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TAUNG GOLD INTERNATIONAL LIMITED
壇金礦業有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 621)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2013

RESULT

The Board of Directors of Taung Gold International Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2013 together with the comparative figures for the year ended 31 March 2012 as follows:

Consolidated Statement of Comprehensive Income
For the year ended 31 March 2013

	Notes	2013 HK$'000	2012 HK$'000
Continuing operations:			
Revenue	5	**4,592**	7,858
Cost of sales		**(4,564)**	(47,149)
Gross profit (loss)		**28**	(39,291)
Other income	7	**64,144**	35,483
Other gains	8	**1,870**	42
Loss arising from issuance of warrants by a subsidiary		**–**	(140,937)
Loss arising from issuance of put options	19(b)	**–**	(91,928)
Fair value change on put options	19(b)	**7,307**	43,636
Fair value change on gross obligation under put options	19(a)	**21,397**	599,133
Administrative and operating expenses		**(39,342)**	(29,954)
Impairment loss recognised in respect of exploration assets		**–**	(478,255)
Loss on acquisition of a subsidiary	16	**(95,025)**	–
Loss on acquisition of an associate	14	**(90,228)**	–
Share of profit of associates		**2,586**	1,981
Finance costs	9	**(1)**	(1)
Loss before taxation		**(127,264)**	(100,091)
Income tax expense	10	**–**	–
Loss for the year from continuing operations	11	**(127,264)**	(100,091)

* *For identification purpose only*

	Note	**2013**	2012
		HK$'000	*HK$'000*
Discontinued operations:			
Profit for the year from discontinued operations		**–**	12,707
Loss for the year		**(127,264)**	(87,384)
Other comprehensive expense for the year:			
Exchange difference on translation of foreign operations		**(187,892)**	(70,437)
Release of foreign currency translation reserve to profit or loss upon disposal of subsidiaries		**–**	(21,499)
Total comprehensive expense for the year		**(315,156)**	(179,320)
(Loss) profit for the year attributable to owners of the Company			
– from continuing operations		**(150,196)**	(229,696)
– from discontinued operations		**–**	11,884
		(150,196)	(217,812)
Profit for the year attributable to non-controlling interests			
– from continuing operations		**22,932**	129,605
– from discontinued operations		**–**	823
		22,932	130,428
		(127,264)	(87,384)
Total comprehensive (expense) income attributable to:			
Owners of the Company		**(279,691)**	(286,616)
Non-controlling interests		**(35,465)**	107,296
		(315,156)	(179,320)
Loss per share			
From continuing and discontinued operations:			
Basic and diluted (HK cents)	*12*	**(1.36)**	(3.02)
From continuing operations:			
Basic and diluted (HK cents)		**(1.36)**	(3.18)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2013

	Notes	2013 HK$'000	2012 HK$'000
Non-current assets			
Property, plant and equipment		**4,609**	6,280
Mining rights		**–**	–
Exploration assets	13	**5,070,000**	5,094,795
Interests in associates	14	**32,472**	29,877
Amount due from an associate		**29,287**	29,287
Loans to shareholders of a subsidiary		**297,408**	310,545
Deposits for rehabilitation		**1,153**	1,374
Promissory notes	15	**–**	85,000
Other assets		**–**	340
Pledged bank deposits		**3,093**	6,189
		5,438,022	5,563,687
Current assets			
Inventories		**8,470**	8,470
Other receivables		**24,541**	47,019
Promissory notes	15	**127,500**	171,000
Bank balances and cash		**236,970**	514,637
		397,481	741,126
Assets classified as held for sale		**450**	2,837
		397,931	743,963
Current liability			
Other payables and accruals		**11,015**	138,852
Derivative financial instruments – put options	19(b)	**40,985**	48,292
Gross obligation under put options	19(a)	**363,759**	385,156
		415,759	572,300
Net current (liabilities) assets		**(17,828)**	171,663
Total assets less current liabilities		**5,420,194**	5,735,350
Capital and reserves			
Share capital		**121,799**	121,799
Reserves		**3,550,354**	3,830,045
Equity attributable to owners of the Company		**3,672,153**	3,951,844
Non-controlling interests		**1,748,041**	1,783,506
Total equity		**5,420,194**	5,735,350

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2013

1. GENERAL

The Company was incorporated as an exempted company and registered in Bermuda with limited liability under the Companies Act 1981 of Bermuda (as amended). The shares of the Company are listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section of the annual report.

The Company acts as an investment holding company. The principal activities of its subsidiaries are investment holding, trading of mineral and exploration, development and mining of gold and associated minerals.

The functional currency of the Company is United States dollars ("USD"), for the convenience of the consolidated financial statements users, the consolidated financial statements are presented in Hong Kong dollars ("HK$") as the shares of the Company are listed on the Stock Exchange.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2013, the Group is in net current liabilities position. The main components of current liabilities are gross obligation under put options of HK$363,759,000 and derivative financial instruments – put options of HK$40,985,000.

The directors are of the opinion that the Group has sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due for the foreseeable future, taking into consideration that no cash settlement was required for the gross obligation under put options as well as the derivative financial instruments – put options. Upon the issuance of the put options, the Group has a commitment to settle the contractual obligation by issuing of a maximum of 2,139,757,635 of the Company's shares. Other than that, there were no other financial obligations.

Also, the directors of the Company have given careful consideration to the future liquidity of the Group. In view of that, the directors of the Company are satisfied that the Group will be able to meet in full its financial obligations as and when they fall due for foreseeable future and continue in operational existence. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to HKFRS 7	Financial instruments: Disclosures – Transfers of financial assets
Amendments to HKAS 12	Deferred tax: Recovery of underlying assets

The application of these new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised standards, amendments and interpretations that have been issued but are not yet effective:

HKAS 1 (Amendments)	Presentation of items of other comprehensive income[1]
HKAS 19 (as revised in 2011)	Employee benefits[2]
HKAS 19 (Amendments)	Defined benefit plans: Employee contributions[5]
HKAS 27 (as revised in 2011)	Separate financial statements[2]
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures[2]
HKAS 32 (Amendments)	Offsetting financial assets and financial liabilities[3]
HKAS 36 (Amendments)	Recoverable amount disclosures for non-financial assets[3]
HKAS 39 (Amendments)	Novation of derivatives and continuation of hedge accounting[3]
Amendments to HKFRSs	Annual improvements to HKFRSs 2009–2011 cycle[2]
Amendments to HKFRSs	Annual improvements to HKFRSs 2010–2012 cycle[6]
Amendments to HKFRSs	Annual improvements to HKFRSs 2011–2013 cycle[5]
HKFRS 1 (Amendments)	Government loans[2]
HKFRS 7(Amendments)	Disclosures – Offsetting financial assets and financial liabilities[2]
HKFRS 9	Financial instruments[4]
HKFRS 9 & HKFRS 7 (Amendments)	Mandatory effective date of HKFRS 9 and transition disclosures[4]
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance[2]
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment entities[3]
HKFRS 10	Consolidated financial statements[2]
HKFRS 11	Joint arrangements[2]
HKFRS 12	Disclosure of interests in other entities[2]
HKFRS 13	Fair value measurement[2]
HK(IFRIC) – INT 20	Stripping costs in the production phase of a surface mine[2]
HK(IFRIC) – INT 21	Levies[3]

1 Effective for annual periods beginning on or after 1 July 2012.
2 Effective for annual periods beginning on or after 1 January 2013.
3 Effective for annual periods beginning on or after 1 January 2014.
4 Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.
5 Effective for annual periods beginning on or after 1 July 2014.
6 Effective for annual periods beginning on or after 1 July 2014 with limited exceptions.

Amendments to HKAS 1 "Presentation of items of other comprehensive income"

The amendments to HKAS 1 "Presentation of items of other comprehensive income" introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a "statement of comprehensive income" is renamed as a "statement of profit or loss and other comprehensive income" and an "income statement" is renamed as "a statement of profit or loss". The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis, the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards are described below:

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and separate financial statements" that deal with consolidated financial statements. HK(SIC) – INT 12 "Consolidation – Special purpose entities" will be withdrawn upon the effective date of HKFRS 10. Under HKFRS 10, there is only one basis for consolidation, that is control. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 "Interests in joint ventures". HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. HK(SIC) INT – 13 "Jointly controlled entities – Non-monetary contributions by venturers" will be withdrawn upon the effective date of HKFRS 11. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate consolidation.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these five HKFRSs for the first time.

These five standards together with the amendments relating to the transitional guidance, are effective for annual periods beginning on or after 1 January 2013 with earlier application permitted provided that all of these five standards are applied at the same time. The directors of the Company anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2013. The application of these five standards will have no material impact on amounts reported in the consolidated financial statements.

HKFRS 13 "Fair value measurement"

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 "Financial instruments: Disclosures" will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. The directors of the Company anticipate that the application of this standards may result in more extensive disclosures in the consolidated financial statements.

HK(IFRIC) – INT 20 "Stripping costs in the production phase of a surface mine"

HK(IFRIC) – INT 20 "Stripping costs in the production phase of a surface mine" applies to waste removal costs that are incurred in surface mining activity during the production phase of the mine ("production stripping costs"). Under the interpretation, the costs from this waste removal activity ("stripping") which provide improved access to natural resources is recognised as a non-current asset ("stripping activity asset") when certain criteria are met, whereas the costs of normal ongoing operational stripping activities are accounted for in accordance with HKAS 2 "Inventories". The stripping activity asset is accounted for as an addition to, or as an enhancement of, an existing asset and classified as tangible or intangible according to the nature of the existing asset of which it forms part.

HK(IFRIC) – INT 20 is effective for annual periods beginning on or after 1 January 2013 with transitional provisions. The directors of the Company anticipate that the application of this interpretation will not have any impact on the consolidated financial statements.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2012.

5. REVENUE

Revenue from continuing operations represents the net amounts received and receivable from sale of minerals in the normal course of business, net of discounts and sales related taxes.

6. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered or services provided.

The Group's operating and reportable segments under HKFRS 8 are as follows:

(a) gold exploration and development in South Africa; and

(b) trading of minerals.

During the year ended 31 March 2012, the Group discontinued the coal and gold mining operations in the PRC as well as loan guarantee service in the PRC. Accordingly, the segment information reported below does not include financial information in respect of these discontinued operations.

Segment revenues and results

The following is an analysis of the Group's revenue and results by operating and reportable segment:

Continuing operations

For the year ended 31 March 2013

	Gold exploration and development in South Africa *HK$'000*	**Trading of minerals** *HK$'000*	**Total** *HK$'000*
REVENUE			
External sales	**–**	**4,592**	**4,592**
Segment profit (loss)	**37,421**	**(18)**	**37,403**
Other income			**3,759**
Unallocated corporate expenses			**(14,463)**
Fair value change on put options			**7,307**
Fair value change on gross obligation under put options			**21,397**
Loss on acquisition of a subsidiary			**(95,025)**
Loss on acquisition of an associate			**(90,228)**
Share of profit of associates			**2,586**
Loss before taxation			**(127,264)**

For the year ended 31 March 2012

	Gold exploration and development in South Africa *HK$'000*	Trading of minerals *HK$'000*	Total *HK$'000*
REVENUE			
External sales	–	7,858	7,858
Segment loss	(595,848)	(39,518)	(635,366)
Other income			204
Other gains			22
Unallocated corporate expenses			(17,773)
Loss arising from issuance of put options			(91,928)
Fair value change on put options			43,636
Fair value change on gross obligation under put options			599,133
Share of profit of associates			1,981
Loss before taxation			(100,091)

Segment profit (loss) during the years ended 31 March 2013 and 31 March 2012 represents profit (loss) from each segment without allocation of certain other income, other gains, administration and operating expenses, losses on acquisitions of a subsidiary and an associate, fair value change on gross obligation under put options, fair value change on put options, loss arising from issuance of put options and share of profit of associates. This is the measure reported to the executive directors for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segment:

At 31 March 2013

	Gold exploration and development in South Africa *HK$'000*	**Trading of minerals** *HK$'000*	**Total** *HK$'000*
Assets			
Segment assets	**5,595,392**	**13,117**	**5,608,509**
Property, plant and equipment			**1,318**
Interests in associates			**32,472**
Promissory notes			**127,500**
Other receivables			**3,083**
Amounts due from an associate			**29,287**
Bank balances and cash			**33,784**
Consolidated assets			**5,835,953**
Liabilities			
Segment liabilities	**5,949**	**–**	**5,949**
Other payables and accruals			**5,066**
Derivative financial instruments			
– put options			**40,985**
Gross obligation under put options			**363,759**
Consolidated liabilities			**415,759**

At 31 March 2012

	Gold exploration and development in South Africa *HK$'000*	Trading of minerals *HK$'000*	Total *HK$'000*
Assets			
Segment assets	5,875,586	8,525	5,884,111
Property, plant and equipment			1,364
Interests in associates			29,877
Promissory notes			256,000
Other receivables			218
Other assets			340
Amounts due from an associate			29,287
Bank balances and cash			106,453
Consolidated assets			6,307,650
Liabilities			
Segment liabilities	135,675	–	135,675
Other payables and accruals			3,177
Derivative financial instruments – put options			48,292
Gross obligation under put options			385,156
Consolidated liabilities			572,300

For the purpose of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating and reportable segments, other than certain property, plant and equipment, interests in associates, promissory notes, certain other receivables, other assets, amounts due from an associate and certain bank balances and cash.
- all liabilities are allocated to operating and reportable segments other than certain other payables and accruals, derivative financial instruments – put options and gross obligation under put options.

Other segment information

Continuing operations

Amounts included in the measure of segment profit or loss or segment assets:

For the year ended 31 March 2013

	Gold exploration and development in south Africa *HK$'000*	**Trading of minerals** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'000*
Addition to property, plant and equipment	223	–	664	887
Addition in exploration assets	60,605	–	–	60,605
Addition in deposits for rehabilitation	11	–	–	11
Depreciation of property, plant and equipment	926	–	710	1,636
Gain on disposal of property, plant and equipment	(113)	–	–	(113)
Gain on disposal of assets classified as held for sale	(1,757)	–	–	(1,757)
Imputed interest income on loan to a shareholder of a subsidiary	(42,963)	–	–	(42,963)

For the year ended 31 March 2012

	Gold exploration and development in South Africa *HK$'000*	Trading of minerals *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Addition to property, plant and equipment	–	–	337	337
Addition to property, plant and equipment through acquisition of subsidiaries	5,707	–	–	5,707
Addition in exploration assets through acquisition of subsidiaries	5,530,143	–	–	5,530,143
Addition in exploration assets	80,362	–	–	80,362
Addition in deposits for rehabilitation through acquisition of subsidiaries	1,471	–	–	1,471
Allowances for inventories	–	18,530	–	18,530
Depreciation of property, plant and equipment	634	–	641	1,275
Impairment loss recognised in respect of exploration assets	478,255	–	–	478,255
Loss arising from issuance of warrants by a subsidiary	140,937	–	–	140,937
Gain on disposal of property, plant and equipment	(20)	–	(22)	(42)
Imputed interest income on loan to a shareholder of a subsidiary	(20,631)	–	–	(20,631)

Revenue from major products and services

The Group's revenue from continuing operations are all from trading of minerals.

Geographical information

The Group's trading of minerals operation is located in Hong Kong, while its gold exploration and development operation is in South Africa.

Based on the shipping or delivery documents of each sales transactions, the Group's revenue from continuing operations, by location of its external customers for both years are in the PRC.

As at 31 March 2013, non-current assets of the Group (excluding interests in associates, loans to shareholders of a subsidiary, deposits for rehabilitation, promissory notes, amount due from an associate, other assets and pledged bank deposits) amounting to approximately HK$5,073,291,000 (2012: HK$5,099,711,000) and HK$1,318,000 (2012: HK$1,364,000) were located in South Africa and Hong Kong respectively.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group from continuing and discontinued operations are as follows:

	2013 ***HK$'000***	2012 *HK$'000*
Customer A	**–**	7,858
Customer B	**4,592**	–

All revenue is from trading of minerals.

7. OTHER INCOME

	2013 ***HK$'000***	2012 *HK$'000*
Continuing operations		
Imputed interest income on loan to a shareholder of a subsidiary	**42,963**	20,631
Interest income on promissory notes	**3,759**	177
Interest income on bank deposits	**17,422**	14,663
Interest income on interest bearing receivable	**–**	12
	64,144	35,483

8. OTHER GAINS

	2013	2012
	HK$'000	*HK$'000*
Continuing operations		
Gain on disposal of assets classified as held for sale	**1,757**	–
Gain on disposal of property, plant and equipment	**113**	42
	1,870	42

9. FINANCE COSTS

	2013	2012
	HK$'000	*HK$'000*
Continuing operations		
Other interest expense	**1**	1

10. INCOME TAX EXPENSE

Continuing operations

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the subsidiaries incorporated in Hong Kong have no assessable profits for both years.

Under South African tax law, corporate tax rate is 28% for both years on taxable profits of South African subsidiaries. No provision for taxation has been made as the subsidiaries in South Africa have no assessable profits for both years.

11. LOSS FOR THE YEAR FROM CONTINUING OPERATIONS

	2013	2012
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging:		
Continuing operations		
Auditor's remuneration	**2,865**	1,963
Cost of inventories recognised as an expense	**4,564**	28,619
Depreciation of property, plant and equipment	**1,636**	1,275
Operating lease rentals in respect of rented premises	**2,568**	1,928
Allowances for inventories (included in cost of sales)	**–**	18,530
Net exchange loss	**212**	1,459
Staff costs		
– Salaries and other benefits	**33,374**	18,295
– Contributions to retirement benefits schemes	**112**	91
– Share-based payment expense	**–**	1,750
	33,486	20,136
Less: Amount capitalised in exploration assets	**(14,389)**	(8,846)
	19,097	11,290

12. LOSS PER SHARE

For continuing and discontinued operations

The calculation of the basic and diluted loss per share is based on the consolidated loss of HK$150,196,000 (2012: HK$217,812,000) attributable to the owners of the Company for the two years ended 31 March 2013 and 2012 respectively and on the number of shares as follows:

	2013	2012
	'000	*'000*
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	**11,049,775**	7,217,125

The incremental shares from assumed exercise of share options, warrants and put options and share options and warrants issued by a subsidiary are excluded in calculating the diluted loss per share for the year ended 31 March 2013 and 2012 because they are antidilutive in calculating the diluted loss per share from continuing operations.

From continuing operations

The calculation of the basic and diluted loss per share from continuing operations attributable to the owners of the Company is based on the following data:

Loss figures are calculated as follows:

	2013	2012
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company	**(150,196)**	(217,812)
Less: (Profit) for the year from discontinued operations	**–**	(11,884)
Loss for the purpose of basic and diluted loss per share from continuing operations	**(150,196)**	(229,696)

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

From discontinued operations

Basic earnings per share for the discontinued operations as at 31 March 2012 was HK0.16 cent per share, which is computed based on the profit for the year from the discontinued operations of HK$11,884,000 and the denominators detailed above for the basic and diluted earnings per share from continuing and discontinued operations.

13. EXPLORATION ASSETS

	HK$'000
At 1 April 2011	–
Acquisition of subsidiaries	5,530,143
Addition	80,362
Classified as held for sale	(2,837)
Impairment loss recognised in profit or loss	(478,255)
Exchange adjustment	(34,618)
At 31 March 2012	5,094,795
Addition	60,605
Exchange adjustment	(85,400)
At 31 March 2013	**5,070,000**

The exploration assets principally represented the mining right and prospecting right for the gold mining projects in South Africa, namely, the Evander Project and the Jeanette Project. A mining right for Evander Project is valid for 26 years commenced from 18 July 2012 until 28 April 2038, while prospecting right for Jeanette Project is valid for 5 years commenced from 26 June 2010. In the opinion of the directors, the renewal of licences and application for mining licences are without difficulties so long as the applicant complies with the requirements as set out in the Mineral and Petroleum Resources Development Act of South Africa.

14. INTERESTS IN ASSOCIATES

	2013	2012
	HK$'000	*HK$'000*
Cost of investments in associates – unlisted	**118,133**	27,896
Share of post-acquisition profits and other comprehensive income	**4,567**	1,981
Less: Impairment loss recognised in profit or loss	**(90,228)**	–
	32,472	29,877

On 25 May 2012, the Group entered into a sale and purchase agreement with a third party ("Vendor A") pursuant to which the Group acquired 49% equity interest in H & M Natural Resources Limited ("H & M") at a total consideration of HK$90,228,000. The principal asset of H & M is the mine operating cooperation agreement ("Nickel Co-op Agreement") assigned to H & M by Vendor A. Pursuant to the Nickel Co-op Agreement, H & M can carry out the Nickel mining activities in Kolaka, Indonesia. However, it was subsequently found that the contractual arrangements provided under the Nickel Co-op Agreement are not in line with the requirements and restrictions under the Law of the Republic of Indonesia No. 4 of 2009 concerning Mineral and Coal Mining ("Mining Law") and Government Regulation No. 23 of 2010 concerning Implementation of Mineral and Coal Mining Business Activities as amended by the Government Regulation No. 24 of 2012 ("Government Regulation 23") and accordingly, based on legal advise of Indonesian legal counsel, H & M could not carry the Nickel mining activities without breaching local laws and regulations. As a result, an impairment loss of HK$90,228,000 is recognised in profit or loss during the year ended 31 March 2013. Subsequently on 17 March 2014, the Group entered into a sale and purchase agreement with Vendor A who agreed to acquire the 49% equity interest in H & M from the Group at a total consideration of HK$90,228,000.

15. PROMISSORY NOTES

Pursuant to the sale and purchase agreement entered into between the Company and Hua Xiong Development Limited ("Hua Xiong"), an independent third party, dated 7 October 2011, the Group agreed to dispose of the entire issued share capital of Bless Luck International Limited ("Bless Luck"), a wholly owned subsidiary of the Company, and sale loan of approximately HK$191 million at an aggregate consideration of HK$195,000,000, of which HK$170,000,000 was satisfied by four promissory notes with principal amounts of HK$42,500,000 each with maturity dates on 13 September 2012, 13 March 2013, 13 September 2013 and 13 March 2014 issued by Hua Xiong and the remaining HK$25,000,000 was satisfied by cash. The promissory notes are transferrable, are secured by charge on all shares of Bless Luck and carry interest at a rate of 2% per annum.

Pursuant to sale and purchase agreement entered between the Company and Sharp Volition Limited ("Sharp Volition"), an independent third party, dated 19 March 2012, the Group agreed to dispose of the entire issued share capital of Longold Win Limited ("Longold"), a then wholly owned subsidiary of the Company, and sale loan of approximately HK$91 million at an aggregate consideration of HK$96,000,000, of which HK$86,000,000 was satisfied by two promissory notes with principal amounts of HK$41,000,000 and HK$45,000,000 with maturity dates on 28 September 2012 and 29 March 2013 respectively issued by Sharp Volition and the remaining HK$10,000,000 was satisfied by cash. The promissory notes are transferrable, are secured by charge on all shares of Longold and carry interest at a rate of 1.5% per annum.

	2013	2012
	HK$'000	*HK$'000*
Analysed as		
Current	**127,500**	171,000
Non-current	**–**	85,000
	127,500	256,000

Promissory notes are all denominated in HK$, which is a currency other than the functional currency of the Company.

All promissory notes outstanding as at 31 March 2013 were subsequently used as settlements of consideration for sale and purchase agreements entered with independent third parties. Details are set out in note 20(a).

16. ACQUISITION OF SUBSIDIARIES

Acquisition of assets through purchase of a subsidiary, Saint Ford Group Limited ("Saint Ford")

For the year ended 31 March 2013

On 7 January 2013, the Group entered into a sale and purchase agreement with a third party ("Vendor B") pursuant to which the Group acquired 75% equity interest in Saint Ford at a total consideration of HK$95,025,000. The principal asset of Saint Ford is the gold mining right assignment agreement ("Gold Assignment Agreement") entered into between Saint Ford and a gold mine owner. Pursuant to the Gold Assignment Agreement, Saint Ford can carry out the gold mining activities in Kotamobagu, Indonesia. However, it was subsequently found out that the contractual arrangements provided under the Gold Assignment Agreement are not in line with the requirements and restrictions under the Mining Law and the Government Regulation 23 and accordingly, based on the legal advice of Indonesian legal counsel. Saint Ford could not carry out the gold mining activities without breaching local laws and regulations. As a result, an impairment loss of HK$95,025,000 was recognised in profit or loss for the year ended 31 March 2013. Subsequently on 17 March 2014, the Group entered into another sale and purchase agreement with Vendor B who agreed to re-acquire the 75% equity interest in Saint Ford from the Group at the original consideration of HK$95,025,000.

Saint Ford did not generate any revenue and incur any expenses for the year.

17. 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 which fall due as follows:

	2013	2012
	HK$'000	*HK$'000*
Within one year	**1,763**	2,769
In the second to fifth year inclusive	**–**	2,075
	1,763	4,844

Operating lease payments represent rentals payable by the Group for office premises. Leases are negotiated and rentals are fixed for a lease term of two to three years.

18. RELATED PARTY TRANSACTIONS

During the year, the Group entered into the following transactions with related parties:

	2013	2012
	HK$'000	*HK$'000*
Consultancy fee paid to a director of a subsidiary	**–**	757

19. GROSS OBLIGATION UNDER PUT OPTIONS AND DERIVATIVE FINANCIAL INSTRUMENTS – PUT OPTIONS

(a) Gross obligation under put options

In addition to the acquisition of the controlling shares of Taung Gold Limited ("TGL"), the Group has granted put options to acquire TGL's shares from the South African Shareholders and the TGL option holders. Details of put options are set out in note 19(b).

Upon the issuance of the put options, the Group has a commitment to settle the contractual obligation by cash proceeds from sales (at the times of exercise of the options) of a maximum of 2,139,757,635 of the Company's shares. The gross obligation under these put options are designated as fair value though profit or loss at initial recognition and stated at fair value. At the date of acquisition, the fair value of the gross obligation under put options with reference to the market price of the Company's share of HK$0.46 per share was HK$984,289,000. The gross obligation under put options to South African Shareholders and TGL option holders amounting to HK$519,865,000 and HK$464,424,000 were debited to non-controlling interests and other reserve respectively. As at 31 March 2013, the fair value of the gross obligation under put options with reference to the Company's estimated equity value of HK$0.17 per share was HK$363,759,000 and as at 31 March 2012, the fair value of gross obligation under put options with reference to the market price of the Company's shares of HK$0.18 per share was HK$385,156,000. During the year ended 31 March 2013, change in fair value of HK$21,397,000 (2012: HK$599,133,000) was recognised in profit or loss.

(b) Derivative financial instruments – put options

Put options for the acquisition of additional interest in TGL

(i) Put option agreements between the Company, Gold Commercial Services Limited ("Goldcom") and South African Shareholders

The South African Shareholders had 21,174,316 shares of TGL on 8 September 2011. To facilitate the South African Shareholders to sell their shares in TGL to the Company, the Company granted put options to these South African Shareholders. The consideration payable by each South African shareholder for the grant of the put option is ZAR1. Due to foreign exchange control restrictions in South Africa, the South African Shareholders are restricted from on-selling, transferring or dealing in the Company's shares. Accordingly, Goldcom was introduced to facilitate the arrangements under the put option agreements between the Company and the South African shareholders.

To facilitate the payment of the put option exercise price upon the exercise of the put, on the 8 September 2011, Goldcom subscribed for 1,130,141,116 shares of the Company in consideration for the issuance of the loan note with nil interest. The shares are kept by an escrow agent appointed by Goldcom, the Company and the South Africa Shareholders. The loan note is unsecured. The Company will not demand repayment of any amount outstanding under the loan note prior to the sales on the Stock Exchange of the Company's shares and the receipt by Goldcom of an amount equivalent to the cash proceeds from the sales of the Company's shares upon exercise of put options by the South African Shareholder. In substance, Goldcom is acting in the role of an agent and the arrangement of loan note and the share subscription is only to facilitate the issuance of shares prior to exercise of put options. Accordingly, the shares issued for the loan note are accounted for as if they are treasury shares. The closing market price of the Company's share on the 8 September 2011 was HK$0.46. The share capital and share premium relating to these shares issued to Goldcom amounted to HK$519,865,000 is recognised as other reserve in equity in the consolidated statement of changes in equity.

During the year ended 31 March 2013 and 2012, no put options had been exercised by the South African Shareholders.

(ii) Put options granted by the Company to the holders of options of TGL ("TG Optionholders")

Pursuant to the put option agreements dated 8 September 2011 entered into between the TG Optionholders, Goldcom, TGL and the Company, the Company and Goldcom will grant to the TG Optionholders the right to sell a maximum number of 18,916,168 TGL shares to the Company or to the Company through Goldcom for a maximum of 1,009,616,519 new shares of the Company upon their exercise of the options granted by TGL. The put options may be exercised by the TG Optionholders at any time within three years from the 8 September 2011.

When the put options granted by the Company are classified as derivative financial instruments and stated at fair value.

The fair values amounting to HK$91,928,000, HK$48,292,000 and HK$40,985,000 of put options granted by the Company to South African Shareholders and TG Optionholders at the date of issuance, 31 March 2012 and 31 March 2013 respectively were assessed using the binomial model.

During the year ended 31 March 2012, fair value of HK$91,928,000 at initial recognition in respect of put options granted to the South African Shareholders and TG Optionholders was recognised in profit or loss.

During the year ended 31 March 2013, change in fair value of HK$7,307,000 (2012: HK$43,636,000) was recognised in profit or loss.

20. EVENTS AFTER THE REPORTING PERIOD

(a) Subsequent to the end of the reporting period, the Group had the following acquisitions:

(i) On 22 April 2013, the Group entered into a sale and purchase agreement with a third party pursuant to which the Group conditionally agreed to acquire 100% equity interest in Jun Mao Enterprises Limited ("Jun Mao") at a total consideration of HK$93,000,000 of which HK$8,000,000 was settled by cash and HK$85,000,000 was settled by 2 promissory notes issued by Hua Xiong to the Group. Jun Mao is in the process of acquiring 10% equity interest in 貴州文真鋁業有限公司 ("文真鋁業"), a company established in the PRC, which has a mining right to conduct bauxite mining activities in the designated mining area in Guizhou, the PRC. The acquisition of Jun Mao is conditional upon Jun Mao completed the acquisition of 文真鋁業. The acquisition has not yet completed up to the date of this results announcement as the acquisition of 文真鋁業 is still in progress.

(ii) On 23 April 2013, the Group entered into a sale and purchase agreement with a third party pursuant to which the Group conditionally agreed to acquire 35% equity interest in Wealthy Peace Holdings Limited ("Wealthy Peace") at a total consideration of HK$60,000,000 of which HK$17,500,000 was settled by cash and HK$42,500,000 was settled by a promissory note issued by Hua Xiong to the Group (see note 16). Wealthy Peace is in the process of acquiring 100% equity interest in 貴州天啟源燃氣投資有限公司 ("啟源燃氣"), a company established in the PRC, which has 97% interest in the operations of liquified natural gas storage and filling stations projects in Guizhou, the PRC. The acquisition of Wealthy Peace is conditional upon Wealthy Peace completed the acquisition of 啟源燃氣. The acquisition has not yet completed up to the date of this results announcement as the acquisition of 啟源燃氣 is still in progress.

(b) As set out in the announcement published by the Company on 19 September 2012, the Company commenced legal proceedings against TGL to replace the majority of the directors of TGL board and to obtain annual consolidated financial statements of TGL, and took appropriate actions to challenge the legality of the issue of the 35,000,000 and 30,000,000 warrants issued by TGL on 12 January 2012 ("2012 TGL Warrants") with voting rights and the grant of voting rights to the options granted by TGL under the share option scheme for TGL's management and staff ("TGL Share Option Scheme") such that each TGL option shall carry the same voting right as an issued share of TGL. On 26 April 2013, the Company and TGL entered into a settlement agreement pursuant to which TGL shall (i) cancel 35,000,000 2012 TGL Warrants, (ii) remove the voting rights of the TGL options, (iii) amend the TGL Share Option Scheme that no voting rights can be granted to or attached to any options granted under the TGL Share Option Scheme; (iv) deliver audited consolidated financial statements of TGL and unaudited interim unaudited financial statements of TGL to the Group; and (v) appoint 2 persons nominated by the Company to the board of directors of TGL with effect from 26 April 2013; while the Company shall (i) withdraw all proceedings again TGL, and (ii) appoint 4 persons nominated by TGL to the board of directors of the Company and appoint a person nominated by TGL as the chief executive officer of the Company with effect from 26 April 2013.

(c) On 26 April 2013, TGL entered into an agreement with the holder of 35,000,000 warrants issued by TGL pursuant to which both parties agreed to cancel the 35,000,000 warrants issued by TGL.

(d) On 19 August 2013, TGL entered into an agreement with the holder of 30,000,000 warrants issued by TGL pursuant to which the holder agreed to cancel the 3,000,000 warrants issued by TGL with effect from 19 August 2013.

MANAGEMENT DISCUSSION AND AYALYSIS

Results

The Group is principally engaged in (i) the operations of gold mines in the Republic of South Africa ("South Africa") and (ii) sale of minerals.

During the financial year 2012/2013, the Group recorded a loss attributable to owners of the Company of approximately HK$150,196,000 or loss of HK1.36 cents per share basic, compared with a loss attributable to owners of the Company for the year 2011/2012 of approximately HK$217,812,000 or loss of HK3.02 cents per share basic.

Dividend

The Directors do not recommend the payment of any dividend in respect of the year ended 31 March 2013 (2012: Nil).

Business Review

For the year ended 31 March 2013, the Group has recorded a turnover of the continuing operations approximately HK$4,590,000 (2012: HK$7,860,000) which represents a decrease of 41.56% compared with the turnover of the continuing operations recorded in the last financial year. The Group recorded a net loss from ordinary activities attributable to equity holders of approximately HK$150,200,000 compared with a net loss from ordinary activities attributable to equity holders of approximately HK$217,810,000 for the last financial year during which a fair value gain on gross liabilities on put options of approximately HK$21,400,000 was recognized.

The other comprehensive expense of approximately HK$188,000,000 mainly arises from the exchange difference on the translation of South African operations.

Mineral Trading Operations

The Group's trading of minerals business contributed to the Group's majority of revenue during the year ended 31 March 2013. However, the Board considered that putting more effort and resources on its gold mining operations could bring a more long term revenue and profit stream for the Group.

Liquidity And Financial Resources

As at 31 March 2013, the Group had no outstanding bank borrowings (31 March 2012: Nil) and no banking facilities (31 March 2012: Nil).

The Group's gearing ratio as at 31 March 2013 was zero (31 March 2012: Zero), calculated based on the Group's total zero borrowings (31 March 2012: Zero) over the Group's total assets of approximately HK$5,836,000,000 (31 March 2012: HK$6,307,700,000).

As at 31 March 2013, the balances of cash and cash equivalents of the Group were approximately HK$237,000,000 (31 March 2012: HK$514,600,000) and were mainly denominated in Hong Kong 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 year ended 31 March 2013, 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. However, the directors consider that the currency risk is not significant and the Group currently does not have a foreign currency hedging policy. Nevertheless, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Occurrence of important events affecting the Group

Trading in the shares of the Company was suspended at the request of the Company on 8 June 2012. Shareholders are referred to the subsequent announcements made by the Company regarding the Incident and, in particular, to the announcement of 29 April 2013 dealing with 1) the Settlement Agreement in relation to the Incident and 2) Change of Directors. Further announcements were made on 31 May 2013, 28 June 2013 and 29 July 2013 and on 6 August 2013 an announcement was made regarding the entering into of the Shareholders Agreement by a group of Shareholders, that effectively brought an acceptable conclusion to the Incident.

With the benefit of hindsight the board of the Company and the board of Taung Gold Limited consider that the Incident arose as a result of miscommunication and misunderstanding between the management of the Company and Taung Gold Limited. This unfortunate situation was resolved during discussions leading up to the Settlement Agreement that was executed on 26 April 2013.

On 3 September 2013 the Company received a letter from the Stock Exchange of Hong Kong in which the Stock Exchange stated the following resumption conditions:

1. publish all outstanding financial results and report, and address any concerns raised by the Company's auditors through qualifications in their audit report (the "Outstanding Results Condition"); and

2. demonstrate that the Company has put in place adequate financial reporting procedures and internal control systems to meet obligations under the Listing Rules (the "Internal Control Condition").

An announcement was made on 30 January 2014 detailing the results of the Internal Control Review that fulfilled the Internal Control Condition. The Outstanding Results Condition will be fulfilled through the publication of this announcement containing all of the outstanding financial results. As clarified with the Stock Exchange, the publication of the outstanding financial reports may take place after the resumption of trading of the Company's shares on the Stock Exchange and accordingly, this would not affect the fulfillment of the Results Condition.

Review of Business Operations

Evander Project

The Evander Project comprises the Six Shaft area and the Twistdraai area on the north-eastern limb of the Witwatersrand Basin, Mpumalanga Province, South Africa. As disclosed in the Circular, Evander Gold Mines Limited ("EGM") held the Mining Right No 107/2010 at the relevant time, which is the mining right that covers the Evander Project. The Mining Right No 107/2010 permitted the mining of gold and associated minerals in the Six Shaft and Twistdraai area.

The Earn-in Agreement and the Sale Agreement

Taung Gold Limited ("TGL"), one of the subsidiaries of the Company, entered into a series of nine agreements with EGM Limited on 29 February 2008 (being the Earn-in Agreement). Through the Earn-in Agreement TGL would have sufficient influence in decisions over the exploration of gold resources in the Evander Project whereby TGL contributed the financial resources and the technical expertise to actively explore the Evander Project and EGM Limited contributed the Mining Right No 107/2010.

Under the Earn-in Agreement, in order for TGL to "earn-in" an interest in the Evander Project, TGL was obliged to complete a Scoping Study, a Pre-Feasibility Study and a Bankable Feasibility Study. TGL had already completed the Scoping Study for the Evander Project in April 2010.

Subsequent to the signing of the Earn-in Agreement, negotiations were initiated with EGM Limited resulting in the signing of a sale agreement between EGM Limited and Taung Gold Secunda (Proprietary) Limited ("TGS") a wholly owned subsidiary of TGL) in September 2010 to acquire the entire interest in the Evander Project (the "Sale Agreement"). Completion of the Sale Agreement was conditional on the approval by the Minister of Mineral Resources ("MMR") for the transfer of a subdivided portion of EGM Limited's new order mining right (the "Mining Right") to a wholly-owned subsidiary of TGL (the "Approval"). This subdivided portion covers the entire Evander Project.

On 6 June 2012, Mining Right No 116/2013 over the Evander Project was granted to EGM Limited and the Approval was obtained on the same date and the Sale Agreement became unconditional.

On 18 July 2012 the Mining Right was executed in the name of EGM Limited by the MMR. The Mining Right commenced on 18 July 2012 and will continue in force for 25 years and 9 months and will expire on 28 April 2038. It is renewable for a further period of 30 years. The balance of the consideration of ZAR105,000,000 (or approximately HK$80,600,000) was settled by TGL on 30 May 2012. As a result, the Sale Agreement became unconditional and completion of the Sale Agreement took place on that date. Pursuant to the terms of the Sale Agreement, the Earn-in Agreement was then terminated and TGL had a 100% interest in the Evander Project.

The registration of the Mining Right under 116/2013 into the name of EGM took place on 1 November 2013 and the Deed of Cession No 70/2013 effectively transferring the Mining Right into the name of TGS was registered at the Mineral and Petroleum Titles Registration Office ("MPTRO") on 20 November 2013.

Consideration under the Sale Agreement

The consideration under the Sale Agreement was ZAR225,000,000 (or approximately HK$172,800,000). An aggregate of ZAR120,000,000 (or approximately HK$92,200,000) was paid by TGL before 29 April 2011 as deposit or prepayment under the Sale Agreement.

The Jeanette Project

The Jeanette Project is located close to the town Allanridge within the southwest margin of the Witwatersrand Basin, northeast of Welkom, in the Free State Province of South Africa.

Update on prospecting rights and approvals for the Jeanette Project

TGL entered into an agreement to acquire the single prospecting right (the "Prospecting Right") for the Jeanette area in 2008. A Scoping Study was completed over the Jeanette Project in June 2010. Consent to the transfer of the Prospecting Right was given by the MMR on 29 September 2010 and the prospecting right is valid for five years commencing 29 June 2010. The Prospecting Right permits the exploration of gold ore, silver ore and uranium ore in the Jeanette area. The registration of Taung Gold Free State (Pty) Limited ("TGFS"), a wholly owned subsidiary of TGL. The registration of Prospecting Right No. 144/2013 took place on 30 October 2013 and the Deed of Cession was registered at the MPTRO on 1 November 2013.

Apart from the Prospecting Right, TGL has continued to consolidate its mineral rights holdings in and around its Jeanette Project area. On 28 June 2010, TGL entered into an agreement to acquire the prospecting rights over the farms Buitendachshoop 122, Weltevreden 59, Portion RE and LeClusa 70 from Free State Development and Investment Corporation Limited. These permits are contiguous to the Prospecting Right. The MMR has granted the relevant consent for the transfer of the prospecting rights over the Buitendachshoop and Weltevreden areas to TGL and the transfers are currently pending for registration in TGFS's name with the Mineral and Petroleum Titles Registration Office. The prospecting rights over the LeClusa licence area were registered in TGFS's name with the MPTRO on 18 April 2011. In addition, TGFS has been granted additional prospecting rights over the Bandon 345, Damplaats 361, Katbosch 358, Leeuwbosch 285 farms and also a portion of Weltevreden 59 farm, all being contiguous to the Jeanette Project.

The following table shows the present status of the prospecting rights of the greater Jeanette Project:

Prospecting Right	MPTRO/PR No	Status
Jeanette	144/2013	Deed of Cession No.64/2013 registered to TGFS on 1 November 2013
Buitendachshoop/ Weltevreden	(709PR)	Section 11 consent granted 13 June 2011. Execution and registration of the Deed of Cession is still to be completed
LeClusa	138/2011	Deed of cession No.03/2013 registered to TGFS on 18 January 2013
Damplaats/Katbosch	278/2010	Registered to TGFS on 19 October 2010
Bandon/Weltevreden/ Leeuwbosch	22/2011	Registered to TGFS on 18 October 2011

TGFS has submitted a Section 102 application on 4 March 2014 to consolidate the above permits into a single prospecting right using the Jeanette prospecting right (MPTRO 144/2013) as the base for such consolidation. On completion of the consolidation and the Pre-Feasibility Study currently underway, TGFS will then apply for a mining right over the consolidated area and it is expected that this application will be submitted early in 2015. TGFS as the holder of the to be consolidated prospecting rights has the exclusive right to apply for a mining right.

Future Plans for the Evander Project and the Jeanette Project

As at the date of this announcement, both the Evander Project and the Jeanette Project are at the exploration stage, which involves the completion of Bankable Feasibility Studies ("BFS") and Pre-Feasibility Studies ("PFS") for the projects, respectively.

The Evander Project

TGL is in the process of completing a Bankable Feasibility Study for the Six Shaft area. The technical and engineering work in relation to the BFS is complete and the pending execution of option agreements relating to the securing of surface rights for a tailings storage facility will enable the completion of the financial work. The publication of the BFS Report is expected by the second quarter of the new financial year and will herald the declaration of the maiden Mineral Reserve for the Evander Project.

The Jeanette Project

TGL is presently conducting a PFS over the project area using the enlarged resource and new structural plan and it is expected to be completed during the second quarter of the new financial reporting period.

The Company is considering different plans to commence with the subsequent construction phase of the Evander Six Shaft Project and continues to review its financial position given recent and prevailing uncertainty and volatility in global markets. The Directors have approached this period of uncertainty by reviewing capital expenditure to advance the two flagship projects and work at the remaining exploration projects. The Board made the decision to complete the BFS for the Evander Six Shaft area but will only decide on a further drilling program in the Twistdraai area at a later date. Consequently, further PFS/BFS work for the Twistdraai area will also be commissioned at a later date. It was also decided to delay the commissioning of various studies on the Jeanette Project such that the completion of the PFS will be finalized at the end of the first quarter of the new financial year. A decision regarding the timing of commencement of the BFS for the Jeanette Project will be taken after the completion of the PFS. TGL has also reviewed its remaining exploration projects in South Africa and will continue to dispose of those projects that do not meet its expectations, in order to ensure continued focus on the flagship projects at Evander and Jeanette.

OTHER INFORMATION

Change of Auditor

Messrs. HLB Hodgson Impey Cheng ("HLB"), the auditors of the Company for the year ended 31 March 2011, resigned on 13 April 2012. Messrs. Deloitte Touche Tohmatsu was appointed as auditors of the Company with effect from 13 April 2012 to fill the casual vacancy following the resignation of HLB and to hold office until the conclusion of the next annual general meeting of the Company.

Transactions After Reporting Period

The transactions which took place after 31 March 2013 (please refer to 20(a)(i) and (ii) on page 21 and 22 of this results announcement) did not constitute notifiable transactions and/or connected transactions to the Company pursuant to Chapter 14 and Chapter 14A under the Listing Rules.

CORPORATE GOVERNANCE

The Board considers that good corporate governance of the Company can protect and safeguard the interests of the shareholders and to enhance the performance of the Company. The Board is committed to maintaining and ensuring high standards of corporate governance. With the assistance from the Consultant, internal control deficiencies and deviation from the Code were identified, which existed for the year ended 31 March 2013 due to inadvertent oversight. The table below summarized the key deficiencies and remediation implemented by the Group:

Control Areas	Material findings and deficiencies found in the Internal Control Review	Status of remediation adopted by the Group
1. Internal communications	Inadequate communication between the Company and the South African operation.	a. Relevant internal communication policy has been established and approved by the Board. b. Internal communication of the Group has been enhanced by holding quarterly meeting and irregular meetings between the Hong Kong and South African based Executive Directors and senior management for discussion and reporting and circulating all internal correspondences and documentations to all Executive Directors of the Company.
2. Compliance with Listing Rules	Incomprehensive policies and procedures governing the reporting of notifiable transactions and connected transactions of directors and senior executives.	a. The Company's guideline on connected transactions and notifiable transactions has been enhanced and approved by the Board. b. Trainings in relation to the reporting of notifiable transactions and connected transactions were carried out for Executive Directors and senior management of the Company. c. Assistant company secretary of the Company has been assigned to perform the regular review and update of the connected parties list since 30 September 2013. d. Directors have provided and will be required to provide annual written declarations regarding their respective connected parties and connected transactions since 30 September 2013.
	Incomprehensive corporate governance policies and procedures in relation to Appendix 14 of the Listing Rules.	The Company's terms of reference of corporate governance function have been enhanced and approved by the Board.

Control Areas	Material findings and deficiencies found in the Internal Control Review	Status of remediation adopted by the Group
	No formal policy to monitor the compliance with requirements set out in Chapter 18 of the Listing Rules for mineral companies.	The Company's guideline for Chapter 18 has been established and approved by the Board.
3. Internal guidelines and policies	Incomprehensive code of conduct covering the handling of confidential and proprietary information and ethical or conflict of interests issues.	a. Code of Conduct including a comprehensive set of ethical guideline has been revised and approved by the Board. b. All Directors and senior management of the Company have signed confirmation of undertaking of the Code of Conduct and have consented to comply with their provisions.
4. Internal control regarding significant transactions/ acquisitions	No formal mechanism to monitor and manage the process during the post-acquisition integration following any acquisition done by the Group.	a. The Company's "Post-acquisition Guideline" has been established and approved by the Board. b. No sample for the post-acquisition integration plan is available as no acquisition has been carried out by the Group during the Internal Control Review.
	The Company does not have formal procedures on requirement to obtain approvals from the Board for significant business transactions.	a. Policies and procedures on a list of matters that require prior approval from the Board and the internal communication within the Group has been established and approved by the Board. b. Certain Executive Directors of the Company have been appointed as the Executive Directors of the South African subsidiary and vice versa. c. Quarterly meeting and irregular meetings are required to be held between the representatives of the Company's subsidiaries and the Company for discussion and reporting since 26 July 2013.

Control Areas	Material findings and deficiencies found in the Internal Control Review	Status of remediation adopted by the Group
	Incomprehensive policies and procedures for authorization on key business decisions.	a. The Company's "Role and Responsibilities of Directors & Authorization Policy" has been enhanced and approved by the Board. b. The Board's authority is allowed to be delegated only to personnel authorised by the Board at the relevant meeting of the Board of Directors. c. The authority and scope of power of the South African subsidiaries of the Group has been established and approved by its board.
5. Risk management	Incomprehensive policies and procedures on risk assessments within the Group.	a. Policies and procedures on risk assessment and reporting of the Group have been enhanced and approved by the Board. b. Risk assessment was carried out and a risk control register which documented the risks identified by the Company and the corresponding action plans was established and approved by the Board on 17 January 2014.
	Incomprehensive whistle blowing policy.	a. The Group's "Whistle Blowing Policy" has been enhanced and approved by the Board. b. The Group's staff have signed confirmations of undertaking of the Whistle Blowing Policy. c. No sample of investigation report is available as there were no reported cases during the Internal Control Review.
6. Internal audit	Incomprehensive financial reporting and disclosure policies and procedures.	The Group's "Financial Reporting and Disclosure Policies and Procedures" have been enhanced and approved by the Board.

Control Areas	Material findings and deficiencies found in the Internal Control Review	Status of remediation adopted by the Group
	Lack of independence on the mechanism for monitoring systems of internal controls and no formal policy/guidelines to monitor the review of internal control system.	a. The Group's Internal Audit Policies including internal audit charter have been established and approved by the Board. b. The Board has assigned staff who are independent from operations and management control to carry out the internal audit function. The staff was under the supervision of a qualified and competent personnel and directly report to the Audit Committee of the Company. c. Internal audit plan was established and approved by the Audit Committee and the Board on 8 January 2014 and 17 January 2014, respectively. The internal audit work will be carried out according to the approved internal audit plan and a internal audit report will be prepared which will be reviewed and approved by the Audit Committee and the Board.
7. Intangible asset management	Incomprehensive intangible assets (Mining Rights) policies and procedures governing the acquisitions and dispositions of intangible assets and their management (such as policies relating to the capitalisation, amortisation, periodic valuation and assessment of impairment of the intangible assets, registration and renewal of mining right and prospecting right).	The Group's "Intangible Assets Management Policies and Procedures" has been enhanced and approved by the Board.

Control Areas	Material findings and deficiencies found in the Internal Control Review	Status of remediation adopted by the Group
8. Project management	Incomprehensive project management policies and procedures relating to areas such as risk assessment, project monitoring, valuation, capitalisation of project expenditures and periodic performance review for mining projects and the review and approval procedures regarding the closure, abandonment and change of projects.	The Group's Project Management Policy has been enhanced and approved by the Board.
9. Document management	Incomprehensive policies and control procedures in respect of execution of significant contracts and document management.	a. The Company's Contract Management Policy has been enhanced and approved by the Board. b. The Company has maintained a register for all significant agreements entered into by the Company, which has to be reviewed by the Company's assistant company secretary and approved by the Company's Executive Directors based in Hong Kong. Since 4 October 2013, all records of review of significant agreements of the Company or advice given by legal professionals are required to be properly documented. c. A "Contract Tracking List" with pre-assigned sequential contract index has been established is required to be periodically reviewed by the Executive Legal of the South African subsidiaries.
10. External communication mechanism	Incomprehensive external communication policies and procedures.	The Group's Continuous Disclosure Policy has been established and approved by the Board.
11. Investment evaluation mechanism	Incomprehensive investment management policies and procedures.	The Group's Investment Policy has been enhanced and approved by the Board.

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. As at 31 March 2013, the Company considered that vesting the roles of the chairman and the chief executive officer in the same individual, Mr. Li Ho Yin would facilitate the Group business strategies and maximize operation effectiveness. The Company has subsequently reviewed the structure and complied with the Code provision A.2.1 in April 2013 following appointment of Mr. Li Hok Yin and Mr. Christiaan Rudolph de Wet de Bruin as Co chairmen of the Company and Mr. Neil Andrew Herrick as Chief Executive Officer of the Company on 26 April 2013.

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.

Both the Internal Control Consultant and the Directors are also of the view that the Group has established adequate internal control policies and procedures in all material respects, and the Group currently maintains an adequate and effective internal control system to meet its obligations under the Listing Rules. Since then, the Company has applied the principles and complied with all the applicable code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the standard for securities transactions by the Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code during the year ended 31 March 2013.

The Company has also established written guidelines on no less exacting terms than the Model Code (the "Written Guidelines") for securities transactions by the relevant employees, including the Directors, who are likely to be in possession of unpublished price-sensitive information of the Company.

No incident of non-compliance of the Written Guidelines by the relevant employees was noted by the Company.

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 of the Listing Rules. The audit committee comprises three independent non-executive Directors. 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 reviewed the annual results of the Group for the year ended 31 March 2013.

OTHER BOARD COMMITTEES

Besides the Audit Committee, the Board has also established Remuneration Committee and Nomination Committee. Each Committee has its defined scope of duties and written terms of reference.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of shares or other listed securities of the Company or by any of its subsidiaries during the year.

PUBLICATION OF THE FINAL RESULTS AND ANNUAL 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.whih.com.hk under "Investors' Relationship". The annual report of the Company containing all the information required by the Listing Rules will be published on the websites in due course.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2013 as set out in this preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 March 2013 on which they have expressed an unmodified audit opinion. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

CONTINUED SUSPENSION OF TRADING

Trading in the Shares was suspended from 9:00 a.m. on 8 June 2012 and will remain suspended.

By order of the Board
Taung Gold International Limited
Cheung Pak Sum
Executive Director

Hong Kong, 29 April 2014

As at the date of this announcement, the Board comprises eight Directors. The Executive Directors are Mr. Li Hok Yin, Mr. Christiaan Rudolph de Wet de Bruin, Mr. Neil Andrew Herrick, Ms. Cheung Pak Sum and Mr. Igor Levental. The Independent Non-executive Directors are Mr. Chui Man Lung, Everett, Mr. Li Kam Chung and Mr. Walter Thomas Segsworth.