

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Goodtop Tin International Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities, or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



Terms used in this cover shall have the same meaning as defined in this circular.

A letter from the Board is set out from pages 4 to 8 of this circular. A letter from the Independent Board Committee is set out on page 9 of this circular. A letter from Guangdong Securities, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out from pages 10 to 17 of this circular.

A notice convening the EGM to be held at 10:30 a.m. on Monday, 11 June 2012 at Room 2607, Greenfield Tower, Concordia Plaza, 1 Science Museum Road, Tsimshatsui, Kowloon, Hong Kong is set out from pages 22 to 23 of this circular.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the office of the Company's Hong Kong branch share registrar, Tricor Investor Services Limited of 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions 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
“Announcement”	the announcement of the Company dated 4 May 2012 in relation to the Continuing Connected Transaction
“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 on 11 June 2012 for the purpose of considering, and if thought fit, approving the Agreement and the Continuing Connected Transaction
“Group”	the Company and its subsidiaries

DEFINITIONS

“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 committee of the Board, 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
“Latest Practicable Date”	23 May 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“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 circular, 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)”	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)

DEFINITIONS

“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.

* *For identification purposes only*

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. XIE Hai Yu (*Chairman*)
Mr. CHENG Hau Yan (*Deputy Chairman*)
Mr. CHEUNG Wai Kuen

Independent non-executive Directors:

Mr. POON Fuk Chuen
Mr. LIU Feng
Mr. ZHONG Wei Guang

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Principal place of business in

Hong Kong:
Room 2607, 26/F.
Greenfield Tower
Concordia Plaza
1 Science Museum Road
Tsim Sha Tsui, Kowloon
Hong Kong

25 May 2012

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTION

INTRODUCTION

Reference is made to the Announcement.

The purpose of this circular is to provide you with, among other things, (i) details of the Agreement and the transactions contemplated thereunder; (ii) the letter from the Independent Board Committee to the Independent Shareholders giving its recommendations in relation to the Agreement and the Annual Cap; (iii) the letter of advice from Guangdong Securities to the Independent Board Committee and the Independent Shareholders containing its advice and recommendations on the Agreement and the Annual Cap; and (iv) the notice of the EGM.

LETTER FROM THE BOARD

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 31 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 31 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 31 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.

LETTER FROM THE BOARD

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 mainly 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 (but not pure trading) 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 of metals. 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 Company had not sold any Copper Concentrates to the Buyer and/or its

LETTER FROM THE BOARD

associates in the past, and the Copper Concentrates the Company plans to sell to the Buyer under the Agreement are the by-products from the exploration of tin of a mining project of the Group in Tasmania of Australia.

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

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, the Company indirectly held 82% of the equity interest in YT Parksong Australia and the remaining 18% of the equity interest in YT Parksong Australia was held by Yunnan Tin PRC, which was 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.

Since no Director is considered to have material interest in the Continuing Connected Transaction, no Director had abstained from voting on the relevant resolution(s) approving the Continuing Connected Transaction at the Board meeting. Furthermore, 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.

EGM

A notice convening the EGM to be held at 10:30 a.m. on Monday, 11 June 2012 at Room 2607, Greenfield Tower, Concordia Plaza, 1 Science Museum Road, Tsimshatsui, Kowloon, Hong Kong, at which an ordinary resolution will be proposed to the Independent Shareholders to consider and, if thought fit, approve the Agreement and the Annual Cap, is set out from pages 22 to 23 of this circular.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the office of the Company's Hong Kong branch share registrar, Tricor Investor Services Limited of 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

LETTER FROM THE BOARD

An ordinary resolution as set out in the notice of the EGM will be put to the vote of the Independent Shareholders by way of poll. An announcement will be made by the Company following the conclusion of the EGM to inform you of its results.

RECOMMENDATION

The Directors consider that the terms of the Agreement (including the Annual Cap) are entered into in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Agreement and the transactions contemplated thereunder.

The Independent Board Committee has been established to advise the Independent Shareholders on the terms of the Agreement and the transactions contemplated thereunder. Guangdong Securities has been appointed as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in this regard. The respective letters from the Independent Board Committee and Guangdong Securities are set out on page 9 and from pages 10 to 17 of this circular respectively. You are advised to read the letters carefully before making your voting decision.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information on the Group set out in the appendix to this circular.

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



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)

25 May 2012

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTION

We refer to the circular of the Company dated 25 May 2012 (the “**Circular**”), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to advise the Independent Shareholders on the terms of the Agreement and the transactions contemplated thereunder. Guangdong Securities has been appointed as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in this regard.

Having considered the advice and recommendations of Guangdong Securities as set out from pages 10 to 17 of the Circular, we are of the opinion that the terms of the Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Agreement and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of the

Independent Board Committee

Mr. POON Fuk Chuen

Mr. LIU Feng

Mr. ZHONG Wei Guang

Independent non-executive Directors

LETTER FROM GUANGDONG SECURITIES

Set out below is the text of a letter received from Guangdong Securities, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Agreement and the Continuing Connected Transaction for the purpose of inclusion in this circular.



Unit 2505-06, 25/F.
Low Block of Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

25 May 2012

*To: The independent board committee and the independent shareholders
of Goodtop Tin International Holdings Limited*

Dear Sirs,

CONTINUING CONNECTED TRANSACTION

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Continuing Connected Transaction, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 25 May 2012 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

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 31 December 2012.

As at the Latest Practicable Date, 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.

LETTER FROM GUANGDONG SECURITIES

An Independent Board Committee comprising Mr. Poon Fuk Chuen, Mr. Liu Feng and Mr. Zhong Wei Guang (all being independent non-executive Directors) has been formed to advise the Independent Shareholders on (i) whether the terms of the Agreement (including the Annual Cap) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Continuing Connected Transaction is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the relevant resolution(s) to approve the Agreement and the Continuing Connected Transaction contemplated thereunder at the EGM. We, Guangdong Securities Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that there are no other facts the omission of which would make any statement in the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, the Buyer, the Seller, Yunnan Tin HK, Yunnan Tin PRC or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Continuing Connected Transaction. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

LETTER FROM GUANGDONG SECURITIES

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Continuing Connected Transaction and the Annual Cap, we have taken into consideration the following principal factors and reasons:

(1) Background of the Continuing Connected Transaction

Business overview of the Group

With reference to the Board Letter, 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 mainly 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 (but not pure trading) of non-ferrous metal resources, such as tin.

Set out below are the audited operating results of the Group for the two years ended 31 December 2011 as extracted from the Company's annual report for the year ended 31 December 2011 (the "2011 Annual Report") and the Company's annual report for the year ended 31 December 2010:

	For the year ended 31 December 2011 HK\$'000	For the year ended 31 December 2010 HK\$'000	Year on year change %
Revenue			
<i>Continuing operations</i>			
— Mining	342,754	—	NA
— Trading (Titanium concentrates)	12,872	—	NA
<i>Discontinuing operations</i>			
— Manufacturing and trading (Copper and silicone rubber)	231,286	207,350	11.54
Total	586,912	207,350	183.05
Profit (loss) attributable to owners of the Company	(733,490)	(12,756)	5,650.16

From the above table, we noted that the revenue of the Group for the year ended 31 December 2011 substantially increased by approximately 183.05% as compared to the prior year. As advised by the Directors, the revenue of the Group increased due to the completion of the acquisition the tin mine project in Tasmania, Australia which post an immediate contribution to the Group's revenue of approximately HK\$342.8 million.

LETTER FROM GUANGDONG SECURITIES

Despite the rise in the revenue, the Group recorded increase in loss attributable to owners of the Company from approximately HK\$12.76 million for the year ended 31 December 2010 to approximately HK\$733.49 million for the year ended 31 December 2011. With reference to the 2011 Annual Report, the loss was attributable mainly to the impairment losses on mining structure, mining rights and exploration and evaluation assets of the tin mine project in Tasmania, Australia, the increase in administrative expenses, other gains and losses, finance costs and loss from discontinued operations.

Information on the Buyer

As referred to the Board Letter and advised by the Directors, the Buyer is a limited liability company incorporated in Hong Kong and is principally engaged in trading of metals. Yunnan Tin PRC owns approximately 50.51% equity interest in Yunnan Tin Company Limited (Shenzhen Stock Exchange: SZ000960) (“**Yunnan Tin Company**”), the shares of which are listed on Shenzhen Stock Exchange. Yunnan Tin Company owns 51% equity interest in the Buyer. Accordingly, the Buyer is a subsidiary of Yunnan Tin PRC. As referred to the 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. With reference to the annual report of Yunnan Tin Company for the year ended 31 December 2011 (the “**Yunnan Tin Annual Report**”), Yunnan Tin Company recorded revenue of approximately RMB12,842 million for the year ended 31 December 2011 and total asset of approximately RMB16,545 million as at 31 December 2011. During 2011, Yunnan Tin Company produced non-ferrous metal of approximately 143,000 tonnes, represented an increase of approximately 60.93% as compared to prior year.

Reasons for the Continuing Connected Transaction

According to the Board Letter, 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 Company had not sold any Copper Concentrates to the Buyer and/or its associates in the past, and the Copper Concentrates the Company plans to sell to the Buyer under the Agreement are the by-products from the exploration of tin of a mining project of the Group in Tasmania of Australia. The Board is of the view that the entering into of the Agreement will allow the Group to secure a stable and additional source of revenue (i) to improve Shareholders’ return given the considerable size and business operations of Yunnan Tin PRC as aforementioned; and (ii) to spend more resources on monitoring the production of YT Parksong Australia and allocate resources to identify additional customers.

LETTER FROM GUANGDONG SECURITIES

We have further enquired into the Directors regarding the reasons for the Continuing Connected Transaction and were advised by the Directors that given the size and reputation of Yunnan Tin PRC and Yunnan Tin Company as demonstrated under the section headed “Information on the Buyer” of this letter, it is the corporate strategy of the Company to maintain business relationship with Yunnan Tin PRC and Yunnan Tin Company through the Continuing Connected Transaction with the Buyer, in order to improve the corporate reputation of the Group.

Having considered that (i) the Continuing Connected Transaction will likely to provide a stable source of revenue to the Group; and (ii) the corporate reputation of the Group can be improved by the Continuing Connected Transaction, we concur with the Directors that it would be beneficial for the Company to enter into the Agreement and to carry out the Continuing Connected Transaction. For the above reasons, we consider that the Continuing Connected Transaction is in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole.

(2) Principal terms of the Agreement

The following table tabulates a summary of the major terms of the Agreement (details of which are contained under the section headed “Terms of the Agreement” of the Board Letter):

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 31 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 31 December 2012 and each shipment should be more than 500 wmt.

LETTER FROM GUANGDONG SECURITIES

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.

We have researched over Bloomberg and noted that the LME cash settlement price of copper fluctuated from approximately US\$6,785/metric ton (“**mt**”) to approximately US\$9,827/mt during the period from 4 May 2011 to 3 May 2012 with the average price of approximately US\$8,400/mt. The maximum copper price thus represented a premium of approximately 44.83% over the minimum copper price during the said period under review. Given the volatility of the copper prices, we concur with the Directors’ view that it is justifiable for the final commercial value of the Copper Concentrates to be calculated at the average price of the official LME cash settlement price for copper/silver as published by London Metal Bulletin over the quotation period.

LETTER FROM GUANGDONG SECURITIES

For our due diligence purpose, we have reviewed the contract entered into between Bluestone Mines Tasmania Pty. Ltd., being a joint venture partner of YT Parksong Australia which is interested in 50% equity interest in Bluestone Mines Tasmania Joint Venture Pty Ltd. (a jointly controlled entity of the Group), and the Buyer in 2012 for the sale and purchase of Copper Concentrates. We noted that the aforesaid contract contain similar terms and clauses to the Agreement.

In light of all of the above, we concur with the Directors that the terms of the Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

(3) Basis of the proposed Annual Cap

From the Board Letter and as outlined in the previous section, 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.

As advised by the Directors, the Annual Cap of HK\$63 million is derived from the formula below:

Annual Cap = Q × Price × ExRate × Grading

while

Q = Quantity of Copper Concentrates

Price = LME cash settlement average price

ExRate = Exchange rate between US\$ and HK\$

Grading = Average grading of the Copper Concentrates (with buffer)

To assess the fairness and reasonableness of the Annual Cap, we have discussed with the Directors regarding the basis of the Annual Cap as aforementioned. In this regard, we understand that the estimated volume for the supply of the Copper Concentrates in 2012 was determined with reference to the Group's plans to sell the Copper Concentrates to the Buyer between the period of 4 May 2012 and 31 December 2012, which were reached after arm's length negotiation between the Buyer and the Seller. The Directors further advised us that the quantity of 1,000 wmt to 2,400 wmt as contained under the Agreement represented the purchase indication from the Buyer. In addition, we noted from the Yunnan Tin Annual Report that Yunnan Tin Company planned to produce 60,000 tonnes copper in 2012. Accordingly, it is reasonable that the Buyer will demand for 1,000 wmt to 2,400 wmt Copper Concentrates from the Seller from 4 May 2012 to 31 December 2012 and thus the Company applied 2,400 wmt Copper Concentrates as the parameter of quantity to determine the Annual Cap.

As for the LME cash settlement average price, as aforementioned, the LME cash settlement price of copper fluctuated from around US\$6,785/mt to around US\$9,827/mt during the period from 4 May 2011 to 3 May 2012 with the average price of approximately US\$8,400/mt. Accordingly, we concur with the Directors' view that the application of US\$8,400/mt as the parameter of price to determine the Annual Cap is justifiable.

LETTER FROM GUANGDONG SECURITIES

Furthermore, the settlement price between the Seller and the Buyer would be affected by the grading and the metal contents of the Copper Concentrates. In this regard, the Directors applied a grading parameter of 40% with reference to the average grading of the Copper Concentrates with buffer to determine the Annual Cap.

In view of the aforementioned bases and assumptions of determining the Annual Cap, we consider that the Annual Cap is fair and reasonable so far as the Independent Shareholders are concerned.

(4) Listing Rules implication

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.37 to 14A.41 of the Listing Rules pursuant to which (i) the values of the Continuing Connected Transaction must be restricted by the Annual Cap for the period between 4 May 2012 and 31 December 2012; (ii) the terms of the Agreement (including the Annual Cap) must be reviewed by the independent non-executive Directors annually; and (iii) details of the independent non-executive Directors' annual review on the terms of the Agreement (including the Annual Cap) must be included in the Company's subsequent published annual reports and financial accounts. Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, that the Continuing Connected Transaction is carried out in accordance with the pricing policies of the Company, and the Annual Cap are not being exceeded. In the event that the total amounts of the Continuing Connected Transaction exceed the Annual Cap, or that there is any material amendment to the terms of the Agreement, the Company, as confirmed by the Directors, shall comply with the applicable provisions of the Listing Rules governing continuing connected Continuing Connected Transactions.

With the stipulation of the above requirements for continuing connected Continuing Connected Transaction pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Continuing Connected Transaction (including the Annual Cap) and hence the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having taken into account the above factors and reasons, we are of the opinion that (i) the terms of the Agreement (including the Annual Cap) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Continuing Connected Transaction is in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the EGM to approve the Agreement and the Continuing Connected Transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
Guangdong Securities Limited
Graham Lam
Managing Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(I) Directors and Chief Executive of the Company

As at the Latest Practicable Date, the interests or short position of the Directors and the chief executive of the Company and each of their respective associates, in the Shares, underlying Shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which they are deemed or taken to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

Name of Director	Nature of interest	Number of Shares held		Approximate shareholding percentage %
		Long position	Short position	
Xie Hai Yu	Personal	548,610,000	—	19.05
Cheung Wai Kuen	Corporate	560,000,000	—	19.44

(Note)

Note: Mr. Cheung Wai Kuen's interest in the Company is held through Wright Source Limited.

Save as disclosed, as at the Latest Practicable Date, none of the Directors, chief executive and their respective associates had any interest or short positions in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO); or are required, pursuant to Section 352 of the SFO to be entered into the register referred to therein; or are required, pursuant to the Model Code of Securities Transactions by Directors of Listed Companies in the Listing Rules to be notified to the Company and the Stock Exchange.

(II) Substantial Shareholders

So far as is known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, the following persons (other than a Director or chief executive of the Company) had an interest or short position in the Shares and underlying Shares which fall to be disclosed to

the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who are, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at a general meeting of any member of the Group, or held any option in respect of such capital:

Name of Shareholder	Number of Shares held/Approximate shareholding percentage					
	Long position	%	Short position	%	Lending Pool	%
Wright Source Limited	560,000,000	19.44	—	—	—	—
	(Note 1)					
Chan Kon Fung (Note 2)	417,006,803	14.48	272,108,843	—	—	—

Notes:

- (1) Wright Source Limited is wholly-owned by Mr. Cheung Wai Kuen, an executive Director.
- (2) The 417,006,803 Shares in long position include 406,190,477 Shares issuable upon full conversion of the issued convertible bonds of the Company and 22,448,979 Shares issuable upon full conversion of the convertible bonds of the Company which the Company has agreed to issue but has not yet issued, and 272,108,843 Shares in short position are beneficially owned by Mr. Chan Kon Fung as personal interest.

Save as disclosed herein, as at the Latest Practicable Date, there was no other person so far as is known to the Directors and the chief executive of the Company, other than a Director or chief executive of the Company has an interest or a short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

3. SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors nor proposed Directors had any existing or proposed service contracts with any member of the Group which will not expire or is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENT SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date:

- (a) none of the Directors had any direct or indirect interest in any assets which have, since 31 December 2011, being the date of the latest published audited consolidated financial statements of the Group were made up, been acquired or disposed of by, or leased to, or are proposed to be acquired or disposed of by, or leased to any member of the Group; and
- (b) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which contract or arrangement is subsisting as at the Latest Practicable Date and which is significant in relation to the business of the Group as a whole.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2011, being the date to which the latest published consolidated audited financial statements of the Group were made up.

6. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors and their respective associates had any direct or indirect interest in a business which competes or may compete with the business of the Group (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them was a controlling shareholder).

7. EXPERT AND CONSENT

The following is the qualification of the expert who has given its advice and recommendation which are included in this circular:

Name	Qualification
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

Guangdong Securities has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or reference to its name or opinion in the form and context in which it appears.

As at the Latest Practicable Date, Guangdong Securities was not beneficially interested in the share capital of any member of the Group nor did it has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group nor did it have any interest, either direct or indirect, in any assets which have been, since the date to which the latest published audited consolidated financial statements of the Group were made up, acquired, disposed of by, or leased to, or are proposed to be acquired or disposed of by, or leased to any member of the Group.

8. GENERAL

- (a) The registered address of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The head office and principal place of business of the Company in Hong Kong is at Room 2607, 26/F., Greenfield Tower Concordia Plaza, 1 Science Museum Road, Tsimshatsui, Kowloon, Hong Kong.

- (c) The share registrar and transfer agent of the Company in Hong Kong is Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (d) The company secretary of the Company is Mr. Fu Wing Kwok, Ewing. Mr. Fu is responsible for the financial and secretarial affairs of the Group. Mr. Fu joined the Company in January 2010. He holds a bachelor degree in science with major in accounting of Bemidji State University, USA and is a member of both American Institute of Certified Public Accountants and Hong Kong Institute of Certified Public Accountants. He has over 18 years of experience in auditing and accounting field.
- (e) In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at Room 2607, 26/F., Greenfield Tower Concordia Plaza, 1 Science Museum Road, Tsimshatsui, Kowloon, Hong Kong from the date of this circular up to and including the date of the EGM:

- (i) the memorandum of association and articles of association of the Company;
- (ii) the Agreement;
- (iii) the annual report of the Company for the two financial years ended 31 December 2011 and 2010;
- (iv) the written consent as referred to in the paragraph under the heading "Expert and consent" in this appendix;
- (v) the letter from the Independent Board Committee as set out on page 9 of this circular;
- (vi) the letter from Guangdong Securities as set out from pages 10 to 17 of this circular; and
- (vii) this circular.



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**Meeting**”) of Goodtop Tin International Holdings Limited (the “**Company**”) will be held at Room 2607, Greenfield Tower, Concordia Plaza, 1 Science Museum Road, Tsimshatsui, Kowloon, Hong Kong at 10:30 a.m. on Monday, 11 June 2012, for the purpose of considering and, if thought fit, passing, with or without modification, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT:

- (a) the agreement dated 4 May 2012 entered into between YT Parksong Australia Holding Pty Limited and Yuntinic (Hong Kong) Resources Company Limited in relation to the supply of copper concentrates (the “**Agreement**”) (copy of which has been produced to this meeting marked “A” and signed by the chairman of the meeting for the purpose of identification) and the transactions contemplated thereunder and the proposed annual cap be and are hereby, confirmed, ratified and approved; and
- (b) the board of directors of the Company be and is hereby authorised to take all such actions as it considers necessary or desirable to implement and give effect to the Agreement and the transactions contemplated thereunder.”

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

Hong Kong, 25 May 2012

Head office and principal place of business in Hong Kong:
Room 2607, 26/F., Greenfield Tower
Concordia Plaza
1 Science Museum Road
Tsim Sha Tsui, Kowloon
Hong Kong

NOTICE OF EGM

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting is entitled to appoint another person as his proxy to attend and vote in his stead. A member who is the holder of two or more shares may appoint more than one proxy to attend and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed. A proxy need not be a member of the Company, but must attend the Meeting in person to represent you.
2. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be delivered to the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. Completion and delivery of the form of proxy will not preclude a member from attending and voting in person at the Meeting if the member so desires and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. Where there are joint holders of any share, any one of such persons may vote at any meeting, either in person or by proxy, in respect of such share as if he was solely entitled thereto; but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
5. Shareholders are advised to read the circular to the shareholders of the Company dated 25 May 2012 which contains information concerning the resolution(s) to be proposed in this notice.