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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010

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

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

*This announcement, for which the directors (the "**Directors**" or individually a "**Director**") of Grand T G Gold Holdings Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least seven days from the date of its publication and on the website of the Company at http://www.aplushk.com/clients/8299GrandTG/.

* *For identification purpose only*

The board of Directors (the "**Board**") hereby announces the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively, the "**Group**") for the three months and six months ended 30 September 2010, together with the unaudited comparative figures for the corresponding periods in previous year as follows:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2010

		(Unaudited) Three months ended 30 September		**(Unaudited) Six months ended 30 September**	
		2010	2009	**2010**	2009
	Notes	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue	*4*	–	9,638	–	14,242
Cost of sales		–	(3,449)	–	(6,506)
Gross profit		–	6,189	–	7,736
Other (losses)/income	*4*	**(163)**	(499)	**(118)**	1,158
Selling and distribution expenses		**(11)**	(18)	**(21)**	(18)
Administrative expenses		**(12,269)**	(10,214)	**(25,440)**	(17,481)
Operating results		**(12,443)**	(4,542)	**(25,579)**	(8,605)
Finance costs	*5*	**(2,378)**	(12,741)	**(6,501)**	(25,360)
Loss before tax	*6*	**(14,821)**	(17,283)	**(32,080)**	(33,965)
Income tax	*7*	–	(5)	–	(18)
Loss for the period		**(14,821)**	(17,288)	**(32,080)**	(33,983)
Discontinued operation					
Profit/(Loss) for the period from discontinued operation	*13*	–	291	–	(3,519)
Loss for the period		**(14,821)**	(16,997)	**(32,080)**	(37,502)
Loss for the period attributable to:					
Equity holders of the Company		**(14,331)**	(17,746)	**(30,698)**	(38,417)
Non-controlling interest		**(490)**	749	**(1,382)**	915
		(14,821)	(16,997)	**(32,080)**	(37,502)
		HK Cents	*HK Cents*	***HK Cents***	*HK Cents*
Losses per share					
Basic		**(0.11)**	(0.51)	**(0.24)**	(1.10)
Diluted		**N/A**	N/A	**N/A**	N/A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2010

		(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
		2010	2009	**2010**	2009
	Notes	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Loss for the period		**(14,821)**	(16,997)	**(30,698)**	(37,502)
Other comprehensive income for the period:					
Item that may be reclassified subsequently to profit or loss					
Exchange differences arising from translation of financial statements of overseas subsidiaries		**(1,801)**	–	**4,228**	334
Fair value change and reclassification to profit or loss in regard of available for sale investment		**(43,057)**	–	**(43,057)**	–
		(44,858)	–	**(38,829)**	334
Total comprehensive loss for the period		**(59,679)**	(16,997)	**(69,527)**	(37,168)
Total comprehensive loss attributable to:					
Equity holders of the Company		**(59,285)**	(17,746)	**(67,405)**	(38,083)
Non-controlling interest		**(394)**	749	**(2,122)**	915

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2010

	Notes	(Unaudited) 30 September 2010 HK$'000	(Audited) 31 March 2010 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**234,676**	4,112
Prepaid land lease premium		**1,162**	–
Mining rights related assets		**49,954**	–
Construction in progress		**1,236**	–
Exploration and evaluation assets		**–**	229,429
Goodwill		**1,408,028**	1,408,028
Available-for-sale financial assets		**42,081**	85,138
Deferred tax assets		**–**	4,226
		1,737,127	1,730,933
CURRENT ASSETS			
Prepayments for exploration and evaluation assets and mining rights		**–**	48,878
Inventories		**11,571**	691
Construction in progress		**–**	241
Other receivables and prepayments	*10*	**39,697**	9,130
Cash and cash equivalents		**4,421**	2,087
		55,689	61,027
CURRENT LIABILITIES			
Trade and other payables	*11*	**7,378**	32,215
Deferred income		**35**	–
Promissory notes		**12,500**	15,000
Tax payables		**27,173**	26,750
Interest-bearing borrowings	*12*	**31,697**	51,221
Amount due to directors		–	18,633
		78,783	143,819
NET CURRENT LIABILITIES		**(23,094)**	(82,792)
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,714,043**	1,648,141
NON-CURRENT LIABILITIES			
Convertible bonds		**13,326**	94,843
Long term loans		**53,316**	–
		66,642	94,843
NET ASSETS		**1,647,401**	1,553,298
CAPITAL AND RESERVES			
Share capital		**53,794**	44,819
Reserves		**1,580,072**	1,492,823
Equity attributable to equity holders of the Company		**1,633,866**	1,537,642
Non-controlling interest		**13,535**	15,656
TOTAL EQUITY		**1,647,401**	1,553,298

NOTES:

1. CORPORATE INFORMATION

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

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

The unaudited condensed consolidated 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

The unaudited interim condensed consolidated financial statements for the six months ended 30 September 2012 have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "**GEM Listing Rules**").

The preparation of the unaudited condensed consolidated financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a period-to-date basis. Actual results may differ from these estimates.

The unaudited condensed consolidated financial statements should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2010 ("**2010 Annual Report**"). The Group's policies on financial risk management were set out in the financial statements included in the Company's 2010 Annual Report and there have been no significant changes in the financial risk management policies for the six months ended 30 September 2010.

The unaudited condensed consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial instruments which are carried at fair value.

The accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 September 2010 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2010.

The HKICPA has issued certain amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. SEGMENT INFORMATION

The Group had two operating segments for the six months ended 30 September 2010, 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:

Six months ended 30 September 2010

	Gold Mining *HK$'000*	Corporate *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
Segment revenue:				
Turnover for external customers	–	–	–	–
Gross profit	–	–	–	–
Other losses	(118)	–	–	(118)
Operating expenses	(7,104)	(17,333)	(873)	(25,310)
Depreciation and amortisation*	(151)	–	–	(151)
Segment results	(7,373)	(17,333)	(873)	(25,579)
Finance costs	(1,024)	(5,477)	–	(6,501)
Loss before tax	(8,397)	(22,810)	(873)	(32,080)
Income tax expense	–	–	–	–
Net loss for the period	(8,397)	(22,810)	(873)	(32,080)
Segment assets	295,337	1,838,545	(341,057)	1,792,825
Segment liabilities	255,856	182,620	(303,051)	145,425
Capital expenditure	49,571	–	–	49,571
Depreciation and amortisation**	4,369	–	–	4,369

Six months ended 30 September 2009

	Continuing Operations				Discontinued operation	
	Gold Mining *HK$'000*	Corporate *HK$'000*	Elimination *HK$'000*	Total *HK$'000*	PC Component *HK$'000*	Total *HK$'000*
Segment revenue:						
Turnover for external customers	17,375	–	–	–	22,793	40,168
Gross profit	10,779	–	–	10,779	1,946	12,725
Other losses	2,349	–	–	2,349	49	2,398
Operating expenses	(5,017)	(13,306)	–	(18,323)	(4,179)	(22,502)
Depreciation and amortisation*	(2,705)	(52)	–	(2,757)	(1,988)	(4,745)
Segment results	5,406	(13,358)	–	(7,952)	(4,172)	(12,124)
Finance costs	(3,993)	(21,367)	–	(25,360)	–	(25,360)
Loss before tax	1,413	(34,725)	–	(33,312)	(4,172)	(37,484)
Income tax expense	(18)	–	–	(18)	–	(18)
Net profit/(loss) for the period	1,395	(34,725)	–	(33,300)	(4,172)	(37,502)
Segment assets	158,565	1,715,845	(291,902)	1,582,508	51,828	1,634,336
Segment liabilities	94,787	541,215	1,734	637,767	30,282	668,049
Capital expenditure	450	–	–	450	–	450
Depreciation and amortisation**	2,166	–	–	2,166	1,988	4,154

Geographical segments

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

Segment information by geographical segments is presented as follows:

	(Unaudited) Six months ended 30 September	
	2010	2009
	HK$'000	*HK$'000*
Non-current assets		
PRC, excluding Hong Kong, Macau and Taiwan	**1,695,056**	1,521,151
Hong Kong	**42,081**	265
Discontinued operation	**–**	26,618
	1,737,137	1,548,034

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:

	(Unaudited) Three months ended 30 September		**(Unaudited) Six months ended 30 September**	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Revenue				
Continuing Operations	**–**	17,375	**–**	17,375
Discontinued Operations	**–**	19,018	**–**	25,926
	–	36,393	**–**	43,301
Other income				
Continuing Operations	**–**	–	**–**	–
Discontinued Operations	**–**	1,219	**–**	1,240
	–	1,219	**–**	1,240

5. FINANCE COSTS

	(Unaudited) Six months ended 30 September	
	2010	2009
	HK$'000	*HK$'000*
Interest on bank borrowing	**390**	2,427
Interest and amortisation on convertible bonds	**4,379**	21,368
Interest on promissory note	**–**	1,565
Interest on short term loans	**1,098**	–
Interest on long term loans	**634**	–
Finance costs	**6,501**	25,360

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

6. LOSS BEFORE TAX

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

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Impairment loss	**–**	–	**–**	–
Auditors' remuneration	**250**	81	**500**	231
Depreciation*	**2,612**	9	**4,369**	18
Operating lease rentals in respect of land and buildings	**251**	673	**502**	1,351
Staff costs including directors' emoluments:				
Salaries, wages, allowances and benefits in kind	**2,811**	5,818	**5,242**	11,090
Retirement benefits scheme contributions	**29**	22	**51**	44
Staff costs	**2,840**	5,840	**5,293**	11,134

* *HK$112,630 (2009: HK$160,338) are included in administrative expenses.*

7. INCOME TAX EXPENSE

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Current tax–overseas				
Provision for the period	–	5	–	18

No provision for Hong Kong profits tax has been made in the financial statements as the Group had no assessable profit for the period (2009: 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 period.

8. DIVIDEND

No dividend has been paid or proposed by the Company for the six months ended 30 September 2010 and 2009.

9. LOSSES PER SHARE

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

Basic

	(Unaudited) Three months ended 30 September		(Unaudited) Six months ended 30 September	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Loss attributable to the equity holders of the Company	**(14,331)**	(17,746)	**(30,698)**	(38,417)
Weighted average number of ordinary shares in issue	**12,937,457,590**	3,493,168,434	**12,580,077,546**	3,493,168,434
Basic earnings per share *(HK cents)*	**(0.11)**	(0.51)	**(0.24)**	(1.10)

Diluted

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

For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares during the period) 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 period exceeds the exercise price of the share options.

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

The computation of diluted losses per share for the six months ended 30 September 2010 and 2009 did not assume the exercise of the Company's outstanding share options since the Company's shares were suspended in trading and there is no market price for the shares.

The computation of loss per share for the six months ended 30 September 2010 and 2009 did not assume the conversion of the Company's outstanding convertible bonds since their assumed conversion would result in a decrease in loss per share.

10. OTHER RECEIVABLES AND PREPAYMENTS

	(Unaudited) At 30 September 2010 ***HK$'000***	(Audited) At 31 March 2010 *HK$'000*
Other receivables, deposits and prepayments	**39,697**	9,130
	39,697	9,130

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

	(Unaudited) At 30 September 2010 ***HK$'000***	(Audited) At 31 March 2010 *HK$'000*
Prepayment for the intended ore refinery	**27,716**	–
Others	**11,981**	9,130
	39,697	9,130

The fair values of other receivables approximate their carrying amounts.

11. TRADE AND OTHER PAYABLES

	(Unaudited) At 30 September 2010 ***HK$'000***	(Audited) At 31 March 2010 *HK$'000*
Trade payables	**–**	3,293
Other payables and accruals	**7,378**	28,922
	7,378	32,215

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

	(Unaudited) At 30 September 2010 ***HK$'000***	(Audited) At 31 March 2010 *HK$'000*
0-30 days	**–**	2,142
31-60 days	**–**	–
61-90 days	**–**	1,150
Over 90 days	**–**	1
	–	3,293

12. BORROWINGS

	(Unaudited) At 30 September 2010 *HK$'000*	(Audited) At 31 March 2010 *HK$'000*
Bank borrowings	**10,555**	51,221
Short-term loans	**21,142**	–
Long-term loans	**55,740**	–
	87,437	51,221

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

Amount due within one year included in current liabilities	**31,697**	51,221
Amount due after one year	**55,740**	–

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%.

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

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

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

13. DISCONTINUED OPERATION

On 10 November 2009, the Company and Eagle Lane Holdings Limited, a company owned by Mr. Chan Hing Yin who is a former executive director of the Company, entered into a sale and purchase agreement involving the disposal of the entire issued share capital of Eagle Up Holdings Limited, a wholly owned subsidiary of the Company holding the Company's PC Component Division (the "**Disposal**"). The Disposal was completed on 29 January 2010.

The unaudited results of the discontinued PC Component Division for the six months ended 30 September 2009 which have been included in the comparative unaudited consolidated results of the Group, are set out below. The income statement distinguishes discontinued operation from continuing operations and comparative figures have been restated.

	(Unaudited) Three months ended 30 September 2009 ***HK$'000***	(Unaudited) Six months ended 30 September 2009 *HK$'000*
Turnover	**19,018**	25,926
Cost of sales	**(17,533)**	(25,473)
Gross loss	**1,485**	453
Other income	**1,219**	1,240
Selling and distribution expenses	**5**	(46)
General and administrative expenses	**(2,418)**	(5,166)
Loss before taxation from the discontinued operation	**291**	(3,519)
Taxation	**–**	–
Loss for the period from the discontinued operation	**291**	(3,519)

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 six months ended 30 September 2010, the Group recorded no revenue for the six months ended 30 September 2010 (30 September 2009: approximately HK$14.2 million). Respective state of affairs of the Group is set out in the unaudited condensed consolidated financial statements on pages 2 to 12 of this announcement. The Company has restated its results for the three months ended 30 June 2010.

Consolidated loss of the Company amounted to approximately HK$32.1 million for the six months ended 30 September 2010 (30 September 2009: approximately HK$37.5 million). Basic losses per share was approximately HK cents 0.24 for the six months ended 30 September 2010 (30 September 2009: loss of approximately HK cents 1.10). There will be no payment of dividend for the six months ended 30 September 2010 (30 September 2009: nil).

Liquidity, financial resources and funding

As at 30 September 2010, the Group had cash and cash equivalents and net current liabilities amounted to approximately HK$4.4 million and approximately HK$23.1 million respectively.

As at 30 September 2010, the current ratio is 0.70 (30 September 2009: 1.29).

As at 30 September 2010, the Group's gearing ratio was approximately 6.3% (30 September 2009: 0.6%), calculated based on total borrowings over total assets.

Charge on the Group's assets

As at 30 September 2010, 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 review period.

Employees and remuneration policies

As at 30 September 2010, the Group had 135 employees 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 six months ended 30 September 2010, the total staff costs (including directors' emoluments) amounted to approximately HK$5.3 million (30 September 2009: approximately HK$11.1 million). During the six months ended 30 September 2010, 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

There had been material changes in the management team of the Company as follows:

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

(b) Mr. Leung Siu Kuen, the Company Secretary of the Company appointed in place of Mr. Ho Wing Kai since 13 July 2010, resigned with effect from 1 July 2012. Mr. Ng Wai Kee, 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) Publication of all outstanding audited consolidated financial statements

On 16 February 2017, the Company published the audited consolidated financial statements for all the outstanding financial results of the Group, i.e. for the years ended 31 March 2011, 2012, 2013, 2014, 2015 and 2016, with no material audit qualifications indicating questions with respect to the consolidation of the results of Taizhou Mining.

(iii) Open Offer of the Company

On 24 February 2017, the Company entered into an underwriting agreement with two underwriters. As disclosed in the announcement of the Company dated 24 February 2017, the Company proposes to conduct 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 offer share for every two existing Shares held on the record date to the qualifying shareholders at the subscription price of HK$0.02 per offer share.

The Company intends that the estimated net proceeds from the Open Offer of approximately HK$131 million will be used (i) as to approximately HK$88 million for repayment of the Company's debts; and (ii) as to approximately HK$43 million as general working capital of the Group. As such, upon completion of the open offer, the Company will have sufficient fund to settle all Company outstanding and confirmed debts including the outstanding bond and those claimed in the winding up petitions in Hong Kong as well as the Cayman Islands.

It is expected that the net assets position of the Company will also be strengthened substantially upon completion of the Open Offer.

(iv) 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.

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

The Company has 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.

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).

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

The Company has 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.

OTHER INFORMATION

1. Directors' Interest in Competing Business

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 on whether any of the Directors or their respective associates (as defined in GEM Listing Rules) have any interests in any business which compete or may compete with the Group or any other conflicts of interest with the Group.

Mr. Orr has confirmed the Company that he and his associates (as defined in GEM Listing Rules) did not have any interests in any business which compete or may compete with the Group or any other conflicts of interest with the Group.

2. Audit Committee

The Company established the audit committee with written terms of reference that sets out the authorities and duties of the committee.

The current Audit Committee comprises three independent non-executive directors, namely Mr. Jiang Quanming, Mr. Orr and Mr. Guo Wei and Mr. Jiang Quanming is the chairman of the Audit Committee.

The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control and risk management systems of the Group, maintain an appropriate relationship with the Company's auditors and provide advice and comments to the Board.

The current Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2010.

3. Remuneration Committee

The Company established the Remuneration Committee with written terms of reference that sets out the authorities and duties of the committee.

The current Remuneration Committee comprises one non-executive director and three independent non-executive directors, namely Ms. Ma Xiaona, Mr. Jiang Quanming, Mr. Orr and Mr. Guo Wei. Mr. Jiang Quanming is the chairman of the Remuneration Committee.

4. Purchase, Sale or Redemption of Listed Securities

During the period ended 30 September 2010, neither the Company nor any of its subsidiaries has purchased or sold any of its listed securities.

5. Code of conduct regarding securities transactions by Directors

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 six months ended 30 September 2010.

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 six months ended 30 September 2010.

6. Code on Corporate Governance Practice

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 six months ended 30 September 2010, however, based on the information available to the New Board, the Company had the following deviations from the Code during the six months ended 30 September 2010:

Code Provision A.4.1 and A.4.2

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

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

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

Hong Kong, 10 March 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).