



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)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2017

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

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

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement, for which the directors (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 consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the three months ended 30 June 2017, together with the unaudited comparative figures for the corresponding period in previous year as follows:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months ended 30 June 2017

		(Unaudited)	
		Three months ended	
		30 June	
	Notes	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Revenue	3	36,984	6,374
Cost of sales		<u>(18,442)</u>	<u>(3,055)</u>
Gross profit		18,542	3,319
Other income	3	1,880	95
Selling and distribution expenses		(2,916)	(2,883)
Legal and resumption expenses		(10,288)	(1,200)
Administrative expenses		<u>(10,604)</u>	<u>(4,334)</u>
Operating results		(3,386)	(5,003)
Finance costs		<u>(5,411)</u>	<u>(5,105)</u>
Loss before tax	4	(8,797)	(10,108)
Income tax expense	5	<u>–</u>	<u>–</u>
Loss for the period		<u>(8,797)</u>	<u>(10,108)</u>
Loss for the period attributable to:			
Equity holders of the Company		(11,361)	(8,525)
Non-controlling interest		<u>2,564</u>	<u>(1,583)</u>
		<u>(8,797)</u>	<u>(10,108)</u>
		<i>HK Cents</i>	<i>HK Cents</i>
Losses per share			
Basic	6	<u>(0.07)</u>	<u>(0.06)</u>
Diluted		<u>N/A</u>	<u>N/A</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2017

	(Unaudited)	
	Three months ended	
	30 June	
Notes	2017	2016
	HK\$'000	HK\$'000
Loss for the period	(8,797)	(10,108)
Other comprehensive income for the period:		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Exchange differences arising from translation of financial statements of overseas subsidiaries	<u>4,423</u>	<u>(7,256)</u>
	<u>4,423</u>	<u>(7,256)</u>
Total comprehensive loss for the period:	<u>(4,374)</u>	<u>(17,364)</u>
Total comprehensive loss attributable to:		
Equity holders of the Company	(7,050)	(15,648)
Non-controlling interest	<u>2,676</u>	<u>(1,716)</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the three months ended 30 June 2017

	Attributable to equity holders of the Company								Total HK\$'000
	Issued share capital HK\$'000	Share premium HK\$'000	Foreign currency translation reserve HK\$'000	Share option reserve HK\$'000	Convertible bonds reserve HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000	Non- controlling interest HK\$'000	
At 1 April 2017	53,794	1,690,765	1,222	26,703	5,036	(1,710,920)	66,600	8,754	75,354
Issue of shares upon placing and capitalization of shareholders' loan	26,897	104,767	-	-	-	-	131,664	-	131,664
Net income/(loss) for the period	-	-	-	-	-	(11,361)	(11,361)	2,564	(8,797)
Other comprehensive income: Exchange differences arising from translation of financial statement of overseas subsidiaries	-	-	4,311	-	-	-	4,311	112	4,423
Total comprehensive income/(loss) for the period	-	-	4,311	-	-	(11,361)	7,050	2,676	(4,374)
At 30 June 2017	80,691	1,795,532	5,533	26,703	5,036	(1,722,281)	191,214	11,430	202,644

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the three months ended 30 June 2016

	Attributable to equity holders of the Company								Total HK\$'000
	Issued share capital HK\$'000	Share premium HK\$'000	Foreign currency translation reserve HK\$'000	Share option reserve HK\$'000	Convertible bonds reserve HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000	Non- controlling interest HK\$'000	
At 1 April 2016 (restated)	53,794	1,690,765	14,272	26,703	5,036	(1,701,141)	89,429	(2,392)	87,037
Net loss for the period	-	-	-	-	-	(8,525)	(8,525)	(1,583)	(10,108)
Other comprehensive income: Exchange differences arising from translation of financial statement of overseas subsidiaries	-	-	(7,123)	-	-	-	(7,123)	(133)	(7,256)
Total comprehensive loss for the period	-	-	(7,123)	-	-	(8,525)	(15,648)	(1,716)	(17,364)
At 30 June 2016	53,794	1,690,765	7,149	26,703	5,036	(1,709,666)	73,781	(4,108)	69,673

NOTES:

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Its principal place of business in Hong Kong is Unit 801, 8th Floor, Beautiful Group Tower, 74-77 Connaught Road Central, Central, Hong Kong. The Company's shares are listed on the GEM of the Stock Exchange.

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

The 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. BASIS OF PREPARATION

The Group's unaudited condensed consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“**HKAS**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinances. The unaudited condensed consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

The unaudited condensed consolidated financial statements should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2017 (“**2017 Annual Report**”). The Group's policies on financial risk management were set out in the financial statements included in the Company's 2017 Annual Report and there have been no significant changes in the financial risk management policies for the three months ended 30 June 2017.

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 three months ended 30 June 2017 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2017.

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. REVENUE AND OTHER INCOME

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

	(Unaudited)	
	Three months ended 30 June	
	2017	2016
	HK\$'000	HK\$'000
Revenue		
Sale of goods	36,984	6,374
	<u>36,984</u>	<u>6,374</u>
Other income		
Sundry income	1,880	95
	<u>1,880</u>	<u>95</u>

4. LOSS BEFORE TAX

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

	(Unaudited)	
	Three months ended	
	30 June	
	2017	2016
	HK\$'000	HK\$'000
Cost of inventories sold	18,442	3,055
Auditors' remuneration	56	250
Depreciation*	5,871	5,812
Operating lease rentals in respect of land and buildings	44	73
Staff costs including directors' emoluments:		
Salaries, wages, allowances and benefits in kind	7,130	2,283
Retirement benefits scheme contributions	18	15
Staff costs	<u>7,148</u>	<u>2,298</u>

* HK\$85,305 (30 June 2016: HK\$63,149) are included in administrative expenses and HK\$5,785,683 (30 June 2016: HK\$5,811,011) are included in cost of sales.

5. INCOME TAX EXPENSE

	(Unaudited)	
	Three months ended	
	30 June	
	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax – overseas		
Provision for the period	—	—
Income tax expense	<u>—</u>	<u>—</u>

No provision for Hong Kong profits tax has been made in the financial statements as the Group had no assessable profit for the period (30 June 2016: Nil).

Overseas taxation represents tax charges on the estimated assessable profits of subsidiaries operating overseas including the PRC, calculated at rates applicable in the respective jurisdictions for the period.

6. 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 June	
	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss attributable to the equity holders of the Company	(11,361)	(8,525)
Weighted average number of ordinary shares in issue	<u>17,408,320,928</u>	<u>13,448,488,271</u>
Basic losses per share (<i>HK cents</i>)	<u>(0.07)</u>	<u>(0.06)</u>

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 1 category of dilutive potential ordinary shares: share options.

As the Company's share options where applicable had an anti-dilutive effect to the basic loss per share calculation for the three months ended 30 June 2017, the conversion of the above potential dilutive shares is not assumed in the calculation of diluted loss per share.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

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 three months ended 30 June 2017, the Group’s revenue was approximately HK\$37.0 million (2016: approximately HK\$6.4 million). Respective state of affairs of the Group is set out in the unaudited condensed consolidated financial statements on pages 2 to 4 of this announcement.

Consolidated loss of the Company amounted to approximately HK\$8.8 million for the three months ended 30 June 2017 (three months ended 30 June 2016: loss of approximately HK\$10.1 million) which was arrived at after the inclusion of the substantial non-recurring legal and resumption expenses of approximately HK\$10.2 million incurred by the Company (30 June 2016: HK\$1.2 million) for, among others, defending vigorously the two winding up petitions against the Company in the Cayman Islands and Hong Kong as well as for the resumption in trading of the Company’s shares after more than six years of trading suspension (“**Legal and Resumption Expenses**”). Before the Legal and Resumption Expenses, the consolidated profit of the Company for the three months ended 30 June 2017 would be approximately HK\$1.4 million. The Legal and Resumption Expenses were absorbed by the equity holders of the Company. As such, the Company recorded a loss of approximately HK\$11.3 million attributable to equity holders of the Company whereas profit attributable to non-controlling interest was approximately HK\$2.5 million. It is expected that no more Legal and Resumption Expenses will be incurred after resumption in trading of the Company’s shares (“**Share(s)**”) on the Stock Exchange.

Basic loss per Share was approximately HK cents 0.07 for the three months ended 30 June 2017 (three months ended 30 June 2016: loss of approximately HK cents 0.06). There will be no payment of dividend for the three months ended 30 June 2017 (30 June 2016: nil).

Charge on the Group’s assets

As at 30 June 2017, the Group’s 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 HK\$ 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 period under review.

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

Related party transactions with connected person(s)

The loans from Mr. Ma Qianzhou (“**Mr. Ma**”) and Ms. Zhao Yuebing, directors of Taizhou Mining and thus connected persons of the Group, to Taizhou Mining were fully exempted connected transactions pursuant to Chapter 20 of the GEM Listing Rules as these were conducted on normal commercial terms or better and these were not secured by the assets of the Group.

Employees and remuneration policies

As at 30 June 2017, the Group had 59 employees (30 June 2016: 71) situated mainly in the PRC and Hong Kong. The Group's emoluments policies are formulated based on industry practices and performance of individual employees. For the three months ended 30 June 2017, the total staff costs (including directors' emoluments) amounted to approximately HK\$7.1 million (30 June 2016: approximately HK\$2.3 million). During the three months ended 30 June 2017, no share option had been granted by the Company. Details of employees' remuneration are set out in note 4 of the unaudited condensed consolidated financial statements in this announcement.

DIVIDEND

The Directors do not recommend the payment of dividend for the three months ended 30 June 2017. (three months ended 30 June 2016: nil)

MAJOR EVENTS DURING AND AFTER THE REPORTING PERIOD

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

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

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

On 24 February 2017, the Company entered into an underwriting agreement for the purpose of conducting the Open Offer. The Company received overwhelming support from its shareholders in respect of the Open Offer and the Open Offer was over-subscribed.

On 8 May 2017, the Company allotted and issued 6,724,244,135 offer Shares under the Open Offer on the basis of one (1) offer Share for every two (2) existing Shares at the subscription price of HK\$0.02 per offer Share.

With the Company's fulfillment of all resumption conditions as set by the Listing Appeals Committee of the Stock Exchange and completion of the Open Offer, which details were set out in the announcements of the Company dated 21 March 2017 and 5 May 2017 respectively, trading in the Shares has been resumed on 9 May 2017.

Use of net proceeds of the Open Offer

Net proceeds of approximately HK\$131 million were raised from the Open Offer (the "**Net Proceeds**").

For the period from the completion of the Open Offer up to 30 June 2017, approximately HK\$76.5 million of the Net Proceeds has been used as intended, including: (i) approximately HK\$61.6 million for repayment of the Company's debts; and (ii) approximately HK\$14.9 million for general working capital.

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

On 12 April 2017, the Company received the sealed order of the High Court of Hong Kong for the dismissal of the petition for the winding-up of the Company presented by Mr. Lee Shing in Hong Kong on 10 April 2017.

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

(iii) Debt capitalisation

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

(a) The first subscription agreement

On 10 April 2017, a shares subscription agreement (as amended by a supplemental agreement dated 8 June 2017) was entered into by the Company as the issuer and Mr. Lee Wing Leung (the "**First Subscriber**") as the subscriber whereby the Company conditionally agreed to issue and allot, and the First Subscriber conditionally agreed to subscribe for 329,000,000 new Shares at the subscription price of HK\$0.02 per new Share.

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

(b) *The second subscription agreement*

On 10 April 2017, a shares subscription agreement was entered into by the Company as the issuer and Mr. Zhou Yong (the “**Second Subscriber**”) as the subscriber whereby the Company conditionally agreed to issue and allot, and the Second Subscriber conditionally agreed to subscribe for 1,750,000,000 new Shares at the subscription price of HK\$0.02 per new Share.

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

(c) *The third subscription agreement*

On 8 June 2017, a shares subscription agreement was entered into by the Company as the issuer and J. Thomson Asset Investment Limited (the “**Third Subscriber**”) as the subscriber whereby the Company conditionally agreed to issue and allot, and the Third Subscriber conditionally agreed to subscribe for 200,000,000 new Shares at the subscription price of HK\$0.02 per new Share.

The aforesaid agreement was completed on 17 July 2017 and the subscription monies payable by the Third Subscriber were settled by way of capitalising the debts due by the Company to the Third Subscriber to the extent of HK\$4,000,000.00. 20,000,000 new Shares were issued and allotted by the Company accordingly.

(d) *The convertible bonds subscription agreement*

On 10 April 2017, a conditional convertible bonds subscription agreement was entered into between the Company as the issuer and the Third Subscriber as the subscriber in relation to the issue of unlisted convertible bonds in an aggregate principal amount of HK\$30,095,357.00 (the “**CB**”). The CB are convertible into new Shares at an initial conversion price of HK\$0.02 per new Share.

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

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

Adjustments in relation to the share options

As a result of the Open Offer, the exercise price and the number of new Shares falling to be issued upon exercise of the outstanding share options granted under the Company's share option scheme have been adjusted as follows with effect from 8 May 2017:

Date of grant	Immediately prior to the adjustments as a result of the completion of the Open Offer		Immediately after the adjustments as a result of the completion of the Open Offer	
	Number of Shares to be issued upon full exercise of the Share Options	Exercise price per Share <i>HK\$</i>	Number of Shares to be issued upon full exercise of the Share Options	Exercise price per Share <i>HK\$</i>
19 November 2009	54,600,000	0.1500	71,869,980	0.1140

Save for the above adjustments, all other terms and conditions of the outstanding share options granted under the share option scheme of the Company remain unchanged.

PROSPECT

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

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

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

OTHER INFORMATION

1. Directors' interest in competing business

None 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.

2. Audit committee

The Company established the audit committee (the "Audit Committee") with written terms of reference that sets out the authorities and duties of the committee.

Audit Committee comprises three independent non-executive directors, namely Mr. Jiang Quanming, Mr. Orr Joseph Wai Shing and Mr. Guo Wei. 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 Audit Committee has reviewed the unaudited condensed consolidated financial results of the Group for the three months ended 30 June 2017.

3. Purchase, sale or redemption of listed securities

During the period ended 30 June 2017, neither the Company nor any of its subsidiaries has purchased or sold any of its listed securities.

4. Code of conduct regarding securities transactions by directors

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company also made specific enquiry with all Directors, and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors during the period under review.

5. Corporate governance practices

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

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

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

Code Provision A.4.2

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

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

The re-election of retiring directors will be dealt with at the forthcoming annual general meeting of the Company which is scheduled to be held on 11 September 2017.

Code Provision A.6.7

Code Provision A.6.7 of the Code stipulates that independent non-executive directors and other non-executive directors, as equal board members, should give the board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings and develop a balanced understanding of the views of shareholders.

Code Provision E.1.2

Code Provision E.1.2 of the Code stipulates that the chairman of the board should attend the annual general meeting. He should also invite the chairman of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In their absence, he should invite another member of the committee or failing this his duly appointed delegate, to attend. These persons should be available to answer questions at the annual general meeting. The chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that requires independent shareholders' approval. An issuer's management should ensure the external auditor attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditor independence.

The Company had not held any annual general meeting since the latest annual general meeting held on 16 August 2010. Therefore the Chairman, the independent non-executive directors and the non-executive director of the Company did not attend the annual general meetings since then.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2017, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares pursuant to share option scheme of the Company (“**Underlying Shares**”) and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “**SFO**”)) which were recorded in the register required to be kept under section 352 of the SFO, or which is otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long positions in Shares and Underlying Shares

Name	Capacity	Number and class of securities		Approximate % of the issued Shares
		Shares	Underlying Shares	
Orr Joseph Wai Shing	Personal interest	–	4,080,530 <i>(Note)</i>	0.02%

Note:

The long position in the Underlying Shares mentioned above represent the Shares to be issued and allotted upon the exercise in full of the share options granted by the Company pursuant to the share option scheme of the Company.

Save as disclosed above, as at 30 June 2017, none of the Directors or chief executives of the Company had any interests and short positions in the Shares, Underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were recorded in the register required to be kept under section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules.

Save for the share options that were granted under the share option scheme, none of the Directors or employees of the Group or their respective associates were granted by the Company or its subsidiaries the rights to acquire shares or debentures of the Company or any other body corporate, or had exercised any such rights as at 30 June 2017.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

As at 30 June 2017, the following persons (other than the Directors and chief executives of the Company whose interests are set out in the section “Directors’ and chief executives’ interests and short positions in shares, underlying shares and debentures” above) had an interest or short position in the Shares or Underlying Shares which were recorded in the register required to be kept under Section 336 of the SFO:

Long positions in Shares and Underlying Shares

Name	Capacity	Number and class of securities		Approximate % of the issued Shares
		Shares	Underlying Shares	
Mr. Ma	Beneficial owner	3,348,585,361 (Note 1)	–	16.60%
			35,540,100 (Note 2)	0.18%
Lee Shing	Interest in a controlled corporation	1,603,400,000 (Note 3)	–	7.95%
Yong Li Investments Limited	Beneficial owner	1,603,400,000	–	7.95%
Wang Dong	Interest in a controlled corporation	1,293,672,000 (Note 4)	–	6.41%
Midway International Holdings Limited	Beneficial owner	1,293,672,000	–	6.41%
The Second Subscriber	Beneficial owner	1,750,000,000 (Note 5)	–	8.68%
Leung Heung Ying	Interest in a controlled corporation	200,000,000 (Note 6)	1,504,767,850 (Note 7)	8.45%
The Third Subscriber	Beneficial owner	200,000,000 (Note 6)	1,504,767,850 (Note 7)	8.45%

Notes:

1. Mr. Ma is a shareholder, director and the general manager of Taizhou Mining. Of these Shares, 3,010,953,361 Shares were owned by Mr. Ma, 337,632,000 Shares were owned by his spouse and thus Mr. Ma was deemed to have interest therein.
2. These Underlying Shares represent the Shares to be issued and allotted upon the exercise in full of the share options granted by the Company pursuant to the share option scheme of the Company.
3. These Shares were held by Yong Li Investments Limited, a company wholly and beneficially owned by Mr. Lee Shing.
4. These Shares were held by Midway International Holdings Ltd, a company wholly and beneficially owned by Ms. Wang Dong.
5. This represents the subscription obligation of the Second Subscriber pursuant to the shares subscription agreement dated 10 April 2017 entered into by the Company as the issuer and the Second Subscriber as the subscriber.
6. This represents the subscription obligation of the Third Subscriber pursuant to the shares subscription agreement dated 8 June 2017 entered into by the Company as the issuer and the Third Subscriber as the subscriber.
7. This represents the subscription obligation of the Third Subscriber pursuant to the convertible bonds agreement dated 10 April 2017 entered into by the Company as the issuer and the Third Subscriber as the subscriber.

Save as disclosed above, as at 30 June 2017, the Company had not been notified of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the Shares or Underlying Shares of the Company which were required to be kept under Section 336 of the SFO.

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

Hong Kong, 11 August 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).