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萬佳錫業
GOODTOP TIN

GOODTOP TIN INTERNATIONAL HOLDINGS LIMITED

萬佳錫業國際控股有限公司

(formerly known as Vitar International Holdings Limited 威達國際控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 195)

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

The board of directors (the "Board") of Goodtop Tin International Holdings Limited (formerly known as Vitar International Holdings Limited) (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2011 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2011

		Six months ended	
	Notes	**30.6.2011** **HK$'000** **(unaudited)**	30.6.2010 *HK$'000* (unaudited)
Revenue	*3*	**311,943**	90,686
Cost of sales		**(266,297)**	(79,635)
Gross profit		**45,646**	11,051
Interest income	*5*	**825**	140
Other income	*5*	**230**	110
Other gains and losses	*6*	**44,274**	12,404
Selling and distribution costs		**(1,237)**	(455)
Administrative expenses		**(33,984)**	(18,590)
Share-based payment expenses		**(58,752)**	—
Finance costs	*7*	**(19,668)**	(529)
(Loss)/Profit before taxation		**(22,666)**	4,131
Taxation	*8*	**(11,815)**	(674)

	Notes	Six months ended 30.6.2011 HK$'000 (unaudited)	30.6.2010 HK$'000 (unaudited)
(Loss)/Profit for the period	9	**(34,481)**	3,457
Other comprehensive income			
Exchange differences arising on translating foreign operations to presentation currency		**2,458**	952
Total comprehensive (expense) income for the period		**(32,023)**	4,409
(Loss) Profit for the period attributable to:			
Owners of the Company		**(45,987)**	3,457
Non-controlling interests		**11,506**	—
		(34,481)	3,457
Total comprehensive (expense) income attributable to:			
Owners of the Company		**(43,529)**	4,409
Non-controlling interests		**11,506**	—
		(32,023)	4,409
(Loss) Earnings per share (HK cents)	11		
Basic		**(1.60)**	0.14
Diluted		**(1.60)**	0.14

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2011

	Notes	30.6.2011 HK$'000 (unaudited)	31.12.2010 HK$'000 (audited)
Non-current assets			
Property, plant and equipment	12	**353,258**	58,086
Prepaid lease payments	12	**6,493**	6,364
Mining rights		**533,031**	—
Deposits		**17,195**	—
Exploration and evaluation expenditures		**21,567**	—
Intangible asset		**1,061**	1,061
Deferred taxation		**6,618**	—
Deposit placed for a life insurance policy		**2,014**	1,979
Deposit paid for acquisition of a company		**—**	280,000
		941,237	347,490
Current assets			
Inventories		**38,779**	16,831
Trade receivables	13	**102,320**	53,388
Other receivables, prepayments and deposits		**15,485**	11,911
Prepaid lease payments		**58**	147
Derivative financial instruments		**268,105**	—
Amounts due from related companies		**—**	56
Tax recoverable		**—**	1,483
Bank balances and cash		**263,698**	118,666
		688,445	202,482
Current liabilities			
Trade payables	14	**74,490**	20,906
Other payables, deposits received and accruals		**113,366**	13,693
Amount due to a related company		**1,343**	1,513
Amount due to directors		**616**	2,796
Bank borrowings — due within one year		**5,579**	11,032
Convertible bonds		**334,033**	—
Obligations under finance leases		**7,855**	—
Tax payable		**28,914**	589
Bank overdrafts		**—**	881
		566,196	51,410
Net current assets		**122,249**	151,072
Total assets less current liabilities		**1,063,486**	498,562

	Notes	**30.6.2011**	31.12.2010
		HK$'000	*HK$'000*
		(unaudited)	(audited)
Capital and reserves			
Issued capital	*15*	**14,400**	14,400
Reserves		**958,006**	483,882
Equity attributable to owners of the Company		**972,406**	498,282
Non-controlling interests		**9,218**	—
Total equity		**981,624**	498,282
Non-current liabilities			
Deferred taxation		**61,632**	280
Provision for rehabilitation		**18,420**	—
Obligation under finance leases		**1,810**	—
		81,862	280
Total equity and liabilities		**1,063,486**	498,562

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2011

	Attributable to owners of the Company									
	Share capital	**Share premium**	**Translation reserve**	**Share option reserve**	**Special reserve**	**Convertible bonds equity reserve**	**Retained profits**	**Subtotal**	**Non-controlling interests**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2010 (audited)	10,000	41,574	5,897	—	7,800	—	87,174	152,445	—	152,445
Profit for the period	—	—	—	—	—	—	3,457	3,457	—	3,457
Other comprehensive income for the period	—	—	952	—	—	—	—	952	—	952
Total comprehensive income for the period	—	—	952	—	—	—	3,457	4,409	—	4,409
Issue of shares	4,400	350,600	—	—	—	—	—	355,000	—	355,000
Transaction costs attributable to issue of shares	—	(2,581)	—	—	—	—	—	(2,581)	—	(2,581)
At 30 June 2010 (unaudited)	14,400	389,593	6,849	—	7,800	—	90,631	509,273	—	509,273
At 1 January 2011 (audited)	14,400	389,589	12,075	—	7,800	—	74,418	498,282	—	498,282
Loss for the period	—	—	—	—	—	—	(45,987)	(45,987)	11,506	(34,481)
Other comprehensive income for the period	—	—	2,458	—	—	—	—	2,458	—	2,458
Total comprehensive (expense) income for the period	—	—	2,458	—	—	—	(45,987)	(43,529)	11,506	(32,023)
Acquisition of subsidiaries	—	—	—	—	—	—	—	—	(2,288)	(2,288)
Recognition of equity component of convertible bonds	—	—	—	—	—	458,901	—	458,901	—	458,901
Recognition of equity settled share-based payments	—	—	—	58,752	—	—	—	58,752	—	58,752
At 30 June 2011 (unaudited)	14,400	389,589	14,533	58,752	7,800	458,901	28,431	972,406	9,218	981,624

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2011

1. BASIS OF PREPARATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments or interpretations, ("new and revised HKFRSs") issued by HKICPA which are or have effective for the Group's financial year beginning on 1 January 2011.

HKAS 24 (Revised 2009)	Related party disclosure
HKAS 32 (Amendments)	Classification of rights issues
HK(IFRIC)-INT 14 (Amendments)	Prepayments of a minimum funding requirement
HK(IFRIC)-INT 19	Extinguishing financial liabilities with equity instruments
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010

The application of the above new or revised HKFRSs on the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

Except as described below, the accounting policies used in the condensed consolidated financial statements for the six months ended 30 June 2011 (the "Period") are consistent with those followed in the preparation of the Group's annual financial statement for the year ended 31 December 2010.

Basis of consolidation

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary 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.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gain on bargain purchase. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. Measurement period does not exceed one year from the acquisition date.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Joint ventures

Jointly controlled entities

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

The results and assets and liabilities of jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in jointly controlled entities are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the jointly controlled entities, less any identified impairment loss. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity, the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

Jointly controlled assets

When a group entity undertakes its activities under joint venture arrangements directly constituted as jointly controlled assets, the Group's share of the jointly controlled assets and share of any liabilities incurred jointly with other venturers are recognised on its statement of financial position and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis.

Income from the sale of the Group's share of the output of the jointly controlled assets, together with its share of any expenses incurred, are recognised when it is probable that the economic benefits associated with the transaction will flow to/from the Group.

Property, plant and equipment

Mining structures (including the main and auxiliary mine shafts, underground tunnels and open-pit platforms) are depreciated on the units of production method based on the estimated proven and probable mineral reserves of the ores mine.

Freehold land is carried at cost less recognised impairment loss.

Mining rights

Mining rights acquired separately are initially measured at cost. Mining rights are reclassified from exploration and evaluation expenditures at the carrying amount when the technical feasibility and commercial viability of extracting mineral resources are demonstrable. Mining rights with finite useful lives are carried at costs less accumulated amortisation and any identified impairment loss. Amortisation for mining rights with finite useful lives is provided using the unit of production method based on the actual production volume over the estimated total proved and probable reserves of the ores mine.

Exploration and evaluation expenditures

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Exploration and evaluation expenditures are recognised at cost on initial recognition. Subsequent to initial recognition, exploration and evaluation expenditures are stated at cost less identified impairment loss.

Exploration and evaluation expenditures 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 validity of extracting those resources. Exploration and evaluation expenditures are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation expenditure may exceed its recoverable amount. An impairment loss is recognised in profit or loss.

When the technical feasibility and commercial viability of extracting a mineral resource become demonstrable and the mining rights is obtained, any previously recognised exploration and evaluation expenditures are reclassified as mining rights. Exploration and evaluation assets are assessed for impairment and any impairment loss recognised, before reclassification.

Provision for rehabilitation cost

A provision for rehabilitation is recognised when there is a present obligation as a result of exploration, development and production activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of removing facilities, abandoning sites and restoring the affected areas.

The provision for rehabilitation cost is the best estimate of the present value of the expenditure required to settle the restoration obligation at the end of the reporting period, based on current legal and other requirements and technology. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the provision at the end of the reporting period.

The initial estimate of the rehabilitation provision relating to exploration, development and production facilities is capitalised into the cost of the related asset and depreciated on the same basis as the related asset.

Changes in the estimation of the rehabilitation provision that result from changes in the estimated timing or amount of cash flows, including the effects of revisions to estimated lives of operation or a change in the discount rate, are added to, or deducted from, the cost of the related asset in the period it occurred. If a decrease in liability exceeds the carrying amount of the asset, the excess is recognised immediately in profit or loss. Unwinding of the effect of discounting on the provision is recognised as finance cost.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Convertible bonds contain liability and equity components

Convertible bonds issued by the Group that contain both the liability and conversion option components are classified separately into respective items on initial recognition. Conversion bonds that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible bonds and the fair value assigned to the liability component, representing the conversion option for the holder to convert the bonds into equity, is included in equity (convertible bonds equity reserve).

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in convertible bonds equity reserve until the embedded option is exercised (in which case the balance stated in convertible bonds equity reserve will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible bonds equity reserve will be released to the retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

The Group has not early applied new or revised standards that have been issued but are not yet effective. The following new or revised standards has been issued after the date the consolidated financial statements for the year ended 31 December 2010 were authorised for issurance and are not yet effective:

HKFRS 7	Disclosures — Transfers of financial assets[1]
HKFRS 9	Financial instruments[2]
HKFRS 10	Consolidated financial statements[2]
HKFRS 11	Joint arrangements[2]
HKFRS 12 (Amendment)	Disclosures of interest in other entities[2]
HKFRS 13	Fair value measurement[2]
HKAS 1 (Amendments)	Presentation of items of other comprehensive income[3]
HKAS 12 (Amendments)	Deferred tax: Recovery of underlying assets[4]
HKAS 19 (Revised in 2011)	Employee benefits[2]
HKAS 27 (Revised in 2011)	Separate financial statements[2]
HKAS 28 (Revised in 2011)	Investments in associates and joint ventures[2]

[1] Effective for accounting periods beginning on or after 1 July 2011.
[2] Effective for accounting periods beginning on or after 1 January 2013.
[3] Effective for accounting periods beginning on or after 1 July 2012.
[4] Effective for accounting periods beginning on or after 1 January 2012.

The directors of the Company anticipate that the application of these new or revised standards will have no material impact on the results and the financial position of the Group.

3. **REVENUE**

Revenue represents the net amounts received and receivable for goods sold in the normal course of business, net of discounts and sales related taxes.

4. **SEGMENT INFORMATION**

Information reported to the Executive Directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. During the period ended 30 June 2011, the Group is newly engaged in metal tin mining and sales of tin concentrates and related products through the acquisition of Parksong Mining And Resource Recycling Limited and this is new operating and reportable segment in current period. The Group's operating and reportable segments are as follows:

(a) manufacturing and sales of insulation and heat resistance materials ("Manufacturing");

(b) trading of copper and silicone rubber ("Trading"); and

(c) metal tin mining and sales of tin concentrates and related products ("Mining").

Condensed consolidated statement of comprehensive income (unaudited)
For the six months ended 30 June 2011

	Manufacturing *HK$'000*	**Trading** *HK$'000*	**Mining** *HK$'000*	**Consolidated** *HK$'000*
Segment revenue	**63,071**	**49,581**	**199,291**	**311,943**
Segment result	**9,840**	**2,490**	**46,887**	**59,217**
Unallocated corporate income				**30,521**
Unallocated corporate expenses				**(92,736)**
Finance costs				**(19,668)**
Profit before taxation				**(22,666)**

Other information (unaudited)
For the six months ended 30 June 2011

	Manufacturing *HK$'000*	**Trading** *HK$'000*	**Mining** *HK$'000*	**Unallocated** *HK$'000*	**Consolidated** *HK$'000*
Additions to property, plant and equipment	**2,668**	**—**	**292,943**	**1,248**	**296,859**
Depreciation of property, plant and equipment	**2,382**	**—**	**15,100**	**122**	**17,604**
Release of prepaid lease payments	**70**	**—**	**—**	**—**	**70**
Allowance for obsolete inventories	**653**	**—**	**—**	**—**	**653**

Condensed consolidated statement of comprehensive income (unaudited)
For the six months ended 30 June 2010

	Six months ended 30 June 2010		
	Manufacturing	**Trading**	**Consolidated**
	HK$'000	***HK$'000***	***HK$'000***
Segment revenue	**60,392**	**30,293**	**90,685**
Segment result	**8,360**	**1,185**	**9,545**
Unallocated corporate income			**13,717**
Unallocated corporate expenses			**(18,602)**
Finance costs			**(529)**
Loss before taxation			**4,131**

Other information (unaudited)
For the six months ended 30 June 2010

	Manufacturing	Trading	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Additions to property, plant and equipment	1,852	—	3,400	5,252
Depreciation of property, plant and equipment	2,871	—	340	3,211
Release of prepaid lease payments	67	—	48	115
Allowance for bad and doubtful debts	1,063	—	—	1,063
Written off of scraped plant and equipment	825	—	—	825

5. INTEREST INCOME AND OTHER INCOME

	Six months ended	
	30.06.2011	30.06.2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest income from bank deposits	**782**	89
Interest income from a life insurance policy	**43**	51
Total interest income	**825**	140
Rental income	**—**	62
Sundry income	**230**	48
Total other income	**230**	110

6. OTHER GAINS AND LOSSES

	Six months ended	
	30.06.2011	30.06.2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Allowance for bad and doubtful debts	**—**	(1,063)
Gain on fair value change of derivative financial instruments	**13,753**	529
Gain on disposal of property, plant and equipment, investment properties and prepaid lease payments	**—**	13,641
Written off of scraped plant and equipment	**—**	(825)
Net foreign exchange gain	**30,521**	122
	44,274	12,404

7. FINANCE COSTS

	Six months ended	
	30.06.2011	30.06.2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest on:		
Bank borrowings wholly repayable within five years	**234**	529
Convertible bonds	**19,434**	—
	19,668	529

8. TAXATION

	Six months ended	
	30.06.2011	30.06.2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Current tax:		
PRC Enterprise Income Tax	**179**	674
Australia Income Tax	**13,626**	—
Deferred tax credit	**(1,990)**	—
	11,815	674

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the current and prior periods. During the current period, no provision for Hong Kong Profits Tax has been made as Hong Kong subsidiaries incurred tax losses.

Pursuant to the relevant laws and regulations in the PRC, a PRC subsidiary of the Group is exempted from PRC Enterprise Income Tax for two years starting from their first profit-making year, followed by a 50% reduction for the next three years. Taxation arising in the PRC is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

Australia Income Tax has been provided at the statutory rate of 30% on the estimated assessable profits arising in Australia during the period.

The estimated average annual tax rate used is 30% for the six months ended 30 June 2011.

9. (LOSS)/PROFIT FOR THE PERIOD

	Six months ended	
	30.06.2011	30.06.2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
(Loss)/Profit for the period has been arrived at after charging (crediting):		
Auditor's remuneration	**470**	401
Cost of inventories recognized as an expense	**240,372**	79,635
Depreciation of property, plant and equipment	**17,466**	3,211
Depreciation of investment property	**—**	9
Amortisation of mining rights	**17,016**	—
Release of prepaid lease payments	**70**	115
Operating lease rentals in respect of rented premises	**861**	1,598
Staff costs (including director's emoluments)		
— Salaries and other benefits	**13,680**	9,638
— Contributions to retirement benefits scheme	**1,058**	465
	14,738	10,003
Rental income from investment property	**—**	(62)
Less: Outgoings	**—**	29
Net rental income	**—**	(33)

10. DIVIDEND

The directors do not recommend the payment of an interim dividend (six months ended 30 June 2010: Nil).

11. (LOSS) EARNINGS PER SHARE

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

	Six months ended 30 June	
	2011	2010
	HK$'000	*HK$'000*
(Loss) Earnings		
(Loss) Earnings for the purposes of basic and diluted (loss) earnings per share attributable to the owners of the Company	**(45,987)**	3,457
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	**2,880,000,000**	2,532,596,685

The computation of diluted loss per share does not assume the exercise of the Company's share options because the assumed conversion of the share options is anti-dilutive for the period ended 30 June 2011.

12. PROPERTY, PLANT AND EQUIPMENT

During the period, additions to the Group's property, plant and equipment amounted to HK$297 million (1 January 2010 to 30 June 2010: HK$5 million).

13. TRADE RECEIVABLES

	30.06.2011	31.12.2010
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade receivables	**110,683**	61,741
Less: Allowance for bad and doubtful debts	**(8,363)**	(8,353)
	102,320	53,388

The Group allows an average credit period of 90 days. For certain customers in connection with trading of copper or have long established relationship with the Group, the Group may grant a longer credit period up to 120 days. The following is an aged analysis of trade receivables (net of allowance for bad and doubtful debts) presented based on invoice date at the end of the reporting period:

	30.06.2011	31.12.2010
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 – 30 days	**41,391**	22,462
31 – 60 days	**26,467**	15,863
61 – 90 days	**17,338**	12,779
Over 90 days but less than one year	**17,124**	2,284
	102,320	53,388

14. TRADE PAYABLES

An aged analysis of the Group's trade payables at the end of the reporting period is as follows:

	30.06.2011	31.12.2010
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 – 30 days	**66,348**	11,246
31 – 60 days	**2,837**	4,328
61 – 90 days	**338**	80
Over 90 days but less than one year	**4,967**	5,252
	74,490	20,906

15. SHARE CAPITAL

	Number of Shares	Share capital
		HK$'000
Ordinary shares of HK$0.005 each		
Authorised:		
At 1 January 2011 and 30 June 2011 (unaudited)	20,000,000,000	20,000
Issued:		
At 1 January 2011 and 30 June 2011 (unaudited)	2,880,000,000	14,400

16. CAPITAL COMMITMENTS

	30.06.2011	31.12.2010
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	**1,141**	160

17. RELATED PARTY TRANSACTIONS

During the period, the Group had entered into the following significant transactions with related parties:

	30.06.2011	30.06.2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Sales to Yunnan Tin Australia TDK Resources Pty Ltd ("YTTDK")	**186,483**	—
Rentals paid to		
First Phoenix Investments Limited	**186**	168
Grandeur (China) Limited	**288**	166
Joy Success Corporation Limited	**66**	38
Major Business Limited	**75**	43
Sheraton Limited	**108**	36
	723	451

On 25 March 2011, a framework agreement was entered into between YT Parksong Australia Holding Pty Ltd, a subsidiary of the Company, and YTTDK for the supply of tin concentrates to the latter during the period from April 2011 to December 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The first half of the year 2011 is full of opportunities and challenges for the Group. The Company prudently examined the situations and closely monitored market changes under the leadership of the Board and the management. On 4 March 2011, the Company formally penetrated into the non-ferrous metal industry by acquiring the entire interest in Parksong Mining and Resource Recycling Limited ("Parksong Mining"). Since then, the Company became a non-ferrous metal resource enterprise focusing on tin mining and sales. The above Parksong Mining contributed approximately HK$46.9 million of the Group's segment profit for the six months ended 30 June 2011. The change of Company name to Goodtop Tin International Holdings Limited was duly passed at the general meeting held on 12 May 2011. The Company's shares have been trading on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") under the new stock short name since 4 July 2011.

The decision for the Company's transformation of its business to mining and sales of tin resources was made by the Board and the management after their in-depth research and analysis on non-ferrous metals, in particular the tin market. During recent years, global tin metal resources have become scarce with tin reservation decrease from approximately 8.00 million tonnes in 2008 to approximately 6.10 million tonnes. Tin output in China contributed 40% of the total output in the world, while its consumption accounted as much as about one-third of the world's total consumption. The shortage and insufficient supply of tin metal resources is even more prominent in the China market. Meanwhile, tin metal price has increased continuously, surging from USD14,000 per tonne in 2007 to above USD23,000 per tonne currently. In view of the market condition and future development trend of the industry, the Group acquired Parksong Mining and commenced metal tin mining business in Tasmania, Australia with its joint venture so as to capture the enormous future development prospect of the mining industry. It also holds 50% interests in Renison mine, the Mount Bischoff open pit tin mining project and the Rentails tailing processing project. Renison mine has been one of the major hard rock tin mines in the world and the largest tin mine in Australia. Leveraging on the extensive experience of its partner Yunnan Tin Group (Holding) Co., Ltd. (雲南錫業集團(控股)有限責任公司) in sales of metal tin and production management of tin mines in Tasmania, the Company will be able to further develop its non-ferrous metal business.

Currently, the Group's income is mainly generated from the production and sales of tin mines in Australia. On the other hand, the Group will continue to engage in insulation products business through its subsidiary Vitar Insulation Manufacturers Limited ("Vitar"). Vitar has over 30 years of experience on the manufacturing of high-temperature electric wires, silicone electric wires, tubes and mica insulation products, products of which are used on daily necessities such as electric motors, adaptors and household appliances.

The Group possesses projects with high quality and potential, as well as enormous resource advantages, advanced tin mining technologies and experienced management team. Looking forward, the Company will focus on non-ferrous metal industry, capture market opportunities, accelerate its pace on development, enhance the Company's value and realize a stable growth of income and profit.

FINANCIAL REVIEW

The Group's unaudited consolidated revenue for the six months ended 30 June 2011 was HK$311.9 million (2010: HK$90.6 million) representing a year on year increase of 244.3% as compared to the same period last year. The overall increase in sales was accounted for by HK$199 million contribution from the newly acquired tin mining business and the respective increase of 4.4% in manufacturing segment and 63.7% in trading segment on comparison with that in the same period last year.

The gross profit margin increased from 12.2% for the six months ended 30 June 2010 to 14.6% for the current period which was caused by the acquisition of a tin project in Tasmania, Australia.

Administration expenses, which represented 10.9% of the Group's revenue, increased by approximately 82.8% from HK$18.6 million for the six months ended 30 June 2010 to HK$34.0 million for the six months ended 30 June 2011. Such increase was mainly attributable to the increase in various share of expenses of tin mining business, additional professional fee on acquisition and related expenses, and increase in directors remuneration from a stronger team of board members.

The Group's operation results recorded a loss of HK$34.5 million for the six months ended 30 June 2011 (2010: profit of HK$3.5 million). Share-based payment expenses of approximately HK$58.8 million, which is non-operating with no cashflow impact to the Group, contributed to the loss. Such share-based payment expenses were recognised because the Company had issued 110,000,000 share options during the period. If such share-based payment expense is excluded, the Group would have posted a net profit of approximately HK$24.2 million. Up to the date of this announcement, no option had been exercised.

LIQUIDITY AND FINANCIAL RESOURCES

The Group financed its operations through internally generated cash flows and bank borrowings. At 30 June 2011, the Group had bank facilities amounted to HK$37.3 million, of which HK$5.6 million were utilized. Bank borrowings were mainly in Hong Kong Dollars ("HK$") while the borrowings in the United States Dollars ("USD") amounted to HK$1.3 million. Bank borrowings are mostly repayable within one year and on floating interest rates on HIBOR basis during the period. The gearing ratio of the Group, calculated as a ratio of bank borrowings to total assets, was 0.3% as at 30 June 2011 (31 December 2010: 2.0%). The improvement of gearing ratio is attributable to cash inflow generated by the newly acquired tin mining business.

As at 30 June 2011, the Group had net current assets of approximately HK$122.2 million (31 December 2010: HK$151.1 million). Current ratio as at 30 June 2011 was 1.2 (31 December 2010: 3.9). The net cash position of the Group as at 30 June 2011 was approximately HK$263.7 million (31 December 2010: HK$118.7 million).

The Group has consistently maintained a sound financial position with low gearing ratio, high liquidity and adequate financial resources.

The Group has bank balances, bank borrowings, sales and purchases denominated in foreign currencies, which expose the Group to foreign currency risk. The currency risk for those subsidiaries with functional currency in HK$ is mainly attributable to the bank balances, trade receivables, trade payable and bank borrowings denominated in Australian Dollars ("AUD"), Renminbi ("RMB") and USD as at the balance sheet date. As the exchange rate of HK$ is pegged against USD, in the opinion of the directors of the Company (the "Directors"), the currency risk of USD is insignificant to these subsidiaries. Exchange rate fluctuation of RMB and AUD may affect the Group's performance and asset value. However, we managed to balance the RMB and AUD assets and liabilities in order to minimize the exchange exposure.

The Group currently does not maintain a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

CHARGES OF ASSETS

As at 30 June 2011, our outstanding bank borrowings of HK$5.6 million and our banking facilities of HK$37.3 million (among which HK$31.7 million had not been utilized) were secured by an insurance policy of the Group together with the corporate guarantee given by the Company.

CONTINGENT LIABILITIES

As at 30 June 2011, the Group had no material contingent liabilities.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the period (2010: Nil).

MATERIAL ACQUISITION AND DISPOSAL

On 13 July 2010, the Company entered into the sale and purchase agreement on acquiring the entire equity interest in Parksong Mining, a limited liability company incorporated in Hong Kong, at a consideration of HK$1,086,500,000 (including HK$280,000,000 cash consideration and HK$806,500,000 issurance of convertible bonds). Parksong Mining and its subsidiaries mainly engaged in the metal tin mining operation in Tasmania, Australia, since March 2010.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2011, the Group employed approximately 450 employees (2010: 380). The Group implemented its remuneration policy, bonus and share option scheme based on the achievements and performance of the employees. The Group also participates in the Mandatory Provident Fund Scheme in Hong Kong and stated-owned retirement benefit scheme in the PRC. The Group continues to provide training facilities to the staff to enhance knowledge of industry quality standards.

EVENTS AFTER REPORTING PERIOD

On 12 August 2011, the Company received a writ of summons and a statement of claim issued on 11 August 2011 against the Company and Gallop Pioneer Limited (the "Purchaser"), a wholly-owned subsidiary of the Company by Mr. Chan Kon Fung (the "Vendor"). The claim (the "Claim") was made by the Vendor arising from the acquisition of the entire issued share capital of Parksong Mining pursuant to the sale and purchase agreement dated 13 July 2010 (as amended by four supplemental deeds). For details of the writ of summons and the indorsement of claim as it pertains to the Company and the Purchaser, please refer to the announcements of the Company dated 12 August 2011 and 19 August 2011.

As stated in the announcement of the Company dated 19 August 2011, the Vendor is claiming certain Outstanding Amount (as defined in the announcement of the Company dated 19 August 2011) which he alleged to be a sum of AUD15,143,422.44. The Company disagreed with the Outstanding Amount claimed by the Vendor and is currently seeking legal advice to defend and/or issue counter-claims in relation to the above.

The Board is of the view that in the event that the Vendor succeeded in making the Claim against the Group, the Outstanding Amount claimed by the Vendor only amounted to approximately 12.9% of the net asset value of the Group as at 30 June 2011. Thus, the Board considers that the Claim does not have any material adverse effect on the operation or financial position of the Group.

PROSPECTS

This year was a transformational milestone for the Group which has undergone a series of business expansion. On 13 July 2010, the Company entered into a sale and purchase agreement to acquire the entire interest in Parksong Mining. Parksong Mining is engaged in the metal tin mining operation in Tasmania, Australia. The Directors are of the view that metal tin, being a scarce and valuable metal, has very high commercial value and relatively stable demand despite the recent global economic fluctuation. The Directors consider that this acquisition represents a good opportunity to venture into the natural resources business and to diversify the Group's existing business and broaden its income base. The Group will explore other business opportunities and place emphasis on business expansion in order to enhance its long term growth.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the six months ended 30 June 2011, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

REVIEW OF INTERIM RESULTS

The audit committee of the Company (the "Audit Committee") has reviewed the Group's interim results for the six months ended 30 June 2011. The Audit Committee comprises all of the three independent non-executive Directors, namely Mr. Poon Fuk Chuen (Chairman), Mr. Liu Feng and Mr. Zhong Wei Guang.

CORPORATE GOVERNANCE

Compliance with Code on Corporate Governance Practices

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the six months ended 30 June 2011.

Compliance with Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all Directors, all Directors have confirmed that they had complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions during the six months ended 30 June 2011.

PUBLICATION OF INTERIM REPORT

This interim results announcement is published on the websites of The Hong Kong Exchanges and Clearing Limited (http://www.hkexnews.hk) and the Company (http://www.goodtoptin.com). The interim report will be dispatched to shareholders of the Company and will be available at the websites of The Hong Kong Exchanges and Clearing Limited and the Company in due course.

By Order of the Board
Goodtop Tin International Holdings Limited
Cheng Hau Yan
Chairman

Hong Kong, 31 August 2011

As at the date of this announcement, the Board comprises Mr. CHENG Hau Yan (Chairman), Mr. LEUNG Kai Wing (Chief Executive Officer) and Mr. CHEUNG Wai Kuen as executive Directors, and Mr. POON Fuk Chuen, Mr. LIU Feng and Mr. ZHONG Wei Guang as independent non-executive Directors.