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TAUNG GOLD | **TAUNG GOLD INTERNATIONAL LIMITED**
壇金礦業有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 621)

EXPECTED CHANGE OF SUBSTANTIAL SHAREHOLDER

This announcement is made by the board of directors (the “**Board**”) of Taung Gold International Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited.

EXPECTED CHANGE OF SUBSTANTIAL SHAREHOLDER

The Board of the Company has been notified that on 30 January 2018, Electrum Strategic Exploration Limited (“**ESEL**”), a substantial shareholder of the Company, entered into an agreement (the “**Agreement**”) with Goldborn Holdings Limited (“**Goldborn**”) in respect of the intended disposal (the “**Disposal**”) by ESEL of 2,295,047,831 shares of the Company (each, a “**Share**”), being ESEL’s entire shareholding in the Company, at a purchase price of US\$ 0.0087 per Share (equivalent to approximately HK\$0.0681 per Share) (the “**Purchase Price**”), being a total consideration of approximately HK\$156.29 million for ESEL’s entire shareholding. The Purchase Price represents a premium of approximately 35.12% to the average closing price of HK\$0.0504 for the last five trading days prior to the date of the Agreement. Pursuant to the Agreement, the Disposal is intended to be completed in three tranches. Immediately before the execution of the Agreement, Goldborn did not own any Share. Upon full completion of the Disposal, Goldborn will be interested in 2,295,047,831 Shares, representing approximately 12.64% of the issued share capital of the Company as at the date hereof and hence will become a substantial shareholder of the Company.

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiry, Goldborn is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

Set out below is the shareholding structure of the Company immediately before and after full completion of the Disposal:

	Immediately before the Disposal and as at the date hereof		Immediately after full completion of the Disposal	
	<i>Number of</i>		<i>Number of</i>	
	<i>Shares</i>	<i>Approximate %</i>	<i>Shares</i>	<i>Approximate %</i>
ESEL ^(Note 1)	2,295,047,831	12.64	0	0
Goldborn	0	0	2,295,047,831	12.64
Mandra Materials Limited ^(Note 2)	1,835,354,722	10.11	1,835,354,722	10.11
Mandra Esop Limited ^(Note 2)	28,218,369	0.16	28,218,369	0.16
Woo Foong Hong Limited ^(Note 2)	426,530,727	2.35	426,530,727	2.35
Gold Commercial Services Limited ^(Note 3)	1,300,461,963	7.16	1,300,461,963	7.16
Public shareholders of the Company	<u>12,265,858,369</u>	<u>67.58</u>	<u>12,265,858,369</u>	<u>67.58</u>
Total	<u>18,151,471,981</u>	<u>100</u>	<u>18,151,471,981</u>	<u>100</u>

Notes:

- (1) ESEL is indirectly controlled by GRAT Holdings LLC (“GRAT”) and GRAT indirectly controls the rights to vote and dispose of the Shares held by ESEL. Accordingly, GRAT is deemed for the purposes of the Securities and Futures Ordinance (the “SFO”) to be interested in the Shares held by ESEL. GRAT is controlled by Thomas Kaplan as the sole member of the asset committee of trusts the beneficiaries of which are members of Mr. Kaplan’s family. Mr. Kaplan is deemed for purposes of the SFO to be interested in the Shares held by ESEL.
- (2) 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.
- (3) On 8 September 2011, the Company issued 1,130,141,116 shares of the Company to GoldCom for the purpose of acquiring 21,174,316 shares of TGL from South African resident shareholders of TGL. On 21 November 2014, the Shareholders passed a special resolution to grant each of the TG Optionholders the right to sell a maximum number of 23,645,210 TG Shares to the Company or GoldCom for a maximum of 1,262,020,649 New Put Option Consideration Share (Please refer to the Company’s circular dated 2 November 2014). The abovementioned rights expired on 7 September 2016.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares.

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

Hong Kong, 30 January 2018

As at the date of this announcement, the Board comprises eight Directors. The Executive Directors are Mr. Li Hok Yin, Mr. Christiaan Rudolph de Wet de Bruin, Mr. Neil Andrew Herrick, Ms. Cheung Pak Sum and Mr. Phen Chun Shing Vincent. The Independent Non-executive Directors are Mr. Chong Man Hung Jeffrey, Mr. Li Kam Chung and Mr. Tsui Pang.