TAUNG GOLD INTERNATIONAL LIMITED

壇金礦業有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 621)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

The Board of Directors of Taung Gold International Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 September 2011 were as follows:

RESULTS

For the six months ended 30 September 2011, the Group recorded a loss attributable to owners of the Company of approximately HK$31,430,000. The loss per share amounted to HK0.91 cent.

DIVIDEND

The Board of Directors has resolved not to recommend the payment of an interim dividend for the six months ended 30 September 2011.

* *For identification purpose only*

Unaudited Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 September 2011

	Notes	Six months ended 30 September **2011** *HK$'000*	2010 *HK$'000*
Revenue	2	**8,181**	8,900
Cost of sales		**(30,235)**	(2,095)
Gross (loss)/profit		**(22,054)**	6,805
Other income		**1,893**	154
Administrative and operating expenses		**(12,576)**	(8,689)
Finance costs	4	**—**	(82)
Loss before taxation		**(32,737)**	(1,812)
Income tax credit/(expense)	5	**95**	(1,939)
Loss for the period	6	**(32,642)**	(3,751)
Other comprehensive (expense)/income:			
Exchange differences arising on translation of foreign operations		**(110,553)**	1,809
Total comprehensive expense for the period		**(143,195)**	(1,942)
Loss for the period attributable to:			
Owners of the company		**(31,430)**	(4,351)
Non-controlling interests		**(1,212)**	600
		(32,642)	(3,751)
Total comprehensive (expense)/income for the period attributable to:			
Owners of the company		**(107,266)**	(2,947)
Non-controlling interests		**(35,929)**	1,005
		(143,195)	(1,942)
Dividend		**—**	—
Loss per share (basic and diluted)	7	**0.91 cent**	0.25 cent

Unaudited Condensed Consolidated Statement of Financial Position
As at 30 September 2011

	Notes	30 September 2011 HK$'000	31 March 2011 HK$'000
Non-current assets			
Property, plant and equipment	8	**7,367**	12,924
Mining rights	9	**120,171**	281,120
Exploration assets	10	**4,732,286**	—
Provisional goodwill	11	**630,951**	—
Interests in associates	12	**—**	—
Prepayments		**—**	1,410
Deposits for rehabilitation		**1,328**	—
Loan receivable	13	**519,865**	—
Loan to shareholders of a subsidiary	14	**338,886**	—
		6,350,854	295,454
Current assets			
Inventories		**16**	15
Trade and other receivables	15	**214,122**	48,412
Tax recoverable		**7,464**	—
Due from associates	12	**29,279**	—
Pledged bank deposits	16	**5,293**	5,921
Cash and bank balances		**565,418**	156,069
		821,592	210,417
Assets classified as held for sale	17	**—**	87,360
Assets of disposal groups classified as held for sale	17	**357,376**	—
		1,178,968	297,777
Current liabilities			
Trade and other payables	18	**115,049**	30,757
Current tax liabilities		**—**	2,944
		115,049	33,701
Liabilities of disposal groups classified as held for sale	17	**25,890**	—
		140,939	33,701
Net current assets		**1,038,029**	264,076
Total assets less current liabilities		**7,388,883**	559,530

	Notes	30 September 2011 HK$'000	31 March 2011 HK$'000
Capital and reserves			
Share capital	*19*	**121,799**	21,979
Reserves		**4,571,000**	435,422
Equity attributable to owners of the Company		**4,692,799**	457,401
Non-controlling interests		**1,424,428**	75,544
Total equity		**6,117,227**	532,945
Non-current liabilities			
Deferred tax liabilities		**1,271,327**	26,265
Provision for restoration cost		**329**	320
		1,271,656	26,585
Total equity and non-current liabilities		**7,388,883**	559,530

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2011

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements ("interim financial statements") have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Exchange") and with Hong Kong Accounting Standard ("HKAS") 34, "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The interim financial statements have been prepared under the historical cost convention except for certain properties, plant and equipment and financial instruments, which are measured at revalued amounts or fair values, as appropriate. The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2011.

The Group has adopted the following revised standards, and amendments and interpretations:

HKFRSs (Amendments)	Improvement to HKFRSs issued in 2010
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKAS 24 (Revised)	Related Party Disclosures
HKAS 32 (Amendment)	Classification of Right Issues
Hong Kong (International Financial Reporting Interpretations Committee) ("HK(IFRIC)") — Interpretation ("Int") 14 (Amendment)	Prepayments of a Minimum Funding Requirement
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments

The adoption of these standards, amendments and interpretations has no significant impact on the results and financial positions of the Group.

The following standards and amendments which have been issued and are not yet effective have not been early adopted by the Group:

HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
HKFRS 7 (Amendment)	Disclosures — Transfers of Financial Assets
HKFRS 9	Financial Instruments
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 1 (Amendment)	Presentation of Items of Other Comprehensive Income
HKAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Assets
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures

The Group is in the process of making an assessment of the impact of these standards and amendments on the financial statements of the Group in the initial application.

2. REVENUE

An analysis of the Group's revenue for the period is as follows:

	Six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
Revenue from gold mining operations	**—**	4,570
Revenue from coal mining operations	**—**	4,298
Revenue from sale of minerals	**7,858**	—
Revenue from loan guarantee service operations	**323**	32
	8,181	8,900

3. SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance.

An analysis of the Group's revenue and results by principal activities, in respect of the Group's operations for the six months ended 30 September 2011 is as follows:

2011

	Gold mining operations *HK$'000*	Coal mining operations *HK$'000*	Sale of minerals *HK$'000*	Loan guarantee service operations *HK$'000*	Total *HK$'000*
REVENUE					
External sales	**—**	**—**	**7,858**	**323**	**8,181**
Inter-segment sales	**—**	**—**	**—**	**—**	**—**
Total	**—**	**—**	**7,858**	**323**	**8,181**
RESULTS					
Segment results	**(5,841)**	**(1,473)**	**(20,685)**	**(651)**	**(28,650)**
Unallocated income					**1,893**
Unallocated corporate expenses					**(5,980)**
Finance costs					**—**
Loss before tax					**(32,737)**
Income tax credit					**95**
Loss for the period					**(32,642)**
Segment assets	**6,563,978**	**—**	**30,075**	**—**	**6,594,053**
Due from associates					**29,279**
Classified as held for sale	**—**	**275,754**	**—**	**81,622**	**357,376**
Unallocated assets *(Note)*					**549,114**
Total assets					**7,529,822**

Note: A loan receivable of HK$519,865,000 was included in unallocated assets, details of which are set out in note 13.

2010 (restated)

	Gold mining operations *HK$'000*	Coal mining operations *HK$'000*	Sales of minerals *HK$'000*	Loan guarantee service operations *HK$'000*	Total *HK$'000*
REVENUE					
External sales	4,570	4,298	—	32	8,900
Inter-segment sales	—	—	—	—	—
Total	4,570	4,298	—	32	8,900
RESULTS					
Segment results	3,540	2,970	(1)	(1,482)	5,027
Unallocated income					154
Unallocated corporate expenses					(6,911)
Finance costs					(82)
Loss before tax					(1,812)
Income tax expenses					(1,939)
Loss for the period					(3,751)
Segment assets	92,055	272,792	40	76,874	441,761
Unallocated assets					9,066
Total assets					450,827

4. FINANCE COSTS

	Six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
Effective interest expense on promissory note payable	—	(82)
	—	(82)

5. INCOME TAX CREDIT/(EXPENSE)

(a) Hong Kong profits tax is calculated at 16.5% (2010: 16.5%) of the estimated assessable profits for the period. The PRC subsidiaries are subject to the PRC enterprise income tax at 25% (2010: 25%). The South African subsidiaries are subject to corporate tax at 28%.

(b) The tax credit/(expense) for the period is made up as follows:

	Six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
Current tax		
— Hong Kong	**—**	—
— PRC	**—**	(1,939)
— South Africa	**—**	—
Deferred tax credit	**95**	—
	95	(1,939)

6. LOSS FOR THE PERIOD

	Six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
Cost of services and inventories recognised as an expense	**30,235**	2,095
Depreciation for property, plant and equipment	**1,033**	763
Amortization of mining rights	**1,136**	1,030
Minimum lease payments paid under operating leases during the period:		
— Premises	**821**	647
Employee benefits expense (including directors' remuneration):		
Wages and salaries	**4,486**	3,018
Contributions to retirement benefits scheme	**46**	58
Less: Amounts capitalised in projects	**(1,236)**	—
	3,296	3,076
Interest income	**72**	154
Imputed interest received from loan to shareholders of a subsidiary	**1,821**	—

7. LOSS PER SHARE

The calculations of basic and diluted loss per share for the six months ended 30 September 2011 together with the comparative figures for 2010 are as follows:

	Six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
Loss for the purpose of basic and diluted loss per share	**(31,430)**	(4,351)

	Six months ended 30 September	
	2011	2010
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**3,439,289,457**	1,708,018,045

The denominators used are the same as those detailed above for both basic and diluted loss per share.

The computation of diluted loss per share did not assume the exercise of the Company's outstanding warrants and options as their exercise would reduce the loss per share for the periods ended 30 September 2010 and 2011.

8. CAPITAL EXPENDITURE

	Property, plant and equipment
	HK$'000
Net book value as at 1 April 2011	**12,924**
Acquisition of subsidiaries	**5,707**
Additions	**72**
Reclassified as held for sale	**(10,038)**
Depreciation	**(1,033)**
Foreign currency exchange differences	**(265)**
Net book value as at 30 September 2011	**7,367**

9. MINING RIGHTS

	HK$'000
Net book value as at 1 April 2011	**281,120**
Reallocated from assets held for sale	**87,360**
Reclassified as assets of disposal groups classified as held for sale	**(257,075)**
Amortisation	**(1,136)**
Foreign currency exchange differences	**9,902**
Net book value as at 30 September 2011	**120,171**

10. EXPLORATION ASSETS

	HK$'000
Net book value as at 1 April 2011	**—**
Acquisition of subsidiaries	**4,719,000**
Additions	**39,963**
Foreign currency exchange differences	**(26,677)**
Net book value as at 30 September 2011	**4,732,286**

11. BUSINESS COMBINATIONS

Pursuant to an acquisition agreement dated 28 January 2011, an amendment agreement dated 22 March 2011 and a second amendment agreement dated 22 July 2011, the Group will acquire up to 86.966% of the issued share capital of Taung Gold Limited ("TGL"). The Group is interested directly and indirectly in approximately 75.81% of the issued share capital of TGL on 8 September 2011 (the "Completion Date"). At the end of the reporting period, the Group's interest in the issued share capital of TGL decreased to approximately 68.92%, as a result of the exercise of warrants held by a warrant holder of TGL on 28 September 2011.

TGL and its subsidiaries are engaged in the acquisition, exploration and development of mineral assets in respect of gold (and minerals associated with gold) located in South Africa. The primary assets of TGL are the Evander Project and the Jeanette Project. The Evander Project and Jeanette Project are advanced gold exploration projects for which scoping studies have been completed and for which pre-feasibility studies and bankable feasibility studies have been commissioned.

The fair value of the Group's share of TGL's identifiable assets acquired and liabilities and contingent liabilities assumed could only be determined on a provisional basis pending completion of the fair value appraisal process. The Group is still in the process of identifying and valuing intangible assets, warrants and options of TGL that can be recognised separately from goodwill.

The provisional net assets acquired in the acquisition were as follows:

	HK$'000
Purchase consideration	**4,001,984**
Provisional fair value of net assets acquired — shown as below	**(3,371,033)**
Provisional goodwill	**630,951**

Provisional fair value of net assets acquired:

	HK$'000
Property, plant and equipment	**5,707**
Exploration assets	**4,719,000**
Deposits for rehabilitation	**1,471**
Loans to shareholders	**373,752**
Other receivables	**170,339**
Tax recoverable	**5,162**
Pledged bank deposits	**5,866**
Cash and bank balances	**463,928**
Loan from shareholders	**(758)**
Trade and other payables	**(53,213)**
Deferred tax liabilities	**(1,244,824)**
Non-controlling interests	**(1,075,397)**
	3,371,033

Consideration transferred

	HK$'000
Fair value of 8,699,964,972 consideration shares issued	**4,001,984**

Notes:

(i) The fair value of the 8,699,964,972 consideration shares issued was determined by reference to the published share price at the date of exchange.

(ii) The acquisition-related costs have been excluded from the consideration transferred and have been recognised as expenses in the consolidated statement of comprehensive income.

Net cash inflow arising on acquisition of subsidiaries for the period ended 30 September 2011 is as follows:

	HK$'000
Cash and bank balances acquired	**463,928**
Pledged bank deposits	**5,866**
Less: Consideration paid in cash	**—**
Total	**469,794**

12. INTERESTS IN ASSOCIATES

During the reporting period, the Group had the following associates, the particulars of which at 30 September 2011 are as follows:

Name of associates	Place of incorporation/ operations	Class of shares held	Percentage of equity attributable to the Company	Principal activities
Goldster Global Limited *(Note)*	British Virgin Islands	Ordinary	45%	Investment holding
Great Global Farming (Holdings) Limited	Hong Kong/PRC	Ordinary	45%	Forestry
Oneshine Investments Limited	British Virgin Islands/PRC	Ordinary	44%	Coal trading

Note: Goldster Global Limited was a wholly-owned subsidiary of the Company. On 2 September 2011, the Company disposed of 55% interest in Goldster Global Limited to a third party.

The Group's entitlement to share in the profit or loss in these associates is in proportion to its ownership interest. There is no share of results of associates for the six months ended 30 September 2011.

	30 September 2011 *HK$'000*
Unlisted shares, at cost	—
Due from associates	**29,279**
	29,279

Amounts due from associates are unsecured, interest-free and repayable on demand.

13. LOAN RECEIVABLE

At the Company's special general meeting held on 19 August 2011, an ordinary resolution was passed by the Company's shareholders for granting the put options to South African resident shareholders of TGL (the "South African Shareholders") in relation to the sale to the Company through Gold Commercial Services Limited ("GoldCom") of 21,174,316 shares of TGL ("TG Shares") for a consideration of 1,130,141,116 new shares of the Company and involving the issue of a loan note by GoldCom to the Company.

The South African Shareholders are subject to foreign exchange control restrictions. In terms of these restrictions, they would be prohibited from on-selling, transferring or otherwise dealing in the Company's shares. Accordingly, GoldCom, the Company and the South African Shareholders entered into the agreements pursuant to which GoldCom will subscribe for 1,130,141,116 shares of the Company in consideration for a non-interest bearing loan note of approximately HK$463,358,000 (the "Loan Note") issued to the Company.

The South African Shareholders has the right to sell TG Shares to the Company through GoldCom at any time within three years from 8 September 2011, the completion date of the acquisition of TGL (the "Completion Date").

The South African Shareholder shall instruct GoldCom to sell a number of the Company's shares relevant to their own TG Shares being sold. GoldCom shall pay the relevant South African Shareholder the cash proceeds raised from such sale of Company's shares and then transfer the TG Shares to the Company that shall constitute partial repayment of the Loan Note. The principal amount of the Loan Note will reduce accordingly upon the transfer of TG Shares to the Company.

If any South African Shareholder has not sold his TG Shares in full within the three year exercise period, GoldCom shall sell the remaining Company's shares it then holds and the cash proceeds from such sale shall be paid to the Company as partial repayment of the Loan Note. If the trading price of the Company's shares at the time GoldCom sells such Company's Shares is below the issue price of HK$0.41, the cash proceeds from the sale of such Company's shares, combined with the previous repayments may not be sufficient to repay the Loan Note in full. The Company will incur a loss by writing down the unsettled loan amount.

The amount of the Loan Note of approximately HK$463,358,000 is calculated based on the issue price of HK$0.41 per share. The value of the Loan Note as at 30 September 2011 was HK$519,865,000 which was determined by reference to the published share price at the date of exchange.

14. LOAN TO SHAREHOLDERS OF A SUBSIDIARY

Under the broad-based black economic empowerment requirement (the "BEE Requirement") in South Africa, BEE entities must hold no less than 26.0% of the issued share capital of TGL at all times for so long as this is required by South African laws. On 22 July 2011, TGL and its BEE partner, Sephaku Gold Holdings Limited ("SepGold") entered into a vendor financing agreement for the purpose of complying with the BEE Requirement pursuant to which TGL will, subject to conditions, grant a loan to SepGold to enable it to (i) exercise its warrants held in TGL and thereby subscribe for the corresponding number of TG Shares; and (ii) to subscribe for such number of additional TG Shares as are necessary to bring its shareholding in TGL to at least 26.0% (the "Loan"). The Loan will be interest free and will be repayable on or before 31 December 2014. However, if the Loan is not repaid in full by this date, it shall accrue interest at the prime rate quoted by ABSA Bank from time to time plus 4% compounded annually in arrears. 50% of any dividends declared by TGL in any financial year shall be applied in repayment of the Loan. The TG Shares acquired by SepGold pursuant to the Loan shall be pledged to TGL as security for repayment of the Loan.

For so long as the BEE Requirement is in place, and upon the exercise by the option holders of TGL of their options to acquire TG Shares, TGL will make further loans to SepGold on substantially the same terms as the Loan, to enable it to subscribe for the necessary number of TG Shares so as to prevent dilution of its shareholding in TGL and thereby maintain such shareholding at a minimum of 26.0%.

15. TRADE AND OTHER RECEIVABLES

An aged analysis of the Group's trade and other receivables as at 30 September 2011 is as follows:

	30 September 2011 *HK$'000*	31 March 2011 *HK$'000*
Trade receivables, with aged analysis		
Current to 90 days	**2,501**	34,790
181 days to 365 days	**410**	—
Total trade receivables as shown under current assets	**2,911**	34,790
Deposits paid for purchase of goods	**27,000**	16,210
Deposits paid for acquisition of a gold project	**118,122**	—
Prepayments, deposits and other receivables	**62,003**	6,927
Less: Impairment of deposits paid for purchase of goods	**(8,105)**	(8,105)
Loan to shareholders of a subsidiary	**26,471**	—
	225,491	15,032
Less: Prepayments classified as non-current assets	**—**	(1,410)
Less: Assets of disposal groups classified as held for sale	**(14,280)**	—
	211,211	13,622
	214,122	48,412

16. PLEDGED BANK DEPOSITS

As at 30 September 2011, a subsidiary of the Company in South Africa had pledged bank deposits of approximately South African Rand ("ZAR") 5,377,000 (equivalent to approximately HK$5,293,000) in relation to the provision of guarantee to a contractor, the Department of Mineral Resources, a lessor and a bank for credit card services.

As at 31 March 2011, the Group had pledged bank deposits of approximately US$763,000 (equivalent to approximately HK$5,921,000) in relation to the provision of loan guarantee service in the PRC.

17. ASSETS CLASSIFIED AS HELD FOR SALE AND ASSETS/LIABILITIES OF DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

Assets classified as held for sale

On 31 December 2010 and 30 June 2011, Guizhou Jinyida Mining Company Limited ("貴州金億達礦業有限公司"), (the "vendor"), an indirect subsidiary of the Company, entered into a sale and purchase agreement and a supplemental agreement with an independent third party, pursuant to which the purchaser conditionally agreed to purchase and the vendor conditionally agreed to sell certain coal mining licences for a total consideration of RMB76,000,000 (equivalent to approximately HK$90,000,000). A deposit of approximately RMB17,000,000 (equivalent to approximately HK$20,000,000) has been received by the Group which is included in trade and other payables as at 30 September 2011. The transaction has not been completed as of 30 September 2011 and a termination agreement has been signed on 6 October 2011.

	30 September 2011 ***HK$'000***	31 March 2011 *HK$'000*
Mining rights in the PRC	**—**	87,360

Assets/liabilities of disposal groups classified as held for sale

(a) On 7 October 2011, the Company entered into a sale and purchase agreement with an independent third party, pursuant to which the purchaser conditionally agreed to purchase and the vendor conditionally agreed to sell Bless Luck International Limited ("Bless Luck"), an indirect holding company of Guizhou Jinyida Mining Company Limited, and the sale loan, at a total consideration of HK$195,000,000.

(b) On 17 August 2011, the Group entered into a sale and purchase agreement with an independent third party to dispose of the entire issued share capital of China Fortune International Investments Limited ("China Fortune"), an indirectly wholly-owned subsidiary of the Company, and the sale loan, for an aggregate consideration of HK$73,000,000.

China Fortune is the holding company of Guizhou Baoxin Investment and Guaranty Co. Ltd. which was established in Guizhou Province, the PRC. A deposit of HK$30,000,000 has been received by the Company which is included in trade and other payable as at 30 September 2011.

The net assets of disposal groups as at 30 September 2011 comprise the following:

	30 September 2011 ***HK$'000***
Assets of disposal groups classified as held for sale	**357,376**
Liabilities of disposal groups classified as held for sale	**(25,890)**
	331,486

As at 30 September 2011, the assets and liabilities related to the disposal groups were presented as held for sale:

	30 September 2011 *HK$'000*
Property, plant and equipment	**10,038**
Mining Rights	**257,075**
Prepayments (non-current)	**1,718**
Prepayments, deposits and other receivables	**12,562**
Pledged bank deposits	**7,317**
Cash and bank balances	**68,666**
Assets of disposal groups classified as held for sale	**357,376**
Accrued liabilities and other payables	**(2,394)**
Amount due to a director	**(222)**
Provision for guarantees	**(581)**
Deposit received for disposal of mining licences	**(20,000)**
Tax payables	**(2,693)**
Liabilities of disposal groups classified as held for sale	**(25,890)**

18. TRADE AND OTHER PAYABLES

An aged analysis of the Group's trade and other payables as at 30 September 2011 is as follows:

	30 September 2011 *HK$'000*	31 March 2011 *HK$'000*
Trade payables, with aged analysis		
Current to 90 days	**79,805**	—
Total trade payables as shown under current liabilities	**79,805**	—
Other payables and accruals	**8,220**	10,541
Amounts due to a director	**221**	216
Deposit received for disposal of mining licences	**20,000**	20,000
Deposit received for disposal of guarantee business	**30,000**	—
	58,441	30,757
Less: Liabilities of disposal groups classified as held for sale	**(23,197)**	—
	35,244	30,757
	115,049	30,757

19. SHARE CAPITAL

	Number of shares	Amount *HK$'000*
Authorised:		
At 31 March 2011		
Ordinary shares of HK$0.01 each	**15,000,000,000**	**150,000**
Increase in ordinary shares of HK$0.01 each	**15,000,000,000**	**150,000**
At 30 September 2011		
Ordinary shares of HK$0.01 each	**30,000,000,000**	**300,000**
Issued and fully paid:		
At 31 March 2011		
Ordinary shares of HK$0.01 each	**2,197,909,600**	**21,979**
Exercise of warrants	**147,500,000**	**1,475**
Exercise of options	**4,400,000**	**44**
Issue and allotment of ordinary shares on the acquisition of TGL *(note 11)*	**8,699,964,972**	**87,000**
Issue and allotment of ordinary shares for the loan receivable *(note 13)*	**1,130,141,116**	**11,301**
At 30 September 2011		
Ordinary shares of HK$0.01 each	**12,179,915,688**	**121,799**

20. OPERATING LEASES

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

	30 September 2011 ***HK$'000***	31 March 2011 *HK$'000*
Within one year	**2,696**	274
In the second to fifth year inclusive	**3,420**	—
	6,116	274

21. COMMITMENTS

	30 September 2011 *HK$'000*	31 March 2011 *HK$'000*
Capital commitment to the registered capital of a PRC subsidiary payable by the Group	**7,228**	7,228
Capital commitment to invest in an associate company	**27,851**	—
Capital commitment to gold projects:		
— Drilling contracts	**37,144**	—
— Pre-feasibility study consulting contracts	**16,391**	—
— Other service contracts	**629**	—
	89,243	7,228

22. CONTINGENT LIABILITIES

As at 30 September 2011, the Group had contingent liabilities of approximately RMB19,700,000 (equivalent to approximately HK$23,981,000) (31 March 2011: RMB19,200,000) in relation to the provision of loan guarantee service in the PRC.

For acquisition of the Evander Project in South Africa, subject to approval of the Minister of the Department of Mineral Resources of South Africa for the transfer of mining right, TGL is obliged to pay ZAR105,000,000 (equivalent to approximately of HK$103,360,000) of the balance of acquisition price and a commission of ZAR5,250,000 (equivalent to approximately HK$5,168,000) will also become payable.

23. LITIGATION

On 4 July 2011, Lee Hing Mining Industry Limited, an indirectly wholly-owned subsidiary of the Company, commenced a lawsuit at a district court in Indonesia against a supplier involving a claimed amount of approximately HK$27,800,000 in respect of the supplier's failure to supply certain minerals, in terms of quality and quantity specified in the supply contract, and for recovery of down payment made to the supplier and potential loss arising from the breach of contract by the supplier. Based on the legal advice, the Group initiated an arbitration process for this case.

24. COMPARATIVE FIGURES

Certain comparative figures have been re-classified in order to conform with the presentation of current period.

CHANGE OF COMPANY NAME

With effect from 14 October 2011, the English name of the Company has been changed from "Wing Hing International (Holdings) Limited" to "Taung Gold International Limited", and the Chinese name of the Company for identification purpose from "永興國際(控股)有限公司" to "壇金礦業有限公司". The Certificate of Incorporation on Change of Name was issued by the Registrar of Companies in Bermuda on 8 September 2011.

Following the change of company name, the English stock short name for trading in the shares of the Company on the Stock Exchange was changed from "WING HING INT'L" to "TAUNG GOLD" in English and from "永興國際" to "壇金礦業" in Chinese with effect on 1 November 2011. The stock code of the Company being "621" remains unchanged.

Details of the change of company name are set out in the circular of the Company dated 28 July 2011 and the announcement of the Company dated 25 October 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in the operations of coal mines and gold mines and sale of minerals.

BUSINESS REVIEW

During the period under review, the Group has recorded a turnover of approximately HK$8,181,000 which represents a decrease of 8% compared with the turnover recorded in the corresponding period of last year. The Group recorded a net loss from ordinary activities attributable to owners of approximately HK$31,430,000 compared with a net loss from ordinary activities attributable to owners of approximately HK$4,351,000 for the corresponding period of last year.

The net loss is mainly attributable to the sale of minerals business, and is a result of one of the Group's suppliers' failure in supplying certain minerals according to the terms of conditions specified in a contract. The Group commenced a lawsuit at a district court in Indonesia against the supplier claiming an amount of approximately HK$27,800,000 for the loss and damages suffered.

The other comprehensive expense of approximately HK$110,553,000 mainly arises from the exchange difference on the translation of South African operations.

Gold Mining Operations

As at 30 September 2011, the Group is interested, directly and indirectly, in approximately 68.92% of the issued share capital of Taung Gold Limited ("TGL"). TGL and its subsidiaries hold the Evander and Jeanette Projects. These projects are not in production but both are in an advanced exploration stage. Scoping studies have been completed for both projects and the pre-feasibility and bankable feasibility studies have been commenced, with a clear plan to proceed to production.

The Group holds a gold mining right in Long Men Sou in Hebei Province of the PRC with a mining area of approximately 0.3611 sq. km and production capacity of 500 tons per annum. During the period under review, the production of Long Men Sou Mine has been temporarily suspended to investigate the possibility of a more efficient production method by the mining expertise.

The Group has incurred approximately HK$39,963,000 for the explorations and nil for development and production activities of the above projects respectively during the period under review.

The table below presents the estimated resources of the Group's gold mines as at 30 September 2011:

	Gold resources (estimated indicated or above)		Total gold resources	
Gold mining projects	**Ore**	**Gold metal**	**Ore**	**Gold metal**
	(tons)	*(kg)*	*(tons)*	*(kg)*
Long Men Sou Mine	—	—	1,399,455	7,420
Evander Project	15,573,078	144,090	29,577,000	250,793
Jeanette Project	23,030,000	220,580	62,910,000	471,370
Total	38,603,078	364,670	93,886,455	729,583

Coal Mining Operations

The Group owns five coal mining licences in the PRC including Tiechong Coal Mine, Xinghe Coal Mine, Shuishan Coal Mine, Lushan Coal Mine and the Dayan Coal Mine (the "Coal Mining Licences").

On 7 October 2011, the Group entered into a sale and purchase agreement with an independent third party of the Group for disposal of the entire issued share capital of Bless Luck International Limited ("Bless Luck"), a wholly-owned subsidiary of the Company which indirectly hold the Coal Mining Licences, and the sale loan, for an aggregate consideration of HK$195,000,000 which will be satisfied as follows (i) HK$25,000,000 in cash as refundable deposit upon signing of the Sale and Purchase Agreement; and (ii) HK$170,000,000 by way of issue of the promissory notes upon the date of completion. At the date of this interim results announcement, the disposal of Bless Luck has not yet been completed.

Details of the disposal of Bless Luck is set out in the announcement of the Company dated 7 October 2011.

As set out in the announcement of the Company dated 4 April 2011 and the circular of the Company dated 28 July 2011, the Company has undertaken to dispose the Coal Mining Licences. The Group has not incurred further cost for the explorations, development and production of the mines nor has it leased out any of the Coal Mining Licences during the period under review.

The table below presents the estimated reserves and resources of the Group's coal mines as at 30 September 2011:

Coal mining licences	**Total coal reserves** *(tons)*	**Total coal resources** *(tons)*
Tiechong Licence	40,000	5,850,000
Shuishan Licence	—	8,350,000
Lushan Licence	2,820,000	6,620,000
Xinghe Licence	680,000	9,050,000
Dayan Licence	18,980,000	30,920,000
Total	22,520,000	60,790,000

Loan Guarantee Service Operations

On 17 August 2011, the Group entered into a sale and purchase agreement with an independent third party to dispose of the entire issued share capital of China Fortune International Investments Limited ("China Fortune"), an indirectly wholly-owned subsidiary of the Company, and the sale loan, for an aggregate consideration of HK$73,000,000.

China Fortune is the holding company of Guizhou Baoxin Investment and Guaranty Co. Ltd. (the "PRC Subsidiary") which was established in Guizhou Province, the PRC. The PRC Subsidiary is at the early stage of developing financial guarantee services in the PRC. It has not yet contributed any profit to the Group during the reporting period. At the date of this interim results announcement, the disposal of China Fortune (the "Disposal") has not yet been completed.

Details of the Disposal is set out in the announcement of the Company dated 17 August 2011.

PROSPECTS

During the period under review, the Group, through an acquisition, acquired directly and indirectly approximately 68.92% of the issued share capital of TGL and the Company's name has been changed to Taung Gold International Limited.

Through the acquisition, the Group has two advanced gold exploration projects in the Republic of South Africa, namely the Evander Project and the Jeanette Project. According to a competent persons report, the total estimated indicated (or above) gold resources of these projects amount to an aggregate of approximately 11,725,000 ounces. The estimated gold resources of these projects are approximately 23,218,000 ounces.

The Board believes that the pool of talented and experienced senior management and key employees of TGL will significantly assist the Group to develop its gold exploration and mining business.

The Board expects the actual production of the Evander Project and the Jeanette Project to commence in the third quarter of 2014 or early 2015 and in 2016 respectively.

The Board believes that given the remaining uncertainties with respect to the Euro-zone debt situation, the general low interest rate environment and the tendency for central banks to be net buyers of gold in recent years, the upward trend in the gold price will continue for the next few years.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2011, the Group's had no outstanding bank borrowings (31 March 2011: Nil) and no banking facilities (31 March 2011: Nil).

The Group's gearing ratio as at 30 September 2011 was zero (31 March 2011: Zero), calculated based on the Group's total zero borrowings (31 March 2011: Zero) over the Group's total assets of approximately HK$7,529,822,000 (31 March 2011: HK$593,231,000).

As at 30 September 2011, the balances of cash and cash equivalents of the Group were approximately HK$565,418,000 (31 March 2011: HK$156,069,000) and were mainly denominated in Hong Kong Dollars, Renminbi, United States Dollars and South African Rand.

The Group continues to adopt a policy of dealing principally with clients with whom the Group has enjoyed a long working relationship so as to minimize risks in its business.

FOREIGN EXCHANGE EXPOSURE

During the period ended 30 September 2011, the Group operated mainly in the PRC and the Republic of South Africa, and the majority of the Group's transactions and balances were denominated in Hong Kong Dollars, Renminbi, United States Dollars and South African Rand. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries, purchased, redeemed or sold any of the Company's listed securities during the period ended 30 September 2011.

OTHER INFORMATION

Unlisted Warrants

The following table discloses movements in the Company's unlisted warrants issued to the subscribers during the six months ended 30 September 2011:

Date of warrant issued	Outstanding at beginning of the period	Granted during the period	Exercise during the period	Outstanding at end of the period	Subscription price *HK$*	Exercise period	Percentage to total Company's shares in issue at end of the period
10 March 2010	236,348,000	—	147,500,000	88,848,000	0.160	10 March 2010– 9 March 2015	0.73%

The following table discloses movements in TGL's unlisted warrants issued to Electrum Strategic Exploration Limited, the substantial shareholder of the Company, during the period from 8 September 2011 (completion date of acquisition of TGL) (the "Completion Date") to 30 September 2011:

Date of warrant issued	Outstanding at Completion Date	Granted during the period	Exercise during the period	Outstanding at end of the period	Subscription price *ZAR*	Exercise period
June 2010 (prior to the Completion Date)	21,500,000	—	21,500,000	—	5.00	June 2010– June 2014

On 28 September 2011, Electrum Strategic Exploration Limited exercised its 21,500,000 warrants to acquire 21,500,000 shares in TGL at an exercise price of ZAR5.00 per share. The net proceeds from the aforesaid amounted to ZAR107,500,000 (equivalent to approximately HK$105,818,000) which is intended to be used for the general working capital of the Group and potential investments.

After the exercise of warrants, the Group is interested in approximately 68.92% of the issued share capital of TGL.

Share Option Scheme

At the Company's special general meeting held on 4 January 2010, an ordinary resolution was passed by the Company's shareholders for adoption of a new share option scheme (the "2010 Share Option Scheme") (which complies with the amended Chapter 17 of the Listing Rules) and termination of the Company's share option scheme adopted on 28 August 2002. There were 27,584,800 options outstanding as at 30 September 2011 which represented approximately 0.23% of the total number of issued shares of the Company as at that date.

During the six months ended 30 September 2011, the movements of the options which have been granted under the 2010 Share Option Scheme are as follows:

Category of participants	Date of share options granted	Outstanding at beginning of the period	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	Outstanding at end of the period	Subscription price *HK$*	Exercise period
Employees of the Group	2 March 2010	31,984,800	—	4,400,000	—	27,584,800	0.1846	2 March 2010 to 2 March 2012
		31,984,800	—	4,400,000	—	27,584,800		

TGL approved an option scheme during 2010 (prior to the Completion Date) to enable employees to acquire shares in TGL to provide them with incentives to advance TGL's interest, to promote an identity of interest with shareholders and to retain the skills and expertise of employees. The total number of shares issued in terms of the scheme will not exceed 10% of the issued share capital of TGL.

During the period from the Completion Date to 30 September 2011, the movements of the options which have been granted under the share option scheme of TGL are as follows:

Category of participants	Date of share options granted	Outstanding at the Completion Date	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	Outstanding at end of the period	Subscription price *ZAR*	Exercise period
Employees of TGL	26 May 2010	6,737,312	—	—	—	6,737,312	4.950	26 May 2010– 25 May 2015
Employees of TGL	26 July 2010	6,238,000	—	—	—	6,238,000	4.950	26 July 2010– 25 July 2015
Employees of TGL	1 September 2010	7,964,737	—	—	—	7,964,737	7.425	1 September 2010–31 August 2015
Employees of TGL	1 November 2010	2,705,161	—	—	—	2,705,161	9.900	1 November 2010–31 October 2015
		23,645,210	—	—	—	23,645,210		

There were 23,645,210 options outstanding as at 30 September 2011 which represented approximately 10.00% of the total number of issued shares of TGL as at that date.

At the Company's special general meeting held on 19 August 2011, an ordinary resolution was passed by the Company's shareholders for granting of a put option to holders of options in TGL in relation to the sale to the Company of up to 18,916,168 shares of TGL acquired pursuant to the exercise of options in TGL for an aggregate consideration of up to 1,009,616,519 shares of the Company.

Directors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares

As at 30 September 2011, neither the directors and the Chief Executive of the Company nor any of their respective associates had any interests or short positions in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' Interests

Persons who have an interest or short position which is discloseable under provisions of Divisions 2 and 3 of Part XV of the SFO

So far as is known to the Directors of the Company, as at 30 September 2011, the following persons (including Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name of shareholders	Number of ordinary shares held	Underlying shares of equity derivatives	Total interest	Percentage of issued ordinary shares as at 30 September 2011
Electrum Strategic Exploration Limited *(note 1)*	2,295,047,831	—	2,295,047,831	18.84%
Mandra Materials Limited *(note 2)*	1,745,693,838	—	1,745,693,838	14.33%
Mandra ESOP Limited *(note 2)*	287,722,674	—	287,722,674	2.36%
Able Union Limited	747,224,875	—	747,224,875	6.13%

Notes:

(1) The entire share capital of Electrum Strategic Exploration Limited is wholly-owned by GRAT Holdings LLC. Hence, GRAT Holdings LLC is deemed to be interested in the Shares held by Electrum Strategic Exploration Limited for the purpose of SFO.

(2) Mandra Materials Limited and Mandra ESOP Limited are wholly-owned by Beansprouts Limited which in turn is owned as to 50% by Zhang Songyi and 50% owned by Mui Bing How. Hence, Zhang Songyi and Mui Bing How are deemed to be interested in the Shares held by Mandra Materials Limited and Mandra ESOP Limited for the purpose of SFO.

Save as disclosed above, as at 30 September 2011, the Directors of the Company were not aware of any other person who had, or was deemed to have, interests or short positions in the Shares or underlying Shares, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

CORPORATE GOVERNANCE

Audit Committee

The Company has established an audit committee with written terms of reference based on the guidelines recommended by the Hong Kong Institute of Certified Public Accountants and the mandatory provisions as set out in the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules. The audit committee comprises three independent non-executive Directors, Mr. Chui Man Lung, Everett, Mr. Hui Wah Tat, Anthony and Mr. Li Kam Chung. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control procedures of the Group, and to review the Company's annual and interim reports.

The audit committee has also reviewed the Group's unaudited results for the six months ended 30 September 2011.

Change in Information of Directors

The independent non-executive director's fee per annum of Mr. Chui Man Lung, Everett, Mr. Li Kam Chung and Mr. Hui Wah Tat, Anthony has been renewed to HK$100,000 with effect on 1 August 2011, 1 August 2011 and 1 October 2011 respectively.

Save as disclosed above, there is no other change in information of the directors of the Company to be disclosed pursuant to Rule 13.51(B) of the Listing Rules subsequent to the date of the 2011 Annual Report of the Company.

Compliance with Code on Corporate Governance Practices

None of the Directors is aware of any information that would reasonably indicate that the Group is not, or was not for any part of the accounting period covered by this interim results announcement in compliance with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules except for code provision A.2.1 and A.4.1 of the Code which stated below.

Code Provision A.2.1 requires the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. To make and to facilitate the implementation of decisions promptly and efficiently, the Company has not separated the roles of the chairman and the chief executive officer which are performed by the same individual, Mr. Li Ho Yin. The Company will review the current structure when and as it becomes appropriate in future.

Code Provision A.4.1 requires non-executive directors should be appointed for a specific term and subject to re-election. The independent non-executive Directors of the Company are not appointed for specific terms but are subject to retirement by rotation in accordance with the bye-laws of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the requirements of the Model Code as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding the securities transactions of the Directors of the Company. Having made specific enquiry to all Directors of the Company, they have confirmed that they complied with the required standard set out in the Model Code during the accounting period covered by this interim results announcement.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

This results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited website at www.hkexnews.hk under "Latest Listed Companies Information" and on the website of the Company at www.taunggold.com under "Investors & media". The interim report of the Company containing all the information required by the Listing Rules will be published on the websites in due course.

On behalf of the Board
Taung Gold International Limited
Li Hok Yin
Chairman and Chief Executive Officer

Hong Kong, 29 November 2011

As at the date of this announcement, the Board comprises six Directors. The Executive Directors are Mr. Li Hok Yin, Ms. Cheung Pak Sum and Mr. Shen Junchen. The Independent Non-executive Directors are Mr. Chui Man Lung, Everett, Mr. Hui Wah Tat, Anthony and Mr. Li Kam Chung.