



**[For immediate release]**

## **Grand TG Gold announces progressively improved Q3 results**

(9 February 2010, Hong Kong) Grand TG Gold Holdings Limited ( "Grand TG Gold" or the "Company"; stock code: 8299 ) announced its third quarter results for the nine months ended 31 December 2009.

The Company recorded turnover (excluding the discontinued PC component business) of HK\$54,043,000 for the nine months ended 31 December 2009, representing an increase of 45.9% as compared to that for the corresponding period in prior year. Its turnover (excluding the discontinued PC component business) for the three months ended 31 December 2009 surged 525.6% on a quarter-to-quarter basis to HK\$36,670,000, which was mainly attributable from increased gold production from a non-wholly owned subsidiary, Tongguan Taizhou Mining Company Limited ("Taizhou Mining"), strong gold prices, higher recovery rates and gold grading. Due to improving results in this quarter, the Company has made impressive improvement by recording a net profit attributable to equity holders of HK\$774,000. It is encouraging that gold operations have provided positive operating cash flows to the Company.

Commenting on the results, Mr. Robin Lee, Executive Director of Grand TG Gold Holdings Limited said, "In order to strengthen the structure of our principal business of exploration, mining and processing, the Company has undergone a period of corporate restructuring by disposal of weakening PC component business and establishment of a solid foundation for the development of gold business, with a vision to become a global senior mid-tier gold producer over a medium term."

Grand TG Gold has set three objectives for guidelines to achieve the goal. These are:

### **Expansion of production capacity**

During the period, the Company had completed upgrading the production facilities at the gold mines of Taizhou Mining. Both production capacity and recovery rate have greatly improved. New gold veins have been put into production and more operating gold assets are in the pipeline, which will provide steady supply of ores for processing, and thus result in a stability, predictability and consistency in the Company's performance. The Company will continue to invest in enhancement of its existing production capacity and building of additional ducts to gold veins of the mines in the remaining time of the year and the forthcoming year.



### **Increase of gold reserve and resources**

According to the report issued by an independent technical advisor, SRK, the total gold reserve and resources of the mines of Taizhou Mining have increased by 6.6 tonnes to 41 tonnes, up 19.27%. Upon completion of further exploration program during the period, the preliminary results showed that there were additional gold resources of approximately of 6 tonnes. Subject to final testing, the Company's gold reserve and resources will increase to about 47 tonnes, representing an increase of 36.7%.

### **Growth via Mergers & Acquisitions (M&A)**

Grand TG Gold is actively pursuing growth opportunities via acquisition of operational gold mining assets that will enhance current mining operations. The Company had concluded several transactions for potential acquisition of gold assets to extend its foothold in China's largest gold producing regions. The Company entered into 2 framework agreements for acquisition of:

- A) 100% equity interest in Hongjin gold mine in Henan Province for a consideration of HK\$41,250,000, with an estimated gold reserve and resources of approximately 3.29 tonnes according to SRK report.
- B) 60% equity interest in Hongnan gold mine in Henan Province for a consideration of HK\$18,600,000, with gold reserve and resources of not less than 2.5 tonnes. Consideration for acquisition of the remaining 40% will vary in accordance with the gold reserve and resources as certified by a professional consultant.

Subsequent to the quarter end, the Company has entered into another MOU on 14 January 2010 for the acquisition of 60% equity interest in Jiaying gold mine in Henan Province for a consideration of HK\$12,960,000, with gold reserve and resources of not less than 2.2 tonnes. Again, consideration for acquisition of the remaining 40% will vary in accordance with the gold reserve and resources as certified by a professional consultant.

Outside China, the Company has increased its quality and low cost gold assets portfolio by investing in another largest gold producing region in the world, Australia. During the period, the Company acquired a 7.84% interest of Apex Minerals NL ("Apex"), a gold mining and gold production company listed on the Australian Stock Exchange. Besides the Company, Apex's key shareholders include WWD Ruby Limited (Goldman Sachs), Baker Steel Capital Managers LLP, M&G UK Fund.



According to its published information, Apex had gold reserve and resources of approximately 99.53 tonnes as at 8 October 2009.

Upon completion the framework agreements, Grand TG Gold's total gold holding is expected to increase to more than 60 tonnes for its China operations and its strategic investment in Apex which has gold holding of more than 99 tonnes.

Mr. Lee concluded, "As compared to the prevailing market capitalization-to-resources ratios and price-to-book ratios of other listed gold mining companies, we believe our gold investments are highly competitive. We will focus on consolidating the operational gains made so far and plan to step up exploration, increase production to not less than 1,300 tonnes of ore per day (equivalent to 65,000 ounces per annum) in 2010, enhance mining technologies and entrench regionalization strategy by M&A so as to enlarge the Company's quality gold asset portfolio in line with its grow strategy. All these will lay the foundation to achieve greater stability, predictability and consistency in the Company's senior mid-tier production objective."

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

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