



TAUNG GOLD INTERNATIONAL LIMITED

壇金礦業有限公司*

(Incorporated in Bermuda with limited liability)
Stock Code: 621



*For identification purpose only

ANNUAL REPORT **2025**



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. Cheung Pak Sum (*Chairman*)

Mr. Phen Chun Shing Vincent

Independent Non-Executive Directors

Mr. Li Kam Chung

Mr. Chong Man Hung Jeffrey

Mr. Tsui Pang

AUDIT COMMITTEE

Mr. Chong Man Hung Jeffrey (*Chairman*)

Mr. Li Kam Chung

Mr. Tsui Pang

REMUNERATION COMMITTEE

Mr. Li Kam Chung (*Chairman*)

Mr. Chong Man Hung Jeffrey

Mr. Tsui Pang

NOMINATION COMMITTEE

Mr. Chong Man Hung Jeffrey (*Chairman*)

Mr. Li Kam Chung

Mr. Tsui Pang

Ms. Cheung Pak Sum (*appointed on 30 June 2025*)

TECHNICAL, SAFETY AND ENVIRONMENT COMMITTEE

Mr. Li Kam Chung (*Chairman*)

COMPANY SECRETARY

Mr. Tung Yee Shing

AUTHORISED REPRESENTATIVES

Mr. Tung Yee Shing

Ms. Cheung Pak Sum

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

Bank of Communications Co., Ltd.

AUDITOR

Deloitte Touche Tohmatsu

Certified Public Accountants

Registered Public Interest Entity Auditor

LEGAL ADVISERS ON HONG KONG LAW

TC & Co., Solicitors

LEGAL ADVISERS ON BERMUDA LAW

Appleby

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Services (Bermuda) Limited

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM10

Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1901, 19/F, Nina Tower

8 Yeung Uk Road, Tsuen Wan

New Territories, Hong Kong

REGISTERED OFFICE

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM12, Bermuda

STOCK CODE

621

COMPANY WEBSITE

www.taunggold.com

CHAIRPERSON'S STATEMENT

Dear Shareholders and Employees,

On behalf of the Board of Directors, we are pleased to present the annual report of Taung Gold International Limited (the "Company" or "Taung Gold") and its subsidiaries (collectively the "Group") for the year ended 31 March 2025.

We would like to express our gratitude to our fellow directors, management and employees for their commitment and dedication to the Company.

The Company's strategy to advance its projects into construction and ultimately into production has made progress in the period under review despite an extremely difficult operating environment. Notwithstanding the suspension in trading of the Company's shares due to the delay in publication of annual and interim results and despatch of annual and interim reports, we are pleased to report that the operations of the Group remained normal in all material respects during the period under review. The management of the Company has focused on liaison with potential investors for the Company's mining projects. During late September 2024, the management had meetings with a number of potential investors, which also possess mine development capabilities, including certain PRC state-owned enterprises, to explore and discuss the investment in the mining assets of the Group. The Company has signed non-disclosure agreements with several of these potential investors in preparation for review of project information by the investors.

THE JEANETTE PROJECT

Following the easing of PRC travel restrictions after the COVID-19 pandemic, the Company's management in Hong Kong resumed in-person visits to Metallurgical Corporation of China Limited ("MCC") for discussion of the basic design of the project. Negotiations with potential financiers also recommenced with a view to securing financing and finalising funding plans upon, or as close as possible after, completion of the basic design.

In October 2023 the Group engaged Minxcon (Pty) Ltd. ("Minxcon") to do an upgrade of the 2019 phase 1 feasibility Study which report confirmed the robust feasibility of the project.

The Group also sought to proactively address the social risk at its Jeanette Project through implementing a Broad-Based Livelihoods ("BBL") development programme under its Social and Labour Plan ("SLP"). The BBL programme aims to unlock the capacity of individuals and households to earn an income and start small businesses which are independent of the mining sector and Government interventions. The programme focusses on those with no or little economic activity or prospects and seeks to empower them to gain a firm and sustainable foothold in the informal economic sector without relying upon continuous welfare or other external support. The first five-year programme SLP ran from 2016 to 2021. The BBL programme assists the communities in growing their own food, raising poultry and cattle, agro-processing, starting small businesses and selling produce at market days organized by the Company. The Company's SLP has attracted more than 1,500 participants to-date and the Company spent ZAR13 million on its SLPs between 2016 and 2024. The response from the local community, municipality and government to these initiatives has been overwhelmingly positive.

CHAIRPERSON'S STATEMENT

On completion of the first SLP, the Company submitted a close out report wherein it outlined that it had met all of its SLP commitments. A revised five-year SLP for 2023–2027 was submitted to the regulatory authorities and on 26 January 2024 the Company was advised that its second five year SLP had been approved. Furthermore the submission of a request for extension to mine was lodged on 15 March 2024. The submission was preceded by several site visits by the Company and management of the Department of Mineral Resources and Energy for the Free State Region to the Company's SLP projects and a favourable presentation was given to the Regional Manager of the Free State Region of the Department of Mineral Resources and Energy and her senior management on 7 March 2024 wherein the reasons for the application were explained. The Minister of Mineral Resources and Energy granted the consent on 14 September 2024 in terms of which the Company was granted an extension to commence mining operations on or before 31 March 2026.

THE EVANDER PROJECT

In early 2024 the Company embarked on an update of the financial models and the bill of quantities for the Evander Project which report confirmed the robust feasibility of the project. Further work on progressing the Evander Project construction contract and funding has been scaled back, with the focus being on Jeanette Project. The Company previously recognized that its current projects will take some time to bring into production, as is the case with most mines. A recent 2024 study concluded that it takes an average of approximately sixteen years for a mine to go from discovery to startup with the average mine lead time continuing to trend upwards. During the period under review, management therefore continued to consider gold projects with the potential to enable the Group to transition into a gold producer ahead of the timeline to production for its existing projects. The assets examined thus far by the Company failed, however, to satisfy the Company's investment criteria.

THE GOLD INDUSTRY

We remain optimistic about the outlook for the gold price, the gold mining industry and are of the view that the Group has a viable, robust and sustainable business prospect for the factors detailed below.

The price of gold in US dollar currency has been more than doubled over the last ten years, representing an overall significant and steadily increasing demand for the precious metal. This increase reflects gold's status as a safe-haven investment during times of geopolitical and economic uncertainty. Geopolitical crises have weighed heavily on the global economy in recent times and have reinvigorated investor interest. The Directors consider that if the demand for gold continues to grow, the gold price may continue to rise and the gold mining-related business of the Company will meet with solid support upon commencement of production.

In general, South African gold mines continue to be highly profitable. The largest gold mining company in South Africa, Harmony Gold Mining Company Limited ("Harmony Gold"), generated record operating free cash flow of ZAR12.74 billion for its 2024 financial year. As is the case with the Company, Harmony Gold purchased mature assets from other gold miners and proceeded to exploit the gold that remained. South Africa was the tenth largest gold producer in the world in 2023, producing 100 metric tons of gold, up from 89 metric tons in 2022. It has the third largest reserves of gold after Australia and Russia.

CHAIRPERSON'S STATEMENT

The Directors note that the few large gold deposits that have been discovered in recent decades are in increasingly remote locations and face significant infrastructural and environmental challenges. Many require very large capital expenditure to provide the necessary services and utilities to site. Furthermore, the Directors believe the lack of quality discoveries in the recent decade does not bode well for the gold supply which is expected to peak in 2026 at 110 Moz and to then decline to 103 Moz in 2028. The Directors have noted that recent discoveries are scarce and smaller in size than in earlier years. In addition, the trend over the past few decades towards open-pit mining is expected to reverse as existing open-pit operations transition to underground mining in order to access their deeper reserves at a greater cost. Even recent gold discoveries will not have any noticeable impact on gold supply for some decades as the average mine construction lead time continues to trend upward. The Company's South African assets are therefore unique in global terms in that they are high-grade and host substantial resources of gold. Their mineral resources and reserves are SAMREC-compliant. In addition, they are located in the well-established gold-producing regions of Welkom and Evander with substantial existing infrastructure in the form of shafts, which means that the capital cost of re-establishing the necessary services and utilities is relatively low, when compared to projects in more remote areas elsewhere in the world. As a result of the extensive design, engineering, and economic feasibility work done in the past few years, it is anticipated that the Jeanette and Evander Projects will each deliver significant annual production profiles, with all-in sustaining cost parameters of US\$591 per ounce for the Jeanette Project and US\$774 per ounce for the Evander Project, which are in the lowest quartile of the industry cost curve.

ECONOMIC ENVIRONMENT AND OUTLOOK

Geopolitical tensions relating to trade and the conflict in Ukraine and the Middle East remain supportive of a stronger trending gold price with the gold price increasing by in excess of 20% in the period under review.

We therefore believe that the global political and economic environment are set for a stronger gold price and that this bodes well for the Company's strategy to advance its projects into construction and ultimately into production.

Cheung Pak Sum

Chairman

Hong Kong, 30 June 2025

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The Group is principally engaged in investment holding, trading of minerals and exploration, development and mining of gold and associated minerals in South Africa.

During the financial year ended 31 March 2025, the Group recorded a loss attributable to owners of the Company of approximately HK\$22,232,000 or basic loss of HK0.12 cent per share, compared with a loss attributable to owners of the Company for the year ended 31 March 2024 of approximately HK\$19,174,000 or basic loss of HK0.11 cent per share.

DIVIDEND

The directors do not recommend the payment of any dividend in respect of the year ended 31 March 2025 (2024: Nil).

BUSINESS REVIEW

For the year ended 31 March 2025, the Group had no turnover (2024: Nil). The Group recorded a net loss attributable to equity holders of approximately HK\$22,232,000 compared with a net loss attributable to equity holders of approximately HK\$19,174,000 for the previous financial year. The other comprehensive income of approximately HK\$14,933,000 (2024: other comprehensive expense HK\$132,464,000) mainly arose from the exchange difference on the translation of South African operations.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2025, the Group had no outstanding bank borrowings (2024: Nil) and no banking facilities (2024: Nil). The Group's gearing ratio as at 31 March 2025 was zero (2024: zero), calculated based on the Group's total zero borrowings (2024: zero) over the Group's total assets of approximately HK\$2,659,302,000 (2024: HK\$2,678,288,000).

As at 31 March 2025, the balance of cash and cash equivalents of the Group was approximately HK\$65,853,000 (2024: HK\$108,868,000) and was mainly denominated in HK\$, US\$ and South African Rand ("ZAR"). 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.

FOREIGN EXCHANGE EXPOSURE

During the year ended 31 March 2025, the Group operated mainly in South Africa, and the majority of the Group's transactions and balances were denominated in HK\$, US\$ and ZAR. However, as the directors consider that the present 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 foreign currency exposure should this be deemed prudent.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF BUSINESS OPERATIONS

During the year under review, the Group did not carry out any field exploration activities and its attention was focused on the following areas:

- Updating the mining approach, mining plan and the cost data for the Jeanette Project through Minxcon (Pty) Ltd. ("Minxcon"), one of the most reputable mining service providers in South Africa;
- Updating the capital costs and the bills of quantities for the Evander Project. The report was also completed by Minxcon;
- Advancing the Engineering, Procurement and Construction Contract ("EPC Contract") with Metallurgical Corporation of China Ltd ("MCC") for the Jeanette Project;
- Implementing activities under the second Social & Labour Plan to support poverty alleviation in communities surrounding the Jeanette Project;
- Engaging with the regulatory authorities to seek an extension for the construction commencement date of the Jeanette Project; and
- Identifying near-term gold producing assets for potential acquisition opportunities.

As at 31 March 2025, the Company had not conducted any mining or production activities.

The Jeanette Project

The Jeanette Project is located in the northern region of the Free State goldfield close to the towns of Allanridge, Kutlwanong and Nyakallong, within the southwest limb of the Witwatersrand Basin in the Free State Province of South Africa. Taung Gold (Free State) (Pty) Limited ("TGFS"), a wholly-owned subsidiary of TGL, is the registered holder of the mining right over the Jeanette Project. The Mining Right No. 33/2017 for the Jeanette Project was registered in the name of TGFS on 6 December 2017.

The Company previously entered into a Service Contract with MCCI International Incorporation Limited ("MCCI"), a subsidiary of MCC, under which MCCI was appointed to undertake the Feasibility Study ("FS") for the Jeanette Project. The FS was duly completed with an effective date of 23 July 2019.

The FS concluded that the Jeanette Project should be executed in a phased approach.

MANAGEMENT DISCUSSION AND ANALYSIS

During the financial year ended 31 March 2025, Minxcon has updated the mining approach and plan, and the cost data for the Jeanette Project. Highlights of the updated data are as follows:

Gold Recovered over Life of Project	6.4 Moz
Initial Construction Capital Cost Estimate	US\$806 million
Total Capital Cost over Life of Project	US\$1,252 million
Life of Mine	22 years
Cash Operating Costs	US\$546/oz
All in Sustaining Costs ("AISC")	US\$591/oz
All in Costs ("AIC")	US\$806/oz

Note: Financial calculation using long-term gold price of US\$1,900/oz and/or an exchange rate of US\$1.00 = ZAR18.80.

The Minxcon study concluded that the two-phase approach proposed by MCCI would not enable the project to enter into economic production. The optimization study further indicated that Phase 1 would yield only marginal returns and would be insufficient to fund Phase 2. The Minxcon study revealed that the most profitable approach would be to commission both shafts at the project as soon as possible by developing two raise bore holes, one at each shaft to cater for ventilation. The shafts would then be brought into production independently and joined underground further into the project schedule.

The above would generate the required tons in a relatively short time to reduce the payback period and generate very attractive profit margins once steady state production has been achieved. No changes to the existing underground mine design were deemed necessary.

Expenditure on the Jeanette Project for the year ended 31 March 2025 was as follows:

	ZAR million
Consultants and service providers	2.80
Staffing	5.80
Overheads	1.33
Total	9.93

MANAGEMENT DISCUSSION AND ANALYSIS

The Evander Project

The Evander Project is located in the Evander Goldfield on the northeastern limb of the Witwatersrand Basin and is close to the town of Secunda in the Mpumalanga Province of South Africa. Taung Gold (Secunda) (Pty) Limited ("TGS"), a wholly-owned subsidiary of TGL, is the registered holder of the mining right in terms of the Mineral and Petroleum Resources Development Act ("MPRDA") of the Evander Project. The Mining Right No. 107/2010 was registered in the name of TGS in November 2013 and permits the mining of gold and associated minerals in the Six Shaft and Twistdraai area.

On 16 May 2016, the Company declared a maiden Mineral Reserve (Probable Reserve) of 4.29 million ounces of gold from the Kimberley Reef horizon of the Evander Project, based on 19.64 million tons of ore at an average head grade of 6.80g/t.

Subsequently, on 12 September 2016, the Company announced the completion of the Bankable Feasibility Study ("BFS") for the Evander Project.

During the financial year ended 31 March 2025, Minxon has updated the cost data for the Evander Project. The update covered capital costs and the Bill of Quantities (BoQ). No changes to the vertical access nor to the mine design were proposed by Minxon. Highlights of the updated data are as follows:

Gold Recovered over Life of Project	4.1 Moz
Initial Construction Capital Cost Estimate	US\$891 million
Total Capital Cost over Life of Project	US\$1,126 million
Life of Mine	20 years
Cash Operating Costs	US\$723/oz
AISC	US\$774/oz
AIC	US\$1,010/oz

Note: Financial calculation using long-term gold price of US\$1,900/oz and/or an exchange rate of US\$1.00 = ZAR18.80.

Expenditure on the Evander Project for the year ended 31 March 2025 was as follows:

	ZAR million
Consultants and service providers	2.30
Staffing	3.33
Overheads	0.37
Total	6.00

MANAGEMENT DISCUSSION AND ANALYSIS

Summary of the Company's Measured and Indicated Mineral Resources

Below shows the summary of the Company's Measured and Indicated Mineral Resources at its Evander and Jeanette Projects.

Measured and Indicated Mineral Resources for Evander Project and Jeanette Project

MINERAL RESOURCE CATEGORY	Tonnes (Mt)	Grade (g/t)	Gold (t)	Gold (Moz)
EVANDER	Mining (Mt)	Mining (g/t)		
Measured	0.11	10.18	1.09	0.04
Indicated	19.75	8.47	167.18	5.37
Total Measured & Indicated	19.86		168.27	5.41
JEANETTE	In-situ (Mt)	In-situ (g/t)		
Indicated	16.90	22.20	375.18	12.06
Total Evander & Jeanette	36.76		543.45	17.47

FUTURE PLANS FOR THE JEANETTE PROJECT AND THE EVANDER PROJECT

The Jeanette Project

On 30 December 2019, the Group entered into the EPC contract with MCC for the execution and construction phase of the Jeanette Project. The primary objective of the EPC contract is to facilitate the commencement of the development of the Jeanette mine. EPC contracts are project finance documents to establish a contractual framework between the project owner and contractor whereby the design and construction risk is transferred to the contractor. It therefore regulates the basis on which MCC undertook to deploy the necessary resources to support the development of the mine. The scope of the EPC contract includes final engineering design, procurement, manufacturing and construction of the mine and infrastructure.

In addition, MCC undertook to assist the Company in securing equity and debt financing for the Jeanette Project at the TGFS level from independent third parties, including but not limited to strategic investors in the mining sector and Chinese banks.

During the year, the management of the Company has focused on liaison with potential investors for the Company's mining projects. During late September 2024, the management had meetings with a number of potential investors, including certain PRC state-owned enterprises, to explore and discuss the investment in the mining assets of the Group. The Company has signed non-disclosure agreements with several of these potential investors in preparation for review of project information by the investors.

MANAGEMENT DISCUSSION AND ANALYSIS

The Evander Project

Contract for the Construction of the Evander Project

In 2019, the Company and MCCI agreed to defer further commitment of time and resources to the Evander Project contract, pending the FS results of the Jeanette Project. On 30 August 2019, the FS results of the Jeanette Project were released indicating a lower capital cost and shorter lead-time to production compared to the Evander Project.

As a result, the Company prioritized advancing the EPC contract for the Jeanette Project. The estimated time frame to complete the remaining work under the Evander contract is approximately 12 to 18 months from the date of a decision to continue. The Company will update shareholders on any material development in due course.

Latest discussions with MCC

The Group had continued discussions with MCC in relation to the development and financing arrangements for both the Jeanette and Evander Projects. According to the latest discussion, MCC will refine the mining plan and financing arrangements for both projects based on the updated cost data prepared by Minxcon. In this regard, the Group and MCC will target to progress the mining projects following the estimated timetable below:

Jeanette Project

Stage	Description	Target timetable
Financing stage	Identifying, negotiating, and finalising financing arrangements with financiers	3rd quarter 2025– 2nd quarter 2026
Construction stage	Construction of the mine and associated infrastructure	3rd quarter 2026– by the end of 2028
Production stage	Mining operation, extraction, and processing of gold ore	2029–2050

As additional time is required to complete the Basic Design and finalize the lump sum contract amount, the lump sum offer supplementary agreement (supplementing the EPC Contract with the finalised engineering design method, lump sum contract amount, etc.) is expected to be entered into by December 2025. Upon finalization of the lump sum contract amount and the lump sum offer supplementary agreement, the EPC Contract will be subject to shareholders' approval. Shareholders are referred to the announcements dated 20 May 2020, 30 April 2021, 23 December 2021, 22 December 2022, 29 December 2023 and 30 December 2024 respectively in this regard. The Company will continue to keep shareholders informed of any material development in due course.

MANAGEMENT DISCUSSION AND ANALYSIS

Evander Project

Stage	Description	Target timetable
Research stage	Research on mining plans including dewatering operation	3rd quarter 2025– 4th quarter 2026
Financing stage	Identifying, negotiating, and finalising financing arrangements with financiers	2027
Construction stage	Construction of the mine and associated infrastructure and dewatering operation	2028–2033
Production stage	Mining operation, extraction, and processing of gold ore	2033–2049

REPORT OF THE DIRECTORS

The Board of Directors (the “Board”) is pleased to present their report and the audited financial statements of the Company and the Group for the year ended 31 March 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries comprise the operations of gold mines in the Republic of South Africa (“South Africa”).

BUSINESS REVIEW

The Company’s results and business review, including future developments, financial performance analysis, principal risks and uncertainties facing the Company and key relationships with stakeholders, in accordance with Schedule 5 to the Companies Ordinance (Chapter 622 of the laws of Hong Kong), are set out in the Chairperson’s Statement on pages 3 to 5 and the Management Discussion and Analysis on pages 6 to 12 of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Details of the environmental policies and performance of the Group are set out in the Environmental, Social and Governance Report on pages 20 to 40 of this annual report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

To the best of the directors’ knowledge, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group during the year. There was no material breach of or non-compliance with the applicable laws and regulations by the Group.

KEY RELATIONSHIP WITH EMPLOYEES, SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

The Group understands the importance of maintaining a good relationship with its employees, suppliers, customers and other stakeholders to meet its immediate and long-term goals. During the year, there were no material and significant dispute between the Group and its employees, suppliers, customers and/or other stakeholders.

RESULTS AND DIVIDENDS

The Group’s results for the year ended 31 March 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 60.

The directors do not recommend the payment of any dividend in respect of the year ended 31 March 2025.

REPORT OF THE DIRECTORS

FIVE YEARS SUMMARY

A summary of the Group's results for each of the five years ended 31 March 2025 and the Group's assets and liabilities as at 31 March 2021, 2022, 2023, 2024 and 2025 is set out on page 108 of this annual report.

CAPITAL STRUCTURE

There was no material change in the capital structure of the Company during the year.

PURCHASE, SALE OR 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.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 12 to the consolidated financial statements.

SHARE CAPITAL, UNLISTED WARRANTS AND SHARE OPTIONS

Details of the Company's share capital, unlisted warrants and share options are set out in notes 22 and 23 to the consolidated financial statements respectively.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

RESERVES

Details of movements in the reserves of the Group during the year are set out on pages 63 to 64 in the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 31 March 2025, the Company had no reserves available for cash distribution and/or distribution in specie to shareholders of Company. In accordance with the Companies Act 1981 of Bermuda (as amended), the contributed surplus may only be distributed in certain circumstances which the Company is presently unable to meet. In addition, the Company's share premium account with a balance of approximately HK\$5,307,443,000 as at 31 March 2025 may be distributed in the form of fully paid bonus shares.

EMPLOYEES

As at 31 March 2025, the Group employed approximately 23 staff in both Hong Kong and South Africa. The Group remunerates its employees based on their performance, working experience and the prevailing market conditions. Employee benefits include mandatory provident fund (pension) and share options scheme, etc..

REPORT OF THE DIRECTORS

MAJOR CUSTOMERS AND SUPPLIERS

As the mining production of the Group's gold mines in South Africa has not commenced yet, there are no major customers and suppliers during the year.

DIRECTORS

The directors of the Company during the year and up to the date of this annual report were:

Executive Directors

Ms. Cheung Pak Sum (*Chairman*)

Mr. Phen Chun Shing Vincent

Independent Non-Executive Directors

Mr. Chong Man Hung Jeffrey

Mr. Li Kam Chung

Mr. Tsui Pang

In accordance with the bye-law 98 of the Company's bye-laws, Ms. Cheung Pak Sum and Mr. Tsui Pang shall retire by rotation at the forthcoming annual general meeting, and being eligible, shall offer themselves for re-election.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Ms. Cheung Pak Sum, aged 49, has been an Executive Director of the Company since April 2010 and was a co-chairman of the Company from September 2018 to June 2024. She has been the Chairman of the Company since June 2024 and a member of the nomination committee (appointed on 30 June 2025). She is the Head of Human Resources and Administration of the Company and is well experienced in the areas of Human Resources and Administration. She was the senior administration officer of Pineview Industries Limited, a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), from May 2006 to May 2008. Ms. Cheung also acts as director of certain subsidiaries of the Company.

Mr. Phen Chun Shing Vincent, aged 49, was appointed as a Non-executive Director of the Company in July 2015 and has been re-designated an Executive Director of the Company since May 2017. He was an independent non-executive director of Agritrade Resources Limited (stock code: 1131) (resigned in June 2021), a company listed on the Main Board of the Stock Exchange but delisted with effect from 31 January 2022; an executive director of China Partytime Culture Holdings Limited (stock code: 1532) (resigned in April 2020) and a non-executive director of EPI (Holdings) Limited (stock code: 689) (resigned in October 2016), all of which are companies listed on the Main Board of the Stock Exchange.

REPORT OF THE DIRECTORS

Mr. Phen has over 15 years of experience in direct investment and corporate banking. He was also an executive director of China Merchants Capital Management (International) Limited from 2012 to 2015, a non-executive director of Comtec Solar Systems Group Limited (stock code: 712), a company listed on the Main Board of the Stock Exchange, from 2010 to 2012 and a director of CMS Capital (HK) Co., Limited (formerly known as “CMTF Asset Management Limited”) from 2009 to 2012. He also worked in CLSA Capital Partners from 2007 to 2009. Prior to that, Mr. Phen worked in the international corporate banking division of various financial institutions for approximately 7 years. Mr. Phen holds a bachelor degree in business administration and marketing from the University of North Texas.

Independent Non-executive Directors

Mr. Li Kam Chung, aged 73, has been an Independent Non-executive Director of the Company since April 2009. He is the chairman of each of the remuneration committee and technical, safety and environment committee; and a member of each of the audit committee and nomination committee of the Company. Mr. Li has been appointed as independent non-executive director of Zhidao International (Holdings) Limited (stock code: 1220), a company listed on the Main Board of the Stock Exchange since January 2012. Mr. Li has over 10 years experience in trading businesses between Mainland China and Hong Kong. Mr. Li was the chairman of Joint Village Office for Villages in Shuen Wan Tai Po New Territories and a member of Tai Po District Council Environment, Housing and Works Committee.

Mr. Chong Man Hung Jeffrey, aged 47, has been an Independent Non-executive Director of the Company since October 2017. He is the chairman of each of the audit committee and nomination committee of the Company; and a member of the remuneration committee. He has been the company secretary of China Partytime Culture Holdings Limited (stock code: 1532) since May 2015 and chief financial officer and company secretary of Yee Hop Holdings Limited (stock code: 1662) since November 2019, all of which are companies listed on the Main Board of the Stock Exchange.

Mr. Chong served as an independent non-executive director of China International Development Corporation Limited (stock code: 264) (resigned in September 2019) and China Gingko Education Group Company Limited (stock code: 1851) (resigned in July 2020) respectively, all of which are companies listed on the Main Board of the Stock Exchange. Mr. Chong obtained his bachelor degree of business administration in accounting from the Hong Kong University of Science and Technology in November 2000 and his master’s degree of business administration from the City University of Hong Kong in October 2018. He has been a member and fellow member of the Hong Kong Institute of Certified Public Accountants since January 2005 and March 2018, respectively. Mr. Chong has over 16 years of experience in auditing, financial management, internal control and corporate governance.

Mr. Tsui Pang, aged 42, has been an Independent Non-executive Director of the Company since July 2016. He is a member of each of the audit committee, remuneration committee and nomination committee of the Company. He is currently a general manager of Chang Yang (Hubei) Mining Limited, which is engaged in exploration and the mining of barium sulphate at barite ores in Yichang City, Hubei Province in China. Before joining the Company, Mr. Tsui worked in Yuet Sing Group from 2004 to 2011 in different positions to participate in mine planning and feasibility study of mines in Enshi City, Hubei Province in China. Mr. Tsui holds a master’s degree of business administration from the Hong Kong University of Science and Technology.

REPORT OF THE DIRECTORS

DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

No director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the year ended 31 March 2025, none of the directors of the Company or any of their respective associates have engaged in any business that competes or might compete, either directly or indirectly, with the business of the Group or have any other conflict of interests with the Group.

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's bye-law, every director, officer and auditors shall be entitled to be indemnified and secured harmless out of assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses incurred or sustained by him as a director, auditors or officer of the Company about the execution of the duties of his office or otherwise in relation thereto. The Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group during the year.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 31 March 2025, none of the directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code").

SHARE OPTION

A resolution was passed at a special general meeting of the Company held on 28 August 2020 to approve and adopt a share option scheme (the "2020 Share Option Scheme"). The maximum number of shares which may be issued under the 2020 Share Option Scheme is 1,815,147,198 shares (representing 10% of the issued share capital of the Company on 28 August 2020). No share options has been granted or exercised under 2020 Share Option Scheme as at 31 March 2025. Further details of the 2020 Share Option Scheme are set out in note 23 to the financial statements.

REPORT OF THE DIRECTORS

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 March 2025, the following shareholders had, or were deemed to have, interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

(1) Long positions in shares and underlying shares of the Company

Name of shareholders	Number of shares held	Underlying shares of equity derivatives	Total interest	Percentage of issued shares of the Company
Goldborn Holdings Limited	2,001,362,075	–	2,001,362,075	11.03%
Mandra Materials Limited (Note)	777,434,722	–	777,434,722	4.28%
Mandra Esop Limited (Note)	16,238,369	–	16,238,369	0.09%
Woo Foong Hong Limited (Note)	276,530,727	–	276,530,727	1.52%

Note: Mandra Materials Limited, Mandra Esop Limited and Woo Foong Hong Limited are 50% owned by Mr. Zhang Songyi. Hence, Mr. Zhang Songyi is deemed to be interested in the shares held by Mandra Materials Limited, Mandra Esop Limited and Woo Foong Hong Limited for the purpose of SFO.

(2) Short positions in shares and underlying shares of the Company

There were no short positions in the shares and underlying shares of the Company and its associated corporations, which were recorded in the register as required to be kept under Section 336 of Part XV of the SFO.

Save as disclosed herein, as at 31 March 2025, no person, other than the directors and chief executives of the Company, whose interests are set out in the section "Directors' and Chief Executives' interests in securities" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company, as at the date of this annual report, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "Listing Rules").

REPORT OF THE DIRECTORS

ANNUAL CONFIRMATION OF INDEPENDENCE

The Company has received annual confirmation from each of the independent non-executive directors as regards their independence to the Company and considers that each of the independent non-executive directors is independent to the Company.

AUDITORS

Crowe (HK) CPA Limited (“Crowe”) was appointed as the auditor of the Company with effect from 23 February 2022 to fill the casual vacancy following the resignation of Deloitte Touche Tohmatsu (“Deloitte”) on 22 February 2022.

Crowe had tendered its resignation as auditor of the Company with effect from 16 July 2024 and the Board resolved to appoint Baker Tilly Hong Kong Limited (“Baker Tilly”) as the new auditor of the Company with effect from 22 July 2024 to fill the causal vacancy following the resignation of Crowe.

Baker Tilly had tendered its resignation as auditor of the Company with effect from 15 April 2025 and the Board resolved to appoint Deloitte as the new auditor of the Company with effect from 15 April 2025 to fill the causal vacancy following the resignation of Baker Tilly.

The Board and the audit committee of the Company (the “Audit Committee”) have taken into account, among other things, Deloitte’s industry knowledge and technical competence; audit approach; resources and service team; governance, leadership and quality management; audit fees; and the guidelines issued by the Accounting and Financial Reporting Council, and were thus satisfied with their suitability in acting as the auditor of the Company.

The above factors considered have covered the requirements in the guidelines issued by the Accounting and Financial Reporting Council regarding change of auditors, including Guidance Notes on Change of Auditors and Guidelines for Effective Audit Committees – Selection, Appointment and Reappointment of Auditors.

The financial statements for the year ended 31 March 2025 were audited by Deloitte whose term of office will expire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

On behalf of the Board

Cheung Pak Sum

Chairman

Hong Kong, 30 June 2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MESSAGE FROM THE BOARD

Taung Gold International Limited and its subsidiaries (collectively referred to as the “Group”) are committed to enhancing environmental and social performance to support the Group’s sustainable development. Environmental, Social, and Governance (“ESG”) considerations are systematically integrated into the Group’s business operations and daily management processes. To ensure effectiveness, the Group has reviewed and revised the strategies, progressed with their environmental targets, and implement adjustments when needed.

The Board of Directors is responsible for the oversight of ESG governance across the Group. This includes setting ESG-related objectives and strategies, reviewing and evaluating ESG targets and performance, and overseeing the implementation of ESG initiatives throughout the Group’s operations.

An internal ESG working group, operating under the direction of the Board, is tasked with coordinating the implementation of ESG measures. The Group collects relevant ESG data, supports performance assessments, prepares ESG disclosures, and provides regular updates to the Board.

To identify and prioritize material ESG topics, the Group conducts a materiality assessment, which is reviewed by the Board with input from the ESG working group. The methodology and outcomes of this assessment are presented in the “Materiality Assessment” section of this report.

The Group has established environmental targets aligned with its operational activities, including the reduction of emissions and resource consumption in office environments. These targets have been reviewed and endorsed by the Board to ensure alignment with the Group’s broader sustainability objectives. The targets have been reviewed and discussed by the Board.

ABOUT THIS REPORT

The Group has prepared this “Environmental, Social and Governance Report” (the “ESG Report” or the “Report”) in accordance with the requirements under the “Environmental, Social and Governance Reporting Guide” (the “ESG Guide”) as set out in Appendix C2 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), which discloses the practice and performance of the Group on various ESG issues last year. The Report aims at strengthening our communication with all stakeholders and the public, so that people from all walks of life can understand the ESG activities of the Group and their related effects.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

REPORTING SCOPE

This ESG report covers the reporting period from 1 April 2024 to 31 March 2025 (the “Reporting Period”), which coincides with the annual report for the year ended 31 March 2025. The report primarily focuses on the gold mining business of the Group in the Republic of South Africa (“South Africa”). There have been no significant changes in the scope of disclosure in the Report.

During the Reporting Period, the Group did not engage in any field exploration activities, as both the Evander and Jeanette projects in South Africa remained in the pre-construction phase, with a focus on finalizing permitting work and advancing financing and construction. Consequently, the Group did not carry out any mining or production activities during the period under review. Therefore, the Group considers the emissions data for air emissions, non-hazardous waste, and water consumption to be insignificant and immaterial during the Reporting Period. Key performance indicators (“KPIs”) related to production activities are expected to be included in the ESG Report once they commence.

REPORTING PRINCIPLES

This Report has been prepared in accordance with the “Comply or Explain” provisions of the ESG Guide under Appendix C2 to the Listing Rules and has also applied the following fundamental reporting principles as outlined in the ESG Guide:

1. **Materiality:** The materiality of the ESG issues of the Group is determined by the board of directors (the “Board”) and the Group focuses on matters that impact business growth and are of importance to our stakeholders. For further details regarding the identification process and criterion of material issue, please refer to the section headed “Materiality Assessment” in this Report.
2. **Quantitative:** All disclosed information, environmental and social KPIs were organised and calculated according to ESG Guide and standardised methodologies. The assumption and calculation principles are illustrated in the relevant sections.
3. **Balance:** This ESG Report is based on an objective and impartial manner to ensure that the information disclosed faithfully reflects the overall performance of the Group in ESG aspects.
4. **Consistency:** Unless otherwise specified, the reporting scope and methodologies are consistent with previous years for meaningful comparison.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Recognising stakeholder engagement as a key component of its business operations, the Group places emphasis on maintaining constructive and transparent communication with its principal stakeholders. In alignment with the objectives set out in its Social and Labour Plans (“SLPs”), which are integral to its mineral rights, the Group seeks to foster and sustain collaborative relationships with stakeholders in the communities where it operates.

To ensure effective communication and to address stakeholder expectations appropriately, the Group engages in regular and structured interactions through a variety of communication channels. A summary of these channels and their corresponding details is provided in the table below:

Stakeholders	Communication channels
Shareholders	<ul style="list-style-type: none">– Company website– General meetings– Corporate reports and announcements
Employees	<ul style="list-style-type: none">– Emails and suggestion box– Annual performance review– Employee training
Business partners	<ul style="list-style-type: none">– Lawful actions and communications– On-going direct engagement– Inspection on site
Government and regulatory authorities	<ul style="list-style-type: none">– Regular submission of information– Regular communication with regulatory authorities– Forum, seminar and conference
Environment	<ul style="list-style-type: none">– Communication with local environmental authority/department
Community	<ul style="list-style-type: none">– Communication meeting with community
Media	<ul style="list-style-type: none">– Company website– Media enquiry

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group conducted a materiality assessment to identify and prioritize the material ESG topics most important to our business and stakeholders. We identified a list of material topics and annually assess ESG material issues using factors such as international and industry standards, overall corporate development strategies, corporate value, operational management system, and future challenges. We consulted the SASB Standard to identify issues material to the metals & mining industry under the dimensions of (i) Environment, (ii) Social Capital, (iii) Human Capital, (iv) Business Model & Innovation, and (v) Leadership & Governance. We also obtained stakeholders' opinions on our ESG measures through communication between stakeholders and the Group. After review and approval by the Board, we identified the following ESG material issues and their importance:

Highly important		Generally important	
Greenhouse gas emissions	Air emissions	Packaging material	Development and training
Hazardous waste	Non-hazardous waste	Labour standards	Supply chain management
Electricity and water saving	Environmental and nature resources	Product responsibility	Anti-corruption
Climate change		Community investment	
Employment	Health and safety		

A. ENVIRONMENTAL

A1: EMISSIONS

During the Reporting Period, the Group maintained its commitment to sustainable development, clean production, and environmentally responsible practices. Environmental protection measures were implemented in strict compliance with applicable local environmental laws and regulations, as well as in alignment with prevailing international standards.

In South Africa, the Group is required to comply with the conditions set out in its Environmental Authorisations, which are a prerequisite for the granting of mineral rights. These authorisations mandate adherence to local regulatory requirements concerning solid waste management, air quality control, and effluent discharge. Typically, Environmental Authorisations are issued prior to the execution and registration of Mining Rights, following the completion of Environmental Impact Assessments and the adoption of appropriate mitigation measures. As the Group's projects remain in the pre-construction phase, their environmental impact during the Reporting Period was limited.

Each mining project must obtain a waste management licence. The Jeanette Project has secured this licence in accordance with the National Environmental Management Act, 1998 (NEMA, No. 107 of 1998). The waste management licence for the Evander Project is expected to be obtained in due course. Furthermore, an atmospheric emissions licence, issued by the Department of Economic Development, Tourism, and Environmental Affairs under the National Environmental Management: Air Quality Act, 2004, is also required. As of the Reporting Period, neither the Jeanette nor the Evander Project had obtained this licence.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group remained in full compliance with applicable environmental regulations, and no incidents of non-compliance or legal enforcement actions related to environmental matters were reported during the Reporting Period.

Air Emissions

Given the nature of the Group's operations, the primary sources of air pollutant emissions at mining sites are dust generation and fuel combustion from vehicles and machinery. The Group adopts the emission limits specified in applicable environmental licences as performance benchmarks. To mitigate and reduce air pollutant emissions, the Group plans to implement a range of preventive and control measures, including:

- Install dust collection system
- Implement wet grinding process at mining sites to prevent creation of dusts
- Adopt the use of wet drilling and blasting, installing sprinkler systems on vehicles
- Conduct regular vehicle and machinery inspection and maintenance to enhance efficiency
- Switch off machinery which is not in use

These measures will be implemented once the construction phase is reached for the respective South African projects. All implementation measures to reduce the impact on the environment are discussed in the relevant licences.

Greenhouse Gas ("GHG") Emissions

The Group's main sources of GHG emissions were petrol and diesel consumed by vehicles (Scope 1) and purchased electricity (Scope 2). The Group has set a long-term reduction pathway as its GHG emission target and measures for reducing emissions are described in the "Energy Management" section.

The details of GHG emissions for the Group in South Africa during the Reporting Period are as follows:

	Unit	Quantity
Scope 1 – Direct GHG emissions		
– Petrol and diesel consumed by vehicles and machinery	kgCO ₂ -e	7.56
Scope 2 – Indirect GHG emissions		
– Purchase electricity	kgCO ₂ -e	29.74
Total	kgCO ₂ -e	37.30

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Notes:

- The calculations were based on the Reporting Guidance on Environmental KPIs issued by the Stock Exchange, 2006 IPCC Guidelines for National Greenhouse Gas Inventories, IPCC Sixth Assessment Report.
- Due to absence of any substantial production in the Reporting Period, Scope 1 GHG emissions covered only two vehicles.
- Grid emission factor of South Africa is referenced from IGES List of Emission Factors published by the Institute for Global Environmental Strategies.

Hazardous Waste

As the Group's mining projects remained in the development phase during the Reporting Period, no hazardous waste was generated. Upon commencement of the production phase, the Group will adopt a long-term reduction pathway as its target for managing hazardous waste emissions. All hazardous waste disposal activities will be conducted in strict compliance with the National Environmental Management: Waste Act, 2008 (NEM:WA No. 59 of 2008).

To minimise environmental impact, the Group will implement a controlled and systematic approach to the collection, storage, transportation, and disposal of hazardous waste. Certified contractors with the requisite expertise will be engaged to manage the removal of hazardous materials from project sites, thereby mitigating the risk of environmental contamination or unauthorised exposure. Such measures are designed to ensure responsible waste management and safeguard environmental integrity throughout the project lifecycle.

Non-Hazardous Waste

The Group has established internal guidelines and procedures to manage various types of non-hazardous waste generated at both mining sites and office locations. The primary objective is to minimise waste generation at the source and promote efficient resource utilisation among employees. A long-term reduction pathway has been adopted as the target for non-hazardous waste management.

At mining sites, the main forms of non-hazardous waste include waste rock and tailings produced during the extraction process. To reduce environmental impact, waste rock will be repurposed for secondary uses such as road construction, underground backfilling, and dam development. Tailings will similarly be utilised in underground and cavity filling applications.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In office environments, non-hazardous waste primarily consists of paper and general domestic waste. To address paper waste, the Group has introduced a series of initiatives aimed at reducing paper and stationery consumption, including:

- Reuse or use double-sided paper
- Encourage the use of teleconference or video conference facilities
- Classify and recycle waste paper and printer cartridges
- Minimize the use of single-use disposable items

A2: USE OF RESOURCES

The Group recognises the importance of responsible resource utilisation across all areas of its operations. It is committed to evolving into a resource-efficient and environmentally responsible organisation, actively supporting environmental stewardship and sustainable practices.

Energy Management

The Group adopts a long-term reduction pathway as its energy efficiency target. In order to reduce energy consumption and improve the efficient use of energy, the Group has adopted the following energy-saving measures in both offices and mining sites:

- Switch off electrical equipment and lightings when not in use
- Set electrical equipment and appliances on power saver mode
- Use energy saving LED lighting and other electrical appliances
- Adopt natural ventilation where applicable
- Perform regular checking over the air-conditioning system, lightings and electrical appliances

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, the energy consumption performance in South Africa of the Group is as follows:

	Unit	Quantity
Direct energy consumption		
– Liquid fuel	MWh	32.76
Indirect energy consumption		
– Purchase electricity	MWh	28.98
Total	MWh	61.74

Note: The unit of energy figures is converted into MWh based on the lower heat value referenced from CDP Technical Note: Conversion of fuel data to MWh.

Water Management

The Group's mining projects are located in regions with limited water availability, necessitating a strong emphasis on water efficiency. As part of its environmental management strategy, the Group has adopted a long-term reduction pathway as its target for water usage. To support this objective, the Group implements regular inspections, promptly addresses maintenance issues to prevent leaks, and promotes water conservation awareness among employees to encourage responsible usage.

Given that the Group's operations primarily involve underground gold mining in South Africa, a process that typically requires significant water input, project designs have incorporated measures to optimise water recirculation and minimise discharge.

Underground fissure water, originating from sub-surface aquifers, must be managed in accordance with the Group's Environmental Authorisations and Water Use Licences, as stipulated under the National Water Act, 1998. Effective management of fissure water will be essential for future mining activities. Water will also be used in metallurgical plants for ore processing. The use of both surface and groundwater is strictly regulated and managed in line with the conditions of the mine's Water Use Licence. Recycling and recirculation systems will be implemented to enhance water efficiency and support the achievement of a net positive water balance.

As the Group's projects remained in the development phase during the Reporting Period, no significant challenges were encountered in sourcing suitable water for operational needs.

Notably, the Evander site office utilised harvested rainwater stored in 20,000-litre tanks, while the Jeanette site office recorded freshwater consumption of 107 cubic metres during the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Packaging Material

The Group's final products are gold concentrate, so packaging material is not necessary and is therefore not considered a material ESG aspect of the Group.

As mining production has not yet begun and the Group's projects are still in the developmental stage, energy and water consumption are limited to the Hong Kong offices. Consequently, the Group believes that its consumption data is insignificant and immaterial.

A3: ENVIRONMENT AND NATURAL RESOURCES

Mining activities, by their nature, have the potential to disrupt local ecological systems. To mitigate and manage these environmental impacts, the Group implements a comprehensive set of environmental management measures. Each mining project is subject to a detailed Environmental Impact Assessment, which forms the foundation for identifying, implementing, and continuously monitoring appropriate environmental controls.

Independent assessments are conducted to evaluate compliance with applicable environmental laws and regulations. Any instances of non-compliance may be subject to regulatory investigation and, where applicable, legal enforcement, including criminal prosecution.

A4: CLIMATE CHANGE

Climate change has a significant impact on human life and business operations. Although the Group has not yet commenced mining production, it recognizes that the following climate risks might have potential impacts on its business:

Physical Risk

The Group recognises that shifts in weather patterns, including changes in precipitation, temperature fluctuations, and the increasing frequency and severity of extreme weather events, may adversely affect its mining operations. For example, prolonged hot and dry conditions can present challenges to exploration activities. Therefore, these climate-related factors are considered during the planning and pre-construction phases of each mining project.

To mitigate the risk of operational disruptions caused by extreme weather, the Group conducts assessments of potential weather scenarios that could impact business continuity. In accordance with the Mine Health and Safety Act, precautionary measures have been implemented to protect mine infrastructure from flooding. In addition, as part of the Group's contingency planning, employees receive guidance on managing situations where critical equipment or services may be temporarily unavailable due to severe weather conditions. The Group regularly reviews and updates its adverse weather response measures to ensure employee safety and operational resilience. Ongoing monitoring of climate-related risks forms part of the Group's broader approach to climate risk management.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. SOCIAL

B1: EMPLOYMENT

The Group places great emphasis on and attaches great importance to its employees' contribution and dedication to sustainable business development. Additionally, the Group is committed to maintaining high employment standards and a healthy and safe workplace. We strive to provide the best possible support and opportunities for employees so that they can thrive within the Group.

The Group strictly complies with relevant local laws, regulations, and policies, including but not limited to the "Labour Relations Act of South Africa", "Basic Conditions of Employment Act of South Africa", "Employment Equity Act of South Africa", "Skills Development Act of South Africa", "Unemployment Insurance Act of South Africa", "Employment Ordinance of Hong Kong", "Employees' Compensation Ordinance of Hong Kong", and "Minimum Wage Ordinance of Hong Kong". The Group regulates employee management in accordance with its "Recruitment Policy" and other internal rules and regulations.

During the Reporting Period, the Group complied with relevant laws and regulations on employment and labour practices and was not charged with any violations of such laws and regulations that had a significant impact on the Group.

Recruitment, Promotion and Dismissal

The Group has established comprehensive employment policies that promote equal and fair recruitment practices, in full compliance with applicable local laws and regulations. All candidates are assessed solely on their qualifications, experience, and alignment with the Group's current and future operational needs. Discrimination on the basis of race, gender, religion, physical ability, marital status, sexual orientation, or any other personal characteristic is strictly prohibited.

For existing employees, the Group provides transparent and merit-based opportunities for career advancement and professional development. An open and equitable performance evaluation system is in place to assess employee capabilities and support career progression. Regular performance reviews and assessments are conducted to facilitate continuous development and recognise individual contributions. Where feasible, the Group offers competitive remuneration and fair promotion opportunities.

The Group maintains a zero-tolerance policy toward unfair or unlawful dismissal. Termination of employment is conducted strictly in accordance with the relevant labour laws of Hong Kong and South Africa, and only on legitimate and lawful grounds.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Remuneration, Benefits and Work-life Balance

The Group recognises that a competitive remuneration structure, complemented by comprehensive benefits and welfare programmes, plays a critical role in employee retention and in fostering a sense of belonging within the organisation. Accordingly, the Group offers a structured remuneration framework that ensures fair and equitable compensation aligned with employee contributions and prevailing market standards.

In addition to competitive salaries, the Group provides a comprehensive benefits package that includes a range of entitlements such as paid annual leave, sick leave, education and examination leave, maternity leave, marriage leave, paternity leave, compensation leave, work injury leave, life and disability insurance, training allowances, and provident fund contributions. Furthermore, subsidies are provided for transportation, travel, and communication expenses incurred during overtime work, in accordance with the Group's internal policies.

To support work-life balance, the Group adheres to standard working hours and statutory holidays as stipulated by local labour laws and regulations, enabling employees to effectively manage their professional responsibilities alongside personal and family commitments.

Diversity, Equal Opportunities, and Anti-discrimination

The Group is committed to fostering a diverse and inclusive workforce by attracting talent from a wide range of geographic regions and cultural backgrounds. The Group recognises the value of human capital and is dedicated to creating opportunities that benefit both the organisation and its employees. Equal opportunity is a core principle embedded in all aspects of employment, including recruitment, development, promotion, and retention. The Group is committed to maintaining a workplace that is free from discrimination and any form of physical or verbal harassment based on race, religion, colour, national origin, age, gender, sexual orientation, disability, or any other personal characteristic.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Information of our workforce and turnover rate by different categories is illustrated below:

Number of employees	
By gender	
Male	12
Female	11
By employee category	
Full-time	21
Part-time	2
By age group	
Below 30	2
30–50	11
Over 50	10
By region	
South Africa	10
Hong Kong	13
Total	23
Turnover rate	
By gender	
Male	8%
Female	0%
By age group	
Below 30	0%
30–50	9%
Over 50	0%
By region	
South Africa	10%
Hong Kong	0%
Overall	4%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B2: HEALTH AND SAFETY

The Group places the highest priority on the health, safety, and well-being of its employees and is committed to maintaining a safe, healthy, and supportive working environment. It strictly complies with all applicable local laws and regulations, including the “Occupational Health and Safety Act”, “Compensation for Occupational Injuries and Diseases Act”, “Workmen’s Compensation Act”, and “Mine Health and Safety Act” of South Africa, as well as the “Occupational Safety and Health Ordinance” of Hong Kong. To ensure compliance and promote a strong safety culture, the Group has implemented the “Taung Gold Safety Way”, an occupational safety management framework aligned with industry best practices, local regulatory requirements, international standards, and internal expertise.

To enhance safety performance at operational sites, the Group has established a comprehensive safety responsibility system. Recognising the specific risks associated with mining operations, the Group provides regular occupational health and safety training to employees and subcontractors in South Africa, ensuring alignment with legal obligations. Employees are equipped with appropriate personal protective equipment, including safety helmets, vests, and footwear, all of which meet local safety standards. Each operational site is equipped with adequate medical first-aid kits, fire prevention equipment, protective gear, and other emergency response resources. On-site occupational safety officers are appointed to oversee and reinforce safety measures.

During the Reporting Period, the Group recorded no material instances of non-compliance with health and safety-related laws and regulations. Furthermore, there were no work-related injuries or fatalities resulting in lost workdays over the past three years. No reportable lost days due to work-related injuries were recorded during the Reporting Period.

B3: DEVELOPMENT AND TRAINING

The Group recognises that the continuous development of human capital is fundamental to achieving long-term success, supporting business growth, and maintaining a competitive edge. To this end, the Group regularly evaluates the developmental needs of its workforce, with a particular emphasis on knowledge enhancement and skills training.

Employees benefit from a range of learning opportunities, including on-the-job training, internal and external training programmes, and specialised courses in occupational safety and first aid. These initiatives are tailored to support individual career development and align with the Group’s operational requirements. To further encourage professional advancement, the Group has implemented incentive policies that support employees in obtaining recognised certifications or completing relevant professional courses. Selected training programmes are supported by training subsidies and provisions for examination leave.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, employees participated in a variety of training sessions and seminars covering areas such as accounting, corporate governance, and regulatory developments. The percentage of employees trained by employee category is as follows:

	Training rate
Gender ratio among employees trained	
Male	60%
Female	40%
Employee category ratio among employees trained	
Executive directors	40%
General staff	60%
Percentage of employees trained to all employees	22%

Note: The percentage of employees trained is calculated by using the total number of employees trained as the denominator.

	Average training hours completed per employee
By gender	
Male	1.58
Female	2.50
By employee category	
Executive directors	1.00
General staff	2.37
All employees	2.13

B4: LABOUR STANDARDS

Prevention of Child and Forced Labour

The Group maintains a strict zero-tolerance policy toward all forms of child labour, forced labour, and compulsory labour. It is firmly committed to ensuring that no individuals below the legal working age, as defined by applicable laws and regulations, are employed. The Group explicitly prohibits the use of forced or indentured labour, physical punishment, unlawful detention, or threats of violence. All recruitment practices are conducted in accordance with the principles of fairness, transparency, and free will, with no tolerance for coercion or fraudulent practices.

The Group's Human Resources and Administrative Department is responsible for monitoring compliance with all relevant labour laws and regulations. Rigorous age verification procedures are implemented during the recruitment process, and regular internal reviews are conducted to prevent any instances of child or forced labour.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In the unlikely event of a policy breach, the Group will take immediate corrective action, including a thorough investigation to identify root causes and implement preventive measures. Educational initiatives are also undertaken to ensure that all employees are fully informed about the Group's policies and the broader legal and ethical implications of child and forced labour. The Group considers local legal requirements as the minimum standard and, where necessary, enforces stricter internal policies to uphold higher levels of compliance.

During the Reporting Period, the Group did not employ any individuals involved in child or forced labour, and no incidents of non-compliance or legal proceedings related to such practices were reported.

B5: SUPPLY CHAIN MANAGEMENT

The Group recognises that the engagement of responsible business partners is essential to fulfilling its corporate social responsibility commitments. Accordingly, the Group seeks to collaborate with suppliers and subcontractors that demonstrate strong performance in addressing environmental and social issues.

During the Reporting Period, the Group engaged a total of 11 major suppliers, all of which were based in South Africa. To ensure the selection of responsible partners, the Group has implemented a supplier management policy that emphasises environmental stewardship and corporate social responsibility. A structured supplier selection and assessment mechanism is in place, evaluating criteria such as product and service quality, pricing, delivery reliability, payment terms, and overall reputation.

The Group acknowledges the potential environmental and social risks embedded within its supply chain. As such, environmental, social, and governance considerations are integrated into procurement decisions to enhance the sustainability and resilience of the supply chain. All suppliers and subcontractors are expected to comply with the Group's standards on business ethics, human rights, labour practices, occupational health and safety, and environmental responsibility.

Preference is given to environmentally friendly products and services, particularly those that demonstrate low energy consumption, high recyclability, and minimal packaging. In South Africa, the Group follows a procurement process that includes obtaining at least three quotations and considers factors such as Black Economic Empowerment (BEE) ratings and/or carbon emissions when evaluating potential suppliers and subcontractors.

Regular evaluations and performance reviews are conducted to ensure that suppliers and subcontractors continue to meet the Group's standards and comply with applicable laws and regulations.

B6: PRODUCT RESPONSIBILITY

As the Group's mining projects are still in the pre-construction and developmental stages during the Reporting Year, the Group has not yet commenced any mining or production activities. Therefore, it is not applicable for the Group to disclose its policy on product responsibility at this time. Relevant disclosure will be made once mining production commences.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B7: ANTI-CORRUPTION

The Group upholds strict ethical standards and maintains a zero-tolerance policy toward corruption and unethical conduct. It explicitly prohibits the solicitation or acceptance of bribes, as well as the pursuit of personal gain through illicit means such as blackmail, fraud, or money laundering, related to one's position. To reinforce these principles, the Group has implemented comprehensive policies addressing anti-corruption, anti-money laundering, and whistle-blowing. These are supported by a formal Code of Conduct, which outlines the expected standards of behaviour for all employees and stakeholders.

During the Reporting Period, the Group was not aware of any material instances of non-compliance with applicable laws and regulations relating to bribery, extortion, fraud, money laundering, data privacy, or intellectual property. Furthermore, neither the Group nor any of its employees were involved in legal proceedings related to corrupt practices.

Whistle-blowing

The Group has established a whistle-blowing policy to promote a culture of integrity, transparency, and accountability. This policy encourages employees to report any suspected misconduct or unethical behaviour without fear of retaliation. It provides clear guidance on the scope of reportable matters, prohibited conduct, available reporting channels, procedures for handling reports, and the confidentiality of whistle-blowing activities, all in accordance with relevant internal governance frameworks.

Employees may submit written reports of suspected misconduct directly to the Chairman of the Audit Committee, depending on the nature of the issue. Upon receipt, the Chairman promptly reviews the matter and determines the appropriate course of action for investigation. The Group is committed to maintaining strict confidentiality in all whistle-blowing cases and takes all necessary measures to protect the identity of the reporting individual. Additionally, the Group ensures the integrity and accuracy of the information collected and reserves the right to take disciplinary action against any employee found to have intentionally submitted false or misleading information.

Anti-corruption

Employees are strictly prohibited from soliciting, accepting, or offering any form of advantages, such as gifts, entertainment, or contributions, from or to customers, suppliers, public servants, employees of a government department or public body, or any person in connection with the Group's business in most circumstances.

If such behaviour is uncovered and the involved persons are found guilty of such acts, the employees will be subject to dismissal and ineligible for future recruitment. If the case is serious, the employee's details will be referred to the local law enforcement agency for prosecution.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To ensure a better understanding of applicable laws and regulations, training on ethical business conduct is provided to all employees of the Group. The training covers topics such as integrity, discipline, confidentiality, and conflict of interest. Additionally, directors are provided with internal training and reading material on topics such as corporate governance, connected and notifiable transactions, legal and regulatory matters, and business.

B8: COMMUNITY INVESTMENT

The Group strongly believes in uplifting people and leaving a long-term, net positive legacy wherever it operates. Surrounding communities play an integral role in the success of any mining project of the Group. Therefore, specific education development programs are adopted and implemented under the SLPs to improve the communities in a sustainable way.

The objectives of SLPs 2023–2027 are to:

- Broaden the base of participation, through expanding into additional areas and increasing participation in areas of existing implementation;
- Investigate productive water infrastructure solutions, in partnership with local municipality, to secure ongoing economic activity in the host community;
- Continue support of local market days to stimulate internal cash circulation and growth of the local economy; and
- Expand activities to offer additional pathways into economic activity for participants.

The Group is committed to contribute ZAR 10,000,000 to implement the SLPs over the period of 2023 to 2027. There are several local economic development projects under the current SLPs:

MyFood teaches horticulture methods which put the available land to use. Whatever space the participant has, it can be made to be productive to support the families and also for establishing commercial activities with the surplus which can be sold into local markets.

MyFuture teaches participants how to set goals and how to reach those goals through leading young and old to discover their talents and rejoice in crafting livelihoods around the things they love doing. It provides a platform for healing the hurts, hang-ups and habits that destroy lives, making space for hope and hard work towards a clear goal-directed future. All MyFuture participants receive a certificate of attendance upon completing the programme.

MyLivestock and **MyPoultry** have enabled participants to start up, or improve, productive animal rearing operations for greater productivity and profitability.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MyBusiness teaches ordinary residents learn powerful business tools how to set prices, track sales, manage profit, produce for the market, receiving everything they need to expand their businesses. The Market Development component will focus on building the existing internal markets within host communities, improving local cash circulation and growing the informal economy.

Productive Infrastructure funds the building of tall-crop vegetable tunnels for participants who meet the qualifying criteria, in order to enhance their productivity, profitability, and diversification and expansion of economic activities. Participants are also taught how to construct their own vegetable tunnels, so that they can continue their commercial expansion independent of the Mine's investment.

The Group has established and will continue to maintain good relationships with the surrounding communities in the areas in which it operates by holding regular meetings with the local municipalities as well as the Department of Mineral Resources and Energy to oversee the SLPs.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG GUIDE INDEX

A	Environmental	Section	Explanation
ASPECT A.1 Emissions			
	<i>General Disclosures</i>	A1	
KPI A.1.1	The types of emissions and respective emissions data	Not applicable	Note 1
KPI A.1.2	Greenhouse gas emissions in total and intensity	A1	
KPI A.1.3	Total hazardous waste produced and intensity	Not applicable	Note 1
KPI A.1.4	Total non-hazardous waste produced and intensity	Not applicable	Note 1
KPI A.1.5	Description of emissions target(s) set and steps taken to achieve them	A1	
KPI A.1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of waste reduction target(s) set and steps taken to achieve them	A1	
ASPECT A.2 Use of Resources			
	<i>General Disclosures</i>	A2	
KPI A.2.1	Direct and/or indirect energy consumption by type in total and intensity	A2	Note 2
KPI A.2.2	Water consumption in total and intensity	Not applicable	Note 1
KPI A.2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	A2	
KPI A.2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	A2	
KPI A.2.5	Total packaging material used for finished products, with reference to per unit produced	Not applicable	Note 1
ASPECT A.3 Environment and Natural Resources			
	<i>General Disclosures</i>	A3	
KPI A.3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	A3	
ASPECT A.4 Climate Change			
	<i>General Disclosures</i>	A4	
KPI A.4.1	Description of significant climate-related issues that have affected and may affect the issuer, and the corresponding actions	A4	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B	Social	Section	Explanation
ASPECT B.1 Employment			
	<i>General Disclosures</i>	B1	
KPI B.1.1	Total workforce by gender, employment type, age group and geographical region	B1	
KPI B.1.2	Employee turnover rate by gender, age group and geographical region	B1	
ASPECT B.2 Health and Safety			
	<i>General Disclosures</i>	B2	
KPI B.2.1	Number and rate of work-related fatalities occurred in each of the past three years (including the reporting year)	B2	
KPI B.2.2	Lost days due to work-related injury	B2	
KPI B.2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	B2	
ASPECT B.3 Development and Training			
	<i>General Disclosures</i>	B3	
KPI B.3.1	The percentage of employees trained by gender and employee category	B3	
KPI B.3.2	The average training hours completed per employee by gender and employee category	B3	
ASPECT B.4 Labour Standards			
	<i>General Disclosures</i>	B4	
KPI B.4.1	Description of measures to review employment practices to avoid child and forced labour	B4	
KPI B.4.2	Description of steps taken to eliminate violation practices when discovered	B4	
ASPECT B.5 Supply Chain Management			
	<i>General Disclosures</i>	B5	
KPI B.5.1	Number of suppliers by geographical region	B5	
KPI B.5.2	Description of practices relating to engaging suppliers, number of suppliers on which the practices are being implemented, how they are implemented and monitored	B5	
KPI B.5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	B5	
KPI B.5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	B5	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B	Social	Section	Explanation
ASPECT B.6 Product Responsibility			
	<i>General Disclosures</i>	Not applicable	Note 1
KPI B.6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable	Note 1
KPI B.6.2	Number of products and service related complaints received and how they are dealt with	Not applicable	Note 1
KPI B.6.3	Description of practices relating to observing and protecting intellectual property rights	Not applicable	Note 1
KPI B.6.4	Description of quality assurance process and product recall procedures	Not applicable	Note 1
KPI B.6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Not applicable	Note 1
ASPECT B.7 Anti-corruption			
	<i>General Disclosures</i>	B7	
KPI B.7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	B7	
KPI B.7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	B7	
KPI B.7.3	Description of anti-corruption training provided to directors and staff	B7	
ASPECT B.8 Community Investment			
	<i>General Disclosures</i>	B8	
KPI B.8.1	Focus areas of contribution	B8	
KPI B.8.2	Resources contributed to the focus area	B8	

Notes:

1. There was no substantive data available during the Reporting Period due to absence of production of the Group's mining business and no record being kept at developmental stage.
2. No applicable data on intensity was available during the Reporting Period.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

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. The Company has adopted the principles and code provisions (“Code Provision”) of the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”).

Throughout the year ended 31 March 2025, the Company has complied with all Code Provisions of the CG Code as set out in Appendix C1 to the Listing Rules.

CORPORATE PURPOSE, VALUE AND CULTURE

The Board fosters a healthy corporate culture and to ensure the Company’s vision, values and business strategies are aligned by maintaining high standards of business ethics and corporate governance across the Company’s activities and operations. The Directors, management and staff are required to act lawfully, ethically and responsibly, and the required standards and norms are explicitly set out in various policies such as the Group’s Code of Conduct, Anti-corruption Policy and Whistleblowing Policy of the Group.

CORPORATE STRATEGY

The Company’s principal strategy remains to acquire gold properties that have the potential to be developed into world-class operating mines. In line with this strategy, the Group has drawn up long-term development plans for its flagship projects, Evander and Jeanette. The Chairperson’s Statement, and Management Discussion and Analysis contained on pages 3 to 12 in this annual report include discussions and analyses of the performance of the Group and the basis on which the Group generates or preserves value in the longer term and the strategy for delivering the objectives of the Group.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding directors’ securities transactions. The Company has made specific enquiries of all the Directors and all Directors confirmed that they complied with the required standards of the Model Code throughout the year ended 31 March 2025.

The Company has also established written guidelines no less exacting than the Model Code (the “Written Guidelines”) for securities transactions by the relevant employees, including the Directors, who are likely to possess inside information of the Company.

The Company is not aware of any non-compliance with the Written Guidelines by any relevant employees during the reporting period.

CORPORATE GOVERNANCE REPORT

CHAIRMAN AND CHIEF EXECUTIVE

Code Provision C.2.1 requires the roles of chairman and chief executive should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. During the year under review, Ms. Cheung Pak Sum is the Chairman of the Company after the resignation of Mr. Christiaan Rudolph de Wet de Bruin as Co-chairman of the Company since 14 June 2023. After the retirement of Mr. Neil Andrew Herrick as Chief Executive Officer of the Company since 28 August 2020, the role of Chief Executive Officer has been performed by all the Executive Directors collectively. There is no officer carrying the title of Chief Executive Officer up to the date of this annual report. Therefore, in the opinion of the Directors, the roles of the Chairman and the Chief Executive Officer have been/will be properly segregated in the absence of an officer carrying the title of Chief Executive Officer. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high calibre individuals who meet regularly to discuss operation issues of the Group.

INDEPENDENT NON-EXECUTIVE DIRECTORS

With a wide range of expertise and a balance of skills, the Independent Non-executive Directors bring independent, constructive and informed comments and judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct through their contribution at Board meetings and Board committees work. The Independent Non-executive Directors also take the lead where potential conflicts of interests arise and scrutinize the Company's performance in achieving agreed corporate goals and objectives as well as monitoring performance reporting. 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.

In order to ensure independent views and input of the Company's Independent Non-executive Directors are made available to the Board, the Nomination Committee and the Board are committed to assess their independence annually with regards to the following factors:

- required character, integrity, expertise, experience and stability to fulfill their roles;
- time commitment and attention to the Company's affairs;
- firm commitment to their independent roles and to the Board;
- declaration of conflict of interest in their roles as Independent Non-executive Directors; and
- no involvement in the daily management of the Company nor in any relationship or circumstances which would affect the exercise of their independent judgement.

Each of the Independent Non-executive Director has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules, and the Company is of the view that all Independent Non-Executive Directors met the independence guidelines as set out in Rule 3.13 of the Listing Rules and are independent. The Independent Non-executive Directors are identified in all corporate communications of the Company.

CORPORATE GOVERNANCE REPORT

Throughout the year ended 31 March 2025, the Company complied with the Listing Rules relating to the appointment of at least three Independent Non-executive Directors, at least one Independent Non-executive Director with appropriate professional qualifications, or accounting or related financial management expertise, and a sufficient number of Independent Non-executive Directors representing at least one-third of the Board, respectively.

BOARD OF DIRECTORS

The Board assumes overall responsibilities for leadership and control of the Company and is collectively responsible for promoting the success of the Company and its business by directing and supervising the Company's affairs. The Board focuses on overall corporate strategies and policies with attention particularly paid to the financial performance of the Company, including approval of major acquisition and disposal; annual and interim results; approval of major capital transaction such as change of share capital; repurchase of share and issue of new securities; recommendation on change of directors, chief executives and company secretary of the Company; establishment or amendment of board committees and their respective terms of reference; monitor and review of the risk management and internal control policy of the Company; adoption and review of the corporate governance policy and the relevant report to be disclosed annually; and all other significant operation and financial matters.

The Board has also formulated the following terms of reference on duties of corporate governance to be performed by the Board:

- i. To develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- ii. To review and monitor the training and continuous professional development of Directors and senior management of the Company;
- iii. To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- iv. To develop, review and monitor the code of conduct and compliance manual of the Company (if any) applicable to employees and Directors; and
- v. To review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

CORPORATE GOVERNANCE REPORT

Composition of the Board

The Board currently comprises five Directors as follows:

Executive Directors

Ms. Cheung Pak Sum (*Chairman*)

Mr. Phen Chun Shing Vincent

Independent Non-executive Directors

Mr. Li Kam Chung

Mr. Chong Man Hung Jeffrey

Mr. Tsui Pang

The biographical information of the Directors and their relationship among the members of the Board, if any, are set out in the “Biographical Details of Directors and Senior Management” section on pages 15 to 16 of this annual report. An updated list of Directors, identifying their respective roles and functions is displayed on the Stock Exchange’s website and the Company’s website.

The Board held 8 board meetings and 2 general meetings during the financial year ended 31 March 2025. Details of attendance of individual Director are set out below:

Name of Directors	Meetings attended/held		
	Regular Board Meeting	Other Board Meeting	Annual General Meeting
<i>Executive Directors</i>			
Ms. Cheung Pak Sum	4/4	4/4	2/2
Mr. Phen Chun Shing Vincent	4/4	4/4	2/2
<i>Independent Non-executive Directors</i>			
Mr. Li Kam Chung	4/4	4/4	2/2
Mr. Chong Man Hung Jeffrey	4/4	4/4	2/2
Mr. Tsui Pang	4/4	4/4	2/2

The Board and the management

There is a clear division of the responsibilities of the Board and the management. The Board delegated its responsibilities to directors and senior management to deal with day-to-day operations and review those arrangements on a periodic basis. Management has an obligation to supply the Board and Board committees with adequate information and has to report back to the Board and obtain prior approval before making decisions for key matters or entering into any commitments on the Company’s behalf. The Board have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the business.

CORPORATE GOVERNANCE REPORT

The Board regularly meets in person to discuss and formulate overall strategic direction and objectives and also approve annual and interim results as well as other significant matters of the Company. Execution of daily operational matters is delegated to management.

The Company Secretary assists the Chairman in preparing notice and agenda for the meetings, and ensures that the Company complied with the corporate governance practices and other compliance matters. At least 14 days notice of all regular Board meetings were given to all Directors and reasonable notice were given for other Board meetings that all directors were given an opportunity to include matters in the agenda for discussion.

All Directors have access to the Company Secretary who is responsible for the Company's compliance with the continuing obligations of the Listing Rules, Code on Takeover and Mergers and Share Repurchases, Companies Ordinance, Securities and Futures Ordinance and other applicable laws, rules and regulations, etc..

Minutes of the Board/committee meetings are recorded in sufficient detail the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft and final versions of minutes are sent to all Directors or committee members within a reasonable time after the meetings are held and taken as the true records of the proceedings of such meetings. All minutes are kept by the Company Secretary and are open for inspection at any reasonable time on reasonable notice by any Director. All Directors are entitled to have access to Board papers and related materials unless there are legal or regulatory restrictions on disclosure due to regulatory requirements.

If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by a physical Board/committee meeting. Non-executive Director and Independent Non-executive Director who, and whose close associates, have no material interest in the transaction, should be present at that board meeting.

INDEMNITY AND INSURANCE PROVISIONS

The Company has arranged for appropriate liability insurance throughout the year to indemnify the Directors for their liabilities arising out of corporate management activities.

BOARD COMMITTEES

To maximise the effectiveness and efficiency of the Board, the Company has established audit committee, nomination committee, remuneration committee and technical, safety and environment committee with written terms of reference respectively to explain their role and the authority delegated by the Board. The terms of reference of each of the committees are available on the website of the Stock Exchange at www.hkexnews.hk and on the Company's website at www.taunggold.com under "About Us" in the section of "Corporate Governance". The Board committees are also provided with sufficient resources to perform their duties and, upon reasonable request, to seek independent professional advice in appropriate circumstance at the Company's expense.

CORPORATE GOVERNANCE REPORT

Audit Committee

The Company has established the Audit Committee ("AC") in 2004. The AC comprises three Independent Non-executive Directors, namely Mr. Chong Man Hung Jeffrey, Mr. Li Kam Chung and Mr. Tsui Pang and is chaired by Mr. Chong Man Hung Jeffrey, who together have sufficient accounting and financial management expertise and business experience to discharge their duties and none of them is a former partner of the Company's existing auditing firm.

The AC's principal duties include reviewing the Group's financial controls, internal control and risk management systems, reviewing and monitoring integrity of financial statements and reviewing annual and interim financial statements and reports before submission to the Board and considering and recommending the appointment, re-appointment and removal of external auditors of the Company.

The AC meets with the external auditors and the management of the Group to ensure that the audit findings are addressed properly.

The AC also meets regularly to review the financial results and other information to shareholders, the system of internal control and risk management. The AC also provides an important link between the Board and the Company's auditors in matters within the scope of its terms of reference and keeps under review the independence of auditors.

During the year, the AC held 23 meetings to review the financial reporting matters, risk management and internal control systems, internal audit plan and internal control review report; approve the terms of engagement of the Company's external auditor; and discuss the nature and scope of the audit with the Company's external auditor; supervise the audit progress and follow up with external auditor on the audit timetable. The annual results of the Company for the year ended 31 March 2025 and interim results for the six months ended 30 September 2024 have also been reviewed by the AC and was of the opinion that the accounting policies of the Group are in accordance with the applicable accounting standards and requirements.

The individual attendance of each AC member is set out below:

Name of Audit Committee members	Meetings attended/held
Mr. Chong Man Hung Jeffrey (<i>Chairman</i>)	23/23
Mr. Li Kam Chung	23/23
Mr. Tsui Pang	23/23

CORPORATE GOVERNANCE REPORT

Nomination Committee

The Company has established the Nomination Committee (“NC”) in 2005. The NC comprises three Independent Non-executive Directors, namely Mr. Chong Man Hung Jeffrey, Mr. Li Kam Chung and Mr. Tsui Pang and one Executive Director, namely Ms. Cheung Pak Sum (appointed as a member of the NC with effect from 30 June 2025). Mr. Chong Man Hung Jeffrey is the Chairman of the NC.

The principal responsibilities of the NC include reviewing the structure, size and composition of the Board, the Board Diversity Policy, the Nomination Policy, making recommendations to the Board on nomination, rotation and re-appointment of Directors, and assessing the independence of Independent Non-executive Directors.

All Directors are also subject to re-election by shareholders at the annual general meeting pursuant to the bye-laws of the Company. In accordance with the Company’s bye-laws, one-third of the Directors who have been longest in office since their last election or re-election are subject to retirement by rotation at least once every three years. All retiring Directors are eligible for re-election. During the year ended 31 March 2025, the NC held 1 meeting to assess the independence of Independent Non-executive Directors and to review the structure, size and composition of the Board, the rotation and re-election of Directors and the implementation and effectiveness of the Board Diversity Policy.

The individual attendance of each NC member is set out below:

Name of Nomination Committee members	Meetings attended/held
Mr. Chong Man Hung Jeffrey (<i>Chairman</i>)	1/1
Mr. Li Kam Chung	1/1
Mr. Tsui Pang	1/1
Ms. Cheung Pak Sum (<i>appointed on 30 June 2025</i>)	0/0

CORPORATE GOVERNANCE REPORT

Board Diversity Policy

The Board adopted the Board Diversity Policy by setting out the approach to achieve diversity on the Board. The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to skills, regional and industry experience, background, race, gender and other qualities. The Company will also take into account of its own business model and specific needs from time to time in determining the optimum composition of the Board. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board Diversity Policy shall be reviewed by the NC and the Board annually, as appropriate, to ensure its implementation and effectiveness. The NC is also responsible for setting measurable objectives for achieving diversity on the Board and giving recommendation to the Board for adoption. For the purpose of implementation of the Board Diversity Policy, the measurable objectives are as follows:

1. at least one third of the Directors shall be independent non-executive Directors;
2. at least one Director is female; and
3. at least one Director shall have obtained accounting or other professional qualifications.

As at 31 March 2025, the Board comprised five Directors, four of which were male Directors and one of which was female Director, with different age, educational background and professional experience. The Group maintained gender balance in workforce with approximately 48% female and 52% male employees, details of the gender ratio and relevant data are set out in the environmental, social and governance report on pages 20 to 40 of this annual report. During the year ended 31 March 2025, all the measurable objectives have been fulfilled and the NC and the Board consider that the current gender diversity is satisfactory.

Nomination Policy

The Company has adopted the Nomination Policy, which establishes written guidelines and procedures for nominating and appointing new Directors to the Board.

The NC shall identify and nominate suitable candidates for the Board's consideration. In the selection process, the NC makes reference to criteria ("Selection Criteria") including, *inter alia*:

- Reputation for integrity, accomplishment and experience in the Company's related businesses
- Professional and educational background
- Potential time commitment for the Board/committee
- Independence of the Independent Non-executive Directors

CORPORATE GOVERNANCE REPORT

Subject to the provisions in the Company's bye-laws, if the Board recognises the need to appoint an additional Director, the following procedures should be adopted:

1. the NC identifies or selects candidates, with or without assistance from external agencies or the Company, pursuant to the Selection Criteria;
2. the NC may use any process it deems appropriate to evaluate the candidates, which may include personal interviews, background checks, presentations, written submissions by the candidates or third-party references;
3. the NC provides to the Board with all the information required including information set out in Rule 13.51(2) of the Listing Rules in relation to the candidates;
4. the NC makes recommendation to the Board including the terms and conditions of the appointment;
5. the Board deliberates and decides on the appointment based upon the recommendation of the NC; and
6. all appointments of Director should be confirmed by a letter of appointment setting out the key terms and conditions of the appointment of the Directors, which should be approved by the NC and the Board.

Remuneration Committee

The Company established the Remuneration Committee ("RC") in 2005. The RC comprises three Independent Non- executive Directors, namely Mr. Li Kam Chung, Mr. Chong Man Hung Jeffrey and Mr. Tsui Pang. Mr. Li Kam Chung is the Chairman of the RC.

The RC adopted the model to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management so that they are responsible for advising the Board on the Company's overall policy and structure for the remuneration of Directors and senior management, the remuneration packages of individual Directors and senior management, reviewing and advising the Board of their performance-based remuneration, reviewing and approving compensation payable to executive Directors and senior management for any loss or termination of their office or appointment. The RC also ensures that no director or any of their associates is involved that Directors' own remuneration.

In recommendation of the emolument payable to Directors to the Board, the RC takes into consideration factors such as salaries paid by comparable companies, time commitment and responsibilities and employment conditions. During the year ended 31 March 2025, the RC held 1 meeting to review the remuneration packages of Directors and senior management and considered that the existing remuneration packages to each Director and senior management are reasonable and appropriate with reference to the financial performance of the Company, employment and market conditions as a whole. The remuneration paid to each Director for the year ended 31 March 2025 are shown in note 9 to the financial statements.

CORPORATE GOVERNANCE REPORT

The individual attendance of each RC member is set out below:

Name of Remuneration Committee members	Meetings attended/held
Mr. Li Kam Chung (<i>Chairman</i>)	1/1
Mr. Chong Man Hung Jeffrey	1/1
Mr. Tsui Pang	1/1

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board acknowledges its responsibilities for the preparation of the consolidated financial statements of the Group for the year ended 31 March 2025 which give a true and fair view of the financial position and financial performance of the Group in accordance with statutory requirements and applicable accounting standards. The Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt on the Group's ability to continue as a going concern. The Board is also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company.

The statement of the auditors of the Company regarding their reporting responsibilities for the financial statements is set out in the Independent Auditor's Report on pages 55 to 59 of this annual report.

RISK MANAGEMENT & INTERNAL CONTROL

The Board acknowledges that it has overall responsibility for the establishment and maintenance of an adequate and effective risk management and internal control system of the Company and through the Audit Committee and, if necessary, an external firm of qualified accountants to provide internal control services, conducts reviews on the effectiveness of these systems at least annually, covering material controls, including financial, operational, compliance and strategic risk control functions. The Board understands that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

During the year under review, the Board, through the Audit Committee, conducted review of both design and implementation effectiveness of the risk management and internal control systems of the Group, covering all material controls, including financial, operational and compliance controls, with a view to ensuring that resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions are adequate.

There is currently no internal audit function within the Group. The Directors have reviewed the need for an internal audit function and are of the view that in light of the size, nature and complexity of the business of the Group, it would be more cost effective to appoint external independent professionals to perform internal audit function for the Group in order to meet its needs. During the year, the Board has appointed an independent consulting firm, BT Corporate Governance Limited, to assist in identifying and assessing the risks of the Group, and independently perform internal control review and assess effectiveness of the Group's risk management and internal control systems. The Directors will continue to review at least annually the need for an internal audit function.

CORPORATE GOVERNANCE REPORT

Our risk management activities are performed by management on an ongoing process. The effectiveness of our risk management framework will be evaluated at least annually, and periodic management meeting is held to update the progress of risk monitoring efforts. Management is committed to ensuring that risk management forms part of the daily business operation processes in order to align risk management with corporate goals in an effective manner.

The Company will continue to engage external independent professionals to review the Group's system of internal controls and risk management annually and further enhance the Group's internal control and risk management systems as appropriate.

The Company has also established a policy ("Continuous Disclosure Policy") on handling and dissemination of inside information that set out the procedures in handling inside information in an accurate and secure manner and to avoid possible mishandling of inside information within the Group.

The Board has reviewed the effectiveness of the risk management and internal control system of the Group annually, including financial, operational and compliance controls. In conducting its review, the Audit Committee has considered the internal control review report prepared by the external consultant, BT Corporate Governance Limited, to evaluate the effectiveness of the Group's internal control systems for the year ended 31 March 2025; and no significant areas of concern were identified in the report. Based on the monitoring of the Group on an ongoing basis, the results of the risk assessments and the outcome of the internal control review, the Board and the Audit Committee are of the opinion that the Group has maintained adequate and effective risk management and internal control system to protect and safeguard the interest of shareholders and assets of the Company during the year ended 31 March 2025. As there was a delay in the publication of the financial results of the Group, which resulted in a trading suspension in the Company's shares, additional measures have been implemented by the Company to avoid the re-occurrence of such an incident.

CORPORATE GOVERNANCE REPORT

DIRECTORS' TRAINING

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. Each of the newly appointed Directors receives comprehensive, formal and tailored induction training on appointment, so as to ensure that he/she has a proper understanding of the Company's business and the director's duties and responsibilities. In order to allow the Directors to understand the up-to-date development of regulatory and compliance issues, they are also provided with market news and regulatory updates. The training participated by individual Director during the year ended 31 March 2025 is summarized as follows:

Name of Directors	Reading legal and regulatory updates
<i>Executive Directors</i>	
Ms. Cheung Pak Sum	✓
Mr. Phen Chun Shing Vincent	✓
<i>Independent Non-executive Directors</i>	
Mr. Li Kam Chung	✓
Mr. Chong Man Hung Jeffrey	✓
Mr. Tsui Pang	✓

DIVIDEND POLICY

The Company has adopted a Dividend Policy that aims to provide the guidelines for the Board to determine whether dividends are to be declared and paid to the shareholders and the level of dividend to be paid. Under the Dividend Policy, in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, inter alia, the following factors:

- (a) the Group's financial results;
- (b) the financial condition of the Group;
- (c) future cash requirements and availability for business operations, business strategies and future development needs;
- (d) the availability of funds to meet the financial covenants of our Group's bank loans; and
- (e) any other factors that our Board may consider appropriate.

The payment of the dividend by the Company is also subject to any restrictions under the Companies Act of Bermuda and the bye-laws of the Company. Any final dividends declared by the Company must be approved by an ordinary resolution of its shareholders at an annual general meeting. The Board may from time to time pay to the shareholders such interim and/or special dividends as it considers to be justified by the profits of the Group.

CORPORATE GOVERNANCE REPORT

Any declaration and/or payment of future dividends under the dividend policy are/is subject to the Board's determination that the same would be in the best interests of the Group and the shareholders of the Company as a whole. The Board endeavors to strike a balance between the shareholders' interests and prudent capital management and the Board will review the dividend policy from time to time and may exercise at its sole and absolute discretion to update, amend and/or modify the policy at any time as it deems fit and necessary. There is no assurance that dividends will be paid in any particular amount for any given period.

AUDITOR'S REMUNERATION

On 15 April 2025, the Group engaged Deloitte as the external auditor of the Company to fill the casual vacancy arising from the resignation of Baker Tilly Hong Kong Limited, and to hold office until the conclusion of the annual general meeting. The consolidated financial statements for the year ended 31 March 2025 of the Company have been audited by Deloitte. The auditor's remuneration for the year ended 31 March 2025 is HK\$2,100,000 which was related to audit services for the consolidated financial statements of the Company. Deloitte overseas network of member firms also provide statutory audit services of the subsidiaries of the Company for which the aggregate auditor's remuneration for the year ended 31 March 2025 is HK\$479,000. In addition, during the period from 1 April 2024 to 31 March 2025, Deloitte and its affiliated entities also provided non-audit services related to the Group's interim financial statements of FY2025 and other services with remuneration of HK\$650,000 and HK\$130,000 respectively before its appointment as auditor of the Company.

COMPANY SECRETARY

During the year ended 31 March 2025, the Company Secretary attended relevant professional training for not less than 15 hours.

INVESTOR RELATIONS

Constitutional Documents

There was no change in the Company's constitutional documents during the year ended 31 March 2025.

Communication with Shareholders

The Company has adopted a shareholders' communication policy with the objective of ensuring the shareholders are able to access to all publicly available information of the Company on a timely basis, as well as enabling the shareholders to engage with the Company and exercise their rights as shareholder in an informed manner.

The Company aims to provide its shareholders with high standards of disclosure and financial transparency through publication of annual and interim reports, notices, announcements and circulars etc. made through the websites of the Company and the Stock Exchange.

The Board also maintains an on-going dialogue with shareholders and uses general meetings to communicate with shareholders. The Company encourages all shareholders to attend general meetings which provides a useful forum for shareholders to exchange views with the Board. The Chairman of the Board, members of relevant committees and senior management of the Company should also be available to answer shareholders' questions.

The Company has reviewed the implementation and effectiveness of the shareholder communication policy during the year and was of the view that it is effective and has been properly implemented.

CORPORATE GOVERNANCE REPORT

SHAREHOLDERS' RIGHTS

The Company also encourages the shareholders to participate the decision making process of the Company by the following means under different circumstances:

Procedures for directing shareholders' enquiries to the Board

Shareholders should put their enquiries regarding their shareholdings to the Company's Hong Kong Branch Share Registrar via hotline 2980 1333 or email to is-enquiries@vistra.com.

Shareholders may request for the Company's publicly available information and/or send their enquiries and concern to the Company at the head office and principal place of business of the Company or email their enquiries to the Company to contact@taunggold.com.hk.

All the enquiries will be directed to and reviewed by the Company Secretary of the Company. The Company Secretary should summarize the enquiries and submit a copy of the summary to the Board in the next board meeting. Records of all the communications with the shareholders should be maintained by the Company Secretary.

Procedures to put forward proposals in general meeting

Any number of shareholders representing not less than one-twentieth of the total voting rights of all the shareholders having at the date of the requisition a right to vote at the general meeting to which the requisition relates or not less than 100 shareholders holding shares of the Company, are entitled in writing to require a move in the general meeting.

Written requisition attention to the Company Secretary shall be signed and deposited in accordance with the Bermuda Companies Act 1981 (as amended) to put forward proposals in general meeting.

Procedures to convene special general meeting ("SGM")

Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the voting right at the general meeting are entitled to require a SGM to be held by written requisition, duly signed by all the concerned shareholders, deposited to the Company Secretary of the Company at the head office and principal place of business of the Company.

Written requisition attention to the Company Secretary shall be signed and deposited in accordance with the Company's bye-laws and the Bermuda Companies Act 1981 (as amended) to require a SGM to be convened by the Board for the transaction of business specified in the written requisition.

INDEPENDENT AUDITOR'S REPORT

Deloitte.

德勤

TO THE SHAREHOLDERS OF TAUNG GOLD INTERNATIONAL LIMITED

(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Taung Gold International Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 60 to 107, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 March 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 20 September 2024.

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INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<i>Impairment assessment of mining assets</i>	
<p>We identified the impairment assessment of mining assets in South Africa as a key audit matter due to the significance of this balance to the consolidated statement of financial position and significant judgment and estimates associated with determining their recoverable amounts.</p>	<p>Our procedures in relation to impairment assessment of the mining assets included:</p>
<p>The determination of the recoverable amount requires the Group to estimate the future cash flows expected to arise from the cash-generating units ("CGUs") and a suitable discount rate to be applied in the discounted cash flows model. The recoverable amounts of the Group's mining assets in South Africa as at 31 March 2025 have been arrived at on the basis of a value in use calculation carried out by an independent qualified professional valuer not connected to the Group (the "Valuer"). The value in use calculation is dependent on certain significant inputs that involve judgment and estimates made by the management of the Group together with the Valuer, including, among other factors, expected future inflation rate, future gold price, exchange rate of United States Dollars ("US\$") against South African Rand ("ZAR") and discount rate.</p>	<ul style="list-style-type: none">• obtaining an understanding of the management's basis and assessment in relation to impairment of mining assets;• involving our internal valuation expert to evaluate the appropriateness of the valuation methodology and model used by the Valuer to determine the recoverable amount of the CGUs;• evaluating the reasonableness of key assumptions (including the expected inflation rates, future gold price, exchange rate of US\$ against ZAR and discount rate) used in the valuation model by assessing the publicly available information and expected future performance of the CGUs; and• comparing the input data such as operating expenses and capital expenditure used in the value in use calculation to feasibility reports.
<p>As at 31 March 2025, the carrying amount of the Group's mining assets is HK\$2,549,008,000. No impairment has been recognised in the consolidated financial statements for the year ended 31 March 2025. Further details of the impairment assessment on the Group's mining assets are set out in note 14 to the consolidated financial statements.</p>	

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lam Shu Lung (practising certificate number: P07408).

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

30 June 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Other income	6	2,534	2,291
Other gains and losses, net	6	(1,834)	3,714
Administrative expenses		(24,274)	(25,348)
Finance costs	7	(1,436)	(1,402)
Share of results of associates	15	(8)	(7)
Loss before tax	8	(25,018)	(20,752)
Income tax expense	10	–	–
Loss for the year		(25,018)	(20,752)
Other comprehensive income (expense)			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		14,933	(132,464)
Total comprehensive expense for the year		(10,085)	(153,216)
Loss for the year attributable to:			
Owners of the Company		(22,232)	(19,174)
Non-controlling interests		(2,786)	(1,578)
		(25,018)	(20,752)
Total comprehensive (expense) income attributable to:			
Owners of the Company		(10,498)	(120,808)
Non-controlling interests		413	(32,408)
		(10,085)	(153,216)
Loss per share	11		
Basic (HK cent)		(0.12)	(0.11)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment	12	1,721	1,765
Right-of-use assets	13	340	1,698
Mining assets	14	2,549,008	2,528,771
Interests in associates	15	1,254	1,262
Financial assets at fair value through profit or loss ("FVTPL")	16	28,667	29,853
Rental deposits	17	485	470
Pledged bank deposits	18	660	629
		2,582,135	2,564,448
Current assets			
Other receivables, prepayments and deposits	17	11,314	4,972
Bank balances and cash	18	65,853	108,868
		77,167	113,840
Current liabilities			
Lease liabilities	20	369	1,419
Other payables and accruals	19	7,591	13,423
		7,960	14,842
Net current assets		69,207	98,998
Total assets less current liabilities		2,651,342	2,663,446
Non-current liabilities			
Lease liabilities	20	–	369
Provisions for rehabilitation costs	21	10,423	12,073
		10,423	12,442
Net assets		2,640,919	2,651,004

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	<i>Note</i>	2025 HK\$'000	2024 HK\$'000
Capital and reserves			
Share capital	22	181,515	181,515
Reserves		1,935,699	1,946,197
Equity attributable to owners of the Company		2,117,214	2,127,712
Non-controlling interests		523,705	523,292
Total equity		2,640,919	2,651,004

The consolidated financial statements on pages 60 to 107 were approved and authorised for issue by the board of directors on 30 June 2025 and are signed on its behalf by:

Phen Chun Shing Vincent
Director

Cheung Pak Sum
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

	Attributable to owners of the Company							Non-controlling interests	Total equity	
	Share capital	Share premium	Capital reserve	Other reserve	Contributed surplus	Translation reserves	Accumulated losses			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000			
			(note (a))	(note (b))	(note (c))					
At 1 April 2023	181,515	5,307,443	(829)	(74,746)	147,828	(1,448,324)	(1,864,367)	2,248,520	555,700	2,804,220
Loss for the year	–	–	–	–	–	–	(19,174)	(19,174)	(1,578)	(20,752)
Exchange differences arising on translation of foreign operations	–	–	–	–	–	(101,634)	–	(101,634)	(30,830)	(132,464)
Total comprehensive expense for the year	–	–	–	–	–	(101,634)	(19,174)	(120,808)	(32,408)	(153,216)
At 31 March 2024	181,515	5,307,443	(829)	(74,746)	147,828	(1,549,958)	(1,883,541)	2,127,712	523,292	2,651,004
Loss for the year	–	–	–	–	–	–	(22,232)	(22,232)	(2,786)	(25,018)
Exchange differences arising on translation of foreign operations	–	–	–	–	–	11,734	–	11,734	3,199	14,933
Total comprehensive income (expense) for the year	–	–	–	–	–	11,734	(22,232)	(10,498)	413	(10,085)
At 31 March 2025	181,515	5,307,443	(829)	(74,746)	147,828	(1,538,224)	(1,905,773)	2,117,214	523,705	2,640,919

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

Notes:

- a. Capital reserve mainly included the difference between the nominal value of the share capital of Taung Gold International Limited (the “Company”) issued on acquisition of assets through acquisition of subsidiaries and the fair value of the consideration shares issued.
- b. Other reserve mainly represented the difference between the fair values of consideration given by a subsidiary of the Company and the share of net assets of Taung Gold (Pty) Limited (“TGL”), a partially owned subsidiary of the Company, attributable to additional interests in TGL acquired by the Group which were held by the non-controlling shareholders in prior years.
- c. Contributed surplus represented amounts of HK\$51,562,000 and HK\$96,266,000 arising from (i) the difference between the nominal value of the aggregate share capital of the subsidiaries acquired pursuant to the group reorganisation completed on 2 October 1995 over the nominal value of the share capital of the Company issued in exchange thereof; and (ii) the capital reorganisation during the year ended 31 March 2010 (the “Capital Reorganisation”) respectively. Pursuant to the Capital Reorganisation, (i) the issued share capital of the Company was reduced by cancelling the paid-up capital to the extent of HK\$0.90 on each issued share such that the par value of each issued share was reduced from HK\$1.00 to HK\$0.10, thereby giving rise to a credit of HK\$104,094,000 (the “Capital Reduction”); (ii) the share subdivision involved the sub-division of each authorised but unissued share into ten new shares (“Share Subdivision”); and (iii) upon the Capital Reduction and the Share Subdivision becoming effective, the entire amount standing to the credit of the share premium account of the Company was reduced to nil (the “Share Premium Reduction”). The total credit amount arising from both the Capital Reduction and the Share Premium Reduction was transferred to the contributed surplus account of the Company which would be utilised in accordance with the bye-laws of the Company and all applicable laws including, without limitation, to set-off against the accumulated losses of the Company. The special resolution in relation to the Capital Reorganisation was duly passed by the shareholders at the special general meeting held on 12 November 2009 and became effective on the same date.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	2025 HK\$'000	2024 HK\$'000
Operating activities		
Loss before tax	(25,018)	(20,752)
Adjustments for:		
Interest income	(2,369)	(1,969)
Finance costs	1,436	1,402
Share of results of associates	8	7
Depreciation of property, plant and equipment	130	250
Depreciation of right-of-use assets	1,358	1,310
Change in provision for rehabilitation costs	(2,951)	(1,373)
Gain on disposal of property, plant and equipment	–	(173)
Fair value loss (gain) on financial assets at FVTPL	1,378	(4,426)
Unrealised exchange loss	2,189	2,419
Operating cash flows before movements in working capital	(23,839)	(23,305)
Increase in other receivables, prepayments and deposits	(6,322)	(288)
(Decrease) increase in other payables and accruals	(5,848)	5,510
Net cash used in operating activities	(36,009)	(18,083)
Investing activities		
Interest received	2,354	1,954
Proceeds from disposals of property, plant and equipment	–	194
Expenditure on exploration assets	(7,820)	(10,279)
Purchase of property, plant and equipment	(80)	(323)
Net cash used in investing activities	(5,546)	(8,454)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	2025 HK\$'000	2024 HK\$'000
Financing activities		
Repayments of lease liabilities	(1,419)	(1,180)
Interest paid	(45)	(75)
Cash used in financing activities	(1,464)	(1,255)
Net decrease in cash and cash equivalents	(43,019)	(27,792)
Cash and cash equivalents at the beginning of the year	108,868	136,708
Effect of foreign exchange changes	4	(48)
Cash and cash equivalents at the end of the year, represented by bank balances and cash	65,853	108,868

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. GENERAL

The Company is a public limited company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of registered office and principal place of business of the Company are disclosed in the "Corporate Information" section in the annual report.

The Company is an investment holding company. The principal activities of its subsidiaries are mining operations in South Africa.

The functional currency of the Company is United States dollars ("US\$"). For the convenience of the users of the consolidated financial statements, 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 AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time, which are mandatorily effective for the annual period beginning on 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current or prior years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

(Continued)

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS	Annual Improvements to HKFRS Accounting Standards – Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

Except as HKFRS 18 Presentation and Disclosure in Financial Statements which introduces new requirements to present specified categories and defined subtotals in the consolidated statement of profit or loss, provide disclosures on management-defined performance measures (MPMs) in the notes to the consolidated financial statements, and improve aggregation and disaggregation. The application of HKFRS 18, and amendments to other standards, is expected to affect the presentation of the consolidated statement of profit or loss and other comprehensive income and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

Other than the above, the directors of the Company anticipate that the application of the other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Stock Exchange and the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Retirement benefits costs

Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense except that those cost related to activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource are recognised as exploration and evaluation asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Short-term employee benefits *(Continued)*

A liability is recognised for benefits accruing to employees (such as wages and salaries and annual leave) after deducting any amount already paid.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Exploration and evaluation assets

Mining assets, mainly represent exploration and evaluation assets, are recognised at cost on initial recognition. Subsequent to initial recognition, exploration and evaluation assets are stated at cost less any accumulated impairment losses. Costs of exploration are capitalised pending a determination of whether sufficient quantities of potential mineral reserves have been discovered.

Exploration and evaluation assets include the cost of exploration rights and the expenditures incurred in the search for mineral resources as well as the determination of the technical feasibility and commercial viability of extracting those resources. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrated, any previously recognised exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to either mineral rights or property, plant and equipment under the heading of construction in progress.

Impairment of exploration and evaluation assets

At the end of the reporting period, the Group reviews the carrying amounts of its mining assets to determine whether there is any indication that those assets have suffered an impairment loss, or impairment loss recognised in prior periods may no longer exists or may have decreased. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss or reversal of impairment losses, if any.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Impairment of exploration and evaluation assets *(Continued)*

The carrying amount of exploration and evaluation assets is reviewed whenever there is an indication that they may be impaired, or impairment loss recognised in prior periods may no longer exists or may have decreased. Impairment test is performed in accordance with HKAS 36 Impairment of Assets whenever one of the following events or changes in circumstances indicate that the carrying amount may not be recoverable (the list is not exhaustive):

- the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; or
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

The recoverable amount of mining assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. The impairment loss is allocated to the assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Impairment of exploration and evaluation assets *(Continued)*

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or the group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or the group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Provision for rehabilitation and environmental expenditure

Long-term environmental obligations are provided for based on the Group's environmental plans, in compliance with current environmental and regulatory requirements.

Full provision is made based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the end of the reporting period. The estimated cost is capitalised in mining assets as decommissioning assets. The estimated cost of rehabilitation is reviewed annually and adjusted as appropriate for changes in legislation or technology and unwinding for the time value of money. Changes in estimated costs are added or deducted from the cost of the relevant assets in the period such changes occurred.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any interest earned on the financial asset and is included in the "other gains and losses" line item.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including other receivables, pledged bank deposits and bank balances and cash). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity *(Continued)*

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities (including other payables) are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application the Group's accounting policies, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4. KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Impairment assessment in respect of mining assets

Determining whether mining assets are impaired requires an estimation of the value in use of the cash-generating units ("CGUs") to which these assets have been allocated. The value in use calculation of the Group's mining assets in South Africa have been carried out by an independent qualified professional valuer not connected to the Group. The calculation requires the Group to estimate the future cash flows expected to arise from the CGUs and a suitable discount rate in order to calculate the present value. Assumptions adopted in the estimation of future cash flows by the management of the Group are based on estimation, among other factors, on the expected future inflation rate, future gold price, exchange rate of US\$ against South African Rand ("ZAR") and discount rate. Where the actual future cash flows are less than expected, a material impairment loss may arise.

As at 31 March 2025, the carrying amount of the Group's mining assets was HK\$2,549,008,000 (2024: HK\$2,528,771,000) which represented mainly the exploration and evaluation assets in South Africa. Details of the value in use calculation of mining assets are disclosed in note 14. In the opinion of the directors of the Company, there was no impairment loss for the mining assets.

5. SEGMENT INFORMATION

HKFRS 8 "Operating Segments" requires operating segments to be identified on the basis of internal reporting on the components of the Group that are regularly reviewed by the chief operating decision maker ("CODM") in order to allocate resources to the segments and assess their performance.

The CODM has been identified as the executive directors of the Company. They review the Group's internal reporting for the purpose of resource allocation and assessment of segment performance. No operating segments have been aggregated in arriving at the reportable segments of the Group.

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

- (a) Gold exploration and development in Republic of South Africa ("South Africa"); and
- (b) Trading of minerals

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

5. SEGMENT INFORMATION *(Continued)*

Segment revenue and results

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

	Gold exploration and development in South Africa HK\$'000	Trading of minerals HK\$'000	Total HK\$'000
For the year ended 31 March 2025			
Segment revenue			
Revenue	–	–	–
Segment results	(13,004)	–	(13,004)
Unallocated other income			1,394
Unallocated corporate expenses			(13,355)
Finance costs			(45)
Share of results of associates			(8)
Loss before tax			(25,018)
For the year ended 31 March 2024			
Segment revenue			
Revenue	–	–	–
Segment results	(7,367)	–	(7,367)
Unallocated other income			1,123
Unallocated corporate expenses			(14,426)
Finance costs			(75)
Share of results of associates			(7)
Loss before tax			(20,752)

The accounting policies of the operating and reportable segment are the same as the Group's accounting policies described in note 3. Segment results represents loss from the segment without allocation of certain other income, central administrative expenses, interest on lease liabilities and share of results of associates. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

5. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

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

	2025 HK\$'000	2024 HK\$'000
<i>Segment assets</i>		
Gold exploration and development in South Africa	2,579,793	2,560,726
Trading of minerals	–	–
Total segment assets	2,579,793	2,560,726
Unallocated corporate assets	79,509	117,562
Consolidated assets	2,659,302	2,678,288
<i>Segment liabilities</i>		
Gold exploration and development in South Africa	13,036	14,712
Trading of minerals	–	–
Total segment liabilities	13,036	14,712
Unallocated corporate liabilities	5,347	12,572
Consolidated liabilities	18,383	27,284

Segment assets and segment liabilities comprise total assets (excluding unallocated corporate assets that include right-of-use assets, other receivables, prepayments and deposit, certain property, plant and equipment, rental deposits and bank balances and cash) and total liabilities (excluding certain other payables and accruals and lease liabilities) of each segment, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

5. SEGMENT INFORMATION *(Continued)*

Other segment information

	Gold exploration and development in South Africa HK\$'000	Trading of minerals HK\$'000	Unallocated HK\$'000	Total HK\$'000
For the year ended 31 March 2025				
Amounts included in the measure of segment results and segment assets:				
Additions to property, plant and equipment	9	–	71	80
Additions to mining assets	7,820	–	–	7,820
Depreciation of property, plant and equipment	30	–	100	130
Depreciation of right-of-use assets	–	–	1,358	1,358
Fair value loss on financial assets at FVTPL	1,378	–	–	1,378
Interest income	(976)	–	(1,393)	(2,369)
Finance costs	1,391	–	45	1,436
For the year ended 31 March 2024				
Amounts included in the measure of segment results and segment assets:				
Additions to property, plant and equipment	102	–	221	323
Additions to mining assets	10,279	–	–	10,279
Depreciation of property, plant and equipment	13	–	237	250
Depreciation of right-of-use assets	–	–	1,310	1,310
Fair value gain on financial assets at FVTPL	(4,426)	–	–	(4,426)
Interest income	(919)	–	(1,050)	(1,969)
Finance costs	1,327	–	75	1,402

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

5. SEGMENT INFORMATION *(Continued)*

Geographical information

Information about the Group's non-current assets (excluding financial assets) are based on geographical location of the assets.

	2025 HK\$'000	2024 HK\$'000
Hong Kong	1,857	3,252
South Africa	2,550,466	2,530,244
	2,552,323	2,533,496

6. OTHER INCOME, OTHER GAINS AND LOSSES

	2025 HK\$'000	2024 HK\$'000
Rental income	154	150
Interest income from bank deposits	2,354	1,954
Interest income from rental deposits	15	15
Others	11	172
Others income – total	2,534	2,291
Foreign exchange loss, net	(456)	(885)
Gain on disposal of property, plant and equipment	–	173
Fair value (loss) gain on financial assets at FVTPL	(1,378)	4,426
Others gains and losses, net – total	(1,834)	3,714

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

7. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on lease liabilities	45	75
Unwinding of discount of provision for rehabilitation costs	1,391	1,327
	1,436	1,402

8. LOSS BEFORE TAX

	2025 HK\$'000	2024 HK\$'000
Loss before tax has been arrived at after charging:		
Staff costs (including directors' emoluments (<i>note 9</i>))		
– Salaries and other benefits	12,651	12,539
– Retirement benefits schemes contributions	160	162
	12,811	12,701
Capitalised in mining assets	(3,907)	(4,193)
	8,904	8,508
Auditor's remuneration	2,100	2,389
Depreciation of property, plant and equipment	130	250
Depreciation of right-of-use assets	1,358	1,310

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

9. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

(a) Directors' and chief executive's emoluments

	Fees HK\$'000	Salaries and allowances HK\$'000	Retirement benefits schemes contributions HK\$'000	Total HK\$'000
For the year ended 31 March 2025				
Executive directors				
Cheung Pak Sum (<i>Chairman</i>)	–	624	18	642
Phen Chun Shing Vincent	–	743	18	761
Independent non-executive directors				
Li Kam Chung	250	–	–	250
Tsui Pang	250	–	–	250
Chong Man Hung, Jeffrey	250	–	–	250
	750	1,367	36	2,153

For the year ended 31 March 2024

Executive directors

Cheung Pak Sum (<i>Chairman</i>)	–	624	18	642
Phen Chun Shing Vincent	–	770	18	788

Independent non-executive directors

Li Kam Chung	250	–	–	250
Tsui Pang	250	–	–	250
Chong Man Hung, Jeffrey	250	–	–	250

750	1,394	36	2,180
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

9. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS *(Continued)*

(a) Directors' and chief executive's emoluments *(Continued)*

The executive directors' and chief executive's emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration which accrued during both years.

(b) Employees' emoluments

The five highest paid employees in the Group during the year included one of the directors (2024: one of the directors), details of whose emoluments are set out in (a) above. Details of the remuneration for the year of the remaining four (2024: four) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and allowances	4,899	4,745
Retirement benefits schemes contributions	18	18
	4,917	4,763

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

	2025 No. of employees	2024 No. of employees
Nil to HK\$1,000,000	1	1
HK\$1,000,001 to HK\$1,500,000	3	3
	4	4

No emoluments were paid by the Group to the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

10. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made as the Group does not have assessable profits arising in Hong Kong for both years.

Corporate income tax in South Africa is calculated at 27% on the estimated assessable profits for the year. No provision for South Africa income tax was made as these subsidiaries had no assessable profit for both years.

Income tax expense for the year is reconciled to loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 HK\$'000	2024 HK\$'000
Loss before tax	(25,018)	(20,752)
Tax at South Africa income tax rate of 27%	(6,755)	(5,603)
Tax effect of expenses not deductible for tax purposes	5,083	5,920
Tax effect of income not taxable for tax purposes	(1,432)	(2,504)
Tax effect of tax losses not recognised	3,102	2,183
Tax effect of share of results of associates	2	4
Income tax expense for the year	–	–

At the end of the reporting period, the Group had estimated unused tax losses of HK\$89,622,000 (2024: HK\$78,133,000) available for offset against future profits which may be carried forward indefinitely. No deferred tax asset was recognised due to the unpredictability of future profit streams.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

11. LOSS PER SHARE

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

	2025 HK\$'000	2024 HK\$'000
Loss		
Loss for the purpose of basic loss per share	(22,232)	(19,174)

	2025 '000	2024 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	18,035,062	18,035,062

In the previous years, TGL granted loans to certain of its non-controlling shareholders which were secured by the pledge of 116,410,427 shares of the Company. The Group took possession of the pledged shares when there was no settlement on the due date after serving the demand notice. The foreclosed shares are included as equity and treated as the Company's treasury shares.

No diluted loss per share has been presented as there are no potential ordinary shares in issue during both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

12. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery HK\$'000	Furniture and equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
COST				
At 1 April 2023	1,444	5,171	3,753	10,368
Additions	–	60	263	323
Disposals	–	(28)	(303)	(331)
Exchange realignment	(72)	(88)	–	(160)
At 31 March 2024	1,372	5,115	3,713	10,200
Additions	–	80	–	80
Exchange realignment	8	11	–	19
At 31 March 2025	1,380	5,206	3,713	10,299
DEPRECIATION				
At 1 April 2023	–	5,010	3,569	8,579
Provided for the year	–	54	196	250
Eliminated on disposals	–	(7)	(303)	(310)
Exchange realignment	–	(84)	–	(84)
At 31 March 2024	–	4,973	3,462	8,435
Provided for the year	–	63	67	130
Exchange realignment	–	13	–	13
At 31 March 2025	–	5,049	3,529	8,578
CARRYING VALUES				
At 31 March 2025	1,380	157	184	1,721
At 31 March 2024	1,372	142	251	1,765

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

12. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

The above items of property, plant and equipment, other than plant and machinery, are depreciated on a straight-line basis, after taking into account the residual value, at the following rates per annum:

Plant and machinery	10%–16.7%
Furniture and equipment	16.7%–33%
Motor vehicles	20%

13. RIGHT-OF-USE ASSETS

	Leased properties	
	2025 HK\$'000	2024 HK\$'000
At 31 March		
Carrying amount	340	1,698
For the year ended 31 March		
Depreciation	1,358	1,310
Additions to right-of-use assets	–	2,717
Expenses relating to short-term leases	92	84
Total cash outflow for leases	1,556	1,339

For the year ended 31 March 2025, the Group leases various offices for its operations. Lease contracts are entered into for fixed terms of 2 years (2024: 2 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

14. MINING ASSETS

	HK\$'000
At 1 April 2023	2,652,928
Additions	10,279
Change in provision for rehabilitation costs	(106)
Exchange realignment	(134,330)
At 31 March 2024	2,528,771
Additions	7,820
Change in provision for rehabilitation costs	(181)
Exchange realignment	12,598
At 31 March 2025	2,549,008

Mining assets comprise of exploration and evaluation assets and decommissioning assets. As at 31 March 2025, the carrying amount of the Group's exploration and evaluation assets is HK\$2,537,012,000 (2024: HK\$2,517,659,000). As at 31 March 2025, the carrying amount of the Group's decommissioning assets is HK\$11,996,000 (2024: HK\$11,112,000).

Exploration and evaluation assets represent the cost incurred for evaluating the technical feasibility and commercial viability of extracting mineral resources in the Group's exploration and evaluation mines. The management considers that the determination of commercial viability is still in progress at the end of the reporting period.

The mining assets represent the gold mining projects in South Africa, namely the Evander Project and the Jeanette Project. The mining right for the Evander Project is valid for 26 years commencing from 18 July 2012 until 28 April 2038, and the mining right for the Jeanette Project is valid for 30 years commencing from 7 June 2017 until 6 June 2047. In the opinion of the directors of the Company, the renewal upon application for extension of expiry dates of the mining rights for the Evander Project and the Jeanette Project are highly probable so long as the Group complies with the requirements as set out in the Mineral and Petroleum Resources Development Act of South Africa.

During the year ended 31 March 2025, the capitalised expenses relating to the mining assets in gold exploration and development operation in South Africa and presented as investing activities of the consolidated statement of cash flows are HK\$7,820,000 (2024: HK\$10,279,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

14. MINING ASSETS *(Continued)*

There were impairment indicators for the mining assets as the market capitalization of the Company was below the carrying value of its net assets. The management of the Group has performed impairment testing on the mining assets as at 31 March 2025 and 2024 based on the latest development of the mining plans. During the year ended 31 March 2025, the Group completed an optimisation study and/or updated the cost estimates under the latest mining plans for both projects based on the technical aspects in the previous feasibility studies.

The recoverable amounts of the relevant CGUs, in which the mining assets relating to the Evander Project and the Jeanette Project are allocated, were determined by the management of the Group based on value in use calculations using the discounted cash flows model. The value in use calculations as at 31 March 2025 and 2024 have been carried out by an independent qualified professional valuer. Details of the key inputs adopted in the value in use calculations are set out below.

Jeanette Project

The Group had completed an optimisation study and the cost estimates had been updated under the latest mining plan for the Jeanette Project based on the technical aspects in the previous feasibility studies. With the optimisation plan, the originally planned 2-phase approach have effectively been merged into a single ongoing development scenario, which shorten production years and maximizes the existing infrastructure in combination with new infrastructure to overcome the structural limitations posed under the previous plan.

The discounted cash flows approach applied to determine the value in use of the Jeanette Project was based on a pre-tax discount rate of 23.82% and a cash flow projection prepared from a financial forecast covering a mine life period until the mine resources run out based on probable reserves.

The amount of reserve used in the projection was 17.64 mt and it was assumed the mineral reserve would be mined 22 years from 2029 at an average rate of 0.79 mt per annum. Other key assumptions for the value in use calculation related to the estimation of cash inflows/outflows which included total operating costs of approximately US\$4,253,947,000, total capital expenditure of approximately US\$1,537,228,000, expected future inflation rate ranged from 2.1% to 4.5% per annum affecting operating and capital costs, US\$/ZAR exchange rate of 18.31 and gold price of US\$2,769 per ounce and an average production rate of 11.3 g per ton.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

14. MINING ASSETS *(Continued)*

Evander Project

The directors of the Company considered the development of the Jeanette Project would be the primary focus of the Group at the current stage and the development of the Evander Project would be deferred later than originally planned. The Group has updated the cost estimates under the latest mining plan for the Evander Project based on the technical aspects in the previous feasibility studies. The original plant design which contemplated construction in a 3-phased modular approach was re-costed in a single phase with the same scope.

The discounted cash flows approach applied to determine the value in use of the Evander Project was based on a pre-tax discount rate of 23.41% and a cash flow projection prepared from a financial forecast covering a mine life period until the mine resources run out based on probable reserves.

The amount of reserve used in the projection was 19.64 mt and it was assumed the mineral reserve would be mined 20 years from 2033 at an average rate of 0.98 mt per annum. Other key assumptions for the value in use calculation related to the estimation of cash inflows/outflows which include total operating costs of US\$4,135,551,000, total capital expenditure of US\$1,457,582,000, expected future inflation rate ranged from 2.1% to 4.5% per annum affecting operating and capital costs, US\$/ZAR exchange rate of 18.31 and gold price of US\$2,769 per ounce and an average production rate of 6.5 g per ton.

As a result of the impairment assessment, no impairment has been recognised in the consolidated financial statements for the year ended 31 March 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

15. INTERESTS IN ASSOCIATES

	2025 HK\$'000	2024 HK\$'000
Cost of investments in associates – unlisted	27,905	27,905
Share of post-acquisition losses and other comprehensive expense	(26,651)	(26,643)
	1,254	1,262

Details of the Group's associates as at 31 March 2025 and 2024 are as follows:

Name of associates	Form of business structure	Place of incorporation	Proportion of nominal value of issued capital held by the Group indirectly		Principal activities
			2025	2024	
Goldster Global Limited	Incorporated	British Virgin Islands	45%	45%	Inactive
Onshine Investments Limited	Incorporated	British Virgin Islands	44%	44%	Inactive

The current year and cumulative unrecognised share of losses of associates is insignificant.

16. FINANCIAL ASSETS AT FVTPL

	2025 HK\$'000	2024 HK\$'000
Loan to Sephaku Gold Holdings (Proprietary) Limited ("SepGold")	26,174	27,752
Loan to Taung Gold EPP RF (Pty) Limited ("TG EPP")	2,493	2,101
	28,667	29,853

The Group made loans to SepGold and TG EPP, which are qualified Black Economic Empowerment ("BEE") companies in South Africa, for subscription of shares in TGL in order to meet domestic requirements in South Africa. SepGold and TG EPP then became shareholders of TGL (i.e. shareholders of a non wholly-owned subsidiary of the Company).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

16. FINANCIAL ASSETS AT FVTPL *(Continued)*

Loan to SepGold

SepGold is a historically disadvantaged South African company in terms of BEE requirements in South Africa. SepGold is a qualified BEE company in South Africa. The loan to SepGold with outstanding principal amount of ZAR487,732,919 (equivalent to approximately HK\$206,359,000) as at 31 March 2025 (2024: ZAR487,732,919 (equivalent to approximately HK\$205,140,000)) is secured by the pledge of 39,402,071 shares of TGL, representing 15.39% of the issued share capital of TGL. 50% of any dividend declared by TGL in any financial year due to SepGold shall be applied towards the repayment of the loan. The loan repayment date is 31 December 2027 following due consideration of the appropriate timing and amount of dividends expected from TGL after the planned commencement of the Evander Project and the Jeanette Project.

Loan to TG EPP

On 22 April 2016, the Group and TG EPP, which is the qualified BEE company, entered into a loan agreement. Pursuant to the loan agreement, the Group made an interest-free loan with outstanding principal amount of ZAR36,926,000 (equivalent to approximately HK\$15,623,000) as at 31 March 2025 (2024: ZAR36,926,000 (equivalent to approximately HK\$15,531,000)) with a maturity date on 31 December 2021 to TG EPP for the purpose of enabling TG EPP to acquire a particular percentage of TGL's issued share capital when the shareholding owned by the qualified BEE company in TGL dropped below 26%. Given the status of the Jeanette Project and the Evander Project, the directors of the Company do not expect the loan to TG EPP can be settled within one year of the end of the reporting period and, thus, the entire balance of the loan to TG EPP is classified as non-current assets as at 31 March 2025 and 2024. The loan is secured by the pledge of 5,058,327 shares in TGL, representing 2% of the issued share capital of TGL.

The loans to SepGold and TG EPP are classified as financial assets at FVTPL. The directors of the Company assessed the fair value of the loans to SepGold and TG EPP by taking into account the returns from the Jeanette Project and the Evander Project, including considering their exploration and development status, their expected commencement of commercial production, their expected reserves and the future gold price, where appropriate, in order to estimate the timing of repayment of these loans. The Group engaged the Valuer to perform estimation of future cash flows expected to arise from the loans and the appropriate discount rates. Details of the valuation techniques and key inputs are set out in note 25.

A fair value loss of HK\$1,378,000 (2024: fair value gain of HK\$4,426,000) in relation to the loans to SepGold and TG EPP is recognised in profit or loss during the year ended 31 March 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

17. OTHER RECEIVABLES, PREPAYMENT AND DEPOSITS

	2025 HK\$'000	2024 HK\$'000
Rental deposits	485	470
Other deposits	1,655	1,656
Value added tax ("VAT") recoverable	644	403
Others	9,015	2,913
	11,799	5,442
Current	11,314	4,972
Non-current	485	470
	11,799	5,442

18. PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH

As at 31 March 2025, the pledged bank deposits of approximately ZAR1,561,000 (equivalent to approximately HK\$660,000) (2024: approximately ZAR1,496,000 (equivalent to approximately HK\$629,000)) mainly related to performance guarantees provided to the Department of Mineral Resources of South Africa in relation to application of the mining permits on exploration of various small mining projects which require rehabilitation and management of negative environmental impacts on the mining areas. The pledged bank deposits carry effective interest rates ranging from 5.72% to 8.07% (2024: 5.72% to 8.35%) per annum.

Bank balances comprising cash and short-term deposits with an original maturity of three months or less, being carried interest at rates ranging from 0.01% to 3% (2024: 0.001% to 4.5%) per annum.

19. OTHER PAYABLES AND ACCRUALS

	2025 HK\$'000	2024 HK\$'000
VAT payables	846	870
Other payables	30	5,030
Other accruals	6,715	7,523
	7,591	13,423

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

20. LEASE LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Lease liabilities are payable:		
Within a period not exceeding one year	369	1,419
Within a period of more than one year but not exceeding two years	–	369
	369	1,788
Less: Amount due for settlement within 12 months shown under current liabilities	(369)	(1,419)
Amount due for settlement after 12 months shown under non-current liabilities	–	369

21. PROVISIONS FOR REHABILITATION COSTS

	HK\$'000
At 1 April 2024	12,073
Unwinding of discounting effects for the year	1,391
Revaluation credited to profit or loss	(2,951)
Revaluation recognised as reversal of decommissioning assets	(181)
Exchange realignment	91
At 31 March 2025	10,423

The provision for mine rehabilitation includes the anticipated costs of future rehabilitation, restoration and dismantling of mining areas from which natural resources have been extracted. These provisions include future cost estimates associated with plant closures, waste site closures, monitoring, demolition, decontamination, water purification, and permanent storage of historical residues.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

22. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2023, 31 March 2024 and 31 March 2025	30,000,000,000	300,000
Issued and fully paid:		
At 1 April 2023, 31 March 2024 and 31 March 2025	18,151,471,981	181,515

23. SHARE OPTION SCHEME

A resolution was duly passed at a special general meeting of the Company held on 28 August 2020 to approve and adopt the new share option scheme of the Company (the "2020 Share Option Scheme").

The purpose of the 2020 Share Option Scheme is to provide the Company with a flexible and effective means of incentivising, rewarding, remunerating, compensating and/or providing benefits to participants in recognition of their contribution to the Group.

Eligible participants of the 2020 Share Option Scheme include any person who is (or will be on and following the offer date) an employee (whether full time or part time) holding salaried office or employment under a contract with the Company and any of their respective subsidiaries (as defined in the Hong Kong Companies Ordinance), and any entity (including associated company) in which the Company, any of its holding companies or any of their respective subsidiaries holds any equity interest ("Eligible Entity") or is a director (including executive and non-executive directors) of an Eligible Entity or any adviser, consultant, agent, contractor, customer and supplier of any member of the Group or any Eligible Entity whom the board of directors in its sole discretion considers eligible for the 2020 Share Option Scheme on the basis of his or her contribution to the Group.

The maximum number of shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the 2020 Share Option Scheme and all outstanding options granted and yet to be exercised under any other share option schemes of the Company shall not exceed 30% of the total number of shares in issue from time to time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

23. SHARE OPTION SCHEME *(Continued)*

The total number of shares which may be issued upon exercise of all share options to be granted under the 2020 Share Option Scheme and any options to be granted under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of shares in issue on 28 August 2020. Share options which lapsed in accordance with the terms of the 2020 Share Option Scheme and any other share option schemes of the Company will not be counted for the purpose of calculating the 10% limit. The Company may seek approval of the shareholders in a general meeting for refreshing the 10% limit under the 2020 Share Option Scheme, save that the total number of shares which may be issued upon exercise of all share options granted under the 2020 Share Option Scheme and any other share option schemes of the Company under the limit as refreshed shall not exceed 10% of the total number of shares in issue as at the date of approval of the limit as refreshed. Share options previously granted under the 2020 Share Option Scheme and any other share option schemes of the Company (including share options outstanding, cancelled, lapsed in accordance with the terms of the relevant scheme, or exercised options) will not be counted for the purpose of calculating the limit as refreshed.

The total number of shares issued and to be issued upon exercise of the share options granted to each eligible participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue.

Each grant of share options to a director, chief executive or substantial shareholder of the Company, or to any of their respective associates, under the 2020 Share Option Scheme must be subject to approval by independent non-executive directors to whom share options have not been granted. In addition, any grant of share options to a substantial shareholder or an independent non-executive director of the Company, or any of their associates, which would result in the shares issued and to be issued upon exercise of all share options already granted and to be granted under the 2020 Share Option Scheme (including share options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant in aggregate over 0.1% of the shares in issue and with an aggregate value (based on the closing price of the Company's shares at the date of each grant) in excess of HK\$5 million, must be approved by the shareholders in a general meeting.

The offer of a grant of share options shall be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. To the extent that the offer of the grant of share options is not accepted within 21 days from the date of offer, it will be deemed to have been irrevocably declined.

The exercisable period of the share options granted is determined by the directors of the Company, save that such period shall not be more than 10 years from the date of the offer of the share options, subject to the provisions for early termination set out in the 2020 Share Option Scheme.

There is no minimum period for which the share options must be held before the exercise of the subscription right attaching thereto, except as otherwise imposed by the board of directors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

23. SHARE OPTION SCHEME *(Continued)*

The exercise price of the share options is determined by the board of the Company, but shall not be less than the highest of (i) the closing price of the Company's shares as quoted on the daily quotation sheets of the Stock Exchange on the date of the offer of the share options; (ii) the average closing price of the Company's shares as quoted on the daily quotation sheets of the Stock Exchange for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares.

The 2020 Share Option Scheme became effective on 28 August 2020 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The Company has not granted any share options during the years ended 31 March 2025 and 2024. At 31 March 2025 and 2024, there were no outstanding share options.

24. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Company consists of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital disclosed in note 22 and reserves disclosed in the consolidated statement of changes in equity. Management of the Group reviews the capital structure on a continuous basis taking into account the cost of capital and the risk associated with the capital. The Group will balance its overall capital structure through new share issues as well as the raising of new debts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

25. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2025 HK\$'000	2024 HK\$'000
Financial assets		
At amortised cost	77,211	114,010
At FVTPL	28,667	29,853
Financial liabilities		
At amortised cost	30	5,030

Financial risk management objectives and policies

The Group's major financial instruments include financial assets at FVTPL, rental deposits, other receivables and deposits, pledged bank deposits, bank balances and cash and other payables. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Currency risk

Certain subsidiaries of the Company have bank balances and cash, other receivables and deposits, and other payables denominated in foreign currencies, other than the functional currency of respective group companies which expose the subsidiaries to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's major foreign currency denominated monetary assets and monetary liabilities against their functional currency at the end of the reporting period are as follows:

	Assets		Liabilities	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Renminbi ("RMB")	670	132	–	–
HK\$	2,512	17,535	30	5,030
US\$	57,299	18,375	–	–

At 31 March 2025, the carrying amounts of inter-company balances (assets) of certain group entities which were denominated in US\$ (against ZAR) is HK\$120,857,000 (2024: HK\$103,533,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

25. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Market risk *(Continued)*

Currency risk (Continued)

The directors of the Company expect the foreign exchange exposure on US\$ against HK\$ to be minimal because HK\$ is pegged with US\$ under the Linked Exchange Rate System. Accordingly, no sensitivity analysis is presented.

Interest rate risk

The Group's bank balances have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances. The directors of the Company consider that the Group's exposure of the short-term bank deposits to interest rate risk is not significant.

Other price risk

The Group is exposed to other price risk mainly through its loans to SepGold and TG EPP which are measured at FVTPL. The fair value adjustment of loans to SepGold and TG EPP would be affected positively or negatively, primarily, by changes in the timing and amounts of future cash flows for loan repayments and the discount rate applied for discounting the future cash flows.

The sensitivity analysis on the fair values of loans to SepGold and TG EPP is disclosed in the fair value measurements of financial instruments below.

Credit risk and impairment assessment

At the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risks associated with the financial assets at FVTPL is mitigated because they are secured over shares of TGL.

For other receivables and deposits, the gross carrying amount of these balances as at 31 March 2025 is HK\$10,213,000 (2024: HK\$4,513,000) and the management of the Group measures their loss allowance equal to 12m ECL. In addition, the management of the Group makes periodic individual assessment on their recoverability based on historical settlement records, past experience, and also available reasonable and supportable forward-looking information. No impairment loss was recognised for the years ended 31 March 2025 and 2024. The ECL on the remaining balances of other receivables is insignificant.

The credit risk for bank deposits and bank balances exposed is considered minimal as such amounts are placed with various banks with good credit ratings and there is no significant concentration of credit risk for bank deposits and bank balances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

25. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Liquidity risk

In management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	Weighted average interest rate %	On demand or within 3 months HK\$'000	3 months to one year HK\$'000	1 year to 2 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount HK\$'000
At 31 March 2025						
Non-derivative financial liabilities						
Other payables	N/A	30	–	–	30	30
Lease liabilities	4.51	366	4	–	370	369
		396	4	–	400	399

At 31 March 2024

Non-derivative financial liabilities

Other payables	N/A	5,030	–	–	5,030	5,030
Lease liabilities	4.51	366	1,098	370	1,834	1,788
		5,396	1,098	370	6,864	6,818

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

25. FINANCIAL INSTRUMENTS *(Continued)*

Fair value measurements of financial instruments

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Valuation technique and inputs

	Fair value 2025 HK\$'000	Fair value 2024 HK\$'000	Fair value hierarchy	Valuation technique(s) and key input(s)
Loans to SepGold and TG EPP	28,667	29,853	Level 3	Discounted cash flows based on the estimated future cash flows of the Evander Project and the Jeanette Project in South Africa and the timing of amounts that are expected to be received from SepGold and TG EPP for loans repayment, discounted at a rate of 23.56% (2024: 22.75%).

There were no transfer between Level 1 or 2 during the year.

Sensitivity analysis

A delay in the timing of amounts expected to be received from SepGold and TG EPP for loan repayments, of which based on the estimated future cash flows of the Evander Project and the Jeanette Project in South Africa, would result in a decrease in the fair value measurement of the loans to SepGold and TG EPP, and vice versa. A delay of repayment of all the outstanding amounts by 3 years holding all other variables constant would decrease the total carrying amounts of the loans to SepGold and TG EPP as at 31 March 2025 by HK\$13,616,000 (2024: HK\$13,712,000).

An increase in the discount rate used in isolation would result in a decrease in the fair value measurement of the loans to SepGold and TG EPP, and vice versa. A 30% increase in the discount rate holding all other variables constant would decrease the total carrying amounts of the loans to SepGold and TG EPP as at 31 March 2025 by HK\$12,048,000 (2024: HK\$12,247,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

25. FINANCIAL INSTRUMENTS *(Continued)*

Fair value measurements of financial instruments *(Continued)*

Fair value of the Group's financial assets that are measured at fair value on a recurring basis *(Continued)*

Reconciliation of Level 3 financial assets

	2025 HK\$'000	2024 HK\$'000
At the beginning of the year	29,853	26,727
Fair value change recognised in profit or loss	(1,378)	4,426
Exchange adjustments	192	(1,300)
At the end of the year	28,667	29,853

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost approximate their fair values.

The fair values of financial assets and financial liabilities recorded at amortised cost are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

26. RETIREMENT BENEFIT SCHEMES

The Group participates in the Mandatory Provident Fund Scheme registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group in funds under the control of trustee. The Group contributes 5% of relevant payroll costs with a cap of monthly contributions of HK\$1,500 to the scheme, which contribution is matched by employee.

Contributions are made by the South African companies to independent pension and provident funds which are defined contribution retirement benefits plans governed by the Pension Funds Act, 1956. All eligible employees are required to become members of these schemes.

The assets of each of the retirement benefits schemes are held separately from those of the Group in funds under the control of the trustees. The amounts incurred for retirement benefits schemes contributions are disclosed in notes 8 and 9. According to the respective schemes, those contributions are not refundable nor forfeitable. As at 31 March 2025, there were no forfeited contributions (by employers on behalf of employees who leave these retirement benefit schemes prior to vesting fully in such contributions) in the Group under these retirement benefit schemes. Hence, there is no forfeited contribution available for the Group to reduce its existing level of contributions to these retirement benefit schemes in future years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

27. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration for key management personnel of the Group, including the amounts paid to directors of the Company as disclosed in note 9, during the year is as follows:

	2025 HK\$'000	2024 HK\$'000
Short-term benefits	7,016	6,889
Contributions to retirement benefits schemes	54	54
	7,070	6,943

28. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities	
	2025 HK\$'000	2024 HK\$'000
At the beginning of the year	1,788	282
Financing cash flows	(1,464)	(1,255)
New leases entered	–	2,686
Finance cost recognised	45	75
At the end of the year	369	1,788

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FOR THE YEAR ENDED 31 MARCH 2025

29. PARTICULARS OF SUBSIDIARIES

General information of subsidiaries

Details of the Group's subsidiaries at 31 March 2025 and 31 March 2024 are set out below.

Name of subsidiary	Place of incorporation and operation	Issued and fully paid capital	Attributable equity interest of the Group		Principal activities
			Directly	Indirectly	
TGL	South Africa	Ordinary ZAR1,527,798,014	65.60%	12.98%	Exploration, development and mining of gold and associated minerals
Taung Gold (Secunda) (Pty) Limited	South Africa	Ordinary ZAR100	–	78.58%	Exploration, development and mining of gold and associated minerals
Taung Gold Exploration (West) (Pty) Limited	South Africa	Ordinary ZAR7,875	–	78.58%	Exploration, development and mining of gold and associated minerals
Taung Gold Exploration (Pty) Limited	South Africa	Ordinary ZAR7,875	–	78.58%	Exploration, development and mining of gold and associated minerals
Taung Gold (North West) (Pty) Limited	South Africa	Ordinary ZAR100	–	78.58%	Exploration, development and mining of gold and associated minerals
Taung Gold (Free State) (Pty) Limited	South Africa	Ordinary ZAR100	–	78.58%	Exploration, development and mining of gold and associated minerals
Ulinet (Pty) Limited	South Africa	Ordinary ZAR100	–	78.58%	Exploration, development and mining of gold and associated minerals

The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

29. PARTICULARS OF SUBSIDIARIES (Continued)

General information of subsidiaries (Continued)

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. A majority of these subsidiaries operate in Hong Kong. The principal activities of these subsidiaries are either investment holding or inactive.

None of the subsidiaries had issued any debt securities at the end of the year or at any time during the year.

Details of non wholly-owned subsidiaries that have material non-controlling interests

The table below shows details of non wholly-owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
		2025	2024	2025	2024	2025	2024
				HK\$'000	HK\$'000	HK\$'000	HK\$'000
TGL	South Africa	21.42%	21.42%	(2,786)	(1,578)	523,705	523,292

Summarised financial information in respect of TGL. The summarised financial information below represents amounts before intragroup eliminations.

	2025 HK\$'000	2024 HK\$'000
Non-current assets	2,579,795	2,560,726
Current assets	4,805	4,193
Non-current liabilities	(10,423)	(12,073)
Current liabilities	(119,844)	(100,442)
Equity attributable to owners of the Company	1,930,628	1,929,112
Non-controlling interests	523,705	523,292
Loss for the year	(13,004)	(7,367)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

29. PARTICULARS OF SUBSIDIARIES *(Continued)*

Details of non wholly-owned subsidiaries that have material non-controlling interests *(Continued)*

	2025 HK\$'000	2024 HK\$'000
Loss attributable to		
– owners of the Company	(10,218)	(5,789)
– non-controlling interests	(2,786)	(1,578)
Loss for the year	(13,004)	(7,367)
Other comprehensive income (expense) attributable to		
– owners of the Company	11,734	(103,692)
– non-controlling interests	3,199	(30,830)
Other comprehensive income (expense) for the year	14,933	(134,522)
Total comprehensive income (expense) attributable to		
– owners of the Company	1,516	(109,481)
– non-controlling interests	413	(32,408)
Total comprehensive income (expense) for the year	1,929	(141,889)
Net cash outflow from operating activities	(10,943)	(9,459)
Net cash outflow from investing activities	(7,829)	(10,381)
Net cash inflow from financing activities	19,429	21,635
Net cash inflow	657	1,795

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

30. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2025 HK\$'000	2024 HK\$'000
Non-current assets		
Interests in subsidiaries	1,929,112	1,929,112
Amounts due from subsidiaries	268,684	310,925
	2,197,796	2,240,037
Current assets		
Amounts due from subsidiaries	16,002	2,015
Other receivables	409	361
Bank balances and cash	5,626	17,890
	22,037	20,266
Current liabilities		
Other payables	4,910	10,718
Amount due to a subsidiary	98,169	93,438
	103,079	104,156
Net current liabilities	(81,042)	(83,890)
Net assets	2,116,754	2,156,147
Capital and reserves		
Share capital	181,515	181,515
Reserves (<i>Note</i>)	1,935,239	1,974,632
Total equity	2,116,754	2,156,147

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

30. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY *(Continued)*

Note:

	Share premium HK\$'000	Capital reserve HK\$'000	Contributed surplus HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2023	5,307,443	(800)	147,828	(3,335,877)	2,118,594
Loss and total comprehensive expense for the year	–	–	–	(143,962)	(143,962)
At 31 March 2024	5,307,443	(800)	147,828	(3,479,839)	1,974,632
Loss and total comprehensive expense for the year	–	–	–	(39,393)	(39,393)
At 31 March 2025	5,307,443	(800)	147,828	(3,519,232)	1,935,239

FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out below:

RESULTS

	Year ended 31 March				
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	2025 HK\$'000
Revenue	–	–	–	–	–
(Loss) profit attributable to:					
– Owners of the Company	(526,232)	45,147	(45,985)	(19,174)	(22,232)
– Non-controlling interests	(139,138)	22,034	(6,819)	(1,578)	(2,786)
	(665,370)	67,181	(52,804)	(20,752)	(25,018)

ASSETS AND LIABILITIES

	As at 31 March				
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	2025 HK\$'000
Total assets	3,311,838	3,440,722	2,825,691	2,678,288	2,659,302
Total liabilities	22,629	19,677	21,471	27,284	18,383
Total equity	3,289,209	3,421,045	2,804,220	2,651,004	2,640,919