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GRAND T G GOLD HOLDINGS LIMITED

大唐潼金控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8299)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 30 October 2009 after the end of the trading sessions of the Stock Exchange, the Company entered into the Subscription Agreements with the Subscribers respectively whereby the Company conditionally agreed to allot and issue and the Subscribers conditionally agreed to subscribe for 355,003,200 Subscription Shares in aggregate, at the Subscription Price of HK\$0.125 per new Share.

The Subscription Price represents (i) a discount of approximately 14.97% to the closing price of HK\$0.147 per Share as quoted on the Stock Exchange on 30 October 2009; (ii) a discount of approximately 17.76% to the average closing price per Share as quoted on the Stock Exchange of approximately HK\$0.1520 for the past 5 trading days up to and including on 30 October 2009; and (iii) a discount of approximately 15.88% to the average closing price per Share as quoted on the Stock Exchange of approximately HK\$0.1486 for the past 10 trading days up to and including on 30 October 2009.

The Subscription Shares represent approximately 12.68% of the existing issued share capital of the Company and approximately 11.25% of the issued share capital of the Company as enlarged by the Subscription Shares only.

As stated in the announcement of the Company dated 29 October 2009 in respect of the acquisition of Sale Rights with options to subscribe for new shares in Apex Minerals NL, a gold mining and gold production company listed on the Australian Stock Exchange, the Company will finance the consideration of the Acquisition and the amount payable upon exercise of the Sale Rights by, among others, fund raising exercises.

The gross and net proceeds of the Subscription will be approximately HK\$44.38 million and approximately HK\$44.20 million respectively. The Company will apply the net proceeds for settlement of the consideration of the Acquisition and the amount payable upon exercise of the Sale Rights.

* For identification purpose only

THE SUBSCRIPTION AGREEMENTS

On 30 October 2009 after the end of the trading sessions of the Stock Exchange, the Company entered into the Subscription Agreements with Genus Dynamic Gold Fund, Ruffer Baker Steel Gold Fund, RIT Capital Partners Baker Steel, Baker Steel Gold Fund and Reach Goal Holding Limited respectively whereby the Company conditionally agreed to allot and issue and Genus Dynamic Gold Fund, Ruffer Baker Steel Gold Fund, RIT Capital Partners Baker Steel, Baker Steel Gold Fund and Reach Goal Holding Limited conditionally agreed to subscribe for 56,874,240 Subscription Shares, 199,054,080 Subscription Shares, 21,888,000 Subscription Shares, 32,186,880 Subscription Shares and 45,000,000 Subscription Shares respectively, at the Subscription Price of HK\$0.125 per new Share.

Genus Dynamic Gold Fund, Ruffer Baker Steel Gold Fund, RIT Capital Partners Baker Steel and Baker Steel Gold Fund are funds managed by Baker Steel whereas Reach Goal Holding Limited is a company incorporated in Republic of Seychelles with limited liability, which is wholly and beneficially owned by Mr. Tse Sau Suen.

Baker Steel is a specialist investment manager in natural resources and gold. It was established in 2001 by a team of investment professionals with a wealth of award-winning investment management expertise. Baker Steel manages substantial assets on behalf of a broad range of financial institutions, wealth managers and professional investors and has gained over the years a reputation as dedicated specialist delivering investment performance in the global natural resources and gold sectors. Baker Steel researches and models hundreds of gold mines worldwide and evaluates gold mining companies in a value-oriented and fundamentals-based investment process. It operates several funds of around US\$600 million with head office in London and branch in Sydney for investing in the gold, precious metals, mining and natural resources sectors.

To the best knowledge of the Directors and having made all reasonable enquiries, each of the Subscribers and their respective ultimate beneficial owner(s) are Independent Third Parties and not connected with any of the Directors, chief executives, substantial shareholders and management shareholders of the Company, or any of its subsidiaries or their respective associates (as defined in the GEM Listing Rules).

Subscription Price

The Subscription Price is HK\$0.125 per Subscription Share, which represents:

- (i) a discount of approximately 14.97% to the closing price of HK\$0.147 per Share as quoted on the Stock Exchange on 30 October 2009, being the last trading day in the Shares on the Stock Exchange prior to the publication of this announcement;
- (ii) a discount of approximately 17.76% to the average closing price per Share as quoted on the Stock Exchange of approximately HK\$0.1520 for the past 5 trading days up to and including on 30 October 2009; and
- (iii) a discount of approximately 15.88% to the average closing price per Share as quoted on the Stock Exchange of approximately HK\$0.1486 for the past 10 trading days up to and including on 30 October 2009.

The Subscription Price was arrived at after arm's length negotiations and on commercial terms between the Company and the Subscribers after taking into account of the current market price of the Shares.

The Subscription Shares

Pursuant to the Subscription Agreements, the Company conditionally agreed to allot 355,003,200 new Shares in aggregate (with nominal value of HK\$1,420,012.80), representing approximately 12.68% of the existing issued share capital of the Company and approximately 11.25% of the issued share capital of the Company as enlarged by the Subscription Shares only.

The Subscription Shares, when issued, will rank pari passu in all respects with the existing Shares as at Completion.

Based on the estimated expenses of approximately HK\$180,000 for the Subscription, the gross proceeds and net proceeds from the Subscription will be HK\$44.38 million and approximately HK\$44.20 million respectively. On that basis, the net price per Subscription Share is approximately HK\$0.1245.

Deposit

The Subscribers are required to pay to a designated nominee of the Company the Deposit in an amount equivalent to the total subscription monies payable by them upon Completion pursuant to the Subscription Agreements.

Condition of the Subscription Agreements

Completion is conditional upon the GEM Listing Committee granting the listing of and permission to deal in, the Subscription Shares on or before the Long Stop Date or such other date as the Company and the Subscribers shall mutually agree in writing. Otherwise, the Subscription Agreements will in fact cease and determine and none of the Company and the Subscribers shall have any claim against the others for costs, damages, compensation or otherwise, save for (i) any claim from antecedent breach of the terms under the Subscription Agreements and (ii) the refund of the Deposit.

Completion

Completion shall take place on any date within five (5) Business Days after the fulfilment of the aforesaid condition, or at such other time and date as the Company and the Subscribers may agree upon.

CHANGE IN SHARE CAPITAL AND SHAREHOLDING STRUCTURE

Assuming no new Shares will be issued by the Company before Completion, the share capital and shareholding structure of the Company as at the date of this announcement and immediately after Completion are as follows:

	As at the date of this announcement		Immediately after Completion	
	Number of Shares	Approximate % of shareholding	Number of Shares	Approximate % of shareholding
Non-public Shareholders				
Yong Li Investments Limited (<i>Note 1</i>)	312,000,000	11.15	312,000,000	9.89
Lee Sing Leung, Robin (<i>Note 2</i>)	430,000	0.02	430,000	0.01
Osborne Pacific Limited (<i>Note 3</i>)	274,980,500	9.82	274,980,500	8.72
<i>Sub-total</i>	587,410,500	20.99	587,410,500	18.62
Public Shareholders				
The Subscribers:				
Genus Dynamic Gold Fund	–	–	56,874,240	1.80
Ruffer Baker Steel Gold Fund	–	–	199,054,080	6.31
RIT Capital Partners Baker Steel	–	–	21,888,000	0.69
Baker Steel Gold Fund	–	–	32,186,880	1.02
Reach Goal Holding Limited	–	–	45,000,000	1.43
<i>Sub-total</i>	–	–	355,003,200	11.25
Other public Shareholders	2,211,986,000	79.01	2,211,986,000	70.13
	<u>2,799,396,500</u>	<u>100.00</u>	<u>3,154,399,700</u>	<u>100.00</u>

Notes:

1. Yong Li Investments Limited is wholly-owned by Mr. Lee Shing, Chairman and an executive Director of the Company.
2. Mr. Lee Sing Leung, Robin is the Chief Executive Officer and an executive Director of the Company.
3. Osborne Pacific Limited is wholly-owned by Mr. Chan Hing Yin, a former executive Director.

REASONS FOR THE SUBSCRIPTION AND THE USE OF PROCEEDS

As stated in the announcement of the Company dated 29 October 2009 in respect of the acquisition of Sale Rights with options to subscribe for new shares in Apex Minerals NL, a gold mining and gold production company listed on the Australian Stock Exchange, the Company will finance the consideration of the Acquisition and the amount payable upon exercise of the Sale Rights by, among others, fund raising exercises.

The gross and net proceeds of the Subscription will be approximately HK\$44.38 million and approximately HK\$44.20 million respectively. The Company will apply the net proceeds for settlement of the consideration of the Acquisition and the amount payable upon exercise of the Sale Rights.

The following table summaries the capital raising activities of the Group for the 12 months immediately before the date of this announcement:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
29 October 2008	Subscription of 59,375,000 new Shares at HK\$0.288 per Share with 178,125,000 bonus Shares	HK\$16.50 million	As general working capital and/or for the development of the Company's new business venture in gold industry and/or any other new investment project which may be identified by the Company from time to time	HK\$16.50 million used as general working capital of the Group
18 March 2009	Placing of 660,000,000 Shares at HK\$0.10 per Share	HK\$64.71 million	As general working capital and/or for the development of the Company's new business venture in gold industry and/or any other new investment project which may be identified by the Company from time to time	HK\$64.71 million used as general working capital of the Group
11 August 2009	Subscription of 72,000,000 Shares at HK\$0.07 per Share	HK\$4.97 million	As general working capital and/or for the development of the Company's gold industry and/or any other new investment project which may be identified by the Company from time to time	HK\$4.7 million used as general working capital of the Group. Remaining HK\$0.27 million is placed with bank
29 September 2009	Grant of options to subscribe for new Shares at HK\$0.27 per Share	HK\$33.65 million (if the Options are exercised in full)	As general working capital and/or for the development of the Company's gold industry and/or any other new investment project which may be identified by the Company from time to time	Not applicable, pending for exercise

APPLICATION FOR LISTING

Application will be made by the Company to the GEM Listing Committee for granting the listing of, and permission to deal in, the Subscription Shares.

ISSUE OF THE SUBSCRIPTION SHARES PURSUANT TO GENERAL MANDATE

The Subscription Shares represent 13.02% of the total issued share capital of the Company as at the date of the Company's annual general meeting of 30 September 2009, in which a general mandate was granted to the Directors (the "**General Mandate**"). The Subscription Shares will be allotted and issued by the Company pursuant to the General Mandate. As at the date of this announcement, no Shares have been allotted and issued pursuant to the General Mandate.

GENERAL

The Group is principally engaged in gold exploration, mining and mineral processing in the PRC. It also involves in the design, manufacture and distribution of desktop personal computer display cards business.

DEFINITIONS

“Acquisition”	acquisition of the Sale Rights by T G Mining pursuant to the Acquisition Agreement, the details of which were set out in an announcement of the Company dated 29 October 2009
“Acquisition Agreement”	the agreement entered into by T G Mining on 29 October 2009 in relation to the Acquisition
“associate(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Baker Steel”	Baker Steel Capital Managers LLP
“Board”	the board of Directors
“Business Day”	means a day (other than Saturday and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong for general business
“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
“Completion”	completion of the Subscription pursuant to the Subscription Agreements
“connected persons”	has the same meaning ascribed to it under the GEM Listing Rules
“Deposit”	the deposit payable by the Subscribers pursuant to the Subscription Agreements
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	the listing subcommittee of the board of the Stock Exchange which is responsible for GEM
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons of the Company in accordance with the GEM Listing Rules
“Long Stop Date”	31 December 2009 (or such other date as the parties of the Subscription Agreements may agree), being the long stop date of the Subscription Agreements
“PRC”	The People’s Republic of China
“Sale Rights”	260,000,000 unit of rights (with options) to subscribe for new shares in Apex Minerals NL, a gold mining and gold production company listed on the Australian Stock Exchange
“Share(s)”	ordinary share(s) of HK\$0.004 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	Genus Dynamic Gold Fund, Ruffer Baker Steel Gold Fund, RIT Capital Partners Baker Steel, Baker Steel Gold Fund and Reach Goal Holding Limited
“Subscription”	the subscription of the Subscription Shares by the Subscriber(s) pursuant to the Subscription Agreements at the Subscription Price
“Subscription Agreement(s)”	the conditional subscription agreement(s) dated 30 October 2009 entered into between the Company and each of the Subscribers in relation to the Subscription subject to the terms and conditions contained therein
“Subscription Price”	HK\$0.125 per Subscription Share
“Subscription Share(s)”	355,003,200 new Shares in aggregate to be issued by the Company to the Subscribers pursuant to the Subscription Agreements upon Completion
“T G Mining”	T G Mining Asia Limited, an indirect wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent

By the Order of the Board
Grand T G Gold Holdings Limited
Lee Sing Leung, Robin
Chief Executive Officer & Executive Director

Hong Kong, 30 October 2009

As at the date of this announcement, the executive directors of the Company are Mr. Lee Shing, Mr. Lee Sing Leung, Robin and Ms. Kwok Tai Pan and the independent non-executive directors of the Company are Mr. Orr Joseph Wai Shing, Mr. Jiao Zhi and Dr. Cheung Wai Bun, Charles J.P.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with The Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company.

The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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/>