



[For immediate release]

Grand TG Gold announces expansions in the gold exploration and mining business

- Total gold reserve reaches 45 tonnes -

Highlights

- Entering into a framework agreement to acquire 100% interest in Hongjin mining in Henan Province for a consideration of HK\$41.25 million.
- Entered into a MOU to acquire 100% interest in Hongnan mining in Henan Province, for a consideration of HK\$31 million – HK\$43.8 million, determined according to the gold reserve and resources.
- According to the report issued by SRK, the total gold reserve and resources of the Group's mines in Tongguan County, Shaanxi Province have increased to 41 tonnes.
- Upon the completion of acquisition of gold mines and reserve update, the total gold reserve of the Group is expected to exceed 45 tonnes.

(7 September 2009, Hong Kong) Grand TG Gold Holdings Limited ("Grand TG Gold" or the "Group"; stock code: 8299) is engaged in exploration, mining and mineral processing in the PRC. The Group today announced several new arrangements in business expansion and strengthening capital structure, including acquisition of 2 gold mines, increase in gold reserve as well as possible adjustment in the conversion price of its convertible bonds.

The Group has entered into a framework agreement to acquire 100% interest in Hongjin gold mine in Henan Province for a consideration of HK\$41.25 million, which will be satisfied by HK\$4.8 million in cash (HK\$2 million in cash in the first acquisition) and the issuance of 135,000,000 consideration new shares (60,000,000 consideration new shares in the first acquisition) at the price of HK\$0.27 per share. The issue price represents a premium of approximately 82.93% to the average closing price of approximately HK\$0.1476 for the last five trading days ended 4 September 2009. The target company is in the process of applying for registration as the legal owner of the exploration permit covering an area of approximately 23.1 km² in Henan Province. According to a technical report by SRK, an independent technical adviser of international repute, the gold reserve and resources of the area covered amount to approximately 3.29 tonnes.



In addition, the Group has entered into the MOU to acquire another gold mine in Zhengzhou, Henan Province by 2 stages: 1) acquire 60% interest at a consideration of HK\$18.6 million, which will be satisfied by HK\$4.8 million in cash and the issuance of 43,125,000 consideration new shares at the price of HK\$0.32 per share. The issue price represents a premium of approximately 116.8% to the average closing price of approximately HK\$0.1476 for the last five trading days ended 4 September 2009; 2) the consideration for acquisition of the remaining 40% shall be determined and calculated according to the gold reserve and resources of the target company. If the gold reserve and resources reach 10 tonnes or above, the highest consideration for the second acquisition will be HK\$25.2 million, which will be satisfied by the issuance of 78,750,000 consideration new shares at the price of HK\$0.32 per share. Total consideration will be HK\$31 million – HK\$43.8 million, The target company is in the process of applying for registration as the legal owner of the exploration permit covering an area of approximately 2.85 km² in Henan Province, with gold reserve and resources of not less than 2.5 tonnes.

According to the report issued by SRK, the total gold reserve and resources of the Group's mines in Tongguan County, Shaanxi Province have increased by 6.6 tonnes to 41 tonnes. Following the completion of acquisition of gold mines and reserve update, the total gold reserve and resources of the Group is expected to increase to about 45 tonnes.

Meanwhile, with the potential adjustment of the conversion price of the convertible bonds upon completion of the subscription of new shares by Genus Natural Resources Master Fund as stated in a separate announcement today, the management plans to strengthen the capital structure of the Group by contacting the convertible bonds holders and to encourage them to exercise their conversion rights before 30 April 2010. As stated in the same announcement, the plan will also include negotiation with the promissory notes holders for an issue of new shares in consideration of the promissory notes.

Mr. Robin Lee, Executive Director of Grand TG Gold Holdings Limited said, "The Group has determined goals in pursuing the gold exploration and mining businesses. Finalization of the new acquisitions will put the Group on a fast track for growth in this promising business segment. Leveraging on an experienced management team for future business development plan, the Group sets to be a very competitive gold producer in the market."

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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. In addition, the Group has scaled down its personal computer component business in order to focus its resources and effort on the gold mining business.

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

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