



[For immediate release]

Grand TG Gold announces loan capitalization to strengthen financial position

(10 January 2010, Hong Kong) Grand TG Gold Holdings Limited ("Grand TG Gold" or the "Company"; stock code: 8299) entered into a conditional agreement with Mr. Ma Qian Zhou ("Mr. Ma"), the original mine owner, and a director and holder of 20% equity interest of Tongguan Taizhou Mining Company Limited, which is an indirect non-wholly owned subsidiary of the Company, to capitalize the sum of RMB66,000,000 (equivalent to HK\$74,580,000) owed by the Group to Mr. Ma. The Company will issue 1,065,428,571 shares at the price of HK\$0.07 per share to Mr. Ma in consideration for full and final settlement of the debt.

Mr. Robin Lee, Executive Director of Grand TG Gold Holdings Limited said, "Following completion of the disposal of PC components business, the Company will streamline its business and make gold exploration, mining and mineral processing the sole business. We believe that loan capitalization can alleviate the loan repayment pressure and avoid unnecessary cash outflow. The share issue will enlarge the capital base of the Company and will reduce the gearing level, thereby strengthening the financial position for its continuous development of gold business. At the same time, the Company continues to endeavour to reduce its borrowings, including encouragement of the holders of the convertible bonds of the Company to exercise their conversion rights, to a much lower level in the near future."

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About Grand TG Gold Holdings Limited

The Group is principally engaged in exploration, mining and mineral processing in the PRC. It has been involved in gold mining in Tongguan County, Shaanxi Province.

This press release is issued by PR Concepts Asia Limited for and on behalf of Grand TG Gold Holdings Limited.

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