



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 2010

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This announcement, for which the directors (the “Directors”) 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 Growth Enterprise Market 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: (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.

* For identification purpose only

HIGHLIGHTS

- Revenue from continuing operations was HK\$47,158,000, up 924% compared to the same period last year
- Gross profit from continuing operations was HK\$42,226,000, up 2,630% compared to the same period last year
- Profit attributable to equity holders of the Company was HK\$6,060,000, an increase of HK\$26,731,000 from a loss of HK\$20,671,000 for the same period last year
- Basic earnings per share from continuing operations increased to a profit of 0.05 HK cents from a loss of 0.68 HK cents per share for the same period last year

CHIEF EXECUTIVE OFFICER'S REVIEW

Introduction

On behalf of the board of the directors (the "Board") of Grand T G Gold Holdings Limited ("Grand T G" or the "Company"), together with its subsidiaries (the "Group"), I am pleased to report that during the first quarter ended 30 June 2010, we continued our remarkable resilience in profitability in the second half of last year into this quarter by posting a profit of approximately HK\$14 million.

The revenue for the quarter increased by more than 924% to approximately HK\$47.2 million over the corresponding period last year, with gross profit margin soaring to approximately 89.5%. With the increased revenue and operating profit margin, the EBITDA increased by HK\$30.2 million to a profit of approximately HK\$27.5 million from a loss of approximately HK\$2.7 million for the same period last year. As the increase in gold volume sales coupled with steady gold prices and lowering financing costs, the Group expects stronger operating cashflows.

During the quarter, the Group completed share placement of a total of 792 million new shares at an issue price of HK\$0.101, bringing in cash amounting to about HK\$80 million. The new shares resulted in a 6.2% expansion of the Company's share base.

As previously mentioned, our goal is to grow Grand T G to a substantial mid-tier global gold producer in medium term with presence in major gold producing regions in the world. The Company has adopted three objectives that guide the Company towards achieving this goal, namely (i) expansion of production capacity; (ii) increase of gold reserve and resources; and (iii) growth via mergers and acquisitions. Underpinning our goal, this year is expected to be a year of two halves. The first half of the year will be focused on developing the Group's existing gold mines and completion of existing growth projects. The second half of the year we shall experience a return to greater stability, predictability and consistency in our performance as the Group's development and growth projects are completed. During the course, we shall continue advancing our regionalization strategy and growing organically by leveraging on our existing production footprints in China and Australia.

Production

China

Benefited from the strong gold price and the increased gold production, higher recovery rates and gold grading from the Company's indirect non-wholly owned subsidiary, Tongguan Taizhou Mining Company Limited ("Taizhou Mining"), following the completion of upgrading its production facilities last year, the Group recorded a 924% increase in revenue to approximately HK\$47.2 million compared to the same period last year.

Construction of a new gold production plant situated within the existing gold mines was in progress during the quarter. The new plant, which has cyanidation, smelting and separation facilities, is expected to be completed in the third quarter of this year. Upon completion, the Group's gold ore production capacity will raise to about 500,000 tonnes annually. The new plant will also produce gold bars and recover other valuable minerals.

Australia

During the quarter, gold produced by Apex was up 15% to 16,300 ounces. Underground activities continued to improve with a 20% increase in ounces of gold mined. Further significant improvements are expected. Total development was 1,600 metres for the quarter, with over 1,000 metres from operating advance (up 70% on last quarter). Advance capital development effectively completed during the quarter with access and mining from 6 independent underground sources.

The gains in the June quarter have continued with July production rising to 6,670 ounces of gold for the month. It represents a 17% increase over production achieved in June and a 22% rise from the average monthly rate recorded in the June quarter.

Exploration

China

As mentioned last year, the Group will continue to devote its effort and resources to exploration and development in and around its existing gold operations, which remains the most effective way in which the Group can increase its gold resources. At the quarter end date, the Group's total gold reserve and resources stood at about 41 tonnes with another 6 tonnes of gold resources subject to final testing.

The Group contemplates a new exploration program involving deep level exploration this year with a budget cost of about RMB33 million. The Group targets to increase its gold reserve and resources by about 15 tonnes via the exploration program by 2011. These gold reserve and resources will provide a steady supply of ores for the new gold production plant.

Australia

Last year the new exploration program of Apex at the Wiluna gold project delivered immediate success with drilling having identified the extension of rich historic orebody close to its existing underground development. The ongoing exploration program is continuing to focus on near term opportunities such as the extensions of mineralization at its existing development area which has now been confirmed over more than 200 metres of vertical extent.

The Group will strive to extract greater value from the mining assets that it owns and operates by extending the life of mines and create incremental value through (i) use of more efficient cost structures and mining techniques; and (ii) increasing the gold reserve and resources base through focused development and selected capital expenditure.

Acquisitions

The Group is currently in the process of acquiring three gold mines in Henan, one of the largest gold producing provinces in China. The Group expects to complete the acquisition of at least one gold mine this year.

Last year, the Group made a milestone in extending its gold footprints outside of China into Australia by making a strategic investment in Apex Minerals NL (“Apex”), a gold mining and gold production company listed on the Australian Stock Exchange. According to its published information, Apex has gold reserve and resources of approximately 99.53 tonnes and key shareholders, including WWD Ruby Limited (Goldman Sachs), Baker Steel Capital Managers LLP, M&G UK Fund and T G Mining Asia Limited (an indirect wholly owned subsidiary of the Company).

The Group will continue to pursue actively growth opportunity via acquisition of quality gold assets in strategic geological locations, including China, Australia and South Africa.

Gold market

Gold price remained steady in the order of approximately US\$1,123.5 to US\$1,261.0 per ounce during the quarter.

Despite higher gold prices in recent years, global mine production has been declining over the past decade. Global mine output is reported to have decreased at a 0.8% compound rate from 1999 to 2008. It is expected that central bank portfolio realignment by placing more weight on gold holdings, especially with the ongoing Eurozone debt uncertainty, and the continuous strong gold demand in India and China will continue to support the gold price.

Looking ahead

Progressing our capacity expansion project remains our priority. Added to this, we will pursue further long term growth through acquisition and exploration.

The progress that we have made over the last few months is very much an indication of the spirit and commitment of all of our people. We shall carry on the activities to achieve our objective of continuing to deliver value for all our stakeholders into the future.

On behalf of the Board, I would like to express our gratitude to our shareholders for their ongoing support, and finally I also extend my appreciation to our Chairman and the Board for entrusting our management and operational teams with the opportunity to build a company that is determined to become a global senior mid-tier gold producer in the foreseeable future.

Lee Sing Leung, Robin

Chief Executive Officer and Executive Director

Hong Kong, 9 August 2010

FINANCIAL RESULTS

The board of Directors (the “Board”) of the Company is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months ended 30 June 2010, together with the comparative unaudited figures for the three months ended 30 June 2009, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

| | | (Unaudited) | |
|--|-------------|----------------------------|------------------------|
| | | Three months ended 30 June | |
| | | 2010 | 2009 |
| | <i>Note</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Continuing operations | | | |
| Revenue | 3 | 47,158 | 4,604 |
| Cost of sales | | <u>(4,932)</u> | <u>(3,057)</u> |
| Gross profit | | 42,226 | 1,547 |
| Other income | 3 | 308 | 1,657 |
| Selling and distribution expenses | | (55) | – |
| Administrative expenses | | <u>(15,105)</u> | <u>(7,267)</u> |
| Operating profit/(loss) | 4 | 27,374 | (4,063) |
| Finance costs | 5 | <u>(4,515)</u> | <u>(12,619)</u> |
| Profit/(loss) before tax | | 22,859 | (16,682) |
| Income tax expense | 6 | <u>(8,866)</u> | – |
| Profit/(loss) after tax from continuing operations | | 13,993 | (16,682) |
| Discontinued operation: | | | |
| Loss for the period from discontinued operation | 7 | <u>–</u> | <u>(3,823)</u> |
| Profit/(loss) for the period | | <u>13,993</u> | <u>(20,505)</u> |
| Profit/(loss) for the period attributable to: | | | |
| Equity holders of the Company | | 6,060 | (20,671) |
| Minority interests | | <u>7,933</u> | <u>166</u> |
| Profit/(loss) for the period | | <u>13,993</u> | <u>(20,505)</u> |
| | | <i>HK Cents</i> | <i>HK Cents</i> |
| Earnings/(loss) per share attributable to the equity holders of the Company for the period | | | |
| | 9 | | |
| From continuing and discontinued operations | | | |
| Basic | | <u>0.05</u> | <u>(0.84)</u> |
| Diluted | | <u>0.05</u> | <u>(0.30)</u> |
| From continuing operations | | | |
| Basic | | <u>0.05</u> | <u>(0.68)</u> |
| Diluted | | <u>0.05</u> | <u>(0.19)</u> |

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | (Unaudited) | |
|--|----------------------------|------------------------|
| | Three months ended 30 June | |
| | 2010 | 2009 |
| <i>Note</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Profit/(loss) for the period | 13,993 | (20,505) |
| Other comprehensive income for the period: | | |
| Exchange differences arising from translation of financial statements of overseas subsidiaries | <u>1,891</u> | <u>334</u> |
| Total comprehensive income/(loss) for the period | <u>15,884</u> | <u>(20,171)</u> |
| Total comprehensive income/(loss) attributable to: | | |
| Equity holders of the Company | 7,951 | (20,337) |
| Minority interests | <u>7,933</u> | <u>166</u> |
| | <u>15,884</u> | <u>(20,171)</u> |

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 30 June 2010

1. GENERAL INFORMATION

The Group is principally engaged in gold exploration, mining and mineral processing in the People's Republic of China (the "PRC") (the "Gold Mining Division"). It also had a discontinued business in the design, manufacture and distribution of desktop personal computer display cards (the "PC Component") which was disposed of in the year ended 31 March 2010.

2. BASIS OF PREPARATION

The unaudited consolidated results of the Group for the three months ended 30 June 2010 have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the GEM Listing Rules. The accounting policies adopted in preparing the unaudited consolidated results of the Group are consistent with those followed in the annual financial statements for the year ended 31 March 2010.

The preparation of the Group's unaudited condensed consolidated results requires management to make judgements, estimates and assumptions that affect the application of policies, classification and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

The Group has an interest of options and shares in Apex with a total carrying amount of approximately HK\$85 million. These assets have been held by the Group as long term investment and have been secured for the Group's financing facilities. As at 30 June 2010, the prevailing market prices of the options and the shares were A\$0.005 and A\$0.021 respectively (equivalent to approximately HK\$0.033 and HK\$0.138 respectively). The Group has reviewed the carrying amounts of these assets and no impairment loss has been made.

The Group has adopted all the new and amended HKFRSs, amendments and interpretations which are first effective for the current accounting period of and relevant to the Group. The adoption of new and amended HKFRSs had no material effect on how the unaudited consolidated results for the current or prior accounting periods have been prepared and presented.

3. REVENUE AND OTHER INCOME

Revenues recognized in the periods represent the net invoiced 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 | |
| | 2010 | 2009 |
| | HK\$'000 | HK\$'000 |
| Revenue: | | |
| Continuing operations | 47,158 | 4,604 |
| Discontinued operation | — | 6,908 |
| | <u>47,158</u> | <u>11,512</u> |
| Other income: | | |
| Continued operations | 308 | 1,657 |
| Discontinued operation | — | 21 |
| | <u>308</u> | <u>1,678</u> |

4. OPERATING PROFIT/(LOSS)

The Group's operating profit/(loss) is stated after charging the following:

| | (Unaudited) | |
|--|-----------------------------------|---------------------|
| | Three months ended 30 June | |
| | 2010 | 2009 |
| | HK\$'000 | HK\$'000 |
| Continuing operations: | | |
| Cost of inventories sold | 4,857 | 1,721 |
| Amortisation of intangible assets | – | 1,266 |
| Depreciation | 104 | 95 |
| Operating lease rentals in respect of land and buildings | 261 | 339 |
| Staff costs including directors' emoluments | 3,149 | 2,649 |
| | <u>3,149</u> | <u>2,649</u> |

5. FINANCE COSTS

| | (Unaudited) | |
|---------------------------------------|-----------------------------------|----------------------|
| | Three months ended 30 June | |
| | 2010 | 2009 |
| | HK\$'000 | HK\$'000 |
| Continuing operations: | | |
| Amortisation of convertible bonds | 12 | 10,487 |
| Interest on convertible bonds | 420 | – |
| Interest on bank loans and overdrafts | 4,083 | 1,350 |
| Interest on promissory note | – | 782 |
| | <u>4,515</u> | <u>12,619</u> |

6. INCOME TAX EXPENSE

| | (Unaudited) | |
|-------------------------------|-----------------------------------|------------------|
| | Three months ended 30 June | |
| | 2010 | 2009 |
| | HK\$'000 | HK\$'000 |
| Hong Kong profits tax | – | – |
| Overseas taxation | 8,866 | – |
| Deferred tax charged/(credit) | – | 13 |
| | <u>8,866</u> | <u>13</u> |
| Representing: | | |
| Continuing operations | 8,866 | – |
| Discontinued operation | – | 13 |
| | <u>8,866</u> | <u>13</u> |

No provision for Hong Kong profits tax has been made as the Group had no assessable profits for the period (three months ended 30 June 2009: 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.

7. DISCONTINUED OPERATION

On 10 November 2009, the Company and Eagle Lane Holdings Limited, a company owned by Mr. Chan Hing Yin who is a former executive director of the Company, entered into a sale and purchase agreement involving the disposal of the entire issued share capital of Eagle Up Holdings Limited, a wholly owned subsidiary of the Company holding the Company's PC Component Division (the "Disposal"). The Disposal was completed on 29 January 2010.

The unaudited results of the discontinued PC Component Division for the three months ended 30 June 2009 which have been included in the comparative unaudited consolidated results of the Group, are set out below. The income statement distinguishes discontinued operation from continuing operations and comparative figures have been restated.

| | (Unaudited) Three months ended 30 June 2009 <i>HK\$'000</i> |
|--|---|
| Turnover | 6,908 |
| Cost of sales | <u>(7,940)</u> |
| Gross loss | (1,032) |
| Other income | 21 |
| Selling and distribution expenses | (51) |
| General and administrative expenses | <u>(2,748)</u> |
| Loss before taxation from the discontinued operation | (3,810) |
| Taxation | <u>(13)</u> |
| Loss for the period from the discontinued operation | <u><u>(3,823)</u></u> |

8. DIVIDENDS

The Board does not recommend the payment of any dividend for the three months ended 30 June 2010 (three months ended 30 June 2009: Nil).

9. EARNINGS/(LOSS) PER SHARE

| | (Unaudited) | |
|--|------------------------------|-----------------------------|
| | Three months ended 30 June | |
| | 2010 | 2009 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Continuing and discontinued operations | | |
| Profit/(loss) attributable to equity holders of the Company | 6,060 | (20,671) |
| Amortisation of and interest on convertible bonds | 432 | 10,487 |
| | <u>6,492</u> | <u>(10,184)</u> |
| Earnings/(loss) attributable to the equity holders of the Company for calculation of diluted earnings/(loss) per share | <u><u>6,492</u></u> | <u><u>(10,184)</u></u> |
| Continuing operations | | |
| Profit/(loss) attributable to equity holders of the Company | 6,060 | (16,848) |
| Amortisation of and interest on convertible bonds | 432 | 10,487 |
| | <u>6,492</u> | <u>(6,361)</u> |
| Earnings/(loss) attributable to the equity holders of the Company for calculation of diluted earnings/(loss) per share | <u><u>6,492</u></u> | <u><u>(6,361)</u></u> |
| | Number of shares | |
| Weighted average number of ordinary shares in issue | 12,222,679,667 | 2,466,297,599 |
| Effect of diluted weighted average of ordinary shares on conversion of convertible bonds | <u>1,057,939,989</u> | <u>895,608,000</u> |
| Weighted average number of ordinary shares for calculation of diluted earnings/(loss) per share | <u><u>13,280,619,656</u></u> | <u><u>3,361,905,599</u></u> |

The diluted earnings/(loss) per share for the convertible bonds have not included the effect of potential ordinary shares outstanding for the portion of convertible bonds which have been redeemed during the year.

The above weighted average number of ordinary shares for calculation of the basic and diluted loss per share for the three months ended 30 June 2009 have been adjusted to take into account the consolidation of four existing shares into one consolidated share of the Company as approved by the shareholders of the Company at an extraordinary general meeting on 4 May 2009.

10. MOVEMENT OF RESERVES

| | Share premium HK\$'000 | Exchange reserve HK\$'000 | Share option reserve HK\$'000 | Capital reserve HK\$'000 | Revaluation reserve HK\$'000 | Statutory surplus reserve HK\$'000 | Statutory welfare fund HK\$'000 | Statutory general reserve HK\$'000 | Accumulated losses HK\$'000 | Total HK\$'000 |
|---|------------------------------|---------------------------------|--|--------------------------------|------------------------------------|---|--|---|-----------------------------------|-------------------|
| For the three months ended 30 June 2010 (Unaudited) | | | | | | | | | | |
| At 1 April 2010 | 1,502,068 | 912 | 26,703 | 37,696 | - | - | - | - | (74,556) | 1,492,823 |
| Issue of shares upon conversion of convertible bonds | 59,433 | - | - | (17,496) | - | - | - | - | - | 41,937 |
| Issue of shares | 76,727 | - | - | - | - | - | - | - | - | 76,727 |
| Transaction with owner | 136,160 | - | - | (17,496) | - | - | - | - | - | 118,664 |
| Net profit for the period | - | - | - | - | - | - | - | - | 6,060 | 6,060 |
| Other comprehensive income: Exchange differences arising from translation of financial statements of overseas subsidiaries | - | 1,891 | - | - | - | - | - | - | - | 1,891 |
| Total comprehensive income for the period | - | 1,891 | - | - | - | - | - | - | 6,060 | 7,951 |
| At 30 June 2010 | <u>1,638,228</u> | <u>2,803</u> | <u>26,703</u> | <u>20,200</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(68,496)</u> | <u>1,619,438</u> |
| For the three months ended 30 June 2009 (Unaudited) | | | | | | | | | | |
| At 1 April 2009 | 796,104 | 2,566 | - | 186,187 | 7,797 | 325 | 162 | 485 | (65,693) | 927,933 |
| Issue of shares | 62,263 | - | - | - | - | - | - | - | - | 62,263 |
| Transaction with owner | 62,263 | - | - | - | - | - | - | - | - | 62,263 |
| Loss for the period | - | - | - | - | - | - | - | - | (20,671) | (20,671) |
| Other comprehensive income: Exchange differences arising from translation of financial statements of overseas subsidiaries | - | 334 | - | - | - | - | - | - | - | 334 |
| Total comprehensive loss for the period | - | 334 | - | - | - | - | - | - | (20,671) | (20,337) |
| At 30 June 2009 | <u>858,367</u> | <u>2,900</u> | <u>-</u> | <u>186,187</u> | <u>7,797</u> | <u>325</u> | <u>162</u> | <u>485</u> | <u>(86,364)</u> | <u>969,859</u> |

11. COMPARATIVE FIGURES

Certain comparative figures have been re-classified to conform with current period's presentations.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The net profit attributable to equity holders of the Company for the quarter ended 30 June 2010 was HK\$6,060,000, an increase of HK\$26,731,000 from a loss of HK\$20,671,000 for the three months ended 30 June 2009. The improvement in profitability was attributable to the increase in revenue and profit margin of its gold mining operation. In the first quarter of 2009, the Group accounted for a loss of HK\$3,823,000 from its discontinued PC component operation which was disposed of by the Group in late last year.

Revenue

For the quarter ended 30 June 2010, the Group's turnover was HK\$47,158,000, representing a significant 924% increase compared to the corresponding period last year, mainly due to the increase in gold production from Taizhou Mining, strong prices, higher recovery rates and gold grading during the quarter.

Gross profit

Gross profit for the quarter was HK\$42,226,000, representing an increase of HK\$40,679,000 compared to the same period last year. Strong gold prices and increased gold production and recovery from Taizhou Mining following the completion of upgrading its production facilities last year had contributed to the improved financial performance of the Group.

Earnings per share

Basic earnings per share from continuing operations for the quarter increased to a profit of 0.05 HK cents from a loss of 0.68 HK cents per share. Similarly the diluted earnings per share from continuing operations for the quarter increased to a profit of 0.05 HK cents from a loss of 0.19 HK cents per share. The loss per share for continuing and discontinued operations for the period ended 30 June 2009 included the results from the Group's discontinued PC component operation which was subsequently disposed of.

Issue of New Shares

During the quarter, the subscriptions of 792,096,000 new shares of the Company in aggregate at a price of HK\$0.101 per share were completed, raising net aggregate proceeds of approximately HK\$79.8 million.

SHARE OPTION SCHEME

Pursuant to a share option scheme adopted by the Company on 4 March 2009, the Directors may, at their discretion, offer to employees, Directors of the Company or its subsidiaries other eligible participants options to subscribe for shares in the Company subject to the terms and conditions stipulated therein. The exercise price of options is the highest of the nominal value of the shares, the closing price of the shares on The Stock Exchange of Hong Kong Limited on the date of grant and the average closing price of the shares on The Stock Exchange of Hong Kong Limited for the five business days immediately preceding the date of grant.

On 19 November 2009, the Company granted share options ("Share Options") to certain directors, employees and suppliers of services of the Group to subscribe for a total of 206.3 million ordinary shares of HK\$0.004 each in the capital of the Company (the "Shares") at an exercise price of HK\$0.15. The exercise period covers the period from 1 June 2010 to 18 November 2019. No options were exercised, cancelled, forfeited or lapsed up to 30 June 2010.

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

As at 30 June 2010, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares pursuant to the convertible bonds due 2013 and the New Share Option Scheme (“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 of the Company

| Name | Capacity | Number and class of securities | | Approximate % of the issued share capital of the Company |
|--|--------------------------------------|--------------------------------|-------------------------|--|
| | | Shares | Underlying Shares | |
| Lee Shing | Interest in a controlled corporation | 1,472,400,000 (Note 1) | – | 11.53% |
| | Personal interest | – | 27,000,000 (Note 2) | 0.21% |
| Lee Sing Leung, Robin (“Mr. Robin Lee”) | Personal interest | 573,591,455 | 124,376,000 (Note 3) | 5.46% |
| Kwok Tai Pan | Personal interest | – | 27,000,000 (Note 2) | 0.21% |
| Orr Joseph Wai Sing | Personal interest | – | 3,100,000 (Note 2) | 0.02% |
| Jiao Zhi | Personal interest | – | 3,100,000 (Note 2) | 0.02% |
| Dr. Cheung Wai Bun, Charles J.P. | Personal interest | – | 3,100,000 (Note 2) | 0.02% |

Notes:

1. These Shares are held by Yong Li Investments Limited which is wholly and beneficially owned by Mr. Lee Shing, an executive Director and Chairman of the Company.
2. 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 to the above Directors pursuant to the New Share Option Scheme.
3. The Underlying Shares were derived from interest of the convertible bonds due 2013 in the principal amount of HK\$6,816,320 owned by Mr. Robin Lee and the 27,000,000 Share Options granted to him pursuant to the New Share Option Scheme.

Save as disclosed above, as at 30 June 2010, 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 2010.

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

So far as is known to any Director or chief executives of the Company, as at 30 June 2010, 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 of the Company

| Name | Capacity | Number and class of securities | | Approximate % of the issued share capital of the Company |
|--|--------------------------------------|----------------------------------|-------------------------------|--|
| | | Shares | Underlying Shares | |
| Ma Qian Zhou (“Mr. Ma”) | Beneficial owner | 1,234,776,571 <i>(Note 1)</i> | – | 9.67% |
| | | | 27,000,000 <i>(Note 2)</i> | 0.21% |
| Chan Yeuk Sen | Interest in a controlled corporation | 792,096,000 <i>(Note 3)</i> | – | 6.20% |
| Baker Steel Capital Managers LLP (“Baker Steel”) | Interest in controlled corporations | 714,547,200 <i>(Note 4)</i> | – | 5.59% |

Notes:

1. Mr. Ma 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, and therefore Mr. Ma is deemed to have interests in these Shares.
2. These are the share options granted by the Company on 19 November 2009.
3. These Shares are held by Midway International Holdings Ltd. which is wholly and beneficially owned by Mr. Chan Yeuk Sen.
4. These Shares were held by five funds managed by Baker Steel, namely Genus Natural Resources Master Fund, Genus Dynamic Gold Fund, Ruffer Baker Steel Gold Fund, RIT Capital Partners Baker Steel and Baker Steel Gold Fund.

Save as disclosed above, as at 30 June 2010, 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.

COMPETING INTERESTS

None of the Directors or the management shareholders of the Company or their respective associates (as defined in the GEM Listing Rules) had an interest in a business which competes or may compete with the business of the Group during the three months ended 30 June 2010.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the three months ended 30 June 2010, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the shares of the Company.

AUDIT COMMITTEE

The Audit Committee provides a link between the Board and the Company's external auditors in matters falling within the scope of the Group's audit, reviews the Company's annual report, half-yearly report and quarterly reports and provides advice and comments thereon to the Board, supervises the financial reporting process and internal control procedures of the Group and, monitors relationship with the Company's external auditors. The Audit Committee comprises three independent non-executive Directors, namely, Dr. Cheung Wai Bun, Charles J.P., Mr. Jiao Zhi and Mr. Orr Joseph Wai Shing, who is the chairman of the Audit Committee. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed financial reporting matters including a review of the unaudited consolidated results of the Group for the three months ended 30 June 2010.

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

Hong Kong, 9 August 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 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/>