

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Grand T G Gold Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.



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)

**ADOPTION OF SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Notice convening the extraordinary general meeting of Grand T G Gold Holdings Limited (the “Company”) to be held at Unit 1603-1604, 16th Floor, Causeway Bay Plaza I, 489 Hennessy Road, Causeway Bay, Hong Kong on Monday, 27 September 2021 at 10:30 a.m. or immediately after the conclusion or the adjournment of the annual general meeting of the Company to be convened for the same day and placed, (the “EGM”) are set out on pages 20 to 22 of this circular. Form of proxy for use at the EGM is enclosed with this circular.

Whether or not you are able to attend the EGM, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong or via the designated URL (<https://spot-meeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company as soon as possible but in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish.

PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

Measures will be taken to prevent and control the spread of the novel coronavirus at the EGM, including:

- compulsory body temperature checks and health declarations
- recommended wearing of a surgical face mask for each attendee
- no distribution of corporate gift or refreshment

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the meeting venue. For further details, please refer to page 3 of this circular.

The Company reminds Shareholders that they may appoint the chairman of the meeting as their proxy to vote on the relevant resolution(s) at the EGM as an alternative to attending the EGM in person.

* For identification purpose only

CHARACTERISTICS OF GEM OF 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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

| | <i>Pages</i> |
|---|--------------|
| Definitions | 1 |
| Precautionary Measures for the Extraordinary General Meeting | 4 |
| Letter from the Board | 5 |
| Appendix — Summary of the Principal Terms of the New Scheme | 11 |
| Notice of the EGM | 20 |

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

| | |
|------------------------|---|
| “Adoption Date” | the date on which the New Scheme is adopted, conditionally or unconditionally by the Company at the EGM |
| “Articles” | the articles of associations of the Company as at the date of this circular |
| “associate(s)” | has the meaning ascribed thereto in the GEM Listing Rules |
| “Board” | the board of Directors |
| “Business Day” | a day on which the Stock Exchange is open for the business of dealing in securities |
| “Company” | Grand T G Gold Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM |
| “Companies Law” | Companies Law, Cap.22 (Law 3 fo 1961 as consolidated and revised) of the Cayman Islands |
| “connected person(s)” | has the meaning ascribed thereto in the GEM Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “EGM” | the extraordinary general meeting of the Company to be convened and held at 10:30 a.m. on Monday, 27 September 2021 or immediately after the conclusion or the adjournment of the annual general meeting of the Company to be convened for the same day and placed, at Unit 1603-1604, 16th Floor, Causeway Bay Plaza I, 489 Hennessy Road, Causeway Bay, Hong Kong |
| “Eligible Employee(s)” | employee(s) (whether full time or part time employee(s), including any executive director but not any non-executive director) of the Company, its Subsidiaries or any Invested Entity |
| “Expired Scheme” | the expired share option scheme adopted by the Company on 4 March 2009 and was lapsed on 19 November 2019 |
| “GEM” | the Growth Enterprise Market of the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM |
| “Group” | the Company and its subsidiaries |

DEFINITIONS

| | |
|---------------------------|---|
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Invested Entity” | any entity in which the Group holds 30% or more of its equity interest |
| “Latest Practicable Date” | 18 August 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to herein |
| “New Scheme” | the share option scheme proposed to be adopted by the Company at the EGM, a summary of the principal terms of which is set out in the Appendix |
| “Notice” | the notice convening the EGM which is set out on pages 20 to 22 of this circular |
| “Option(s)” | option(s) granted to the Participants under the New Scheme |
| “Participant(s)” | any person belonging to any of the following classes of persons: <ul style="list-style-type: none">(a) any Eligible Employee;(b) any non-executive director (including independent non-executive directors) of the Company, any of its Subsidiaries or any Invested Entity;(c) any supplier of goods or services to any member of the Group or any Invested Entity;(d) any customer of the Group or any Invested Entity;(e) any consultant, adviser, agent, contractor engaged by the Group or any Invested Entity; and(f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; |

The basis of eligibility of any of the above classes of Participants to the grant of any Options shall be determined by the Directors from time to time on the basis of their contribution to the development and growth of the Group and the Invested Entity.

DEFINITIONS

| | |
|------------------------|--|
| “Scheme Mandate Limit” | the total number of Shares which may be issued upon exercise of all options to be granted under the New Scheme and all other share option scheme(s) of the Company |
| “Share(s)” | share(s) of HK\$0.06 each (or of such other nominal amount as shall result from a subsequent sub-division, consolidation, reclassification or reconstruction or such shares from time to time) in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subsidiary” | a subsidiary of the Company (within the meaning of Section 2 of the Companies Ordinance), whether incorporated in Hong Kong or elsewhere |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “%” | per cent |

PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

We care about the health of our Shareholders, staff and stakeholders which is of paramount importance. In view of the ongoing novel coronavirus pandemic, the Company will implement the following precautionary measures at the EGM to protect attending Shareholders, staff and stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted for every Shareholder, proxy or other attendee at the meeting venue entrance. Any person whose body temperature is over 37.4 degrees Celsius may be denied entry into the meeting venue or be required to leave the meeting venue.
- (ii) Each attendee shall declare whether (a) he/she has travelled outside Hong Kong within the 14-day period immediately before the date of EGM; and (b) he/she is subject to any Hong Kong Government prescribed quarantine. Anyone who responds positively to any of these questions or is wearing a wristband for compulsory quarantine may be denied entry into the meeting venue or be required to leave the meeting venue.
- (iii) The Company encourages each attendee inside the meeting venue to wear self-prepared surgical face mask throughout the meeting and to maintain a safe distance.
- (iv) No refreshment will be served, and there will be no corporate gift.

In addition, the Company reminds all Shareholders that physical attendance in person at the meeting for the purpose of exercising voting rights is not necessary. Shareholders may appoint the chairman of the meeting as their proxy to vote on the relevant resolution(s) at the meeting instead of attending the meeting in person, by completing and returning the proxy form attached to this circular.

If any Shareholder has any question relating to precautionary measures of the meeting, please contact the Company's branch share registrar, Tricor Investor Services Limited, as follows:

Address: Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong

Email: is-enquiries@hk.tricorglobal.com

Tel: (852) 2980 1333

Fax: (852) 2810 8185

LETTER FROM THE BOARD



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)

Executive Directors:

Dr. Li Dahong (*Chairman*)
Ms. Ma Xiaona

Independent Non-executive Directors:

Mr. Guo Wei
Mr. Lam Albert Man Sum
Mr. Cheung Wai Hung

Registered Office:

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111, Cayman Islands

*Head Office and Principal Place
of Business in Hong Kong:*

Room A–B, 8th Floor
Centre Mark II
305–313 Queen’s Road Central
Sheung Wan, Hong Kong

24 August 2021

To the Shareholders

Dear Sir or Madam,

**ADOPTION OF SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give you notice of the EGM and to provide you with information regarding the New Scheme. At the EGM, an ordinary resolution relating to the adoption of the New Scheme will be proposed.

* *For identification purpose only*

LETTER FROM THE BOARD

ADOPTION OF THE NEW SCHEME

(a) The Expired Scheme

Since the expiry of the Expired Scheme on 19 November 2019, no new share option scheme has been adopted by the Company. As at the Latest Practicable Date, there was no options granted under the Expired Scheme remained outstanding. The Board now proposes to adopt the New Scheme pursuant to Chapter 23 of the GEM Listing Rules and a resolution will be proposed at the EGM for the adoption of the New Scheme.

(b) Background as to the adoption of the New Scheme

For those Participants relating to the Group

The Directors consider that the New Scheme will enable the Group to reward its employees, directors and other Participants for their contributions to the Group and will assist the Group in its recruitment and retention of high calibre professionals, executives and employees who are instrumental to their growth and development. The Directors will assess the eligibility of the Participants based on their individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, or where appropriate, contribution to the revenue, profits or business development of the Group during the financial year or in the future. The Directors also believe that the inclusion of persons other than the employees and directors of the Group as Participants is appropriate given that the success of the Group requires the co-operation and contribution not only from the employees and directors of the Group but also from persons who play a role in the business of the Group, such as consultant, adviser, distributor, contractor, supplier, service provider, agent, customer and business partner (including but not limited to shareholders of the Invested Entity) of the Group. The eligibility of those parties other than employees and directors of the Group will be determined by the Board according to their potential and/or actual contribution to the business affairs and benefits of the Group. Furthermore, the Board considers that the Participants (employees or otherwise) will share common interests and objectives with the Group upon their exercise of the Options, which is beneficial to the long-term development of the Group.

For those Participants relating to the Invested Entity

As disclosed in the annual report of the Company for the year ended 31 March 2020, the Group will look for new potential growth opportunities in a very diligent manner through merger and acquisition, business integration and expansion in order to improve the profitability of the Group and the returns to its shareholders. As any of such Invested Entity to be invested by the Company will be an associate or investment of the Group, its financial statement will be accounted for by the Group using equity accounting. When the value of such Invested Entity is enhanced, it will have positive effects on the financial performance of the Company and the Shareholders as a whole. The success of an Invested Entity hinges on the support and performance of its other shareholders, its management and employees and those who play a role in the business of the Invested Entity. As such, the Board considers that granting of Option to those

LETTER FROM THE BOARD

Participants of the Invested Entity for then to acquire proprietary interests in the Company will encourage them to work towards enhancing the value of the Invested Entity, it will in turn benefit the Company and the Shareholders as a whole.

When deciding whether to grant the Options to the Participants of the Invested Entity, the roles and Board will consider that the actual contribution of the Invested Entity to the Group, the positions of those Participants of the Invested Entity and the level of work commitment or contribution (including but not limited to funding contribution) required of those Participants. The Board will also review the value of the Options and the vesting schedule of the Options to be granted to make it an incentive for their continuing commitment and contribution to the growth of the Invested Entity and by further aligning the long-term interests of the Invested Entity with them. The Board also believes that the grant of Options is an appropriate way to reward and encourage the ongoing performance of the Invested Entity in achieving the goals of the Group without imposing substantial financial burden on the Group.

Given that the Directors are entitled to determine the eligibility of the Participants, such as performance conditions, or targets to be achieved (in case of employees or directors of the Group) and potential and/or actual contribution to the business affairs of and benefits to the Group (in case of the Participants other than employees and directors of the Group), as well as the minimum period that an Option must be held before an Option can be exercised on a case by case basis, and that the exercise price of an Option cannot in any event fall below the price stipulated in the GEM Listing Rules or such higher price as may be fixed by the Directors, it is expected that grantees of an Option will make an effort to contribute to the development of the Group and the Invested Entity so as to bring about an increased market price of the Shares in order to capitalize on the benefits of the Options granted and in turn benefiting the Company and its shareholders as a whole.

(c) New Scheme

A summary of the principal terms of the New Scheme is set out in Appendix headed “Summary of the Principal Terms of the New Scheme” to this circular. The Company will provide a summary of the terms of the New Scheme to all participants on joining the New Scheme and a copy of the scheme document to any participant who requests such a copy. A copy of the rules of the New Scheme is available for inspection at the Company’s principal place of business in Hong Kong at Room A-B, 8th Floor, Centre Mark II, 305-313 Queens’ Road Central, Sheung Wan, Hong Kong during normal business hours for the period from the date of this circular to the date of the EGM (inclusive of both dates) and at the EGM.

Although the terms of the New Scheme do not impose strict requirements on the grantee for particular achievement of any performance targets or holding an Option for a certain period before exercise, the Board believes that the requirements of a minimum subscription price as well as the selection criteria prescribed in the terms of the New Scheme will serve to achieve the purpose of the New Scheme as set out on page 12 to 21 of this circular.

LETTER FROM THE BOARD

Conditions

The New Scheme is conditional upon:

- (i) the approval and adoption of the New Scheme by the Shareholders at the EGM; and
- (ii) the Stock Exchange granting approval of the listing of, and permission to deal in, such number of Shares which may fall to be allotted and issued upon the exercise of Options in accordance with the terms and conditions of the New Scheme (up to 10% of the Shares in issue as at the date of the EGM).

Maximum number of Shares subject to the New Scheme

Subject to the approval of the Shareholders of the adoption of the New Scheme and conditional upon the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares falling to be issued upon exercise of the Options, the Board will have the right to grant Options to the Participants to subscribe for Shares such that the Scheme Mandate Limit shall not exceed 10% of the Shares in issue as at the date of approval of the New Scheme (such 10% shall represent 826,958,600 Shares on the basis that the issued Shares of the Company as at the Adoption Date will be 8,269,586,000), unless the Company obtains an approval from the Shareholders to refresh such 10% limit such that the Scheme Mandate Limit shall not exceed 10% of the issued share capital of the Company as at the date of such Shareholders' approval, but provided always that the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other share option schemes of the Company shall not in aggregate exceed 30% of the Shares in issue from time to time.

Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, any Shares falling to be issued upon exercise of the Options granted under the New Scheme.

As at the date hereof, no Options have been granted or agreed to be granted under the New Scheme. At this stage, the Company does not have any intention to grant Options to the Participants in the next 12 months. The Company will comply with the terms of the New Scheme and the requirements of Chapter 23 of the GEM Listing Rules in granting, dealing in or otherwise disposing of any Option.

Value of Options that can be granted under the New Scheme

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the New Scheme as if they had been granted on the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date prior to the approval of the New Scheme at the EGM will not be meaningful to the Shareholders, since the Options will be personal to the Participant and shall not be transferable or assignable and no Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any Option or attempt to do so. In

LETTER FROM THE BOARD

addition, the calculation of the value of the Options is based on a number of variables such as exercise price, exercise period, interest rate, expected volatility and other relevant variables. As Options have not been granted under the New Scheme, certain variables are not available for calculating the value of the Options. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would even be misleading to the Shareholders.

The Board will be responsible for administering the New Scheme. There is no trustee appointed for the purposes of the New Scheme as at the Latest Practicable Date. In the event that a trustee is appointed in respect of the New Scheme in the future, the Company will ensure that no Director will become such a trustee or has any direct or indirect interest in such a trustee.

EGM AND PROXY ARRANGEMENT

Notice of the EGM is set out on pages 20 to 22 of this circular. At the EGM, resolutions will be proposed to approve, the adoption of the New Scheme.

As at the Latest Practicable Date, to the best knowledge of the Directors and having made all reasonable enquiries, no Shareholder has any material interest in the proposed adoption of the New Scheme. As such, no Shareholder is required to abstain from voting on the related resolution.

Form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the GEM website (www.hkgem.com) and the Company's website (<http://www.grandtg.com>) respectively. Whether or not you are able to attend the EGM, please complete and sign the form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong or via the designated URL (<https://spot-meeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company as soon as possible but in any event not later than 48 hours before the time appointed for holding the respective EGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish and in such event, the proxy form shall be deemed to be revoked.

VOTING BY POLL

Pursuant to the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be made by the Company after the EGM in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, 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: (i) the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that the New Scheme is in the best interests of the Group and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolution to be proposed at the EGM.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix (Summary of the principal terms of the rules of the New Scheme) to this circular.

Yours faithfully,
By order of the Board
Grand T G Gold Holdings Limited
Li Dahong
Chairman

This Appendix summarise the principal terms of the New Scheme but does not form part of, nor was it intended to be, part of the New Scheme nor should it be taken as effecting the interpretation of the rules of the New Scheme.

(a) Purpose of the scheme

The purpose of the New Scheme is to provide incentives or rewards to Participants thereunder for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any Invested Entity.

(b) Who may join

The Directors may, at their absolute discretion, invite any person belonging to any of the following classes of Participants, to take up Options to subscribe for Shares:

- (aa) any Eligible Employee;
- (bb) any non-executive director (including independent non-executive directors) of the Company, any of its Subsidiaries or any Invested Entity;
- (cc) any supplier of goods or services to any member of the Group or any Invested Entity;
- (dd) any customer of the Group or any Invested Entity;
- (ee) any consultant, adviser, agent and contractor engaged by the Group or any Invested Entity; and
- (ff) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity.

For the avoidance of doubt, the grant of any options by the Company for the subscription of Shares to any person who fall within any of the above classes of Participants shall not, by itself, unless the Directors otherwise determined, be construed as a grant of Option under the New Scheme.

The basis of eligibility of any of the above classes of Participants to the grant of any Options shall be determined by the Directors from time to time on the basis of their contribution to the development and growth of the Group and the Invested Entity.

(c) Maximum number of Shares

- (aa) The maximum number of Shares to be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Scheme and any other share option schemes of the Company must not in aggregate exceed 30 per cent of the issued share capital of the Company from time to time.
- (bb) The total number of Shares which may be issued upon exercise of all Options (excluding, for this purpose, Options which have lapsed in accordance with the terms of the New Scheme and any other share option schemes of the Company) to be granted under the New Scheme and any other share option schemes of the Company must not in aggregate exceed 10 per cent of the total number of Shares in issue as at the date of approval of the New Scheme (the “General Scheme Limit”).
- (cc) Subject to (aa) above and without prejudice to (dd) below, the Company may seek approval of the Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all Options to be granted under the New Scheme and any other share option schemes of the Company under the limit as “refreshed” must not exceed 10 per cent of the total number of Shares in issue as at the date of approval of the limit and for the purpose of calculating the limit as “refreshed”, Options (including those outstanding, cancelled, lapsed or exercised in accordance with the New Scheme and any other share option schemes of the Company) previously granted under the New Scheme and any other share option schemes of the Company will not be counted.
- (dd) Subject to (aa) above and without prejudice to (cc) above, the Company may issue a circular to the Shareholders and seek separate Shareholders’ approval in general meeting to grant Options beyond the General Scheme Limit or, if applicable, the limit referred to in (cc) above to Participants specifically identified by the Company before such approval is sought.

(d) Maximum entitlement of each Participant

- (aa) The total number of Shares issued and which may fall to be issued upon exercise of the Options granted under the New Scheme and any other share option schemes of the Company (including both exercised and outstanding Options) to each Participant in any 12-month period must not exceed 1 per cent of the then total issued share capital of the Company (the “Individual Limit”).
- (bb) Any further grant of Options to a Participant in excess of the Individual Limit (including exercised, cancelled and outstanding Options) in any 12-month period up to and including the date of such further grant must be subject to the Shareholders’ approval in general meeting of the Company with such Participant and his associates abstaining from voting.

(e) Grant of Options to connected persons

- (aa) Each grant of Options to a Director, chief executive, management shareholder or substantial shareholder of the Company, or any of their respective associates must comply with the requirements of Rule 23.04(1) of GEM Listing Rules. Each grant of Options to any of these persons must be approved by independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the Options).
- (bb) Where any grant of Options to a substantial shareholder or an independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
- (i) representing in aggregate over 0.1 per cent of the Shares in issue; and
 - (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000;

such further grant of Options must be approved by the Shareholders. Such Director, chief executive, management shareholder or substantial shareholder of the Company, or any of their respective associates and all core connected persons of the Company must abstain from voting in favour at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting subject to the requirements of the GEM Listing Rules. Any change in the terms of the Options granted to a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates must be approved by the Shareholders in general meeting.

(f) Time of acceptance and exercise of an Option

An offer of grant of an Option may be accepted by a Participant within 28 days from the date of the offer of grant of the Option. A consideration of HK\$1 is payable on acceptance of the offer of grant of an Option. To the extent that the offer of grant of an Option is not accepted within twenty-eight (28) days from the Offer Date in the manner indicated herein, it will be deemed to have been irrevocably declined and lapsed automatically.

An Option shall be exercisable in whole or in part and in accordance with the terms of the New Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on the day on which the offer for the grant of Options is made but shall end in any event not later than 10 years from the date the Board makes an offer of the grant of an Option subject to the provisions for early termination thereof. Directors have discretion to impose a minimum period for which an Option has to be held before the exercise of the subscription rights attaching thereto on case by case basis.

Unless the Directors otherwise determined and stated in the offer of the grant of Options to a Participant, there is no minimum period for which an Option granted under the New Scheme must be held before it can be exercised.

(g) Performance targets

Unless the Directors otherwise determined and stated in the offer of the grant of Options to a Participant, a Participant is not required to achieve any performance targets before any Options granted under the New Scheme can be exercised. Directors have discretion to impose the performance targets restriction on case by case basis.

(h) Subscription price for Shares

Subject to the adjustment made in accordance with the terms of the New Scheme, the subscription price in respect of any particular Option shall be such price as determined by the Board in its absolute discretion at the time of making the offer of grant of an option (which shall be stated in the letter containing the offer of grant of an option) but in any case the subscription price must be at least the higher of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a Business Day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Day immediately preceding the date of the offer of grant; and (iii) the nominal value of the Shares. Without prejudice to the generality of the foregoing, the Directors may grant Options in respect of which the subscription price is fixed at different prices for different periods during the Option period provided that the subscription price for Shares for each of the different periods shall not be less than the subscription price determined in the manner set out herein.

(i) Ranking of Shares

- (aa) Shares allotted upon the exercise of an Option will be subject to all the provisions of the articles of association of the Company and the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and will rank *pari passu* in all respects with the fully paid Shares in issue as from the day when the name of the grantee is registered on the register of members of the Company and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date when the name of the grantee is registered on the register of members of the Company other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date when the name of the grantee is registered on the register of members of the Company, provided always that when the date of exercise of the Option falls on a day upon which the register of members of the Company is closed then the exercise of the Option shall become effective on the first Business Day on which the register of members of the Company is re-opened. A Share allotted upon the exercise of an Option shall not carry voting rights until the completion of the registration of the grantee as the holder thereof.

(bb) Unless the context otherwise requires, references to “Shares” in this paragraph include references to shares in the ordinary equity share capital of the Company of such nominal amount as shall result from a sub-division, consolidation, reclassification or reduction of the share capital of the Company from time to time.

(j) Restrictions on the time of grant of Options

No offer for grant of Options shall be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published in accordance with the requirements of the GEM Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of the Company’s quarterly, interim or annual results, (ii) the last date on which the Company must publish its quarterly, interim or annual results announcement under the GEM Listing Rules, and ending on the date of the announcement of the results, no Option may be granted.

The Directors may not grant any Option to a Participant who is a Director during the periods or times in which Directors are prohibited from dealing in shares pursuant to the Model Code for Securities Transactions by Directors of Listed Companies prescribed by the GEM Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

(k) Period of the New Scheme

The New Scheme will remain in force for a period of 10 years commencing on the date on which the New Scheme becomes unconditional.

(l) Rights on ceasing employment

If the grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than death or serious misconduct or other grounds referred to in sub-paragraph (o) below before exercising his Option in full, the Option (to the extent which has become exercisable and not already exercised) will lapse on the expiration of one (1) month from the date of cessation and will not be exercisable unless the Directors otherwise determine in which event the grantee may exercise the Option (to the extent which has become exercisable and not already exercised) in whole or in part within such period as the Directors may determine following the date of such cessation, which will be taken to be the last day on which the grantee was at work with the Group or the Invested Entity whether salary is paid in lieu of notice or not.

(m) Rights on ceasing to be a Participant

If the grantee of an Option, who is not an Eligible Employee, ceases to be a Participant by reason other than death, the grantee of an Option shall be entitled within a period of one (1) month from the date of cessation (or such longer period as the Board may determine) to exercise the Option (to the extent which has become exercisable and not already exercised);

(n) Rights on death

If the grantee of an Option ceases to be a Participant by reason of death before exercising the Option in full (provided that none of the events which would be a ground for termination of his or her employment under sub-paragraph (o) below arises prior to his or her death), the legal personal representative of this grantee shall be entitled within a period of 12 months from the date of death (or such longer period as the Board may determine) to exercise the Option (to the extent which has become exercisable and not already exercised).

(o) Rights on dismissal

If the grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee by reason that he has been guilty of misconduct or has committed an act of bankruptcy or has become insolvent or has made any arrangements or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or (if so determined by the Board) on any ground on which an employer would be entitled to terminate his or her employment at common law or pursuant to any applicable laws or under the Eligible Employee's service contract with the Company or the relevant Subsidiary or the relevant Invested Entity, his or her Option will lapse automatically on the date the grantee ceases to be an Eligible Employee.

(p) Rights on breach of contract

If the Directors at their absolute discretion determine that the grantee of any Option (other than an Eligible Employee) or his or her associate has committed any breach of any contract entered into between the grantee or his or her associate on the one part and the Group or any Invested Entity on the other part or that the grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his or her creditors generally, the Directors shall determine that the outstanding Options granted to the grantee shall lapse. In such event, his or her Options will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

(q) Rights on a general offer

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders of the Company. If such offer becomes or is declared unconditional, a grantee shall be entitled to exercise his or her Option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to the Company in exercise of his or her Option at any time before the close of such offer (or any revised offer). Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date on which such offer (or, as the case may be, revised offer) closes.

(r) Rights on winding up

In the event of an effective resolution being proposed for the voluntary winding-up of the Company during the option period, the grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time no later than two Business Days prior to the date on which such resolution is to be passed, exercise his or her Option (to the extent which has become exercisable and not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the New Scheme and shall accordingly be entitled, in respect of the Shares falling to be allotted and issued upon the exercise of his or her Option, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the Shares in issue on the date prior to the date of the passing of the resolution to wind-up the Company. Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date of the commencement of the winding-up of the Company.

(s) Rights on compromise or arrangement between the Company and its creditors

In the event of a compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and its members (or any class of them), in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all grantees on the same day as it gives notice of the meeting to its members or creditors to consider such a scheme or arrangement, and thereupon any grantee (or his or her legal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling two calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the Court be entitled to exercise his or her Option (to the extent which has become exercisable and not already exercised), but the exercise of the Option shall be conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective. The Company may thereafter require such grantee to transfer or otherwise deal with the Shares issued as a result of such exercise of his or her Option so as to place the grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement. Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date the proposed compromise or arrangement becomes effective.

(t) Adjustments of the subscription price or other terms

In the event of a capitalisation issue, rights issue, open offer of Shares (if there is a price-dilutive element), consolidation or sub-division of shares or reduction of capital of the Company whilst an Option remains exercisable, such corresponding alterations (if any) certified by the then auditors of or an independent financial adviser to the Company as fair and reasonable and at the same time satisfy with the requirements of the GEM Listing Rules will be made to the number of Shares and/or the subscription price for Shares subject to Option already granted; and/or the maximum number of Shares subject to the New Scheme provided (i) any adjustments shall give a grantee the same proportion of the issued share capital to which he was entitled prior to such adjustments; (ii) no adjustments shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; and

(iii) no such adjustment will be required in circumstances where there is an issue of Shares or other securities of the Group as consideration in a transaction; and (iv) no adjustments shall be made to the advantage of the Grantee or that would increase the Intrinsic Value (as defined below) of any Option (immediately before and after any alteration in the capital structure of the Company as a result of the events set out in this clause). The Intrinsic Value is the difference between the market price (or theoretical ex-entitlement price) of the Shares under the Option and the subscription price (or revised subscription price) of the Option.

For avoidance of any doubt, (a) an issue of any securities of the Company as consideration in respect of a transaction; and (b) an issue of any securities of the Company under the authority of a general mandate or specific mandate granted to the Board by the Shareholders, will not be regarded as circumstances requiring adjustment under this clause. In addition, in respect of any such adjustments, other than any made on a capitalisation issue, the Company's auditors or independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provision of the GEM Listing Rules.

(u) Cancellation of Options

Unless the Grantee otherwise agrees, the Board may only cancel an Option (which has been granted but not yet exercised) if, at the election of the Board:

- (a) the Company pays to the Grantee an amount equal to the fair market value of the Option at the date of cancellation as determined by the Board, after consultation with the auditors or an independent financial adviser appointed by the Board; or
- (b) the Board offers to grant to the grantee replacement Options (or options under any other share option scheme) of equivalent value to the Options to be cancelled, provided that the grant of such replacement Options (or options under any other share option scheme) shall not cause the limits set out in the applicable clauses of the New Scheme to be breached; or
- (c) the Board makes such arrangements as the grantee may agree to compensate him/her for the loss of the Option.

Where the Company cancels Options and issues new ones to the same grantee, the issue of such new options may only be made under the New Scheme and any other share option schemes of the Company with available unissued options (excluding the cancelled Options) within the limit approved by Shareholders as mentioned in note (1) to Rule 17.03(3) of the GEM Listing Rules.

(v) Termination of the New Scheme

The Company may by resolution in general meeting at any time terminate the New Scheme and in such event no further Options shall be offered but in all other respects the provisions of the New Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options (to the extent not already exercised) granted prior to the

termination or otherwise as may be required in accordance with the provisions of the New Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the New Scheme.

(w) Rights are personal to the grantee

An Option is personal to the grantee and shall not be assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such grantee.

(x) Lapse of Option

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (aa) the expiry of the period referred to in paragraph (f);
- (bb) the expiry of the periods or dates referred to in paragraphs (l), (m), (n), (o), (p), (r) and (s);
- (cc) the date on which the offer (or, as the case may be, the revised offer) referred to in paragraph (q) closes; and
- (dd) the date on which a breach of the provision of paragraph (w) is committed.

(y) Others

- (aa) The terms and conditions of the New Scheme relating to the matters set out in Rule 23.03 of the GEM Listing Rules shall not be altered to the advantage of grantees of the Options in the absence of the prior approval of the Shareholders in general meeting.
- (bb) Any alterations to the terms and conditions of the New Scheme which are of a material nature or any change to the terms of Options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Scheme.
- (cc) The amended terms of the New Scheme or the Options must still comply with the relevant requirements of Chapter 23 of the GEM Listing Rules.
- (dd) Any change to the authority of the Directors or the scheme administrators in relation to any alteration to the terms of the New Scheme must be approved by the Shareholders in general meeting.

NOTICE OF THE EGM



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)

NOTICE IS HEREBY GIVEN that the extraordinary general meeting of Grand T G Gold Holdings Limited (the “**Company**”) will be held at Unit 1603–1604, 16th Floor, Causeway Bay Plaza I, 489 Hennessy Road, Causeway Bay, Hong Kong on Monday, 27 September 2021 at 10:30 a.m. or immediately after the conclusion or the adjournment of the annual general meeting of the Company to be convened for the same day and placed, (the “**EGM**”) for the following purposes:

ORDINARY RESOLUTION

1. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT

- (a) subject to and conditional upon The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of and permission to deal in the shares to be issued pursuant to the exercise of any options granted under the share option scheme of the Company (the “**New Scheme**”), a copy of which marked “A” is produced to the meeting and for the purposes of identification signed by the Chairman thereof, the New Scheme be and is hereby approved and adopted and the directors of the Company be and is hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Scheme including but without limitation:
 - (i) to administer the New Scheme under which options will be granted to participants eligible under the New Scheme to subscribe for shares of the Company;
 - (ii) to modify and/or amend the New Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Scheme relating to modification and/or amendment;

* For identification purpose only

NOTICE OF THE EGM

- (iii) to issue and allot from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the New Scheme provided always that the total number of shares subject to the New Scheme, when aggregated with any shares subject to any other share option schemes, shall not exceed 10% of the relevant class of the issued share capital of the Company as at the date of passing this resolution, but the Company may seek approval of its shareholders in general meeting for refreshing the 10% limit under the New Scheme and the maximum number of shares which may be issued upon exercise of all outstanding options granted under the New Scheme and any other share option schemes of the Company in issue shall not exceed 30% of the relevant class of the issued share capital of the Company from time to time;
- (iv) to make applications at the appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued shares of the Company may then be listed, for listing of and permission to deal in any shares which may hereafter from time to time be issued and allotted pursuant to the exercise of the options under the New Scheme; and
- (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Scheme.”

Yours faithfully,
By order of the Board
Grand T G Gold Holdings Limited
Li Dahong
Chairman

Hong Kong, 24 August 2021

Registered office:
Cricket Square
Hutchins Drive
PO Box 268
Grand Cayman
KY1-1111
Cayman Islands

*Head office and principal place
of business in Hong Kong:*
Room A–B, 8th Floor
Centre Mark II
305–313 Queen’s Road Central
Sheung Wan, Hong Kong

Notes:

- (a) Record date (being the last date of registration of any share transfer given there will be no book closure) for determining the entitlement of the shareholders of the Company to attend and vote at the EGM will be Monday, 20 September 2021. All transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 20 September 2021.

NOTICE OF THE EGM

- (b) Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed.
- (c) To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy thereof, must be lodged at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong or via the designated URL (<https://spot-meeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company as soon as possible but in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be).
- (d) Completion and return of the form of proxy shall not preclude members from attending and voting in person at the EGM or at any adjournment thereof (as the case may be) should they so wish, and in such case, the form of proxy previously submitted by such member(s) shall be deemed to be revoked.
- (e) Where there are joint registered holders of any share(s) of the Company, any one of such persons may vote at the EGM, either in person or by proxy, in respect of such share(s) as if he were solely entitled thereto; but if more than one of such joint holders are present at the meeting personally or by proxy, the vote of that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share(s) shall be accepted to the exclusion of the votes of the other joint holders.
- (f) A form of proxy for use at the EGM is published on the website of the GEM website (www.hkgem.com) and the website of the Company (<http://www.grandtg.com>).
- (g) If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 7:00 a.m. on the date of the EGM, the EGM will be postponed. The Company will post an announcement on the website of the Company at <http://www.grandtg.com> and the GEM website at www.hkgem.com to notify members of the date, time and place of the rescheduled meeting.

As at the date of this notice, the executive Directors are Dr. Li Dahong and Ms. Ma Xiaona; the independent non-executive Directors are Mr. Guo Wei, Mr. Lam Albert Man Sum and Mr. Cheung Wai Hung.

This notice will remain on the "Latest Listed Company Information" 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>.