately 38.6% from approximately HK$70.5 million as compared with that of the last year. During the Year, the Group's overall gross profit margin was approximately 45.3%.

Selling and distribution expenses

During the Year, the Group's selling and distribution expenses were approximately HK$3.4 million, representing an increase of approximately 426.1% from approximately HK$0.7 million as compared with that of the last year.

Administrative expenses

During the Year, the Group's administrative expenses were approximately HK$40.8 million, representing an increase of approximately 18.5% from approximately HK$34.5 million as compared to the last year. The increase was primarily attributable to an increase in mostly one-off professional fees and staff costs.

Profit/(loss) for the year

Consolidated profit of the Company amounted to approximately HK$34.2 million for the Year (2017: approximately HK$1.6 million) which was arrived at after the inclusion of the substantial non-recurring legal and resumption expenses of approximately HK$11.2 million incurred by the Company (2017: approximately HK$23.0 million) 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 trading suspension (the "**Legal and Resumption Expenses**").

For the Year, the Group has made a turn-around by recording a net profit attributable to equity holders of the Company of approximately HK$15.3 million, as compared to losses of approximately HK$9.8 million recorded at the last year. This was mainly due to the increase of the revenue for the Year and decrease of the legal and resumption expenses.

Earning/(loss) per share

Basic earning per share was approximately HK cents 0.07 for the Year (2017: loss of approximately HK cents 0.07).

Dividend

The Board does not recommend the payment of any dividend for the Year (2017: nil).

Liquidity, financial resources and funding

As at 31 March 2018, the Group had cash and cash equivalents amounted to approximately HK$22.4 million (2017: approximately HK$6.1 million) and net current liabilities amounted to approximately HK$135.7 million (2017: net current liabilities of approximately HK$79.5 million) whereas inventories of the Group amounted to approximately HK$19.6 million (2017: approximately HK$73.7 million).

As at 31 March 2018, the current ratio is approximately 0.33 (2017: approximately 0.64).

As at 31 March 2018, the Group's gearing ratio was approximately 42.2% (2017: approximately 66%), calculated based on total borrowings over total assets.

Borrowings

Borrowings information of the Group is set out in note 14 to the consolidated financial statements.

Capital structure

On 17 July 2017, the Company issued convertible bonds with an aggregate principal amount of HK$30,095,357 to J. Thomson Asset Investment Limited (the "**Third Subscriber**") under the convertible bonds subscription agreement dated 10 April 2017. The subscription monies payable by the Third Subscriber for the convertible bonds was settled by way of set off against the debt due by the Company to the Third Subscriber.

As at 31 March 2018, the Company's issued share capital was HK$89,806,929.624 which were divided into 22,451,732,406 Shares of HK$0.004 each.

Capital commitment

As at 31 March 2018, the Group did not have any significant capital commitments (2017: nil).

Charge on the Group's assets

As at 31 March 2018, 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**").

As at 31 March 2018, the inventories of the Group amounted to approximately HK$19.6 million (2017: approximately HK$73.7 million).

Treasury Policies

The Group's monetary assets and transactions are principally denominated in HK$, Renminbi ("**RMB**"). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

The Group adopted a conservative treasury policy with most of the bank deposits being kept in HK$ or RMB, or in the local currencies of the operating subsidiaries to minimise exposure to foreign exchange risk. the Group monitors and maintains a sufficient level of cash and cash equivalents to finance the Group's operations and mitigate the effects of fluctuation in cash flows. Management reviews and monitors the Group's working capital requirements regularly.

* *For identification purpose only*

Segment information

The Group's segmental information is set out in note 3 to the consolidated financial statements.

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 of subsidiaries and affiliated companies, and future plans for material investments or capital assets

The Group did not have any significant investment, material acquisition and disposal of subsidiaries and affiliated companies 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 Group.

Contingent liabilities

The Group did not have any material contingent liabilities as at 31 March 2018 and 31 March 2017.

Employees and remuneration policies

As at 31 March 2018, the Group had 62 employees (2017: 61) situated mainly in the People's Republic of China (the "**PRC**") and Hong Kong. The Group's emoluments policies are formulated based on industry practices and performance of individual employees. For the Year, the total staff costs (including directors' emoluments) amounted to approximately HK$18.1 million (2017: approximately HK$10.1 million). Details of employees' remuneration are set out in note 7 of the consolidated financial statements.

Relationships with employees, customers and suppliers

Employees

The Directors are of the view that its employees are the keys to the sustainable development of the Group. The Directors believe that the Group maintains good working relations with its employees and endeavors to maintain and improve the quality of its products.

Customers and Suppliers

The Group aims to provide comprehensive solutions that meet customers' needs and establish a comprehensive vertical supply chain management system through resource integration and supplier screening and management.

The objectives of the Group are to deepen the collaborative relationship with the strategic suppliers and to create competitive advantages in the value chain, thereby aiming to enhance the impact on the society and environment and to ensure that their suppliers uphold similar stance in sustainability. The Group maintains long-term relationship with its suppliers for ensuring stable supply.

MAJOR EVENTS DURING THE REPORTING PERIOD

1. Completion of the open offer and resumption in trading in the Shares on 9 May 2017

After suspension in trading of more than 6 years since 11 November 2010, trading in the Shares has been resumed since 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 Company's resumption proposal (the "**Resumption Proposal**"), which 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 for the purpose of conducting the Open Offer. The Company received overwhelming support from its shareholders in respect of the Open Offer and the Open Offer was over-subscribed. On 8 May 2017, the Company allotted and issued 6,724,244,135 offer Shares under the Open Offer on the basis of one (1) offer Share for every two (2) existing Shares at the subscription price of HK$0.02 per offer Share. With the Company's fulfillment of all resumption conditions as set by the Listing Appeals Committee of the Stock Exchange and completion of the Open Offer, which details were set out in the announcements of the Company dated 21 March 2017 and 5 May 2017 respectively, trading in the Shares was resumed on 9 May 2017.

2. Withdrawal of the winding up petitions in the Cayman Islands and Hong Kong

On 12 April 2017, the Company received the sealed order of the High Court of Hong Kong for the dismissal of the petition for the winding-up of the Company presented by Mr. Lee Shing in Hong Kong 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 to withdraw the winding-up petition presented by him to the Grand Court of the Cayman Islands against the Company with no order as to costs.

3. 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 shares 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 aforesaid agreement was completed on 17 July 2017 and the subscription monies payable by the First Subscriber were settled by way of capitalising the debts due by the Company to the First Subscriber to the extent of HK$6,580,000.00. 329,000,000 new Shares were issued and allotted by the Company accordingly. The Company also settled the balance of the debts due by the Company to the First Subscriber of HK$7.90 in cash.

(b) ***The second subscription agreement***

On 10 April 2017, a shares 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 aforesaid agreement was completed on 17 July 2017 and the subscription monies payable by the Second Subscriber were settled by way of capitalising the debts due by the Company to the Second Subscriber to the extent of HK$35,000,000.00. 1,750,000,000 new Shares were issued and allotted by the Company accordingly.

(c) ***The third subscription agreement***

On 8 June 2017, a shares subscription agreement was entered into by the Company as the issuer and 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 aforesaid agreement was completed on 17 July 2017 and the subscription monies payable by the Third Subscriber were settled by way of capitalising the debts due by the Company to the Third Subscriber to the extent of HK$4,000,000.00. 200,000,000 new Shares were issued and allotted by the Company accordingly.

(d) ***The convertible bonds subscription agreement***

On 10 April 2017, a conditional 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 unlisted convertible bonds in an aggregate principal amount of HK$30,095,357.00 (the "**CB**"). The CB are convertible into new Shares at an initial conversion price of HK$0.02 per new Share.

The aforesaid agreement was completed on 17 July 2017 and the subscription monies payable by the Third Subscriber were settled by way of capitalising the debts due by the Company to the Third Subscriber to the extent of HK$30,095,357.00.

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

4. Increase in authorised share capital

In order to provide the Company with a flexibility for future investment opportunities, expansion and growth, the Board proposed to increase the authorised share capital of the Company from HK$120,000,000 divided into 30,000,000,000 Shares to HK$160,000,000 divided into 40,000,000,000 Shares by the creation of an additional 10,000,000,000 new Shares which shall rank pari passu with the existing Shares in all respects upon issue.

The increase in authorised share capital has been passed by an ordinary resolution by the shareholders of the Company at the annual general meeting on 11 September 2017.

USE OF PROCEEDS

On 8 May 2017, the Company has allotted and issued 6,724,244,135 Shares at the issued price of HK$0.02 per Share pursuant to the open offer. The actual net proceeds from the open offer were approximately HK$131.6 million. As at 31 March 2018, approximately HK$63.9 million for repayment of the Company's debts and approximately HK$48.1 million as general working capital of the Group (including approximately HK$11.5 million paid for staff costs, approximately HK$25.4 million paid for Legal & Professional Fee and approximately HK$11.2 million for the others operations costs of the Company), the remaining balance of approximately HK$19.6 million.

Details of the open offer were disclosed in the prospectus of the Company dated 31 March 2017 and the next day disclosure return of the Company dated 8 May 2017.

PROSPECT

With assistance of expert consultants and participation of major Company shareholders, the Company has developed a three-year business development plan. The Company's long-term vision is to become a high standard mining company and to generate stable and attractive returns to its shareholders and investors. The immediate objective of the Company is to increase its revenues and net profits, as well as total mineral resources and reserves. The plan to achieve this objective has two-fold: internally, the Company is to increase its ore processing capacity through completing a new processing plant which has been under construction and the matching mining, transportation and tailing disposal capacity to substantially increase its total output. A contractor has been engaged to complete the remaining work for the under-construction processing plant and the site work has already started. At the same time, the Company is to continue its exploration activities at the site with a goal to identify additional gold resources and boost the reserves. Externally, the Company plans to make certain acquisitions of high quality mining and possibly downstream assets, with the target to increase both reserves and resources and production throughput, and as a result, revenue and net profits.

MINERAL EXPLORATION, MINE DEVELOPMENT AND ORE MINING ACTIVITIES

Mineral Exploration and Mine Development

During the Year, Taizhou Mining mainly completed certain mining development projects, including the excavation of approximately 16,071 meters of various tunnels, excavation of approximately 1,286 meters of slope supporting, excavation of approximately 1,928 meters of ore chute as well as excavation of approximately 4,821 meters for track laying and ditches.

During the Year, the Group's total expenditure for the mine development and mineral exploration amounted to approximately HK$87.1 million and approximately HK$0 million respectively.

Ore Mining

During the Year, the aggregate expenditure on the ore mining operation of the Group was approximately HK$20.2 million.

RESOURCES AND RESERVES

Based on the findings of the report prepared by SRK Consulting China Limited *(Note)* pursuant to JORC Code 2012:

1. As of 31 March 2018, using a gold cut-off grade of 1.0 gram per tonne, the indicated resource and inferred resource of the Group were:

	Inventory *(kilotonne)*	**Grade** *(gram per tonne, gold)*	**Contained metal** *(kilogram, gold)*
Indicated resource	1,806	7.82	14,517
Inferred resource	1,555	6.6	10,269

2. As of 31 March 2018, under a cut-off grade of 1.9 gram per tonne, the estimated probable reserves of the Group were:

	Inventory *(kilotonne)*	**Grade** *(gram per tonne, gold)*	**Contained metal** *(kilogram, gold)*
Probable reserves inventory	1,590	5.75	9,140

Note:

SRK Consulting China Limited is an international renounced reputable technical adviser in mining industry. It has prepared competent person's reports for a number of companies for the purpose of initial public offering (IPO) and mergers and acquisitions exercises in Hong Kong, the PRC and Singapore.

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 (the "**Code Provisions**") set out in the Code on Corporate Governance Practices 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 on Corporate Governance Practices in the Year, except for the following deviation:

Code Provision A.2.1

Code Provision A.2.1 of the Code stipulates that the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. During the Year, the role of the chairman of the Company is performed by Dr. Li Dahong but the office of the chief executive is vacated following the retirement of Mr. Feng Jun. However, the Board will keep reviewing the current structure of the Board from time to time and should candidate with suitable knowledge, skill and experience be identified, the Company will make appointment to fill the post as appropriate.

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.

AUDIT COMMITTEE

The primary duties of the audit committee of the Company (the "**Audit Committee**") are to review the financial information of the Company, oversee the financial reporting process and risk management and internal control systems of the Group, maintain an appropriate relationship with the Company's auditors and provide advice and comments to the Board.

The Audit Committee has written terms of reference that sets out its authorities and duties, which has been published on the websites of the Stock Exchange and the Company.

The Audit Committee has reviewed and discussed with the management the audited consolidated financial statements for the year ended 31 March 2017, the unaudited condensed consolidated financial statements for the three months ended 30 June 2017, for the six months ended 30 September 2017 and for the nine months ended 31 December 2017, the accounting principles and practices adopted by the Group and auditing, risk management and internal control systems and financial reporting matters. The audited financial statements of the Group for the year ended 31 March 2018 have been reviewed by the Audit Committee.

SCOPE OF WORK OF MCMILLAN WOODS SG CPA LIMITED

The figures in respect of the Group's consolidated financial statements and the related notes thereto for the Year as set out in this announcement have been agreed by the Group's auditor, McMillan Woods SG CPA Limited, as to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by McMillan Woods SG CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by McMillan Woods SG CPA Limited on this announcement.

EVENT AFTER THE REPORTING PERIOD

Resignation of independent non-executive Director

Mr. Jiang Quanming ("**Mr. Jiang**") has tendered his resignation as an independent non-executive Director to the Board due to his other business engagement with effect from 28 May 2018. Mr. Jiang has confirmed that he has no disagreement with the Board and that he was not aware of any matters that need to be brought to the attention of Shareholders in relation to his resignation.

Following the resignation of Mr. Jiang, the number of both the independent non-executive Directors and the Audit Committee members falls below the minimum number required under Rules 5.05(1) and 5.28 of the GEM Listing Rules respectively. The Company will use its best endeavours to ensure suitable candidate be appointed to fill the vacancies as soon as possible so as to meet the requirements under the GEM Listing Rules.

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 2018 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 2018

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), Ms. Ma Xiaona (executive Director), Ms. Wang Hongyin (executive Director), Mr. Guo Wei (independent non-executive Director) and Mr. Lam Albert Man Sum (independent non-executive Director).