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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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 195)

CONTINUING CONNECTED TRANSACTION

On 4 May 2012, the Agreement was entered into between the Buyer and the Seller, pursuant to which the Seller agreed to supply and the Buyer agreed to buy the Copper Concentrates from 4 May 2012 to December 2012.

The Annual Cap under the Agreement for 2012 is HK\$63 million.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Company indirectly holds 82% of the equity interest in YT Parksong Australia and the remaining 18% of the equity interest in YT Parksong Australia is held by Yunnan Tin PRC, which is also a shareholder of the Buyer. The Buyer and Yunnan Tin PRC are therefore connected persons of the Company. Accordingly, the Continuing Connected Transaction constitutes continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules for the Annual Cap are more than 5% and the Annual Cap exceeds HK\$10,000,000, the Continuing Connected Transaction constitutes non-exempt continuing connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the reporting, annual review, announcement and independent shareholders' approval requirements.

Given that no connected person which is a party to the Continuing Connected Transaction is a Shareholder and no Shareholder is considered to have material interest in the Agreement and the Continuing Connected Transaction, all Shareholders are eligible to vote on the ordinary resolution(s) to be proposed at the EGM in respect of the Agreement and the Continuing Connected Transaction.

The Independent Board Committee has been established to advise the Independent Shareholders on the terms of the Agreement and the Continuing Connected Transaction. Guangdong Securities has been appointed as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in this regard.

GENERAL

A circular containing, inter alia, (i) details of the Agreement; (ii) the letter of recommendation from the Independent Board Committee; (iii) the letter of advice from Guangdong Securities to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the EGM, will be despatched to the Shareholders on or before 25 May 2012 in accordance with the Listing Rules.

On 4 May 2012, the Agreement was entered into between the Buyer and the Seller, pursuant to which the Seller agreed to supply and the Buyer agreed to buy the Copper Concentrates for the period from 4 May 2012 to December 2012.

PRINCIPAL TERMS OF THE AGREEMENT

Date: 4 May 2012

Parties:

Seller: YT Parksong Australia, an indirect non-wholly owned subsidiary of the Company

Buyer: Yuntinic (Hong Kong) Resources Company Limited

Shipment term:

The shipment term is for the period from 4 May 2012 to December 2012.

Nature of transaction:

Pursuant to the Agreement, the Seller agreed to sell the Copper Concentrates to the Buyer in accordance with the terms of the Agreement.

Quantity:

1,000 wmt to 2,400 wmt from 4 May 2012 to December 2012 and each shipment should be more than 500 wmt.

Purchase formula:

(a) Payable metal

The Buyer shall pay 96.5% of the full copper content, subject to a minimum deduction of one (1) unit. No payment shall be made for silver if the silver content is less than 30 grams per dmt. If the silver content is equal to or exceeds 30 grams per dmt, the Buyer shall pay 90% of the full silver content.

(b) Treatment charge and refining charge

The treatment charge and refining charge for copper shall be US\$425 per dmt and US\$0.425 per pound of copper payable; whereas the treatment and refining charge for silver shall be US\$0.5 per payable ounce of silver payable.

Quotation period:

The quotation period will be 45 calendar days from 15 days before the bill of lading date until 30 days after the bill of lading date.

Payment:

It was agreed that the Buyer shall pay 85% of the provisional value of each lot of the Copper Concentrates based on the average official LME cash price within five days prior to the bill of lading date by telegraphic transfer within three working days after the Buyer received all shipment documents. The remaining payment shall be settled no later than five working days after the final analysis and weights of the Copper Concentrates were confirmed by both the Buyer and the Seller and no later than 50 calendar days from the bill of lading date.

The final commercial value of the Copper Concentrates shall be calculated at the average price of the official LME cash settlement price for copper/silver as published by London Metal Bulletin over the aforesaid quotation period.

Supplementary Clause:

The Buyer must purchase the Copper Concentrates within three months of signing the Agreement with the Seller. Otherwise, the Agreement will be terminated, and the Seller is entitled to find other buyers for the sale of the Copper Concentrates.

THE ANNUAL CAP

The Annual Cap for 2012 is HK\$63 million.

The Annual Cap for 2012 was determined with reference to (i) the estimated volume for the supply of the Copper Concentrates in 2012; (ii) the LME cash settlement average price of copper metal from 4 May 2011 to 3 May 2012; and (iii) the settlement price between the Seller and the Buyer.

REASONS FOR THE CONTINUING CONNECTED TRANSACTION

The Group was in the past an established insulation and heat-resistance solution provider in the southern PRC specialised in the production, design and sales of insulation and heat-resistance materials. The Group was also engaged in the trading of copper and silicon rubber with its trading customers.

In 2011, the Company decided to transform the Group's business to mining and sales of tin resources. In March 2011, the Group penetrated into the non-ferrous metal industry through the acquisition of a mining company. Since then, the principal business activities of the Group are exploration of non-ferrous metal resources, such as tin.

The Buyer is a limited liability company incorporated in Hong Kong and is principally engaged in trading. The Buyer is a subsidiary of Yunnan Tin PRC, a substantial shareholder (as defined in the Listing Rules) of Yunnan Tin HK. As extracted from the internet website of Yunnan Tin PRC (<http://en.ytc.cn>), Yunnan Tin PRC has the largest production and manufacturing base in the world for metal tin and the largest production centre for tin profiles, tin chemicals and arsenic chemicals in the PRC. Yunnan Tin PRC produces 600 categories in 20 series, including high purity precious metals material, platinum metals catalyst and metal products of copper and zinc etc.. It also owns the state-level enterprise technology centre and the biggest tin research and precious metals research and development organisation in the PRC.

The Board is of the view that the entering into of the Agreement will allow the Group to (i) secure a stable source of revenue and improve Shareholders' return given the considerable size and business operations of Yunnan Tin PRC as aforementioned; and (ii) focus its resources on monitoring the production of YT Parksong Australia and allocate resources to identify additional customers.

The Directors (excluding the independent non-executive Directors whose view is subject to the advice from Guangdong Securities) are of the view that the Agreement is entered into on normal commercial terms in the ordinary and usual course of business of the Company and on an arm's length basis, the terms of the Agreement and the Annual Cap are fair and reasonable so far as the Independent Shareholders are concerned and the Continuing Connected Transaction is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Company indirectly holds 82% of the equity interest in YT Parksong Australia and the remaining 18% of the equity interest in YT Parksong Australia is held by Yunnan Tin PRC, which is also a shareholder of the Buyer. The Buyer and Yunnan Tin PRC are therefore connected persons of the Company. Accordingly, the Continuing Connected Transaction constitutes continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules for the Annual Cap are more than 5% and the Annual Cap exceeds HK\$10,000,000, the Continuing Connected Transaction constitutes non-exempt continuing connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the reporting, annual review, announcement and independent shareholders' approval requirements.

Given that no connected person which is a party to the Continuing Connected Transaction is a Shareholder and no Shareholder is considered to have material interest in the Agreement and the Continuing Connected Transaction, all Shareholders are eligible to vote on the ordinary resolution(s) to be proposed at the EGM in respect of the Agreement and the Continuing Connected Transaction.

The Independent Board Committee has been established to advise the Independent Shareholders on the terms of the Agreement and the Continuing Connected Transaction. Guangdong Securities has been appointed as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in this regard.

GENERAL

A circular containing, inter alia, (i) details of the Agreement; (ii) the letter of recommendation from the Independent Board Committee; (iii) the letter of advice from Guangdong Securities to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the EGM, will be despatched to the Shareholders on or before 25 May 2012 in accordance with the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalised terms used shall have the following meanings:

“Agreement”	the agreement dated 4 May 2012 entered into between the Seller and the Buyer in relation to the supply of the Copper Concentrates
“Annual Cap”	the maximum aggregate value for the transactions contemplated under the Agreement regarding the supply of the Copper Concentrates for 2012
“Board”	the board of Directors
“Buyer”	Yuntinic (Hong Kong) Resources Company Limited, being a subsidiary of Yunnan Tin PRC
“Company”	Goodtop Tin International Holdings Limited (stock code: 195), a company incorporated in the Cayman Islands whose shares are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules and the word “connected” shall be construed accordingly
“Continuing Connected Transaction”	the transactions contemplated under the Agreement between the Seller and the Buyer
“Copper Concentrates”	copper and its by-products, including but not limited to silver
“Director(s)”	the director(s) of the Company
“dmt”	dry metric ton (metric ton, dry basis)
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving the Agreement and the Continuing Connected Transaction
“Group”	the Company and its subsidiaries

“Guangdong Securities” or “Independent Financial Adviser”	Guangdong Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, and appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Agreement and the Continuing Connected Transaction
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee, comprising Mr. Poon Fuk Chuen, Mr. Liu Feng and Mr. Zhong Wei Guang (all of whom are independent non-executive Directors), formed to advise the Independent Shareholders regarding the Agreement and the Continuing Connected Transaction
“Independent Shareholder(s)”	Shareholder(s) who are not required to abstain from voting at the EGM under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LME”	the London Metal Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Seller” or “YT Parksong Australia”	YT Parksong Australia Holding Pty Limited, a limited liability company incorporated under the laws of Australia which is wholly-owned by Yunnan Tin HK, and therefore is an indirect non-wholly owned subsidiary of the Company
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) at par value of HK\$0.005 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	US dollars, the lawful currency of the United States of America

“wmt”	wet metric ton (metric ton, wet basis)
“Yunnan Tin HK”	Yunnan Tin Hong Kong (Holding) Group Co., Limited, a limited liability company incorporated under the laws of Hong Kong, which is beneficially owned as to 82% by Parksong Mining And Resource Recycling Limited, a wholly-owned subsidiary of the Company and 18% by Yunnan Tin PRC, and therefore is an indirect non-wholly owned subsidiary of the Company
“Yunnan Tin PRC”	雲南錫業集團(控股)有限責任公司 (Yunnan Tin Group (Holding) Co., Ltd.*), a limited liability company established in the PRC which is beneficially owned by the Government of the Yunnan Province, and is the parent company of the Buyer
“%”	per cent.

By order of the Board
Goodtop Tin International Holdings Limited
Cheung Wai Kuen
Executive Director

Hong Kong, 4 May 2012

As of the date of this announcement, the Board comprises Mr. XIE Hai Yu (Chairman), Mr. CHENG Hau Yan (Deputy Chairman) 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.

* For identification purposes only