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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)

INSIDE INFORMATION

This announcement is made by Grand T G Gold Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Competing Claim of CB 54

Reference is made to the announcement issued by the Company on 2 July 2020. The Company has recently been served with a winding up petition (the “**Petition**”), filed by Mr. Lee Sing Leung, Robin (“**Mr. Lee**”), a former Executive Director of the Company, in relation to Company’s failure to pay the amount due and payable under Convertible Bond No. 54 (“**CB 54**”).

CB 54 was issued by the Company on 21 August 2009 with a maturity date of 30 April 2013 with Mr. Lee being the first bondholder. The principal amount of CB 54 is HK\$5,000,000 (Hong Kong Dollar Five Million) and shall bear no interest for the period up to (but excluding) 30 April 2010. Thereafter, CB 54 shall bear interest at the rate of four (4) per cent per annum payable in arrears quarterly on 31 March, 30 June, 30 September and 31 December in each year with the first payment of interest payable on 30th June 2010. In the event that the Company fails to the principal or other amount payable under CB 54 when due, the Company shall pay additional interest on the overdue amount from the due date of payment until the date of actual payment at the rate of five per cent (5.00 %) per annum and such interest shall be payable on demand by the bondholder. The Company has not made any payment of any amounts due and payable under CB 54.

* *For identification purposes only*

According to Mr. Lee's calculations as set out in the Petition, the amount of interest payable under CB 54 (as calculated up till 27 May 2020) is HK\$3,783,287.76. The Company disputes both the sum (including the interest) under the Petition by Mr. Lee for the reasons as set out below. Mr. Lee has also, by a letter dated 5th April 2017 (i) agreed that the interest for CB 54 shall be fixed at HK\$600,000 and (ii) agreed to waive any default, overdue or additional interest, if any, in respect of any amount(s) due and payable by the Company under CB 54.

A court hearing of the Petition is fixed for 30 September 2020. Having consulted its legal advisers, the Company verily believes that the Petition does not have valid grounds for various reasons, in particular, the existence of an outstanding claim for CB 54 by another party, one Mayson Associates Limited ("**Mayson Associates**") in another ongoing court proceedings HCMP 1398 of 2018 ("**Mayson Proceedings**"), which asserts ownership over CB 54, with an affirmation in support purportedly made by Mr. Lee ("**Lee's Affirmation**"). The Company had previously applied for an injunction to restrain Mr. Lee from issuing the Petition but the application was dismissed.

On 5 September 2018, the Company received a Writ of Summons for the Mayson Proceedings issued by Mayson Associates which claims that Mr. Lee has assigned his interest in CB 54 to it on 11 January 2017 and seeks the following orders against the Company:

- (a) a Declaration that Mayson Associates is the legal owner of convertible bond certificate no. 54 issued by the Company;
- (b) an Order that the Company do register the transfer of convertible bond certificate no. 54 issued by the Company from Mr. Lee to Mayson Associates;
- (c) further or in the alternative to (b) above, a declaration that the transfer of convertible bond certificate no. 54 issued by the Company from Mr. Lee to Mayson Associates be deemed to have duly registered by the Company;
- (d) damages;
- (e) interest;
- (f) costs; and
- (g) further and/or other relief.

Mayson Associates has produced Lee's Affirmation which affirms that Mayson Associates and Kwok Wai Tak (apparently the sole beneficial owner of Mayson Associates) are respectively the legal and beneficial owner of CB 54. Up to the date of this announcement, the Company notes that Mr. Lee has not retracted Lee's Affirmation in support of Mayson Associates' claims in the Mayson Proceedings and that Mr. Lee himself now seeks to rely on CB 54 as the basis for the Petition at the same time, thereby taking conflicting positions.

The Company has never disputed CB 54 and has all along accrued the principal of the CB 54 in its financial statements. The Company however shall only pay the sums due under CB 54 to its rightful owner, and has repeatedly requested both Mr. Lee and Mayson Associates to clarify the ownership of CB 54 in order to proceed with a settlement. Up to the date of this announcement, neither party has provided a clear response.

In or around April 2017, the Company has also been made aware that another party has alleged that Mr. Lee had pledged CB 54 as security for a private loan on 19 August 2009 and that party had demanded the Company for full payment of the sums due under CB 54. The said party has produced what appeared to be the original of CB 54 which, according to the Terms and Conditions of CB 54, must be surrendered to the Company in return for payment of sums due under CB 54. In view of this, the Company has requested Mr. Lee to retrieve the original certificate of CB 54 from the said party, the Company is not aware of any meaningful action taken by Mr. Lee for such retrieval up to the date of this announcement.

The Mayson Proceedings is scheduled to be heard on 31 July 2020, and that the Company is seeking to resolve the ownership issue in respect of CB 54 at the said hearing. The Company will comply with any the decision and/or order of the Court and shall arrange payment of sums due under CB 54 as directed by the Court.

The Company has secured financial support to enable the Company to continue with its operations normally pending the resolution of the Petition. The Company's principal operating subsidiary, Tongguan Taizhou Mining Company Ltd., also has not been affected by the Petition and is in normal operation.

According to Section 182 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32, Laws of Hong Kong), the effect of the Petition, unless and until it is dismissed or a validation order is sought, is that any disposition of the property of the Company, including things in action, and any transfer of shares, or alteration in the status of the members of the Company, made after the commencement of the winding up, shall, unless the court otherwise orders, be void. On 7 July 2020, the Company made an application for a validation order in respect of all sale and purchase and/or transfer of shares of the Company. The application is fixed to be heard on 14 July 2020.

The Company also wishes to remind shareholders of the Company and potential investors that whilst the Petition is outstanding, transfer of the Company's shares (the "**Shares**") may be restricted as Hong Kong Securities Clearing Company Limited may at any time, and without notice, exercise its powers to temporarily suspend any of its services in respect of the Shares, including the suspension of acceptance of deposits of share certificates of the Company into the Central Clearing and Settlement System.

The Company will make further announcements on any new developments on these matters in accordance to the requirements of the GEM Listing Rules.

Shareholders of the Company and potential investors of the Company are advised to exercise caution when dealing in the Shares of the Company.

By Order of the Board
Grand T G Gold Holdings Limited
Li Dahong
Chairman

Hong Kong, 10 July 2020

As at the date of this announcement, 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), Mr. Lam Albert Man Sum (independent non-executive Director) and Mr. Cheung Wai Hung (independent non-executive Director).

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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.grandtg.com/>.