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TAUNG GOLD

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

(Incorporated in Bermuda with limited liability)

(Stock Code: 621)

ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2016

RESULTS

The board of directors (the "**Board**") of Taung Gold International Limited (the "**Company**") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2016 together with the comparative figures for the year ended 31 March 2015 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2016

	Notes	**2016** **HK$'000**	2015 HK$'000
Other income	5	**40,153**	45,748
Other gains and losses	6	**–**	(8,470)
Fair value change on put options		**–**	23,640
Fair value change on gross obligation under put options		**129,336**	(56,971)
Administrative and operating expenses		**(47,126)**	(33,598)
Reversal of impairment loss (impairment loss) on exploration assets		**399,760**	(231,680)
Gain on disposal of a subsidiary and an associate		**–**	30,253
Reversal of impairment loss on loans to shareholders of a subsidiary		**–**	46,089
Share of results of associates		**(16,496)**	(15,539)
Finance costs	7	**–**	(51)
Profit (loss) before taxation		**505,627**	(200,579)
Income tax expense	8	**–**	–
Profit (loss) for the year	9	**505,627**	(200,579)

* *For identification purpose only*

	Note	2016 HK$'000	2015 HK$'000
Other comprehensive expense			
Item that may be subsequently reclassified to profit or loss:			
Exchange difference on translation of foreign operations		**(150,418)**	(111,519)
Total comprehensive income (expense) for the year		**355,209**	(312,098)
Profit (loss) for the year attributable to:			
Owners of the Company		**382,210**	(110,730)
Non-controlling interests		**123,417**	(89,849)
		505,627	(200,579)
Total comprehensive income (expense) attributable to:			
Owners of the Company		**275,668**	(187,588)
Non-controlling interests		**79,541**	(124,510)
		355,209	(312,098)
Earnings (loss) per share	*10*		
Basic (HK cents)		**2.98**	(0.99)
Diluted (HK cents)		**1.77**	(0.99)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
Non-current assets			
Property, plant and equipment		**2,662**	3,583
Exploration assets	*11*	**4,039,548**	3,664,236
Prepayment for acquisition of exploration assets		**122,992**	–
Interests in associates	*12*	**2,018**	18,514
Amount due from an associate	*12*	**30,751**	29,287
Available-for-sale investment		**49,717**	50,007
Loans to shareholders of a subsidiary		**270,891**	296,549
Deposits for rehabilitation		**675**	830
Deposits for acquisition of investments		**–**	30,000
Pledged bank deposits		**2,064**	2,401
		4,521,318	4,095,407
Current assets			
Other receivables and other deposits		**16,425**	17,706
Deposits for acquisition of investments		**30,000**	103,000
Bank balances and cash		**210,263**	95,611
		256,688	216,317
Current liabilities			
Other payables and accruals		**9,613**	5,739
Derivative financial instruments – put options		**–**	–
Gross obligation under put options		**93,355**	370,785
		102,968	376,524
Net current assets (liabilities)		**153,720**	(160,207)
Total assets less current liabilities		**4,675,038**	3,935,200
Capital and reserves			
Share capital		**147,912**	124,429
Reserves		**3,783,437**	2,621,775
Equity attributable to owners of the Company		**3,931,349**	2,746,204
Non-controlling interests		**743,689**	1,188,996
Total equity		**4,675,038**	3,935,200

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

1. GENERAL

The Company is incorporated in Bermuda as an exempted company and registered 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 Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and Unit 1901, 19/F, Nina Tower, 8 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong respectively.

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

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time in the current year.

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRSs	Annual improvements to HKFRSs 2010-2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011-2013 cycle

The application of the amendments to 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 or revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial instruments[3]
HKFRS 15	Revenue from contracts with customers[3]
HKFRS 16	Leases[4]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[5]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception[1]
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations[1]
Amendments to HKAS 1	Disclosure initiative[1]
Amendments to HKFRS 15	Clarifications to HKFRS 15 revenue from contracts with customers[3]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[1]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants[1]
Amendments to HKAS 27	Equity method in separate financial statements[1]
Amendments to HKFRSs	Annual improvements to HKFRSs 2012-2014 cycle[1]
Amendments to HKAS 7	Disclosure initiative[2]
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses[2]

1 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted
2 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted
3 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted
4 Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted
5 Effective for annual periods beginning on or after a date to be determined

HKFRS 9 Financial instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets; b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' ("**FVTOCI**") measurement category for certain simple debt instruments.

All recognised financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and measurement" are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The directors of the Company anticipate that the adoption of HKFRS 9 in the future may have significant impact on amounts reported in respect of the Group's financial assets (e.g. the Group's unlisted investments in equity securities that are currently classified as available-for-sale investments may have to be measured at fair value through profit or loss upon the adoption of HKFRS 9). Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 16 Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 Leases, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The total operating lease commitment of the Group in respect of leased premises with terms more than 12 months as at 31 March 2016 amounted to HK$418,000. The directors of the Company do not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in significant impact on the Group's results but it is expected that certain portion of these lease commitments will be required to be recognised in the consolidated statement of financial position as right-of-use assets and lease liabilities.

Except for above, the directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the consolidated financial statements.

4. 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.

Started from current year, the Group is engaged in gold exploration and development in Indonesia upon the completion of acquisition of subsidiaries. The Group's operating and reportable segments under HKFRS 8 are as follows:

(a) gold exploration and development in South Africa;

(b) gold exploration and development in Indonesia; and

(c) trading of minerals.

Segment revenues and results

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

For the year ended 31 March 2016

	Gold exploration and development in South Africa	Gold exploration and development in Indonesia	Trading of minerals	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE				
External sales	–	–	–	–
Segment profit (loss)	424,863	(669)	–	424,194
Unallocated other income				1,464
Unallocated corporate expenses				(32,871)
Fair value change on gross obligation under put options				129,336
Share of results of associates				(16,496)
Profit before taxation				505,627

For the year ended 31 March 2015

	Gold exploration and development in South Africa *HK$'000*	Trading of minerals *HK$'000*	Total *HK$'000*
REVENUE			
External sales	–	–	–
Segment loss	(161,819)	(8,470)	(170,289)
Gain on disposal of a subsidiary and an associate			30,253
Unallocated corporate expenses			(11,673)
Fair value change on put options			23,640
Fair value change on gross obligation under put options			(56,971)
Share of results of associates			(15,539)
Loss before taxation			(200,579)

Segment profit (loss) during the years ended 31 March 2016 and 31 March 2015 represents profit (loss) from each segment without allocation of certain other income, administration and operating expenses, gain on disposal of a subsidiary and an associate, fair value change on gross obligation under put options, fair value change on put options and share of results 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 2016

	Gold exploration and development in South Africa *HK$'000*	**Gold exploration and development in Indonesia** *HK$'000*	**Trading of minerals** *HK$'000*	**Total** *HK$'000*
Assets				
Segment assets	**4,372,725**	**152,668**	**112**	**4,525,505**
Property, plant and equipment				**1,633**
Interests in associates				**2,018**
Deposits for acquisition of investments				**30,000**
Other receivables and other deposits				**718**
Available-for-sale investment				**49,717**
Amount due from an associate				**30,751**
Bank balances and cash				**137,664**
Consolidated assets				**4,778,006**
Liabilities				
Segment liabilities	**3,967**	**118**	**–**	**4,085**
Other payables and accruals				**5,528**
Derivative financial instruments – put options				**–**
Gross obligation under put options				**93,355**
Consolidated liabilities				**102,968**

At 31 March 2015

	Gold exploration and development in South Africa *HK$'000*	Trading of minerals *HK$'000*	Total *HK$'000*
Assets			
Segment assets	4,051,120	111	4,051,231
Property, plant and equipment			2,141
Interests in associates			18,514
Deposits for acquisition of investments			133,000
Other receivables and other deposits			2,009
Available-for-sale investment			50,007
Amount due from an associate			29,287
Bank balances and cash			25,535
Consolidated assets			4,311,724
Liabilities			
Segment liabilities	2,414	–	2,414
Other payables and accruals			3,325
Derivative financial instruments – put options			–
Gross obligation under put options			370,785
Consolidated liabilities			376,524

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, available-for-sale investment, interests in associates, deposits for acquisition of investments, certain other receivables and other deposits, amount 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

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

For the year ended 31 March 2016

	Gold exploration and development in South Africa *HK$'000*	**Gold exploration and development in Indonesia** *HK$'000*	**Trading of minerals** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'000*
Addition to property, plant and equipment	**181**	**–**	**–**	**3**	**184**
Addition in exploration assets	**18,348**	**115**	**–**	**–**	**18,463**
Depreciation of property, plant and equipment	**339**	**–**	**–**	**511**	**850**
Reversal of impairment loss on exploration assets	**(399,760)**	**–**	**–**	**–**	**(399,760)**
Interest income on loan to a shareholder of a subsidiary	**(33,244)**	**–**	**–**	**–**	**(33,244)**
Interest income on bank deposits	**(5,194)**	**–**	**–**	**–**	**(5,194)**

For the year ended 31 March 2015

	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	53	–	1,860	1,913
Addition in exploration assets	25,492	–	–	25,492
Depreciation of property, plant and equipment	502	–	449	951
Impairment loss on exploration assets	231,680	–	–	231,680
Reversal of impairment loss on loans to shareholders of a subsidiary	(46,089)	–	–	(46,089)
Other interest expense	1	–	50	51
Allowance for inventories	–	8,470	–	8,470
Imputed interest income on loan to a shareholder of a subsidiary	(39,342)	–	–	(39,342)
Interest income on bank deposits	(6,300)	–	–	(6,300)

Geographical information

As at 31 March 2016, non-current assets of the Group (excluding interests in associates, deposits for rehabilitation, deposits for acquisition of investments, amount due from an associate, available-for-sale investment, loans to shareholders of a subsidiary, other deposits and pledged bank deposits) amounting to HK$4,010,903,000 (2015: HK$3,665,678,000), HK$152,666,000 (2015: nil) and HK$1,633,000 (2015: HK$2,141,000) were located in South Africa, Indonesia and Hong Kong respectively.

5. OTHER INCOME

	2016	2015
	HK$'000	*HK$'000*
Imputed interest income on loan to shareholders of a subsidiary	**–**	39,342
Interest income on loan to a shareholder of a subsidiary	**33,244**	–
Interest income on amount due from an associate	**1,464**	–
Interest income on bank deposits	**5,194**	6,300
Others	**251**	106
	40,153	45,748

6. OTHER GAINS AND LOSSES

	2016	2015
	HK$'000	*HK$'000*
Allowance for inventories	**–**	(8,470)

7. FINANCE COSTS

	2016	2015
	HK$'000	*HK$'000*
Other interest expense	**–**	51

8. INCOME TAX EXPENSE

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, the 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.

Under Indonesia tax law, the corporate tax rate is 25% for the current year on taxable profits of Indonesian subsidiary. No provision for taxation has been made as the subsidiary in Indonesia has no assessable profit for the current year.

9. PROFIT (LOSS) FOR THE YEAR

	2016	2015
	HK$'000	*HK$'000*
Profit (loss) for the year has been arrived at after charging:		
Auditor's remuneration	**2,851**	2,805
Depreciation of property, plant and equipment	**850**	951
Operating lease rentals in respect of rented premises	**1,855**	1,912
Net exchange loss	**11**	173
Staff costs (including directors' emoluments)		
– Salaries and other benefits	**26,875**	23,704
– Share options expense	**10,116**	–
– Contributions to retirement benefits schemes	**140**	110
	37,131	23,814
Less: Amount capitalised in exploration assets	**(6,017)**	(6,783)
	31,114	17,031

10. EARNINGS (LOSS) PER SHARE

The calculation of the basic and diluted earnings (loss) per share attributable to owners of the Company is based on the following data:

	2016	2015
	HK$'000	*HK$'000*
Profit (loss)		
Profit (loss) for the purpose of basic earnings (loss) per share	**382,210**	(110,730)
Effect of dilutive potential ordinary shares:		
– Adjustment in relation to share options issued by a subsidiary of the Company and put options granted by the Company	**(127,165)**	–
Profit (loss) for the purposes of diluted earnings (loss) per share	**255,045**	(110,730)

	2016	2015
Number of shares	***'000***	*'000*
Weighted average number of ordinary shares for the purposes of basic earnings (loss) per share	**12,832,439**	11,172,268
Effect of dilutive potential ordinary share:		
– Put options for optionholders of a subsidiary of the Company	**465,431**	–
– Put options for the potential additional acquisition in a subsidiary	**1,118,674**	–
Weighted average number of ordinary shares for the purposes of diluted earnings (loss) per share	**14,416,544**	11,172,268

The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options because the exercise price of those share options was higher than the average market price for the Company's shares for the year ended 31 March 2016.

The incremental shares from assumed exercise of warrants, put options and share options issued by a subsidiary were excluded in calculating the diluted loss per share for the year ended 31 March 2015 because they were in calculating the diluted loss per share.

11. EXPLORATION ASSETS

	HK$'000
At 1 April 2014	3,925,156
Addition	25,492
Transferred from assets classified as held for sale	423
Impairment loss recognised in profit or loss	(231,680)
Exchange adjustment	(55,155)
At 31 March 2015	3,664,236
Acquisition of subsidiaries	28,286
Addition	18,463
Reversal of impairment loss recognised in profit or loss	399,760
Exchange adjustment	(71,197)
At 31 March 2016	4,039,548

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 commencing from 18 July 2012 until 28 April 2038, while prospecting right for Jeanette Project is valid for 5 years commencing from 29 June 2010. The Group completed the consolidation of all the prospecting rights into a single prospecting right and the pre-feasibility study. The Group is in the process of applying for a mining right of Jeanette Project for 30 years at the date of issuance of these consolidated financial statements. In the opinion of the directors, the renewal and application for mining rights 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.

Based on fair value less costs of disposal estimation as at 31 March 2016, the recoverable amount of the exploration assets relating to the Jeanette Project exceeds its carrying amount due to increasing gold price and depreciation of ZAR. A reversal of impairment loss of HK$399,760,000 (2015: impairment loss of HK$231,680,000) was recognised in profit or loss during the year ended 31 March 2016 accordingly.

As at 31 March 2015 and 2016, the directors of the Company were of the opinion that there was no impairment loss for the mining right of the Evander Project.

During the year ended 31 March 2016, the Group acquired a subsidiary in Indonesia, which hold a mining business license for gold mining project in Indonesia, namely, the Minex Project. The mining business license is valid for six years since the issue date and was expired in January 2016. Despite the Group held a renewed mining business license granted by local government, namely the Regent of Bolaang Mongondow Timur, issued in December 2014 for a period of 20 years until 2034, such renewed mining business license is not issued by authorised government agency in Indonesia pursuant to the Regional Government Law. At the end of the reporting period, the management of the Company is in the process of renewing the mining business license pursuant to the Regional Government Law.

As at 31 March 2016, the directors of the Company were of the opinion that there was no impairment loss for the mining business license of the Minex Project.

12. INTERESTS IN ASSOCIATES AND AMOUNT DUE FROM AN ASSOCIATE

	2016	2015
	HK$'000	*HK$'000*
Cost of investments in associates – unlisted	**27,905**	27,905
Share of post-acquisition loss and other comprehensive expense	**(25,887)**	(9,391)
	2,018	18,514
Amount due from an associate	**30,751**	29,287

Amount due from an associate relates to amount due from Goldster Global Limited ("**Goldster**"), which was unsecured and interest-free as at 31 March 2015. On 1 April 2015, the Group entered into an agreement with Goldster, pursuant to which Goldster agreed to repay the loan within five years, with an interest rate of 5% per annum.

13. EVENTS AFTER THE REPORTING PERIOD

(a) On 24 May 2016, 63,352,287 ordinary shares of the Company were issued to TG Optionholders through Goldcom at HK$0.073 per share, being the market price of the Company's share on date of issue, for settlement of the consideration payable upon exercise of put options.

(b) On 25 April 2016, 5,058,327 ordinary shares of the TGL were issued to an associate of the Company. The Company's shareholding on TGL's shares has increased from 71.07% to 71.64% upon the issue of new shares. The directors of the Company are in progress in assessing the financial impact to the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The Group is principally engaged in investment holding, trading of mineral and exploration, development and mining of gold and associated minerals in Republic of South Africa ("**South Africa**") and Republic of Indonesia ("**Indonesia**").

During the financial year 2015/2016, the Group recorded a profit attributable to owners of the Company of approximately HK$382,210,000 or earnings of HK$2.98 cents per share basic, compared with a loss attributable to owners of the Company for the year 2014/2015 of approximately HK$382,210,000 or loss of HK$0.99 cents per share basic.

DIVIDEND

The Directors do not recommend the payment of any dividend in respect of the year ended 31 March 2016 (2015: Nil).

BUSINESS REVIEW

For the year ended 31 March 2016, the Group had no turnover (2015: Nil). The Group recorded a net profit attributable to equity holders of approximately HK$382,210,000 compared with a net loss attributable to equity holders of approximately HK$110,730,000 for the last financial year. The other comprehensive expense of approximately HK$150,418,000 (2015: HK$111,519,000) mainly arose from the exchange difference on the translation of South African operations.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2016, the Group had no outstanding bank borrowings (2015: Nil) and no banking facilities (2015: Nil). The Group's gearing ratio as at 31 March 2016 was zero (2015: zero), calculated based on the Group's total zero borrowings (2015: zero) over the Group's total assets of approximately HK$4,778,006,000 (2015: HK$4,311,724,000).

As at 31 March 2016, the balance of cash and cash equivalents of the Group was approximately HK$210,263,000 (2015: HK$95,611,000) 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 to its business.

FINANCING

On 15 July 2015, the Company announced that an aggregate of 1,424,640,000 Shares of HK$0.01 each in the capital of the Company were placed to not fewer than six placees, at the placing price of HK$0.107 per placing share, upon completion of the placing agreement dated 14 July 2015 entered into between the Company and Pinestone Securities Limited as the placing agent. The net proceeds from the aforesaid placing amounted to approximately HK$151,980,000 million which were used for (1) acquisition of Minex Resources Pte. Ltd. and (2) the general working capital of the Group.

FOREIGN EXCHANGE EXPOSURE

During the year ended 31 March 2016, the Group operated mainly in the South Africa and Indonesia, 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, as the directors consider that the currency risk is not significant, the Group does not have a policy of hedging foreign currency.

Nevertheless, the Company's management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should this be deemed prudent.

REVIEW OF BUSINESS OPERATIONS

During the period under review the Group did not carry out any field exploration activities and its attention was focused on advancing the Bankable Feasibility Study ("**BFS**") for the Evander Project and the Pre-Feasibility Study ("**PFS**") for Jeanette Project. The Company recently declared maiden Mineral Reserves at each of the Evander and Jeanette projects and will be publishing the results of the BFS and PFS in the coming months. In Indonesia, samples for metallurgical testwork were collected from the exploration site at Garini and are in the process of being shipped to South Africa where the testwork will be undertaken.

The Evander Project

The Evander Project comprises the Six Shaft area and the Twistdraai area on the northeastern limb of the Witwatersrand Basin, Mpumalanga Province, South Africa. Evander Gold Mines Limited ("**EGM**") held the Mining Right No. 107/2010, of which mining right the Evander Project formed part. The Mining Right No. 107/2010 was registered in the name of Taung Gold Secunda (Pty) Limited ("**TGS**") in December 2013 and permits the mining of gold and associated minerals in the Six Shaft and Twistdraai area.

Project Description

The BFS for the project is targeting a Measured and Indicated Resource of 19.9 million tons of Kimberley Reef at an average gold grade of 8.47g/t (measured over a mining width of 112cm), containing 5.5 million ounces of gold. On 16 May 2016, the Company declared a maiden Mineral Reserve (Probable Reserve) from the Evander Project's Kimberley Reef horizon of 4.29 million ounces of gold, from 19.64 million tons of ore at an average head grade of 6.80 g/t. The declaration of the Mineral Reserve for the Evander Project is a significant event for the Company as it moves closer to the construction phase of the project. The BFS is in the final stage of review and further announcements in this regard will be made in due course.

The project will involve the following activities to develop and bring the mine into production:

- Re-establishment of the existing surface area and provision of required infrastructure and services including electrical power, water and water disposal;

- Dewatering and re-commissioning of the existing main shaft and ventilation shaft;

- Deepening of the existing main and ventilation shafts to their final depths;

- Development of the Kimberley Reef and the generation of ore reserves; and

- Construction of a metallurgical processing plant, smelter and tailings storage facility ("**TSF**").

A full Environmental Impact Assessment for the project is underway and, together with the BFS, will lead to subsequent amendment of the Mining Works Program and Environmental Authorization that form part of the Mining Right.

TGS has entered into Option Agreements with the holders of surface and mineral rights whereby TGS now has the right to acquire such rights for the purpose of establishing a TSF site.

In June 2015, TGS also entered into a Water Disposal Agreement with EGM relating to the disposal of excess mine water into EGM's Leeuwpan evaporation facility. This Water Disposal Agreement eliminates the need for a more capital intensive and higher operating cost water disposal solution.

During the period under review, the situation regarding electrical power in South Africa improved significantly as a result of increased generating capacity coupled with the downturn in demand as result of depressed commodity prices, particularly in the steel and ferro-chrome sectors. The situation will improve further as Eskom (the State owned power generation and distribution utility) commissions further generating units at its new Medupi and Kusile coal fired power stations and at its Ingula pump-storage facility. Accordingly, Eskom has already completed the installation of overhead lines for a supply of 2MVA of power to the Evander Project site and the connection of the site office to such supply will follow in the next month. Discussions are also underway with Eskom for the supply of 20MVA of electrical power required for the project construction period and a definitive timeline for the work required will be forthcoming in the next few months. The turnaround in the electrical power situation bodes well for the Evander Project as it will eliminate the need for costly self-generated power using diesel and heavy fuel oil mobile generators.

Expenditure on the Evander Project for the year ended 31 March 2016 was as follows:

	ZAR million
Consultants & Service providers	2.88
Staffing	6.66
Business Development	7.76
Overheads	4.77
Total	22.07

The Jeanette Project

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

Prospecting rights for the Jeanette Project

The Prospecting Right permits the exploration of gold ore, silver ore and uranium ore in the Jeanette area. 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. TGFS, a wholly owned subsidiary of TGL, is now the registered holder of the Prospecting Right. Apart from the Prospecting Right, TGL has continued to consolidate its mineral rights holdings in and around its Jeanette Project area, including the farms Buitendachshoop 122, Weltevreden 59, Portion RE and LeClusa 70 from Free State Development and Investment Corporation Limited. 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.

TGFS 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. Such consolidation was completed on 19 June 2015.

TGFS exclusively applied for a mining right over the consolidated area. The application was formally accepted by the Department of Mineral Resources ("**DMR**") and the administrative engagement with the DMR in respect of the Environmental Authorisation, Mining Works Program ("**MWP**") and Social & Labour Plan ("**SLP**") which form part of the Mining Right is ongoing. It is anticipated that the granting of the relevant ministerial consent will be forthcoming in the last few months of 2016 and that execution and registration of the mining right in the name of TGFS will take place during the first half of 2017.

Project Description

The PFS for the project targeted a Measured and Indicated Resource of 11.5 million tons of Basal Reef at an average gold grade of 26.83g/t (measure over a reef channel width of 30cm), containing 9.9 million ounces of gold. On 23 May 2016, the Company declared a maiden Mineral Reserve (Probable Reserve) at its Jeanette Project of 7.12 million ounces of gold, from 19.21 million tons of ore at an average head grade of 11.52 g/t. The modifying factors used to determine the Probable Reserve were based on mining methods that have been designed to eliminate the technical risks associated with the Khaki Shale proximally above the Basal Reef and which have been designed and reviewed by independent industry experts to a PFS level. The drilling and three-dimensional seismic reflection survey work carried out during 2011 and 2012 resulted in a revised geological model for the Basal Reef and, in particular, revealed that the target area is shallower dipping and therefore amenable to mechanized mining methods. The application of mechanized mining methods in the mine design and scheduling has therefore resulted in significant reductions in the various dilution factors, when compared to traditional non-mechanized mining methods and, this is reflected in the Probable Reserve grade. These mining methods will be subject to additional and more detailed design at the BFS level of project study. The Company is in the final stage of reviewing the PFS and further announcements in this regard will be made in due course.

The declaration of the maiden Mineral Reserve, together with the pending completion of the PFS and the granting of the Mining Right for the Jeanette Project will precede a decision to commence the BFS for the project.

The project will involve the following activities to develop and bring the mine into production:

- Establishment of surface facilities and provision of the required services;

- Dewatering and re-commissioning of the existing ventilation shaft;

- Sinking of a new shaft system for men, material and rock hoisting;

- Development of the Basal Reef and the generation of ore reserves; and

- Construction of a metallurgical processing plant, smelter and TSF.

Studies on the nature of the Basal Reef and the proximity of the overlying Khaki Shale show that a relatively high level of mechanized mining can be implemented; the level of mechanization being determined by the Basal Reef and Khaki Shale characteristics in different areas of the resource. Detailed studies have been conducted as a part of the PFS to properly assess geotechnical and other mining related aspects of such mechanization and the study will propose various extraction options, from which the most suitable approach will be selected to proceed to BFS level. The mechanization approach opens up the opportunity to mine the Basal Reef with significantly less waste dilution than would typically be associated with conventional mining methods and this has a significant positive impact in terms of increased head grade, reduced ore handling and hoisting requirements and, lower metallurgical processing costs.

Expenditure on the Jeanette Project for the year ended 31 March 2016 was as follows:

	ZAR million
Consultants & Service Providers	4.99
Staffing	2.89
Overheads	0.88
Total	8.76

Minex and the Indonesian Assets (the "Minex Project")

Minex Resources Pte. Ltd. ("**Minex**") became a wholly-owned subsidiary of the Company on 24 August 2015 upon fulfillment of the conditions precedent for completion in the Acquisition Agreement. PT Bolmong Timur Primanusa Resources ("**PTBTPR**") became a non-wholly owned subsidiary of the Company. Minex holds a 95% interest in PTBTPR. In addition, Minex will hold a 75% interest in PT Rihendy Tri Jaya ("**PTRTJ**") upon conversion of PTRTJ into a Penanaman Modal Asing-Foreign Investment ("**PMA**") Company. Shareholders are referred to the announcements made by the Company on 6 and 24 July 2015. PTBTPR is the holder of a concession that includes the Garini deposit. PTRTJ is the holder of a concession that contains several deposits with significant potential to hold gold mineralisation.

Since the completion of the acquisition, preparatory work for the conversion of PTRTJ to a PMA Company has commenced. It is expected that the conversion will be completed before the end of 2016. The collection of samples for metallurgical testing (the "**Metallurgical Testing**") from the Garini deposit was undertaken in late September 2015 and these samples have been delivered to PT. SGS Indonesia Assay Laboratories in Jakarta ("**SGS Indonesia**"). Initial testing work has been completed by SGS Indonesia and the results confirm the attractive nature and potential of the deposit. The samples will now be sent to SGS South Africa (Pty) Limited, in Johannesburg, for further testing under the supervision of the Company's management and independent metallurgical consultant. The Company is currently preparing the necessary documentation to export the samples from Indonesia to South Africa and expects to have further results from the Metallurgical Testing before the end of 2016.

FUTURE PLANS FOR THE EVANDER PROJECT, THE JEANETTE PROJECT AND THE MINEX PROJECT

As at the date of this announcement, both the Evander Project, the Jeanette Project and the Minex Project are at the exploration stage, which includes the completion of BFS, PFS and Metallurgical Testing for the projects, respectively.

The Evander Project

As of the date of this announcement the external review of the Evander Project BFS is nearing completion and the results of the BFS will be announced in due course. The external review is being conducted by China ENFI Engineering Limited. On 28 October 2014, the Company announced that it had entered into a Framework Agreement with MCC International Incorporation Ltd ("**MCCI**"), a wholly owned subsidiary of Metallurgical Corporation of China, pursuant to which the parties agreed to cooperate on an exclusive basis for a period of 12 months with the objective of entering into an Engineering, Procurement and Construction ("**EPC**") contract for the development of the Evander Project. Although the exclusivity has expired, the Company and MCCI continue in discussions towards the same objective.

During the period under review the Company compiled an Employer Requirements Document for the Evander Project based on the International Federation of Consulting Engineers ("**FIDIC**") Yellow Book approach and discussions with MCCI are progressing towards finalization of this document. Thereafter, it is anticipated that the preparation of an EPC contract will commence.

The application under Section 102 of the Mineral and Petroleum Resources Development Act ("**MPRDA**") to amend the Mining Right is anticipated to be submitted by the end of September 2016 and, after discussions with the DMR, will be accompanied by the EIA, SLP and MWP. A separate application for the final Water Use Licence ("**WUL**") is also expected to be submitted by the end of September 2016.

An EIA for the dewatering phase of the project has been approved and an application for a WUL for the dewatering phase of the project has been prepared. The consent of landowners is being obtained and it is expected that the application will be submitted to the relevant authorities by the end of July 2016.

The Jeanette Project

The internal review of the Jeanette Project PFS is almost complete and the results of the PFS will be announced in due course. The commencement date for the BFS for the project will be determined once the Mining Right for the project has been granted.

The following activities required in terms of the Mining Right application are in progress:

- An EIA Scoping Report was submitted to the DMR and accepted on 8 September 2015 and the EIA was completed early in January 2016. The final EIA was submitted to the DMR on 7 June 2016.

- The SLP consultation process has been completed and the SLP document was submitted to the DMR and implementation commenced during June 2016.

- The MWP has been submitted to the DMR and discussions with the DMR are continuing.

An application for a WUL for the Jeanette Project will only be prepared for submission upon completion of the BFS.

The Minex Project

A plan for the development of the Minex Project will be compiled upon the completion of the Metallurgical Testing.

The Company is considering the way forward with regards to the construction phase of the Evander Project and continues to review its financial position given the uncertainty and volatility in financial and commodity markets. However, gold has been the top performing commodity during the first few months of 2016 and the prevailing global economic and socio-political circumstances appear to bode well for continued improvement in the price of gold.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to achieving high standards of corporate governance. Throughout the year ended 31 March 2016, the Company has applied the principles and complied with all Code Provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

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 2016.

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 2016.

OTHER BOARD COMMITTEES

Besides the Audit Committee, the Board has also established Remuneration Committee, Nomination Committee and Technical, Safety & Environment Committee as at 31 March 2016. 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.taunggold.com under "Investors & media". The annual report of the Company containing all the information required by the Listing Rules will be published on the relevant 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 profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2016 as set out in the preliminary announcement have been agreed by the Company's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. 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.

TRADING HALT AND RESUMPTION OF TRADING

At the request of the Company, trading in shares of the Company was halted with effect from 9:00 a.m. on 30 June 2016 pending publication of annual results announcement of the Group for the year ended 31 March 2016. The Company has made an application to the Stock Exchange for the resumption of trading of the shares of the Company on the Stock Exchange from 9:00 a.m. on 4 July 2016.

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

Hong Kong, 30 June 2016

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, Ms. Cheung Pak Sum and Mr. Igor Levental. The Non-executive Director is Mr. Phen Chun Shing Vincent. The Independent Non-executive Directors are Mr. Chui Man Lung, Everett, Mr. Li Kam Chung and Mr. Walter Thomas Segsworth.