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)

2012 Interim Report

Contents

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors
Mr. Xie Hai Yu *(Chairman)*
Mr. Cheng Hau Yan
(Deputy Chairman)
(resigned on 3 September 2012)
Mr. Cheung Wai Kuen
Mr. Pu Xiao Dong
(appointed on 10 August 2012)
Mr. Nie Dong
(appointed on 10 August 2012)

Non-executive Directors
Professor Qiu Guanzhou
(appointed on 10 August 2012)
Mr. Chen Zhenliang
(appointed on 5 September 2012)

Independent Non-executive Directors
Mr. Poon Fuk Chuen
(resigned on 6 September 2012)
Mr. Liu Feng
(resigned on 5 September 2012)
Mr. Zhong Wei Guang
(resigned on 5 September 2012)
Mr. Gao Dezhu
(appointed on 5 September 2012)
Mr. Kang Yi
(appointed on 5 September 2012)

COMPANY SECRETARY

Mr. Fu Wing Kwok Ewing

AUTHORISED REPRESENTATIVES

Mr. Fu Wing Kwok Ewing

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, 26th Floor
Greenfield Tower
Concordia Plaza
1 Science Museum Road
Kowloon, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group
(Cayman) Limited
Butterfield House, 68 Fort Street
P.O. Box 705, Grand Cayman
KY1-1107
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
26th Floor Tesbury Centre
28 Queen’s Road East, Wanchai
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai
Banking Corporation Limited
Guangdong Development Bank

STOCK CODE

195

COMPANY WEBSITE

www.goodtoptin.com

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

Our principal project is the Renison Tin Project which the Group has 41% interest in. The Renison Tin Project is located in Tasmania, Australia and is comprised of 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.

A combination of factors in the first half of 2012, including a global economic slowdown plus a retreat in the expansion of fixed assets investments and manufacturing activities in China, caused a major setback of tin industry as well as the Group's businesses in the first half of the year 2012. During the Period, despite the negative external environment, the Group still focused on consolidating its business foundation, including further exploration of new resources and reserves of tin and copper. Following a highly successful year of exploration at the Renison Mine, the annual calculation of resources and reserves of Renison Mine had result in a large increase. The total mining reserve estimate for the Renison Mine had increased by 23% or 8,500 tonnes of contained tin metal. The total mineral resource estimate for the Renison Mine had increased by 13% or 17,700 tonnes of contained tin metal. This increase will strengthen the foundation of Renison Mine for stable production in the future and will eventually be a boost to the profitability of the Renison Mine and the Group. Moreover, a huge progress of the estimation of mineral resources and mining reserve estimates of copper had been made. The copper occurs with and is mined and recovered as a consequence of mining tin. A copper recovery circuit was introduced into the process plant in 2010. As this is the first time in the history of operations that copper has been recovered from the ore, many of the historical drill holes were not assayed for copper, resulting in an underestimation of the contained copper. A new line of business of selling copper was therefore introduced and will serve the Group as a new factor for profit growth for the years to come.

DEVELOPMENTS ON RENISON TIN PROJECT AFTER THE ACQUISITION OF THE ENTIRE SHARE CAPITAL OF PARKSONG MINING AND RESOURCE RECYCLING LIMITED

Further to the completion of the acquisition of Renison Mine Project which took place on 4 March 2011, the Company has participated in the management of the joint venture formed by YT Parksong Australia Holdings Pty Ltd ("YTPAH") and Bluestone Mines Tasmania Pty Ltd ("BMT") entering into a joint venture agreement and each of the ventures holds 50% interest in certain mining projects ("Joint Venture") and noticed that there were production schedule shortfalls (the "Shortfall") of the tin ores from the mines of the Joint Venture (the "Mines"). In view of the Shortfall issue, the management of the Joint Venture has focused on resolving the issue by replacing and purchasing new equipments, review the possibility of changing the contractor and hiring additional human resources and these measures continue to be carried out. The management of the Joint Venture assessed the Shortfall from time to time and considered the Shortfall which occurred in 2011 would not persist and the aforesaid problems causing the Shortfall could be resolved in the short run. Therefore, the Company concluded in December 2011 that the Shortfall occurred in 2011, which the management of the Company considered to be temporary, would have no material impact on the valuation of the Assets of the Joint Venture (the "Valuation").

With the hindsight of the above, when the Company has further engaged in the management of the Joint Venture and being provided with more information, analysis and experience in the Joint Venture, the Company found out that the Shortfall has become more consistent and the problems that the Joint Venture were facing will not be able to resolve satisfactorily and promptly. The actual tin ore production of the Joint Venture as at 31 December 2011 was 499,189 tonnes. As a result, in March 2012, the Company has agreed to lower the production schedule of the tin ores from the Mines from 660,000 tonnes per annum to 550,000 tonnes per annum. The management of the Joint Venture has been working hard to achieve the target production capacity and with a view to make up the Shortfall as soon as possible.

DEVELOPMENTS ON RENISON TIN PROJECT AFTER THE ACQUISITION OF THE ENTIRE SHARE CAPITAL OF PARKSONG MINING AND RESOURCE RECYCLING LIMITED (Continued)

Pursuant to the Sale and Purchase Agreement (as supplemented), Mr. Chan Kon Fung (the "Vendor") warranted the contained tin concentrate from the Mines for each of the three anniversaries of 12 months from the Completion Date (i.e 4 March 2011) shall not be less than 6,500 tonnes (the "Warranty"). On or about August 2011, the Company was made aware that the contained tin concentrate from the Mines may not meet the amount as warranted under the Warranty and pursuant to the procedures in the Sale and Purchase Agreement (as supplemented) which requires a claim to be made on the date falling six months from the Completion Date, Gallop Pioneer Limited ("GPL") (being the purchaser and a wholly owned subsidiary of the Company), demanded a sum of US$2,059,897 from the Vendor, being an estimate of the losses that GPL has suffered as a result of the breach of the Warranty (the "Demand"). The Vendor and GPL had arranged and attended a mediation in relation to the disputes regarding the Demand (the "Mediation") on 16 August 2012. However, no settlement had been reached in the Mediation and no further mediation will be carried out. The parties will proceed with the legal proceedings and the next stage shall be the filing and exchange of witness statements.

The Group understands that the Demand will not affect the obligations of the Vendor nor the rights of GPL under the Sale and Purchase Agreement (as supplemented) in relation to the Warranty.

For the first anniversary of the Completion, the actual production volume of the contained tin in concentrate from the Mines was 4,980 tonnes.

DEVELOPMENTS ON RENISON TIN PROJECT AFTER THE ACQUISITION OF THE ENTIRE SHARE CAPITAL OF PARKSONG MINING AND RESOURCE RECYCLING LIMITED (Continued)

In relation to the Rentails project, as disclosed previously in the Circular, the Board anticipated that the expected source of funding of the Rentails project in the amount of approximately AUD213,000,000 would be from the cash generating from the operation of the Mines. As a result of the decrease in the tin price in 2011 and the issue of the Shortfall, in order to provide funding for the Rentails project, the Company has considered opening up options to fund the Rentails project such as raising funds from the market. However, given the current market sentiment, no terms on the funding have been materialized. In view of such, the Joint Venture does not have any active plan for the development of the Rentails project currently. As a result of the above, the Company assigned no value to the Rentails project when it recorded the acquisition of the entire share capital of Parksong Mining and Resource Recycling Limited ("Parksong Mining") (The "Acquisition") as at the date of the Completion and for the financial year ended 31 December 2011.

YTPAH, a subsidiary of the Company, had issue a notice to BMT, a subsidiary of Metals X Limited, purporting to exercise an option to acquire a further 10% interest in its Tasmanian Tin Joint Venture from BMT. The board of Metals X Limited believed that this option was previously relinquished by YTPAH and the purported notice to exercise the option is therefore of no effect. The Company believed that YTPAH is still entitled to the right to exercise the aforesaid option. The Company is currently seeking legal advice to defend and/or counter-claim its interests in relation to the above and will make further announcement(s) as and when appropriate to keep the shareholders informed of the material developments in this matter.

FINANCIAL REVIEW

Revenue, cost of sales and gross profit and margin

The Group's unaudited consolidated revenue for the six months ended 30 June 2012 was approximately HK$170.0 million (2011: HK$199.3 million) representing a year on year decrease of 14.7% as compared to the same period last year.

Cost of sales includes mainly direct material costs, direct labor costs and manufacturing overhead absorbed during the production process of our products. It was approximately HK$215.1 million and HK$166.9 million for the six months ended 30 June 2012 and 2011, representing respectively 126.5% and 83.7% of the revenue recorded in the respective years. The substantial increase in cost of sales is mainly due to the increase in costs paid to the mining contractor, the efficiency of which had decreased. During the period under review, more fees had been paid to the contractor while the products produced remained at the same level as that of last year.

The Group had a gross profit margin at 16.3% for the six months ended 30 June 2011 and made a sharp turn during the period under review and posted a gross loss margin at 26.5%.

The decrease in revenue and the gross loss posted by the Group during the period are due to the fact that the tin price took a nasty dive after the completion of the acquisition of the Renison Mine from a record high USD33,255 per tonne in April 2011 to USD18,775 per tonne as at 30 June 2011. The Group had sold 1,110 tonnes and 1,140 tonnes of tin metal for the six months ended 30 June 2012 and 2011 respectively. However, the plunge in tin price and increase in cost of sales made the decrease in revenue and gross loss inevitable even though the Group sold almost the same amount of tin metal in terms of tonnage in first half of both years.

Administration expenses

Administration expenses, which represented approximately 21.9% of the Group's revenue, decreased by approximately 55.0% from HK$82.8 million for the six months ended 30 June 2011 to approximately HK$37.2 million for the six months ended 30 June 2012. The decrease was mainly attributable to the fact that share-based payment expenses, additional professional fee on acquisition and related expenses were incurred in the same period of last year but there was no such extra costs incurred during the period under review.

Other gains and losses

The Group recorded other losses of approximately HK$88.4 million for the six months ended 30 June 2012 while the Group recorded other gains of approximately HK$44.2 million for the six months ended 30 June 2011. The other losses for the period under review mainly as a result of loss on fair value change of derivative financial instruments and held-for-trading investments.

Finance costs

Finance costs representing 22.0% (2011: 9.8%) of the Group's revenue, increased from HK$19.4 million for the year ended 30 June 2011 to HK$37.3 million for the year ended 30 June 2012. Such increase mainly due to the effective interest expense on the Convertible Bonds defined below.

Finance costs (Continued)

Pursuant to the sale and purchase agreement of Acquisition, part of the consideration is settled by issuance of convertible bonds. On the Completion Date, the Company issued zero-coupon convertible bonds with principal amount of HK$773.5 million with maturity of five years (the "Convertible Bonds"). The Convertible Bonds were denominated in HK$ and entitled the holders to convert them into shares of the Company at any time within 5 years from the date of issue of the Convertible Bonds, at the conversion price of HK$1.47 per share. If the Convertible Bonds had not been converted, they would be redeemed on 3 March 2016 at par.

The Convertible Bonds contained two components, liability and equity elements. The equity element was presented in equity under the heading of convertible bonds equity reserve. The effective interest rate of the liability component was 20.12% at the date of initial recognition.

Taxation

The Group recorded net deferred tax credit of approximately HK$52.4 million and recorded no income tax expense for the period ended 30 June 2012. Deferred tax credit is arisen from the change in temporary difference of derivative financial instruments and amortization of mining rights.

Operation results

The Group's operation results recorded a loss of HK$136.3 million for the six months ended 30 June 2012 (2011: loss of HK$46.0 million).

LIQUIDITY AND FINANCIAL RESOURCES

The Group financed its operations through internally generated cash flows and bank borrowings. At 30 June 2012, the Group did not have any bank facilities but had obligations under finance lease of approximately HK$35.3 million. The obligations under finance lease were mainly in Australian Dollars ("AUD"). The gearing ratio of the Group, calculated as a ratio of bank borrowings to total assets, was 3.5% as at 30 June 2012 (31 December 2011: 3.6%). Gearing ratio remained consistent during the period.

As at 30 June 2012, the Group had net current liabilities of approximately HK$14.7 million (31 December 2011: net current assets HK$171.6 million). Current ratio as at 30 June 2012 was 0.93 (31 December 2011: 1.87). The net cash position of the Group as at 30 June 2012 was approximately HK$92.3 million (31 December 2011: HK$126.1 million).

The Group has bank balances, obligations under finance lease, 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 obligations under finance lease denominated in AUD and Renminbi ("RMB") as at the balance sheet date. 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 2012, our obligations under finance lease of HK$35.3 million was secured by property, plant and equipment of an amount of approximately HK$152 million (2011: nil).

CONTINGENT LIABILITIES

As at 30 June 2012 saved for the litigation as set out in more details in note 18, the Group had no other material contingent liabilities.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the period (2011: Nil).

MATERIAL ACQUISITION AND DISPOSAL

There was no material acquisition and disposal during the period under review.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2012, the Group employed approximately 31 employees (2011: 450). 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 employees for mining operation are employed by Bluestone Mines Tasmania Joint Venture Pty Ltd. ("BMTJV") on behalf of YTPAH and BMT. These BMTJV employees and the employees of YTPAH are members of a state-managed retirement benefit scheme in Australia (Superannuation fund). The Group continues to provide training facilities to the staff to enhance knowledge of industry quality standards.

ESTIMATED TIN RESERVES AND RESOURCES

Following a highly successful year of exploration at the Renison Tin Project, an extensive exploration and resource development drilling campaign targeting both surface and underground targets was conducted over Renison mine. As of 30 June 2012, 15,950 meters of core holes in total has been drilled for exploration purpose and the drilling program had effectively increased the amount of indicated resources and probable reserves. As of 30 June 2012, the JORC compliant resources and reserves of Renison are categorized as follows:

Upgraded Resource and Reserve Estimates for Renison as at 30 June 2012

Category	Tonnage (kt)	Grade % Sn	Contained Sn(t)
Resources			
Measured	972	2.00	19,432
Indicated	5,457	1.46	79,850
Inferred	3,256	1.67	54,210
Total	9,685	1.58	153,492
Reserve			
Proven	371	1.44	5,341
Probable	2,970	1.36	40,313
Total	3,341	1.37	45,654

As of 30 June 2012, extensive development was conducted, mainly over Renison. 801 meter of capital waste, 310 meter of capital decline and 1,392 meter of sill development were advanced during the period. During the first half year of 2012, 2,563 tons of tin metal was produced from Renison from 284,675 ton processed ores averaging 1.43% Sn. No major exploration, development or production activities were carried out for Rentails.

Upgraded Resource and Reserve Estimates for Renison as at 30 June 2012 (Continued)

Up to 30 June 2012, a total of HK$111,223,266 capital expenditure was incurred for exploration, development or production activities. The details of the expenditure are shown as follows:

Capital Expenditure Up to 30 June 2012

Expenditures	*HK$*
Plants and Equipments	21,068,715
Mine Properties and Development	7,040,312
Mine Capital Development	60,488,931
Exploration	22,625,308
Total	111,223,266

ESTIMATED TIN RESERVES AND RESOURCES (Continued)

The latest resource and reserve estimates for Renison, Mount Bischoff and Rentails are summarized as follows:

Total Resource and Reserve Estimates as at 30 June 2012

Category	Tonnage (Mt)	Grade % Sn	Contained Sn(t)
Resources			
Renison	9.7	1.58	153,493
Mount Bischoff	1.7	0.54	8,981
Rentails	20.0	0.45	89,371
Total	31.4	0.80	251,845
Reserve			
Renison	3.3	1.37	45,653
Mount Bischoff	0	0	0
Rentails	19.2	0.45	85,330
Total	22.5	0.58	130,983

PROSPECTS

Looking into the second half of 2012, the Directors expect that the conditions of tin mining industry remain very challenging. Under the ever-changing market environment, we overcome all difficulties with concerted efforts through strengthening our internal management process and promoting efficient cost control and capital utilization so as to enhance economic benefit. Looking ahead, we will continue our active development strategies, exploring new technologies to develop the Rentails, which is still a huge potential to the Group, as a new profit growth spot. Therefore, the Group will generate the greatest return for shareholders.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the six months ended 30 June 2012, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

SUFFICIENCY OF PUBLIC FLOAT

Bases on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company has maintained the minimum amount of public float as required under the Listing Rules throughout the six months ended 30 June 2012.

INTERESTS OF DIRECTORS

As at 30 June 2012, the interests and short positions of the Directors and the Chief Executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") are as follows:

Long position in ordinary shares of HK$0.005 each of the Company ("Shares")

		Number of shares held		
Name of Director	Nature of interest	Long Position	Short Position	Percentage of shareholding
				%
Xie Hai Yu	Personal	548,610,000	—	19.05
Cheung Wai Kuen	Corporate	617,000,000 *(Note)*	—	21.42

Note: On 27 June 2012, (i) Wright Source Limited ("Wright Source"), a company wholly owned by Mr. Cheung Wai Kuen and a substantial shareholder of the Company, transferred 560,000,000 shares of the Company (the "Shares") (representing approximately 19.44% of the total issued share capital of the Company) to Munsun Global Mining Investment Fund LP ("Munsun Global") in exchange for approximately 65.14% of equity interest in Munsun Global; and (ii) Munsun Global acquired 57,000,000 Shares (representing approximately 1.98% of the total issued share capital of the Company) from independent third parties. Mr. Cheung Wai Kuen's interest in the Company is held through the shareholding in Wright Source and Munsun Global.

Save as disclosed above, as at 30 June 2012, none of the Directors or Chief Executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTEREST OF SUBSTANTIAL SHAREHOLDER

As at 30 June 2012, the following person (not being a Director or a Chief Executive of the Company) have interest or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

Long position in shares

	Number of shares held/Approximate shareholding percentage					
Name of Shareholders	Long Position	%	Short Position	%	Lending Pool	%
Xie Hai Yu	548,610,000	19.05	—	—	—	—
Munsun Global Mining Investment Fund LP	617,000,000 *(Note 1)*	21.42	—	—	—	—
Sun Hung Kai Investment Services Limited ("SHKIS") *(Note 2)*	122,448,979	4.25	—	—	—	—
Sun Hung Kai Structured Finance Limited ("SHKSF") *(Note 2)*	272,108,843	9.44	—	—	—	—

Notes:

(1) Wright Source, which is wholly-owned by Mr. Cheung Wai Kuen, owns 65.14% interest in Munsun Global.

(2) SHKIS and SHKSF are effectively wholly owned by Sun Hung Kai & Co. Limited ("SHK") (stock code: 86), a company incorporated in Hong Kong with limited liability and whose issued shares are listed on The Stock Exchange of Hong Kong Limited. The following shareholders had interests in the shares and underlying shares of SHK. All interests stated below represent long positions in SHK:

INTEREST OF SUBSTANTIAL SHAREHOLDER (Continued)

Notes: (Continued)

Shareholders	Capacity	Number of Shares and underlying Shares	Approximate % of the issued share capital
APL	Interests of controlled corporation *(Note a)*	1,128,363,302 *(Note b)*	53.78%
AGL	Interests of controlled corporation *(Note c)*	1,128,363,302 *(Note d)*	53.78%
Lee and Lee Trust	Interests of controlled corporation *(Note e)*	1,128,363,302 *(Note d)*	53.78%
Dubai Ventures L.L.C ("Dubai Ventures")	Beneficial owner	166,000,000 *(Note f)*	7.84%
Dubai Ventures Group (L.L.C) ("DVG")	Interests of controlled corporation *(Note g)*	166,000,000 *(Note h)*	7.84%
Dubai Group (L.L.C) ("Dubai Group")	Interests of controlled corporation *(Note i)*	166,000,000 *(Note h)*	7.84%
Dubai Holding Investments Group LLC ("DHIG")	Interests of controlled corporation *(Note j)*	166,000,000 *(Note h)*	7.84%
Dubai Holding (L.L.C) ("Dubai Holding")	Interests of controlled corporation *(Note k)*	166,000,000 *(Note h)*	7.84%
Dubai Group Limited ("DGL")	Interests of controlled corporation *(Note l)*	166,000,000 *(Note h)*	7.84%
HH Mohammed Bin Rashid Al Maktoum	Interests of controlled corporation *(Note m)*	166,000,000 *(Note h)*	7.84%
Asia Financial Services Holdings Limited ("AFSH")	Interests of controlled corporation *(Note n)*	409,920,000 *(Note w)*	19.54%
Asia Financial Services Group Limited ("AFSG")	Interests of controlled corporation *(Note o)*	409,920,000 *(Note w)*	19.54%

INTEREST OF SUBSTANTIAL SHAREHOLDER (Continued)

Notes: (Continued)

Shareholders	Capacity	Number of Shares and underlying Shares	Approximate % of the issued share capital
CVC Capital Partners Asia III Limited ("CVC Capital")	Interests of controlled corporation *(Note p)*	409,920,000 *(Note w)*	19.54%
CVC Capital Partners Advisory Company Limited ("CVC Capital Partners Advisory")	Interests of controlled corporation *(Note q)*	409,920,000 *(Note w)*	19.54%
CVC Capital Partners Finance Limited ("CVC Capital Partners Finance")	Interests of controlled corporation *(Note r)*	409,920,000 *(Note w)*	19.54%
CVC Group Holdings L.P. ("CVC Group Holdings")	Interests of controlled corporation *(Note s)*	409,920,000 *(Note w)*	19.54%
CVC MMXII Limited ("CVC MMXII")	Interests of controlled corporation *(Note t)*	409,920,000 *(Note w)*	19.54%
CVC Capital Partners 2012 Limited ("CVC Capital Partners 2012")	Interests of controlled corporation *(Note u)*	409,920,000 *(Note w)*	19.54%
CVC Capital Partners SICAVFIS S.A. ("CVC Capital Partners SA")	Interests of controlled corporation *(Note v)*	409,920,000 *(Note w)*	19.54%
Ontario Teachers' Pension Plan Board	Beneficial owner	122,035,002 *(Note x)*	5.80%

INTEREST OF SUBSTANTIAL SHAREHOLDER (Continued)

Notes: (Continued)

a. The interests were held by AP Emerald Limited ("AP Emerald"), a wholly-owned subsidiary of AP Jade Limited which in turn was a wholly-owned subsidiary of APL. APL was therefore deemed to have interests in the Shares in which AP Emerald was interested.

b. This represents an interest in 1,128,363,302 Shares held by APL through AP Emerald.

c. AGL owned approximately a 74.97% interest in the issued share capital of APL and was therefore deemed to have interests in the Shares in which APL was interested.

d. This refers to the same interests in 1,128,363,302 Shares held by AP Emerald.

e. Mr. Lee Seng Hui, Ms. Lee Su Hwei and Mr. Lee Seng Huang (a Director) are the trustees of Lee and Lee Trust, being a discretionary trust. They together owned approximately 63.88% interest in the issued share capital of AGL (inclusive of Mr. Lee Seng Hui's personal interest) and were therefore deemed to have interests in the Shares in which AGL was interested.

f. This represents an interest in 166,000,000 Shares.

g. DVG owned a 99% interest in the issued share capital of Dubai Ventures and was therefore deemed to have an interest in the Shares which Dubai Ventures was interested.

h. This refers to the interests in 166,000,000 Shares held by Dubai Ventures.

i. Dubai Group owned a 99% interest in the issued share capital of DVG and was therefore deemed to have an interest in the Shares in which DVG was interested.

j. DHIG owned a 51% interest in the issued share capital of Dubai Group and was therefore deemed to have an interest in the Shares in which Dubai Group was interested.

k. Dubai Holding owned approximately a 99.66% interest in the issued share capital of DHIG and was therefore deemed to have an interest in the Shares in which DHIG was interested.

l. DGL owned a 49% interest in the issued share capital of Dubai Group. DGL was therefore deemed to have interests in the Shares in which Dubai Group was interested.

m. HH Mohammed Bin Rashid Al Maktoum owned approximately a 97.40% interest in the issued share capital of Dubai Holding and was therefore deemed to have interests in the Shares in which Dubai Holding was interested.

INTEREST OF SUBSTANTIAL SHAREHOLDER (Continued)

Notes: (Continued)

n. This represents an interest through a wholly-owned subsidiary namely Asia Financial Services Company Limited ("AFSC").

o. This represents an interest through two of its subsidiaries, AFSH and AFSC.

p. CVC Capital, acting in its capacity as general partner of CVC Capital Partners Asia Pacific III L.P. (the "Fund") held an 88% interest in AFSG on behalf of the Fund and was therefore deemed to have interest in the Shares and the underlying Shares in which AFSG was interested.

q. CVC Capital Partners Advisory held 100% interest in CVC Capital and was therefore deemed to have interest in the Shares and the underlying Shares in which AFSG was interested.

r. CVC Capital Partners Finance held 100% interest in CVC Capital Partners Advisory and was therefore deemed to have interest in the Shares and underlying Shares in which AFSG was interested.

s. CVC Group Holdings held 100% interest in CVC Capital Partners Finance and was therefore deemed to have interest in the Shares and the underlying Shares in which AFSG was interested.

t. CVC MMXII was the general partner of CVC Group Holdings and was therefore deemed to have interest in the Shares and the underlying Shares in which AFSG was interested.

u. CVC Capital Partners 2012 held 100% interest in CVC MMXII and was therefore deemed to have interest in the Shares and the underlying Shares in which AFSG was interested.

v. CVC Capital Partners SA held 100% interest in CVC Capital Partners 2012 and was therefore deemed to have interest in the Shares and the underlying Shares in which AFSG was interested.

w. This represents (i) the interest in 341,600,000 Shares; and (ii) the deemed interest in 68,320,000 underlying Shares arising from HK$427,000,000 in face value of warrants issued by the Company to AFSC pursuant to a Subscription Agreement dated 22 April 2010.

x. This represents an interest in 122,035,002 Shares.

Saved as disclosed above, the register required to be kept under section 336 of the SFO shows that as at 30 June 2012, the Company had not been notified of any other person who had an interest or short position in the shares and underlying shares of the Company.

REVIEW OF INTERIM REPORT

The audit committee of the Company (the "Audit Committee") has reviewed the Group's interim report for the six months ended 30 June 2012. 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 (effective until 31 March 2012) and the Corporate Governance Code (effective from 1 April 2012) 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 2012.

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 2012.

By Order of the Board
Goodtop Tin International Holdings Limited
Xie Hai Yu
Chairman

Hong Kong, 31 August 2012

The board of directors (the "Directors") of Goodtop Tin International Holdings Limited (the "Company") is pleased to announce that the consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2012 (the "Period") together with comparative figures for the corresponding period in 2011.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012

	Notes	Six months ended 30.6.2012 HK$'000 (unaudited)	30.6.2011 HK$'000 (unaudited) (restated)
Continuing operations:			
Revenue	3	169,980	199,291
Cost of sales		(215,076)	(166,860)
Gross (loss) profit		(45,096)	32,431
Interest income		199	351
Other income		851	—
Other gains and losses	5	(88,446)	44,244
Administrative expenses		(37,247)	(82,759)
Finance costs	6	(37,331)	(19,434)
Loss before taxation		(207,070)	(25,167)
Taxation credit (charge)	7	52,418	(11,636)
Loss for the period from continuing operations	9	(154,652)	(36,803)
Discontinued operations:			
Profit for the period from discontinued operations	8	—	2,322
Loss for the period		(154,652)	(34,481)
Other comprehensive income			
Exchange differences arising on translating foreign operations to presentation currency		975	2,458
Total comprehensive expense for the period		(153,677)	(32,023)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

For the six months ended 30 June 2012

	Notes	Six months ended 30.6.2012 HK$'000 (unaudited)	30.6.2011 HK$'000 (unaudited) (restated)
(Loss) Profit for the period attributable to owners of the Company:			
— from continuing operations		(136,310)	(48,309)
— from discontinued operations		—	2,322
		(136,310)	(45,987)
(Loss) profit for the period attributable to non-controlling interests			
— from continuing operations		(18,342)	11,506
		(154,652)	(34,481)
Total comprehensive (expense) income attributable to:			
Owners of the Company		(135,521)	(43,529)
Non-controlling interests		(18,156)	11,506
		(153,677)	(32,023)
Loss per share (HK cents)	*11*		
From continuing and discontinued operations:			
Basic and diluted		(4.73)	(1.60)
From continuing operations:			
Basic and diluted		(4.73)	(1.68)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2012

	Notes	30.6.2012 *HK$'000* (unaudited)	31.12.2011 *HK$'000* (audited)
Non-current assets			
Property, plant and equipment	*12*	295,096	274,223
Mining rights		187,898	158,320
Exploration and evaluation assets		271,848	331,547
Deposits		16,371	16,364
Deferred taxation		51,147	34,720
		822,360	815,174
Current assets			
Inventories		19,328	18,025
Trade receivables	*13*	39,469	26,313
Other receivables, prepayments and deposits		20,731	87,720
Derivative financial instruments	*14*	—	92,244
Held-for-trading investment		23,395	18,574
Bank balances and cash		92,254	126,083
		195,177	368,959
Current liabilities			
Trade payables	*15*	57,644	39,153
Other payables, deposits received and accruals		90,948	104,655
Financial liabilities at fair value through profit or loss ("FVTPL")		12,657	20,400
Obligations under finance leases		11,971	12,581
Amount due to non-controlling interest of a subsidiary		36,673	—
Tax payable		—	20,531
		209,893	197,320
Net current (liabilities) assets		(14,716)	171,639
Total assets less current liabilities		807,644	986,813

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 30 June 2012

	Notes	30.6.2012 HK$'000 (unaudited)	31.12.2011 HK$'000 (audited)
Capital and reserves			
Issued capital	16	14,400	14,400
Reserves		246,670	393,326
Equity attributable to owners of the Company		261,070	407,726
Non-controlling interests		28,628	46,784
Total equity		289,698	454,510
Non-current liabilities			
Deferred taxation		87,628	123,104
Convertible bonds		389,231	361,026
Provision for rehabilitation		17,718	17,711
Obligation under finance leases		23,369	30,462
		517,946	532,303
Total equity and liabilities		807,644	986,813

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2012

	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 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 income (expense) 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
At 1 January 2012 (audited)	14,400	389,589	7,664	—	7,800	577,214	(588,941)	407,726	46,784	454,510
Loss for the period	—	—	—	—	—	—	(136,310)	(136,310)	(18,342)	(154,652)
Other comprehensive income for the period	—	—	789	—	—	—	—	789	186	975
Total comprehensive income (expense) for the period	—	—	789	—	—	—	(136,310)	(135,521)	(18,156)	(153,677)
Early redemption on convertible bonds	—	—	—	—	—	(11,135)	—	(11,135)	—	(11,135)
At 30 June 2012 (unaudited)	14,400	389,589	8,453	—	7,800	566,079	(725,251)	261,070	28,628	289,698

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2012

	Six months ended	
	30.6.2012	30.06.2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Net cash (used in) from operating activities	**(201)**	124,733
Interest received	**199**	825
Purchase of property, plant and equipment	**(47,413)**	(34,471)
Acquisition of subsidiaries	**—**	61,086
Exploration and evaluation expenditure incurred	**—**	(8,219)
Net cash (used in) from investing activities	**(47,214)**	19,221
Interest paid	**(944)**	(234)
Advance from non-controlling interests of a subsidiary	**36,673**	—
Early redemption of convertible notes	**(17,100)**	—
Repayment of obligation under finance leases	**(7,703)**	(4,077)
Repayment of bank borrowings	**—**	(6,732)
New bank borrowings raised	**—**	1,279
Net cash from (used in) financing activities	**10,926**	(9,764)
Net (decrease) increase in cash and cash equivalents	**(36,489)**	134,190
Effect of foreign exchange rate changes	**2,660**	11,723
Cash and cash equivalents at 1 January	**126,083**	117,785
Cash and cash equivalents at 30 June		
Bank balances and cash	**92,254**	263,698

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2012

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"). These condensed consolidated financial statements are presented in Hong Kong Dollars ("HK$").

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.

The accounting policies used in the condensed consolidated financial statements for the six months ended 30 June 2012 are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2011.

In the current period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by Hong Kong Institute of Certified Public Accountants ("HKICPA") that are effective for the Group's financial year beginning on 1 January 2012.

HKAS 12 (Amendments)	Deferred tax — Recovery of underlying assets
HKFRS 7 (Amendments)	Disclosures — Transfers of financial assets

The application of amendments to HKFRSs had no effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

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.

Specifically, the Group's operating and reportable segments under HKFRS 8 are as follows:

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

(b) trading of copper and silicone rubber conducted by Vitar Insulation and its subsidiaries ("Vitar Trading");

(c) metal tin mining and sales of tin concentrates ("Mining"); and

(d) trading of metal resources ("Trading").

The Manufacturing operation and Vitar Trading operation were discontinued during the second half of the year ended 31 December 2011, because the Group disposed Vitar Insulation Holdings Limited ("Vitar Insulation"), which is principally engaged in these segments. Thus, the segment information reported below does not include financial information in respect of these discontinued operations which are described in more detail in note 8. Accordingly, the comparatives of segment information have been restated.

4. SEGMENT INFORMATION (Continued)

Condensed consolidated statement of comprehensive income (unaudited)

For the six months ended 30 June 2012

	Trading HK$'000	Mining HK$'000	Consolidated HK$'000
Segment revenue	—	169,980	169,980
Segment result	(3,543)	(163,773)	(167,316)
Unallocated corporate income			23
Unallocated corporate expenses			(3,390)
Finance costs			(36,387)
Profit before taxation			(207,070)

Other information (unaudited)

For the six months ended 30 June 2012

	Trading HK$'000	Mining HK$'000	Unallocated HK$'000	Consolidated HK$'000
Additions to property, plant and equipment	—	45,827	1,586	47,413
Depreciation of property, plant and equipment	266	30,155	1,045	31,466
Amortisation of mining rights	—	23,851	—	23,851

4. SEGMENT INFORMATION (Continued)

Condensed consolidated statement of comprehensive income (unaudited)

For the six months ended 30 June 2011

Continuing operations

	Trading *HK$'000*	Mining *HK$'000*	Consolidated *HK$'000*
Segment revenue	12,808	186,483	199,291
Segment result	(142)	47,029	46,887
Unallocated corporate income			29,787
Unallocated corporate expenses			(82,407)
Finance costs			(19,434)
Loss before taxation			(25,167)

Other information (unaudited)

For the six months ended 30 June 2011

Continuing operations

	Trading *HK$'000*	Mining *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Additions to property, plant and equipment	—	292,943	1,248	294,191
Depreciation of property, plant and equipment	—	15,100	122	15,222
Amortisation of mining rights	—	17,016	—	17,016

5. OTHER GAINS AND LOSSES

Continuing operations

	Six months ended 30.06.2012 HK$'000 (unaudited)	Six months ended 30.06.2011 HK$'000 (unaudited)
(Loss) gain on fair value change of derivative financial instruments	(92,244)	13,862
Fair value change of financial liabilities at FVTPL	7,743	—
Fair value change of held-for-trading investments	(8,081)	—
Gain on early redemption on convertible bonds	2,217	—
Net foreign exchange gain	1,919	30,382
	(88,446)	44,244

6. FINANCE COSTS

Continuing operations

	Six months ended 30.06.2012 HK$'000 (unaudited)	Six months ended 30.06.2011 HK$'000 (unaudited)
Interest on:		
Obligations under finance leases wholly repayable within five years	944	—
Convertible bonds	36,387	19,434
	37,331	19,434

7. TAXATION CREDIT (CHARGE)

Continuing operations

	Six months ended	
	30.06.2012	30.06.2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Current tax in Australia Income Tax	**—**	(13,626)
Deferred tax credit	**52,418**	1,990
	52,418	(11,636)

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 2012.

8. DISCONTINUED OPERATIONS

On 5 December 2011, the Group entered into a sale and purchase agreement to disposal entire issued share capital of Vitar Insulation, which carried out the Group's entire Manufacturing operation and Vitar Trading operation.

The profit for the six month ended 30 June 2011 from the discontinued operations is analysed as follows:

	HK$'000
Profit of Manufacturing segment for the period	1,918
Profit of Vitar Trading segment for the period	404
	2,322

8. DISCONTINUED OPERATIONS (Continued)

The results of the Manufacturing and Vitar Trading operations for the six months ended 30 June 2011, which have been included in the consolidated statement of comprehensive income, were as follows:

	HK$'000
Revenue	112,652
Cost of sales	(99,437)
Interest income	474
Other income	230
Other gains and losses	30
Selling and distribution expenses	(1,237)
Administrative expenses	(9,977)
Finance costs	(234)
Profit before taxation	2,501
Taxation	(179)
Profit for the period	2,322

Profit for the period from discontinued operations includes the following:

	HK$'000
Auditor's remuneration	407
Cost of inventories recognised as expenses	99,437
Depreciation of property, plant and equipment	2,382
Release of prepaid lease payments	70
Operating lease rentals in respect of rental premises	568
Staff costs	11,147

9. LOSS FOR THE PERIOD

Continuing operations

	Six months ended	
	30.06.2012	30.06.2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Loss for the period has been arrived at after charging:		
Auditor's remuneration	**900**	63
Cost of inventories recognized as an expense	**215,076**	140,935
Depreciation of property, plant and equipment	**31,466**	15,222
Amortisation of mining rights	**23,851**	17,016
Operating lease rentals in respect of rented premises	**3,070**	293
Staff costs (including Director's emoluments)	**9,900**	3,591

10. DIVIDEND

The Directors do not recommend the payment of an interim dividend (six months ended 30 June 2011: Nil).

11. LOSS PER SHARE

The calculation of the basic loss per share for each of the two periods ended 30 June 2012 and 2011 is based on the consolidated loss attributable to the owners of the Company for the respective periods:

	2012	2011
	HK$'000	*HK$'000*
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	**2,880,000,000**	2,880,000,000

11. LOSS PER SHARE (Continued)

The incremental shares from assumed exercise of conversion of convertible bonds are excluded in calculating the diluted loss per share from the continuing and discontinued operations because they are antidilutive in calculating the diluted loss per share from continuing operations.

From continuing operations

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

Loss figures are calculated as follows:

	2011
	HK$'000
Loss for the period attributable to owners of the Company	(45,987)
Less: profit for the period/year from discontinued operations	(2,322)
Loss for the purpose of basic loss per share from continuing operations	(48,309)

From discontinued operations

Basic earning per share for the discontinued operations is HK0.08 cents per share for six months ended 30 June 2011, based on the earning for the period from the discontinued operations of approximately HK$2,322,000 and the denominators detailed above for the basic earnings per share.

12. PROPERTY, PLANT AND EQUIPMENT

During the period, additions to the Group's property, plant and equipment amounted to HK$47 million (six months ended 30 June 2011: HK$297 million).

13. TRADE RECEIVABLES

	30.06.2012	31.12.2011
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade receivables	**39,469**	26,313

For mining operation, the Group allows a credit period of 10 days after mutual agreement on grade and weights of tin concentrates with the customers.

The following is an aged analysis of trade receivables presented based on invoice date at the end of the reporting period:

	30.06.2012	31.12.2011
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 – 30 days	**37,297**	26,313
Over 90 days but less than one year	**2,172**	—
	39,469	26,313

14. DERIVATIVE FINANCIAL INSTRUMENTS

YT Parksong Australia Holdings Pty Limited ("YTPAH"), a non-wholly owned subsidiary of Parksong Mining entered into a joint venture agreement ("JV Agreement") with Bluestone Mines Tasmania Pty Ltd. ("BMT"). Each of the venturers holds 50% interest in certain mining projects (the "JV Projects") located in Tasmania, Australia.

14. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Pursuant to the JV Agreement, BMT has granted the Call Option to YTPAH to purchase from BMT a further 10% interests in the JV Projects exercisable from 19 March 2010 to 18 March 2012 with the following conditions:

- if Call Option is exercised from 19 March 2010 to 18 March 2011, the consideration will be AUD10 million; or

- if Call Option is exercised from 19 March 2011 to 18 March 2012, the consideration will be AUD10 million if the production on tin concentrate is more than 6,000 tonnes from 19 March 2010 to 18 March 2011 and average cost of production on tin concentrate is not greater than AUD14,403.46 per tonne ("Performance Criteria"). The consideration will be reduced to AUD5 million if the Performance Criteria cannot meet.

At the same time, YTPAH has granted the Put Option to BMT that BMT can require YTPAH to purchase a further 10% interest in the JV Projects exercisable from 19 March 2011 to 18 March 2012 with the following conditions:

- if Performance Criteria is achieved, the consideration will be AUD10 million; or

- if Performance Criteria is not achieved, the Put Option will lapse immediately.

On 16 March 2012, YTPAH sent a notice to BMT purporting to exercise the Call Option. BMT considered that the Call Option was previously relinquished by YTPAH and the purported notice to exercise the Call Option is served by BMT. Call Option is then expired on 18 March 2012 and thus the fair value of Call Option as at 30 June 2012 is zero.

14. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

The movement of the Call Option during the period is set out below:

	HK$'000
At 1 January 2012	92,244
Changes in fair value	(92,244)
At 30 June 2012	—

During the period ended 30 June 2012, a loss of HK$92,244,000 was recognised in respect of the changes in fair values of derivative financial instruments.

15. TRADE PAYABLES

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

	30.06.2012 *HK$'000* (unaudited)	31.12.2011 *HK$'000* (audited)
0 – 30 days	57,644	38,889
31 – 60 days	—	264
	57,644	39,153

16. SHARE CAPITAL

	Number of Shares *HK$'000*	Share capital *HK$'000*
Ordinary shares of HK$0.005 each		
Authorised:		
At 1 January 2012 and 30 June 2012 (unaudited)	20,000,000,000	100,000
Issued:		
At 1 January 2012 and 30 June 2012 (unaudited)	2,880,000,000	14,400

17. CAPITAL COMMITMENTS

At the end of the reporting period, the Group's share of capital commitments of the JV Projects is as follows:

	30.06.2012 *HK$'000*	31.12.2011 *HK$'000*
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:		
— property, plant and equipment of JV Projects	—	667

As at 30 June 2012, YTPAH has provided a guarantee and indemnity to a finance lessor relating to the Group's obligations of finance leases. This guarantee and indemnity are given to as a finance lessor jointly and severally with BMT.

18. LITIGATIONS

HCA 1357/2011

The proceedings involves disputes arisen from a Sale and Purchase Agreement in relation to the sale and purchase of the entire issued share capital of Parksong Mining dated 13 July 2010 (the "SPA") and the completion of the acquisition took place on 4 March 2011.

On 12 August 2011, the Company received a writ of summons and a statement of claim (the "First Statement of Claim") which were issued against the Company and Gallop Pioneer Limited ("GPL"), a wholly-owned subsidiary of the Company by Mr. Chan Kong Fung (the "Plaintiff"). As alleged by the Plaintiff in the First Statement of Claim, GPL and the Company failed to make payment of AUD15,143,422.44, being the alleged amount of receivables payables to Plaintiff should be held liable to the alleged breach of the Agreement and claimed for the said sum of AUD15,143,422.44 from both GPL and the Company.

The Plaintiff and the Company and GPL had attend a mediation in relation to the disputes regarding the First Statement of Claim (the "Mediation") on 16 August 2012. However, no settlement had been reached in the Mediation and no further mediation will be carried out. The parties will proceed with the legal proceedings and the next stage shall be the filing and exchange of witness statements.

HCA 2184/2011

The Company issued to the Plaintiff a series of convertible bonds in the aggregate amount of HK$773,500,000 (which due on 3 March 2016) on 4 March 2011 (the "Convertible Bonds") as part of the consideration for the purchase of the shares in Parksong Mining mentioned under the heading of HCA 1357/2011 above.

18. LITIGATIONS (Continued)

HCA 2184/2011 (Continued)

On 10 November 2011, the Plaintiff purported to exercise its Convertible Bonds in aggregate principal amount of HK$17,100,000. Because of the dispute mentioned hereinabove, and upon the legal advice from the then legal adviser, the Company has decided (1) not to issue share certificates to the Plaintiff when the Plaintiff tried to exercise his conversion right in relation to the Convertible Bond certificates nos. 59 ad 60 sometime in November 2011; and (2) not to repay the outstanding bonds (i.e. Convertible Bond certificates nos. 59 and 60) in the sum of HK$17,100,000 to Mr. Chan in early December 2011.

On 22 December 2011, the Plaintiff issued a Writ of Summons with claim endorsed against the Company under HCA 2184/2011 claiming for the sum of HK$597,100,000 (which includes the said sum of HK$17,100,000) being the alleged outstanding amount of the Convertible Bonds owed by the Company to the Plaintiff together with all outstanding interests accrued thereon.

The hearing of an application for summary judgement made by the Plaintiff on 23 February 2012 has been fixed to be heard on 24 September 2012.

19. RELATED PARTY TRANSACTIONS

Continuing operations

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

	30.06.2012 *HK$'000* (unaudited)	30.06.2011 *HK$'000* (unaudited)
Sales to Yunnan Tin Australia TDK Resources Pty Ltd *(Note)*	169,980	186,483

Note: The price of tin concentrates per dry metric ton was agreed by the above-mentioned parties after taking into account the factors:

(i) the London Metal Exchange cash settlement average price of tin metal;

(ii) the treatment charge per dry metric ton;

(iii) deduction based on the final tin content; and

(iv) penalty for impurity.

20. APPROVAL OF THE INTERIM FINANCIAL REPORT

These unaudited interim condensed consolidated financial statements were approved and authorized for issue by the board of directors on 31 August 2012.