

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited 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 appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of Grand T G Gold Holdings Limited.*



## **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**

#### **SUBSCRIPTION AGREEMENT**

On 21 April 2010, the Company, the Subscriber and the Guarantor entered into the Subscription Agreement pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue a total of 792,096,000 new Shares at the Subscription Price of HK\$0.101 per Subscription Share.

The Subscription Shares represent approximately 6.96% of the existing issued share capital of the Company and approximately 6.51% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares. The aggregate nominal value of the Subscription Shares is HK\$3,168,384.

#### **Subscription Price**

The Subscription Price represents (i) a discount of approximately 5.61% to the closing price of HK\$0.1070 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; (ii) a discount of approximately 14.55% to the average closing price of HK\$0.1182 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day; and (iii) a discount of approximately 13.16% to the average closing price of HK\$0.1163 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day.

\* For identification purpose only

## **Condition of the Subscriptions**

Completion of the Subscriptions is conditional upon the GEM Listing Committee granting the listing of, and permission to deal in, the Subscription Shares. In the event that the aforesaid condition shall not have been fulfilled on or before 20 May 2010 (or such other day as the Company and the Subscriber may agree), the rights and obligations of the Subscriber and the Company in respect of the Subscriptions shall forthwith terminate and cease to have any effect, and the Company shall refund the deposit received (without interest) to the Subscriber.

## **Completion**

Subject to the fulfillment of the Condition, completion of the subscription of the First Tranche Subscription Shares will take place on the third Business Day after fulfillment of the Condition.

Subject to the fulfillment of the Condition, completion of the subscription of the Second Tranche Subscription Shares will take place on the date falling on one month after the First Tranche Completion Date.

## **GROSS AND NET PROCEEDS FROM THE SUBSCRIPTIONS**

The gross proceeds from the Subscriptions will be approximately HK\$80 million and the net proceeds of the Subscriptions will be approximately HK\$79.8 million. The net proceeds raised per Subscription Share upon completion of the Subscriptions will be approximately HK\$0.1007 per Subscription Share.

The Company intends to apply the net proceeds to be raised from the Subscriptions (i) as general working capital and for the existing projects of the Group which shall include but not limited to the construction of a new gold production plant, the details of which were stated in the Company's announcement dated 1 April 2010; and (ii) for the development of the Company's gold business and/or any other new investment projects which may be identified by the Company from time to time. The exact allocation of the net proceeds from the Subscriptions among the aforesaid proposed uses has not been fixed by the Company as at the date of this announcement.

## **LOCK-UP AND ESCROW ARRANGEMENT**

Each of the First Tranche Subscription Shares and the Second Tranche Subscription Shares will be subject to a lock-up period of three months from their respective date of issue during which no transfer of any of the relevant tranche of the Subscription Shares or creation of any Encumbrance over any of the relevant tranche of the Subscription Shares will be allowed. The share certificates of the relevant tranche of the Subscription Shares will be kept in escrow under the custody of the Company during their respective lock-up period.

# **SUBSCRIPTION AGREEMENT**

## **Date**

21 April 2010

## **Parties**

- (a) Issuer – the Company
- (b) Subscriber – Success Asia Investment Ltd.
- (c) Guarantor – Mr. Chan Yeuk Sen

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, the Guarantor, the Subscriber and its ultimate beneficial owner are third parties independent of and not connected with the Company and its connected persons. The Guarantor guarantees to the Company the due and punctual performance of the obligations of the Subscriber under the Subscription Agreement. As at the date of this announcement, the Subscriber and the Guarantor do not hold any Shares.

## **Subscription Shares**

The Subscription Shares represent approximately 6.96% of the existing issued share capital of the Company and approximately 6.51% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares. The aggregate nominal value of the Subscription Shares is HK\$3,168,384.

## **Ranking of Subscription Shares**

The First Tranche Subscription Shares, when issued and fully paid, will rank pari passu among themselves and with the Shares in issue on the date of issue and allotment of the First Tranche Subscription Shares.

The Second Tranche Subscription Shares, when issued and fully paid, will rank pari passu among themselves and with the Shares in issue on the date of issue and allotment of the Second Tranche Subscription Shares.

## **Subscription Price**

The Subscription Price is HK\$0.101 per Subscription Share, which represents:

- (i) a discount of approximately 5.61% to the closing price of HK\$0.1070 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement;
- (ii) a discount of approximately 14.55% to the average closing price of HK\$0.1182 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 13.16% to the average closing price of HK\$0.1163 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day.

## **Consideration**

The First Tranche Consideration of approximately HK\$40 million is payable in cash by the Subscriber to the Company in the following manner:

- (i) HK\$6 million has been paid by the Subscriber as deposit and towards part payment of the First Tranche Consideration (the “First Tranche Deposit”); and
- (ii) the balance in the sum of approximately HK\$34 million shall be paid by the Subscriber not later than one Business Day before the First Tranche Completion Date.

The Second Tranche Consideration of approximately HK\$40 million is payable in cash by the Subscriber to the Company in the following manner:

- (i) HK\$6 million has been paid by the Subscriber as deposit and towards part payment of the Second Tranche Consideration (the “Second Tranche Deposit”); and
- (ii) the balance in the sum of approximately HK\$34 million shall be paid by the Subscriber not later than one Business Day before the Second Tranche Completion Date.

The Subscription Price was arrived at after arm’s length negotiations between the Company and the Subscriber with reference to the recent market price of the Shares. The Directors (including the independent non-executive Directors) consider that the Subscription Price and the terms of the Subscription Agreement are fair and reasonable, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

## **Condition of the Subscriptions**

Completion of the Subscriptions is conditional upon the GEM Listing Committee granting the listing of, and permission to deal in, the Subscription Shares (the “**Condition**”).

In the event that the Condition shall not have been fulfilled on or before 20 May 2010 (or such other day as the Company and the Subscriber may agree), the rights and obligations of the Subscriber and the Company in respect of the Subscriptions shall forthwith terminate and cease to have any effect, and the Company shall refund the deposit received (without interest) to the Subscriber.

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

## **Completion**

Subject to the fulfillment of the Condition, completion of the subscription of the First Tranche Subscription Shares will take place on the First Tranche Completion Date, being the third Business Day after fulfillment of the Condition (or such other date as the Company and the Subscriber may agree).

If the Subscriber fails to perform its obligation to subscribe for the First Tranche Subscription Shares on the First Tranche Completion Date, the Company may by written notice forthwith terminate the Subscription Agreement (whereby the Company shall have no obligation to issue the Second Tranche Subscription Shares) and forfeit the First Tranche Deposit and the Second Tranche Deposit, without prejudice the Company’s right to claim damages and/or take legal action against the Subscriber in respect of its failure to perform its obligation to subscribe for the Subscription Shares.

Subject to the fulfillment of the Condition, completion of the subscription of the Second Tranche Subscription Shares will take place on the Second Tranche Completion Date, being the date falling on one month after the First Tranche Completion Date (or such other date as the Company and the Subscriber may agree).

If the Subscriber fails to perform its obligation to subscribe for the Second Tranche Subscription Shares on the Second Tranche Completion Date, the Company may by written notice forthwith terminate the Subscription Agreement and forfeit the Second Tranche Deposit, without prejudice the Company's right to claim damages and/or take legal action against the Subscriber in respect of its failure to perform its obligation to subscribe for the Second Tranche Subscription Shares.

## **REASONS FOR THE SUBSCRIPTIONS AND USE OF PROCEEDS**

The gross proceeds from the Subscriptions will be approximately HK\$80 million and the net proceeds of the Subscriptions will be approximately HK\$79.8 million. The net proceeds raised per Subscription Share upon completion of the Subscriptions will be approximately HK\$0.1007 per Subscription Share.

The Directors are of the view that the Subscriptions represent an opportunity to raise additional capital for the Group, to strengthen the financial position of the Group and to provide additional funding for the Group's gold mining business. Accordingly, the Directors consider that the Subscriptions are in the interests of the Company and the Shareholders as a whole.

The Company intends to apply the net proceeds to be raised from the Subscriptions (i) as general working capital and for the existing projects of the Group which shall include but not limited to the construction of a new gold production plant, the details of which were stated in the Company's announcement dated 1 April 2010; and (ii) for the development of the Company's gold business and/or any other new investment projects which may be identified by the Company from time to time. The exact allocation of the net proceeds from the Subscriptions among the aforesaid proposed uses has not been fixed by the Company as at the date of this announcement.

## **GENERAL MANDATE**

The Subscription Shares will be allotted and issued under the 2010 General Mandate. As at the date of this announcement, no Shares have been allotted and issued pursuant to the 2010 General Mandate. The Subscriptions and the issue of the Subscription Shares are not subject to the Shareholders' approval.

## **LOCK-UP AND ESCROW ARRANGEMENT**

The First Tranche Subscription Shares will be subject to a lock-up period of three months from the date of issue of the First Tranche Subscription Shares (the "**First Lock-up Period**") during which no transfer of any of the First Tranche Subscription Shares or creation of any Encumbrance over any of the First Tranche Subscription Shares will be allowed. The Subscriber undertakes to the Company that it will not transfer or create any Encumbrance over any of the First Tranche Subscription Shares during the First Lock-up Period. During the First Lock-up Period, the share certificates of the First Tranche Subscription Shares will be kept in escrow under the custody of the Company and the same will be released to the Subscriber after the expiry of the First Lock-up Period.

The Second Tranche Subscription Shares will be subject to a lock-up period of three months from the date of issue of the Second Tranche Subscription Shares (the “**Second Lock-up Period**”) during which no transfer of any of the Second Tranche Subscription Shares or creation of any Encumbrance over any of the Second Tranche Subscription Shares will be allowed. The Subscriber undertakes to the Company that it will not transfer or create any Encumbrance over any of the Second Tranche Subscription Shares during the Second Lock-up Period. During the Second Lock-up Period, the share certificates of the Second Tranche Subscription Shares will be kept in escrow under the custody of the Company and the same will be released to the Subscriber after the expiry of the Second Lock-up Period.

## **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

Set out below is the fund raising activities conducted by the Group in the past twelve months before the date of this announcement:

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds as at the date of this announcement</b>
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 business and/or any other new investment project which may be identified by the Company from time to time	Used as general working capital of the Group
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 business and/or any other new investment project which may be identified by the Company from time to time	Not applicable, pending for exercise
30 October 2009	Subscription of 355,003,200 Shares at HK\$0.125 per Share	HK\$44.2 million	For settlement of the consideration of the Acquisition and the amount payable upon exercise of the Sale Rights	Used as intended

Save as disclosed and except for the above, the Group has not conducted any fund raising activity in the past twelve months immediately before the date of this announcement.

## EFFECTS ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Subscriptions according to the information available to the Directors after having made reasonable enquiries are set out below (assuming there is no other change of the share capital structure of the Company prior to the First Tranche Completion Date and the Second Tranche Completion Date other than the Subscriptions):

	As at the date of this announcement		Immediately after the First Tranche Completion Date		Immediately after the First Tranche Completion Date and the Second Tranche Completion Date	
	<i>No. of Shares</i>	<i>Approximate % of shareholding</i>	<i>No. of Shares</i>	<i>Approximate % of shareholding</i>	<i>No. of Shares</i>	<i>Approximate % of shareholding</i>
<b>Non-public Shareholders</b>						
Yong Li Investments Limited ( <i>Note 1</i> )	1,472,400,000	12.94	1,472,400,000	12.50	1,472,400,000	12.10
Mr. Lee Sing Leung, Robin ( <i>Note 2</i> )	573,591,455	5.04	573,591,455	4.87	573,591,455	4.71
Mr. Ma Qian Zhou ( <i>Note 3</i> )	1,234,776,571	10.85	1,234,776,571	10.49	1,234,776,571	10.14
Sub-total	3,280,768,026	28.83	3,280,768,026	27.86	3,280,768,026	26.95
<b>Public Shareholders</b>						
The Subscriber	–	–	396,048,000	3.36	792,096,000	6.51
Other public Shareholders	8,099,808,245	71.17	8,099,808,245	68.78	8,099,808,245	66.54
	<u>11,380,576,271</u>	<u>100.00</u>	<u>11,776,624,271</u>	<u>100.00</u>	<u>12,172,672,271</u>	<u>100.00</u>

### Notes:

1. Yong Li Investments Limited is wholly-owned by Mr. Lee Shing, an executive Director and the chairman of the Company.
2. Mr. Lee Sing Leung, Robin is an executive Director and the chief executive officer of the Company.
3. Mr. Ma Qian Zhou is a shareholder, director and the general manager of Tongguan Taizhou Mining Company Limited, an indirect non-wholly owned subsidiary of the Company. Of these Shares, 169,348,000 Shares are held by Ms. Zhao Yuebing, the spouse of Mr. Ma Qian Zhou and therefore Mr. Ma Qian Zhou is deemed to have interests in these Shares.

## INFORMATION ON THE COMPANY

The Group is principally engaged in gold exploration, mining and mineral processing in the PRC.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions having the following meanings:

“2010 General Mandate”	The general mandate to allot, issue and deal with the Shares granted to the Directors by resolution of the Shareholders passed at the extraordinary general meeting of Company held on 8 February 2010 subject to the limit of up to 20% of the issued share capital of the Company as at the date of passing the resolution at the extraordinary ordinary meeting (i.e. 1,764,575,140 Shares)
“Acquisition”	acquisition of the Sale Rights by an indirect wholly-owned subsidiary of the Company pursuant to an acquisition agreement, the details of which were set out in the announcement of the Company dated 29 October 2009
“Board”	the board of Directors
“Business Day(s)”	means a day (excluding Saturday, Sunday and public holiday) on which banks are open for general business in Hong Kong
“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
“connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Encumbrance”	means any mortgage, charge, encumbrance, lien or any title transfer, claim, third party right or interest or other pre-emptive right or guaranteed interest under any guarantee agreement, arrangement or other rights or interests of any kind, whether relating to the present or future
“First Tranche Completion Date”	means the date being the third Business Day after the fulfillment of the Condition (or such other date as the Company and the Subscriber may agree)
“First Tranche Consideration”	means HK\$40,000,848 to be paid by the Subscriber to the Company as consideration for the First Tranche Subscription Shares
“First Tranche Subscription Shares”	means 396,048,000 new Shares to be subscribed for by the Subscriber on the First Tranche Completion Date pursuant to the Subscription Agreement
“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 GEM
“Group”	the Company and its subsidiaries
“Guarantor”	Mr. Chan Yeuk Sen, the legal and beneficial owner of the entire issued share capital of the Subscriber
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	20 April 2010, being the last trading day for the Shares on GEM immediately before the date of the Subscription Agreement
“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 as described in the announcement of the Company dated 29 October 2009
“Second Tranche Completion Date”	means the date falling on one (1) month after the First Tranche Completion Date (or such other date as the Company and the Subscriber may agree)
“Second Tranche Consideration”	means HK\$40,000,848 to be paid by the Subscriber to the Company as consideration for the Second Tranche Subscription Shares
“Second Tranche Subscription Shares”	means 396,048,000 new Shares to be subscribed for by the Subscriber on the Second Tranche Completion Date pursuant to the Subscription Agreement
“Share(s)”	ordinary share(s) of HK\$0.004 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Success Asia Investment Ltd., a company incorporated in Republic of Seychelles with limited liability whose principal business is investment holding
“Subscription(s)”	the subscription of the Subscription Shares pursuant to the terms of the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 21 April 2010 entered into between the Company, the Subscriber and the Guarantor in relation to the Subscriptions

“Subscription Price”	HK\$0.101 per Subscription Share
“Subscription Share(s)”	a total of 792,096,000 new Shares, being the aggregate of the First Tranche Subscription Shares and the Second Tranche Subscription Shares, to be subscribed for by the Subscriber pursuant to the Subscription Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board  
**GRAND T G GOLD HOLDINGS LIMITED**  
**Lee Sing Leung, Robin**  
*Chief Executive Officer and Executive Director*

Hong Kong, 21 April 2010

*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](http://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/>.*