TRANSAX INTERNATIONAL LTD
Form PRE 14A
January 20, 2012

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934
(Amendment No. ___)

Filed by the Registrant	x
Filed by a party other than the Registrant	o

Check the appropriate box:

x	Preliminary Proxy Statement
o	Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
o	Definitive Proxy Statement
o	Definitive Additional Materials
o	Soliciting Material Under Rule 14(a)(12)

Transax International Limited
(Name of Registrant as Specified in Its Charter)

Not Applicable
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x	No fee required.
o	Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1)	Title of each class of securities to which transaction applies:
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(3)	Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
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o	Fee paid previously with preliminary materials.
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(1)	Amount Previously Paid:
(2)	Form, Schedule or Registration Statement No.:
(3)	Filing Party:
(4)	Date Filed:

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON FEBRUARY 29, 2012

We will hold a special meeting of the shareholders of Transax International Limited at 431 Fairway Drive, Suite 200, Deerfield Beach, Florida 33441 on February 29, 2012 at [•] local time. At the special meeting you will be asked to vote on:

- the reincorporation of our company from Colorado to Florida, which will include a change in our corporate name to "Big Tree Group, Inc." and a 700:1 reverse stock split of our outstanding common stock, and
- any other business as my properly come before the meeting.

The board of directors has fixed the close of business on January 30, 2012 as the record date for determining the shareholders that are entitled to notice of and to vote at the special meeting and any adjournments thereof.

All shareholders are invited to attend the special meeting in person. Your vote is important regardless of the number of shares you own. Even if you plan to attend the special meeting, to ensure that you vote is counted please vote your shares by proxy following the instructions provided on the proxy which accompanies this proxy statement.

By Order of the Board of Directors

/s/ Wei Lin
Shantou, Guangdong, China
February 3, 2012

Wei Lin,
Chief Executive Officer

TRANSAX INTERNATIONAL LIMITED

PROXY STATEMENT

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CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

This proxy statement includes forward-looking statements that relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Words such as, but not limited to, "believe, "expect," "anticipate," "estimate," "intend," "plan," "targets," "likely," "aim," "will," "would," "could," an similar expressions or phrases identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and future events and financial trends that we believe may affect our financial condition, results of operation, business strategy and financial needs. Forward-looking statements include, but are not limited to, statements about:

- Factors affecting consumer preferences and customer acceptance of new products.
- Competition in the toy industry.
- Loss of one or more key customers.
- Dependence on third-party contract manufacturers.
- Dependence on certain key personnel.
- Inability to manage our business expansion.
- Infringement by third parties on our intellectual property rights.
- Our inadvertent infringement of third-party intellectual property rights.

- PRC government fiscal policy that affect real estate development and consumer demand.
- Availability of skilled and unskilled labor and increasing labor costs.

- Lack of insurance coverage and the impact of any loss resulting from product liability or third party liability claims or casualty losses.
- Violation of Foreign Corrupt Practices Act or China anti-corruption laws.
- Economic, legal restrictions and business conditions in China.
- Dilution attributable to our convertible preferred stock.
- Impact of proposed reverse stock split of our outstanding common stock.
- Limited public market for our common stock.
- Potential conflicts of interest between our controlling shareholders and our shareholders.

You should read thoroughly this proxy statement and the documents that we refer to herein with the understanding that our actual future results may be materially different from and/or worse than what we expect. We qualify all of our forward-looking statements by these cautionary statements including those made in “Risk Factors" in our Current Report on Form 8-K as filed with the SEC on January 6, 2012. Moreover, we operate in an evolving environment. New risk factors emerge from time to time and it is not possible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Except for our ongoing obligations to disclose material information under the Federal securities laws, we undertake no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events. These forward-looking statements speak only as of the date of this proxy statement, and you should not rely on these statements without also considering the risks and uncertainties associated with these statements and our business.

Shareholders Should Read the Entire Proxy Statement
Carefully Prior to Returning Their Proxies

PROXY STATEMENT
FOR
SPECIAL MEETING OF SHAREHOLDERS

General Information

The accompanying proxy is solicited by the board of directors of Transax International Limited for use at the special meeting of shareholders to be held on February 29, 2012, or any adjournment or postponement thereof, for the purposes set forth in the accompanying Notice of Special Meeting of Shareholders. The date of this proxy statement is February 6, 2012, the approximate date on which this proxy statement and the enclosed proxy were first sent or made available to our shareholders.

This proxy statement and the accompanying proxy card are being mailed to owners of our common shares and Series C convertible preferred stock in connection with the solicitation of proxies by the board of directors for the special meeting. This proxy procedure is necessary to permit all shareholders entitled to notice of and to vote at the special meeting, many of whom live throughout the United States and overseas and are unable to attend the special meeting in person, to vote. We will pay the entire cost of preparing, assembling, printing, mailing and distributing these proxy materials and soliciting votes.

Voting Securities. Only our shareholders of record as of the close of business on January 30, 2012, the record date for the special meeting, that own shares of our securities which have voting rights will be entitled to vote at the meeting and any adjournment thereof. Our voting securities include our common stock and our Series C convertible preferred stock. As of that date, there were 96,078,960 shares of our common stock and 6,500,000 shares of our Series C convertible preferred stock issued and outstanding, all of which are entitled to vote together as a single class with respect to all matters to be acted upon at the special meeting. Each holder of record of our common stock as of that date is entitled to one vote for each share held, and the holder of our Series C convertible preferred stock is entitled to the number of votes equal to the number of shares of our common stock into which the Series C convertible preferred stock is convertible. In accordance with our by-laws, the presence of at least 33 % of the voting power, regardless of whether the proxy has authority to vote on all matters, constitutes a quorum which is required in order to hold the special meeting and conduct business. Presence may be in person or by proxy. You will be considered part of the quorum if you voted on by telephone, by facsimile or by properly submitting a proxy card or voting instruction form by mail, or if you are present and vote at the special meeting. Votes for and against, abstentions and “broker non-votes” will each be counted as present for purposes of determining the presence of a quorum.

Broker Non-Votes. A broker non-vote occurs when a broker submits a proxy card with respect to shares held in a fiduciary capacity (typically referred to as being held in “street name”) but declines to vote on a particular matter because the broker has not received voting instructions from the beneficial owner. Under the rules that govern brokers who are voting with respect to shares held in street name, brokers have the discretion to vote such shares on routine matters, but not on non-routine matters. The proposal which will be voted upon at our special meeting is considered a non-routine matter.

Voting of Proxies. All valid proxies received prior to the meeting will be exercised. All shares represented by a proxy will be voted, and where a proxy specifies a shareholder’s choice with respect to any matter to be acted upon, the shares will be voted in accordance with that specification. If no choice is indicated on the proxy, the shares will be

voted by the individual named on the proxy card as recommended by the board of directors. A shareholder giving a proxy has the power to revoke his or her proxy, at any time prior to the time it is exercised, by delivering to our Corporate Secretary a written instrument revoking the proxy or a duly executed proxy with a later date, or by attending the meeting and voting in person. A shareholder wanting to vote in person at the special meeting and holding shares of our common stock in street name must obtain a proxy card from his or her broker and bring that proxy card to the special meeting, together with a copy of a brokerage statement reflecting such share ownership as of the record date.

Approval of the Proposal. The approval of Proposal 1 will require the affirmative vote of a majority of the votes cast.

Board of Directors Recommendations. The board of directors recommends a vote FOR Proposal 1.

Dissenter's Rights. The holders of our common stock, our Series B convertible preferred stock and our Series C convertible preferred stock have dissenter's rights under the Colorado Business Corporations Act with respect to the Proposal 1. Shareholders should carefully review the section entitled "Dissenters' (Appraisal) Rights" beginning on page 14.

Attendance at the Meeting. You are invited to attend the special meeting only if you were a Transax shareholder or joint holder as of the close of business on January 30, 2012, the record date, or if you hold a valid proxy for the special meeting. In addition, if you are a shareholder of record (owning shares in your own name), your name will be verified against the list of registered shareholders on the record date prior to your being admitted to the special meeting. If you are not a shareholder of record but hold shares through a broker or nominee (in street name), you should provide proof of beneficial ownership on the record date, such as a recent account statement or a copy of the voting instruction card provided by your broker or nominee. The meeting will begin at [•] local time. Check-in will begin at [•] local time.

Communication with our Board of Directors. You may contact any of our directors by writing to them c/o Transax International Limited, South Part I-101, Nanshe Area, Pengnan Industrial Park, North Yingbinbei Road, Waisha Town, Longhu District, Shantou, Guangdong, China 515023. Each communication should specify the applicable director or directors to be contacted as well as the general topic of the communication. We may initially receive and process communications before forwarding them to the applicable director. We generally will not forward to the directors a shareholder communication that is determined to be primarily commercial in nature, that relates to an improper or irrelevant topic, or that requests general information about Transax. Concerns about accounting or auditing matters or communications intended for non-management directors should be sent to the attention of the Chairman of the Board at the address above. Our directors may at any time review a log of all correspondence received by our company that is addressed to the independent members of the board and request copies of any such correspondence.

Proxy solicitation. The cost of soliciting proxies will be borne by us. These costs will include the expense of preparing, assembling, printing and mailing this proxy statement to our record and beneficial owners and reimbursements paid to brokerage firms and others for their reasonable out-of-pocket expenses for forwarding proxy materials to shareholders and obtaining beneficial owner's voting instructions. We have not retained a proxy solicitor in conjunction with the special meeting. In addition to soliciting proxies by mail, our board members, officers and employees may solicit proxies on our behalf, without additional compensation, personally or by telephone. We may also solicit proxies by email from shareholders who are our employees or who previously requested to receive proxy materials electronically.

Who can help answer your questions? If you have additional questions after reading this proxy statement, you may seek answers to your questions by writing, calling or emailing:

Mr. Dore Scott Perler
431 Fairway Drive, Suite 251
Deerfield Beach, FL 33441
(954) 363-7333

PRINCIPAL SHAREHOLDERS

At January 30, 2012, we had 96,078,960 shares of our common stock, 3,362,759 shares of our Series B convertible preferred stock and 6,500,000 shares of our Series C convertible preferred stock issued and outstanding. Our common stock and our Series C convertible preferred stock represent our classes of voting securities. Each share of common stock entitles the holder to one vote and each share of Series C convertible preferred stock entitles the holder to a number of votes equal to the number of shares of our common into which such shares are convertible. The shares of common stock and Series C convertible preferred stock vote together as a single class. Shares of our Series B convertible preferred stock have no voting rights. Both the Series B convertible preferred stock and Series C convertible preferred stock are each automatically convertible, without any action of the holders, into shares of our common stock on a one for one basis following the date on which we either file articles of amendment to our articles of incorporation with the Secretary of State of Colorado increasing the number of our authorized shares of our common stock or upon completion of the 1:700 reverse stock split of our common stock discussed in Proposal 1. The following table sets forth information regarding the beneficial ownership of our voting securities by:

- each person known by us to be the beneficial owner of more than 5% of any class of our voting securities;
- each of our directors;
- each of our named executive officers; and
- our named executive officers and directors as a group; and
- on a proforma basis assuming the approval of Proposal 1 and the completion of a 1:700 reverse stock split of our outstanding common stock.

Unless otherwise indicated, the business address of each person listed is South Part I-101, Nanshe Area, Pengnan Industrial Park, North Yingbingbei Road, Waisha Town, Longhu District, Shantou, Guangdong, China 515023.

The amounts included in the table under “Pre-Reverse Stock Split” give no effect to the issuance of any shares of our common stock upon the automatic conversion of outstanding shares of our Series B convertible preferred stock or Series C convertible preferred stock pursuant to the designations, rights and preferences of those classes of securities. The amounts included in the table under “Post-Reverse Stock Split” assumes (i) the completion of the reverse stock split described in Proposal 1, (ii) the issuance of 3,362,759 shares of post-reverse stock split common stock upon the automatic conversion of our Series B convertible preferred stock pursuant to its terms, and (iii) the issuance of 6,500,000 shares of our common stock upon the automatic conversion of our Series C convertible preferred stock pursuant to its terms.

The percentages in the table have been calculated on the basis of treating as outstanding for a particular person, all shares of our common stock or Series C convertible preferred stock, as the case may be, outstanding on that date and all shares of any class of our voting securities issuable to that holder in the event of exercise of outstanding options, warrants, rights or conversion privileges owned by that person at that date which are exercisable within 60 days of that date. Except as otherwise indicated, the persons listed below have sole voting and investment power with respect to all shares of our securities owned by them, except to the extent that power may be shared with a spouse.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership					
	Pre-Reverse Stock Split				Post-Reverse Stock Split 1	
	Common Stock		Series C Preferred Stock		Common Stock	
	No. of Shares	% of Class	No. of Shares	% of Class	No. of Shares	% of Class
Wei Lin 2	0	-	6,500,000	100 %	6,500,000	65.0 %
Chaojun Lin	0	-	0	-	0	-
Chaoqun Xian	0	-	0	-	0	-
Jiale Cai	0	-	0	-	0	-
All officers and directors as a group (four persons)2	0	-	6,500,000	100 %	6,500,000	65.0 %
Stephen Walters 3	43,528,076	45.3 %	0	-	326,358	3.7 %
Carlingford Investments Limited 4	40,593,257	42.2 %	0	-	204,155	2.0 %
China Direct Industries, Inc. 5	0	-	0	-	3,062,753	30.1 %
Lins (HK) Int'l Trading Limited 6	0		6,500,000	100 %	6,500,000	65.0 %

1 If Proposal 1 is approved at the meeting, the number of our issued and outstanding shares of common stock will be reduced from 96,078,960 shares to approximately 137,256 shares, subject to rounding. The post-reverse split column assumes the automatic conversion of the Series B convertible preferred stock into 3,362,759 shares of common stock and the automatic conversion of the Series C convertible preferred stock into 6,500,000 shares of common stock, both as described above, thereby increasing the number of issued and outstanding common shares to 10,000,015 shares.

2 Mr. Lin is the chief executive officer of our company and a member of the board of directors. The number of shares of our Series C convertible preferred stock beneficially owned by Mr. Lin in the pre-reverse stock split column includes 6,500,000 shares owned by Lins (HK) Int'l Trading Limited, a company over which Mr. Lin exercises voting and dispositive control, but excludes 6,240,000 shares of our common stock underlying the Series C convertible preferred stock issuable upon exercise of options issued by Lins (HK) Int'l Trading Limited to Mr. Lin at an exercise price of $0.00001 per share. The options were granted to Mr. Lin by Lins (HK) Int'l Trading Limited pursuant to an option agreement described later in this section. The number of shares beneficially owned by Mr. Lin in the post-reverse split column assumes the conversion of the Series C convertible preferred stock into 6,500,000 shares of our common stock, but excludes 6,240,000 shares of common stock subject to the option agreement. Shares issuable to Mr. Lin under the option agreement were excluded from these computations of beneficial ownership as such shares are included in the shares owned by Lins (HK) Int'l Trading Limited and are already attributable to Mr. Lin.

3 The number of shares of our common stock beneficially owned by Mr. Walters in the pre-reverse stock split column includes:

- 2,934,819 shares owned of record by Mr. Walters, and
- 40,593,257 shares owned of record by Carlingford Investments Limited over which Mr. Walters has sole voting and dispositive control,

but excludes 118,010 shares of our Series B convertible preferred stock owned of record by Mr. Walters and 146,165 shares of our Series B convertible preferred stock owned of record by Carlingford Investments Limited.

The number of shares of our common stock beneficially owned by Mr. Walters in the post-reverse stock split column includes:

- 122,203 shares owned of record by Mr. Walters, which includes 4,193 common shares currently owned adjusted for the reverse stock split and 118,010 shares which will be issued upon the automatic conversion of the Series B convertible preferred stock, and

- 204,155 shares owned of record by Carlingford Investments Limited, which includes 57,990 common shares currently owned adjusted for the reverse stock split and 146,165 shares which will be issued upon the automatic conversion of the Series B convertible preferred stock.

Mr. Walters address is Bali View Block A4/7, Jl. Cirendeu Raya 40 Jakarta Selatan, 13419 Indonesia.

4 The number of shares of our common stock owned by Carlingford Investments Limited in the pre-reverse split column includes 40,593,257 shares owned of record and excludes 146,165 shares of our Series B convertible preferred stock it owns of record. The number of shares of our common stock owned by Carlingford Investments Limited in the post-reverse split column includes 57,990 common shares currently owned adjusted for the reverse stock split and 146,165 shares which will be issued upon the automatic conversion of the Series B convertible preferred stock. Carlingford Investments Limited's address is: 80 Raffles Place, #16-20 UOB Plaza II, Singapore 048624.

5 The number of shares of commons tock owned by China Direct Industries, Inc. in the post-reverse split column includes:

- 2,216,020 shares owned of record by China Direct Investments, Inc., a subsidiary of China Direct Industries, Inc., issuable upon the automatic conversion of shares of our Series B convertible preferred stock, and
- 846,733 shares of our Series B convertible preferred stock owned of record by Capital One Resource Co., Ltd., a subsidiary of China Direct Industries, Inc., issuable upon the automatic conversion of shares of our Series B convertible preferred stock.

James Wang Ph.D., has voting and dispositive control over securities held by China Direct Industries, Inc. whose address is 431 Fairway Drive, Suite 200, Deerfield Beach, Florida 33441.

6 The number of shares owned by Lins (HK) Int'l Trading Limited in the post-reverse stock split includes shares of our common stock issuable upon the automatic conversion of the Series C convertible preferred stock. Mr. Wei Lin has voting and dispositive control over securities held by Lins (HK) Int'l Trading Limited. Shares owned by Lins (HK) Int'l Trading Limited are subject to the option agreement.

Option Agreement

Lins (HK) Int'l Trading Limited has entered into an option agreement with Mr. Wei Lin and his wife Ms. Guihong Zheng under which Mr. Lin and Ms. Zheng have a five year right to acquire up to 6,500,000 shares of our common stock from Lins (HK) Int'l Trading Limited upon the occurrence of the conditions described below. We are not a party to this option agreement. The shares of our common stock which are subject to this option agreement are shares which Lins (HK) Int'l Trading Limited will receive upon the automatic conversion of our Series C preferred stock. Under the terms of the option agreement, Mr. Lin has an option to acquire an aggregate of 6,240,000 shares of our common stock and Ms. Zheng has an option to acquire 260,000 shares of our common stock upon the satisfaction of the following conditions:

Condition	Number of Shares which may be acquired
	2,166,667

Entry by Transax in the Share Exchange Agreement on December 30, 2011 with Lins (HK) International Trading Limited and Big Tree International Company; this condition has been satisfied.	
Transax achieving not less than $30,800,000 in gross revenues, as determined under U.S. generally accepted accounting principles ("GAAP"), for any consecutive 12 months during the period from January 1, 2012 through December 31, 2013.	2,166,667
Transax achieving not less than $2,400,000 in pre-tax profits, as determined under US GAAP, for any consecutive 12 months during the period from January 1, 2012 through December 31, 2013.	2,166,666

PROPOSAL 1

REINCORPORATION OF THE COMPANY
FROM COLORADO TO FLORIDA

Overview

Our board has recommended that our shareholders approve a change in our state of incorporation from Colorado to Florida by means of a merger between our company and its newly formed, wholly-owned subsidiary, Big Tree Group, Inc., which we refer to as Big Tree. In conjunction with the reincorporation, we will change our corporate name and effect a 1:700 reverse stock split of our common stock. The following is a summary of the material terms of the reincorporation. This summary does not purport to be complete and is qualified in its entirety by reference to the merger agreement, articles of merger, certificate of merger, the articles of incorporation of Big Tree and the bylaws of Big Tree, each in substantially the form attached hereto as Appendix A, Appendix B, Appendix C, Appendix D, and Appendix E, respectively.

The approval of the reincorporation and its completion will not result in any change in our business, management, assets or liabilities. The directors of Big Tree following the reincorporation will be the same as the directors of our company before the reincorporation. Upon completion of the reincorporation, the rights of our shareholders will be governed by Florida law and the charter documents of Big Tree. A discussion of some of the material differences between Colorado law and Florida law appear later in this section. We do not believe that there is a significant difference between corporate fees and taxes in the State of Florida and the State of Colorado.

If Proposal 1 is approved at the special meeting, we anticipate that the reincorporation will be effected as soon as possible following the meeting. However, the exact timing of the effective date of the reincorporation will be determined by our board of directors, following processing by FINRA, based upon our board of directors' evaluation as to when such action will be most advantageous to us and our shareholders. Our common stock is currently quoted on the Over-the-Counter Bulletin Board, and the implementation of this Proposal 1, if approved at the special meeting, will require processing by FINRA pursuant to Rule 10b-17 of the Securities Exchange Act of 1934 in order for it to be recognized for trading purposes. We expect to receive FINRA's clearance prior to the effective date of the reincorporation and the reverse stock split. Our board of directors reserves the right to delay the effectiveness of the reincorporation for up to 12 months following the date of approval of this Proposal 1 at the special meeting. In addition, our board of directors reserves the right, notwithstanding shareholder approval and without further action by the shareholders, to determine not to proceed with reincorporation, or any one or more of its components, if, at any time prior to filing of the appropriate documents in Florida and Colorado, our board of directors, in its sole discretion, determines that it is no longer in the best interests of our company and our shareholders to do so.

Our common stock is currently registered under Section 12(g) of the Securities Exchange Act of 1934 and as a result, we are subject to periodic reporting and other requirements. We will continue to be subject to these periodic reporting requirements of the Securities Exchange Act of 1934 following the reincorporation and the reincorporation will not affect the registration of our common stock under the Securities Exchange Act of 1934.

The reincorporation of our company from Colorado to Florida, the name change and the reverse stock split is being presented to our shareholders as one proposal and shareholders will not have the right to separately vote upon the change in domicile, the name change or the reverse stock split. If Proposal 1 is not approved by our shareholders at the special meeting, we will not complete either the change of domicile, name change or reverse stock split.

The Reincorporation

To accomplish the reincorporation from Colorado to Florida, our board unanimously adopted a merger agreement between our company and Big Tree. Under the merger agreement, we, a Colorado corporation, will be merged with and into Big Tree, a Florida corporation. Upon completion of the reincorporation, the name of our company will be "Big Tree Group, Inc." At the effective time of the reincorporation, each share of our common stock, par value $0.00001 per share, will automatically be converted into 1/700th of a share of common stock of Big Tree. In addition, we presently have outstanding 3,362,759 shares of Series B convertible preferred stock and 6,500,000 shares of Series C convertible preferred stock. As described earlier in this proxy under "Principal Shareholders," both the Series B convertible preferred stock and Series C convertible preferred stock are each automatically convertible, without any action of the holders, into shares of our common stock on a one for one basis following the date on which we either file articles of amendment to our articles of incorporation with the Secretary of State of Colorado increasing the number of our authorized shares of our common stock or upon completion of the 1:700 reverse stock split of our common stock. On the effective date of the reincorporation, both series of the preferred stock will automatically be converted into shares of Big Tree common stock on a 1:1, post-reverse split basis.

We recently formed Big Tree under the Florida Business Corporation Act, which we refer to as the "FBCA," for the purpose of effecting the reincorporation. If our shareholders approve the reincorporation and the reincorporation is completed, the FBCA and the articles of incorporation and bylaws of Big Tree will govern the rights of shareholders in the surviving entity. See "Comparative Rights of Shareholders of Transax and Big Tree" below for additional information.

Principal Features of the Reincorporation

When the reincorporation is completed, our separate existence will cease, and Big Tree, to the extent permitted by law, will succeed to all of our business, properties, assets and liabilities. Each share of our common stock issued and outstanding immediately prior to the completion of the reincorporation will, by virtue of the reincorporation, be converted into 1/700th share of common stock of Big Tree. At the effective time of the reincorporation, each share of our Series B convertible preferred stock and Series C convertible preferred stock will automatically convert into one share of Big Tree common stock on a post-reverse split basis. When the reincorporation is completed, stock certificates which immediately prior to the reincorporation represented our common stock will be deemed for all purposes to represent the 1/700th of a share of Big Tree common stock. Shareholders will not be required to exchange their existing stock certificates for stock certificates of Big Tree. However, following the effective date of the reincorporation, if any stock certificates of our company are submitted to Big Tree or to our transfer agent for transfer, or if any shareholder so requests, a new stock certificate representing the appropriate number of Big Tree shares will be delivered to the transferee or holder of such shares. This exchange of securities will be exempt from the registration requirements of the Federal securities laws.

The reincorporation will not result in any change in our business, management, assets or liabilities. The directors of Big Tree following the reincorporation will be the same as the directors of our company before the reincorporation. On the effective date of the reincorporation, the Big Tree common stock will be eligible for quotation on the OTC Bulletin Board, where our common stock is currently quoted, under our new name and giving effect to the reverse stock split.

Under the merger agreement, each option to purchase shares of our common stock outstanding immediately prior to the effective date of the reincorporation will become an option to purchase 1/700th of a share of Big Tree common stock, at seven hundred (700) times the exercise price of such of option immediately prior to the effective date, subject to the same terms and conditions as set forth in the agreement under which such option was granted. Big Tree will

continue all our employee benefit plans and other agreements and arrangements, including our 2004 Stock Option Plan, on the same terms and subject to the same conditions as in effect prior to the reincorporation.

The reincorporation does not require the approval of any Federal or state regulatory agency.

Purpose of the Change of Domicile; Potential Disadvantages of the Change of Domicile

Florida's corporate laws allow shareholders holding a majority of voting power to approve by written consent most corporate actions whereas Colorado laws require such approval to be approved by all the shareholders (other than minor administrative changes to the articles of incorporation). Since a majority of our voting securities are held by a limited number of holders, the requirement of a shareholders meeting to approve each and every corporate action is, in the opinion of our board of directors, an unnecessary cost and burden on a small business concern such as our company. Colorado is one of the few states with a unanimous written consent approval requirement for approval of almost all corporate actions requiring shareholder approval.

While our board believes that the foregoing benefit is significant, our shareholders may find the reincorporation disadvantageous for several reasons. Florida law has been criticized by some commentators and institutional shareholders on the grounds that it does not afford minority shareholders the same substantive rights and protections as are available in a number of other states. The FBCA, and the articles and bylaws of Big Tree contain provisions that may restrict or discourage takeover attempts, may render less likely a takeover opposed by the board and may make removal of the board or management more difficult. For these reasons, the interests of the board of directors, management and affiliated shareholders in voting on the reincorporation proposal may not be the same as those of unaffiliated shareholders.

Reasons for the Name Change and Reverse Stock Split

Our company was incorporated in the State of Colorado in 1987 and prior to April 4, 2011, through our subsidiary, Medlink Conectividade em Saude Ltda, we were an international provider of information network solutions specifically designed for healthcare providers and health insurance companies. On April 4, 2011, we sold 100% of our interest in this operating subsidiary, and from April 4, 2011 through December 30, 2011, we had no revenues and were seeking, through a merger or similar transaction, an operating business.

By way of background, in March 2011 Lins (HK) International Trading Limited (“BT Hong Kong”), was formed in Hong Kong and in April 2011, BT Hong Kong acquired 100% of the equity interest in Big Tree International Company, a Brunei company, ("BT Brunei"). Thereafter, in July 2011 BT Brunei acquired 100% of the equity interest in Shantou Big Tree Toys Co., Ltd. (“BT Shantou”) from its shareholders, Mr. Wei Lin and his wife, Ms. Guihong Zheng. In October 2011, BT Shantou received its business license as a wholly foreign owned enterprise that recognizes BT Brunei as its sole shareholder.

On December 30, 2011, we entered into a share exchange agreement with BT Brunei and its shareholder BT Hong Kong. Under the share exchange agreement, we agreed to exchange 6,500,000 shares of our Series C convertible preferred stock in exchange for 100% of the issued and outstanding shares of BT Brunei from its sole shareholder BT Hong Kong. Each share of the Series C convertible preferred stock is convertible into one share of our common stock after giving effect to the reverse stock split and will represent approximately 65% of Big Tree’s issued and common stock. The transaction was accounted for as a reverse merger and recapitalization of BT Brunei whereby BT Brunei is considered the acquirer for accounting purposes and the 6,500,000 shares of our Series C convertible preferred stock are accounted for as paid in capital of our company. As a result of the consummation of the share exchange, BT Brunei and BT Shantou are now our wholly-owned subsidiaries. Following this transaction, our main business focus is to function as a “one stop shop” for the sourcing, distribution and specialty manufacturing of toys and related products. We conduct these operations through our subsidiary Shantou Big Tree Toys Co., Ltd. (“BT Shantou”) which is located in Shantou City of Guangdong province, the geographical region well-known for toys manufacturing and exporting in China. Our board of directors believes that it is advantageous to us to change the name of our company to reflect our current operations and provide for consistent branding throughout our organization.

As compensation for services under the December 30, 2011 consulting agreement we entered into with China Direct Investments, Inc. and its affiliate Capital One Resource Co., Ltd. (collectively, "China Direct"), we agreed to issue China Direct an aggregate of 2,542,743 shares of our Series B convertible preferred stock. Each share of the Series B Preferred Stock is convertible into one share of our common stock after giving effect to the reverse stock split. The services provided to us by China Direct included an evaluation of several different business opportunities, including the acquisition of BT Brunei and BT Shantou. The Series B convertible preferred stock will be accounted for as an expense of our company prior to the reverse merger and recapitalization with BT Brunei and the resulting effect in net equity was eliminated upon completion of the reverse merger and recapitalization with BT Brunei. In addition, on December 30, 2011, we entered into debt exchange agreements with the holders of $848,878 in our outstanding debt whereby we agreed to exchange 820,016 shares of our Series B convertible preferred stock for this debt.

As disclosed in our Current Report on Form 8-K as filed with the Securities and Exchange Commission on January 6, 2012, in determining the structure of the share exchange agreement with BT Brunei and BT Hong Kong, and the exchange of debt for equity, we determined to seek approval for the reverse stock split so as to enable us to quickly consummate these transactions within our existing capital structure. Based on our capitalization at the time we were negotiating to acquire BT Brunei, we only had approximately 3,921,040 shares, or 3.9%, of our total authorized and unissued common stock available for issuance, excluding shares underlying outstanding options. These shares were not sufficient to complete the acquisition of BT Brunei. In order to enable us to complete this acquisition on terms acceptable to BT Brunei and pay the fees payable to China Direct due under our consulting agreement with that firm, we agreed to pay the purchase price for the acquisition, as well as the fees payable to China Direct, through our issuance of convertible preferred stock which has automatic conversion features.

Comparative Rights of Shareholders of Transax and Big Tree

Upon completion of the reincorporation, our shareholders, whose shareholder rights are currently governed by the Colorado Business Corporations Act, which we refer to as the CBCA, and our amended and restated articles of incorporation and bylaws, which we refer to collectively as the Colorado Charter Documents, will become shareholders of Big Tree whose rights will be governed by the FBCA and the articles of incorporation and bylaws for Big Tree, which we refer to collectively as the Florida Charter Documents. Copies of the Florida Charter Documents which are proposed to be in effect upon the completion of the reincorporation appear in this proxy statement as Appendices D and E.

Under the current Colorado Charter Documents, the authorized capital consists of 100,000,000 shares of common stock, par value $0.00001 per share, and 20,000,000 shares of preferred stock, no par value. The approval of the reincorporation will result in the same number of shares of authorized preferred and common stock of Big Tree as under the current Colorado Charter Documents, but the par value of the preferred stock will change to $0.00001 per share.

In most respects, the rights of holders of Big Tree's common stock will be similar to those of our company as a Colorado corporation. The following summarizes the material differences between the rights of holders of our common stock and Big Tree common stock, but is not a complete statement of the rights of shareholders under applicable Florida law and the Florida Charter Documents as compared to the CBCA and the Colorado Charter Documents. This summary is qualified in its entirety by reference to the CBCA and the FBCA.

Authorized Capital

Our authorized capital current consists of 100,000,000 shares of common stock, par value $0.00001 per share, and 20,000,000 shares of preferred stock, no par value. The preferred stock, which is commonly referred to as “blank check” preferred, is issuable in such series and with such designations, rights and preferences as our board of directors may determine from time to time. Currently, the board has designated a series of 5,000,000 shares of Series B convertible preferred stock and a series of 6,500,000 shares of Series C convertible preferred stock. At the effectiveness of the reincorporation the shares of Series B convertible preferred stock and Series C convertible preferred stock will automatically convert into shares of Big Tree common stock on a 1:1 post-reverse split ratio. None of our shareholders have any preemptive rights.

Big Tree's authorized capital current consists of 100,000,000 shares of common stock, par value $0.00001 per share, and 20,000,000 shares of blank check preferred stock, par value $0.00001 per share. Big Tree has no designated series of preferred stock. The assignment of par value to the blank check preferred stock and the absence of any designated series of preferred stock are the only differences between our authorized capital and Big Tree's. None of Big Tree's shareholders have any preemptive rights.

Voting and Certain Other Rights

Each share of our common stock is entitled to one vote on all matters submitted to a vote of our shareholders. The shares of our Series B convertible preferred stock do not have any voting rights, except as may be granted under Colorado law. The shares of our Series C convertible preferred stock are entitled to a number of votes equal to the number of shares of our common into which such shares are convertible. The shares of common stock and Series C convertible preferred stock vote together as a single class. In addition, the holders of our Series C convertible preferred stock are entitled to elect two members of our board of directors, voting separately as a class.

Each share of Big Tree common stock is entitled to one vote on all matters submitted to a vote of shareholders. Any voting rights which may be attributable to any series of preferred stock as may be designated by Big Tree's board of directors in the future will be determined at that time. As with any blank check preferred stock, it is possible that Big Tree's board of directors will create a series of preferred stock which has voting rights which are equal to or superior to those of the common shareholders.

Holders of our common stock have no rights to convert those shares into any other class of our securities or otherwise. Each outstanding share of Series B convertible preferred stock and Series C convertible preferred stock is automatically convertible, without any action of the holders, into shares of our common stock on a one for one basis following the date on which we either file articles of amendment to our Florida Charter Documents increasing the number of our authorized shares of our common stock or upon completion of the reverse stock split.

Holders of Big Tree's common stock have no rights to convert those shares into any other class of our securities or otherwise.

Neither our shares of common stock nor Big Tree's shares of common stock are redeemable.

Voting Rights of 'Non-Voting' Stock on Extraordinary Transactions

Under the CBCA, the holders of our common stock and our Series C convertible preferred stock together with the holders of shares of our Series B convertible preferred stock, even though those shares are non-voting, each have the right to vote, as a separate class on, among other things, the following two extraordinary transactions:

- a plan of merger or a plan of share exchange if such merger or share exchange would:
    - increase or decrease the aggregate number of authorized shares of the class;
    - effect an exchange or reclassification of all or part of the shares of the class into shares of another class;
    - effect an exchange or reclassification, or create the right of exchange, of all or part of the shares of another class into shares of the class;
    - change the designation, preferences, limitations, or relative rights of all or part of the shares of the class;
    - change the shares of all or part of the class into a different number of shares of the same class;
-

create a new class of shares having rights or preferences with respect to distributions or dissolution that are prior, superior, or substantially equal to the shares of the class;

- increase the rights, preferences, or number of authorized shares of any class that, after giving effect to the amendment, have rights or preferences with respect to distributions or to dissolution that are prior, superior, or substantially equal to the shares of the class;
- limit or deny an existing preemptive right of all or part of the shares of the class; or
- cancel or otherwise affect rights to distributions or dividends that have accumulated but have not yet been declared on all or part of the shares of the class, and
- a proposal to dissolve the corporation or a proposal to revoke the dissolution of the corporation.

In addition, under the CBCA, the holders of our common stock and each series of our preferred stock may be entitled to vote, as a separate class, on any sale, lease, exchange or other disposition of all or substantially all of our property and assets other than in the ordinary course of business.

Under FBCA, the holders of Big Tree common stock retain the same class voting rights that such holders have under the CBCA. While our shares of Series B convertible preferred stock and Series C convertible preferred stock will automatically convert into shares of Big Tree common stock as part of the reincorporation, should Big Tree designate and issue shares of preferred stock in the future, the FBCA will entitle those shares of preferred stock to vote on any stock exchange or stock reclassification if such transaction would:

- or could cause all or part of the shares of preferred stock to be exchanged or reclassified as shares of another class of stock;
- change the authorized number of, or change the designation, rights, preferences or limitations of all or part of the preferred stock;
- create a new class of stock, or, increase the authorized number, rights or preferences of a class of stock, and such changes would grant that class prior or superior distribution or dissolution rights or preferences than those of the preferred stock;
- limit or deny existing pre-emptive rights of all or part of shares of another class of stock; or
- cancel or otherwise affect the rights to distributions or dividends that have accumulated but not yet been declared on all or part of the shares of a class of stock.

Under the FBCA, the shares of the preferred stock would be entitled to vote as a separate class on any stock exchange or stock reclassification that involves any of the changes contemplated above. If the changes entitle the holders of two or more classes or series of stock to vote as a separate class on the proposed stock exchange or stock reclassification, and the proposed stock exchange or stock reclassification would affect those two or more classes or series of stock in substantially the same way, then under the FBCA, the shareholders of those two or more classes or series of stock must vote together as a single class on the proposed stock exchange or stock reclassification.

Vote Required for Election of Directors; Cumulative Voting

The Colorado Charter Documents provide that a majority of the shares entitled to vote for directors is required in order to elect a director. Under the CBCA, shareholders have the right to cumulate their votes in the election of directors unless otherwise provided in the articles of incorporation. In addition, the CBCA provides that, absent a provision to the contrary in a corporation's articles of incorporation, the election of directors will be by a plurality vote of the shareholders entitled to vote. The Colorado Charter Documents prohibit cumulative voting. As set forth above, the holder of the Series C convertible preferred stock has the right to elect two directors.

Unless otherwise provided in the articles of incorporation, FBCA allows directors to be elected by a plurality of the votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present. Each shareholder who is entitled to vote at an election of directors has the right to vote the number of shares owned by him or her for as

many persons as there are directors to be elected and for whose election the shareholder has a right to vote. Shareholders do not have a right to cumulate their votes for directors unless the articles of incorporation so provide. The Florida Charter Documents do not contain this right.

Action by Shareholders Without a Meeting

As required by the CBCA, the Colorado Charter Document provide that:

- any action required or permitted to be taken at a shareholders' meeting may be taken without a meeting if all of the shareholders entitled to vote thereon consent to such action in writing, and
- action by written consent is to be effective as of the date the last writing necessary to effect the action is received by the secretary of the corporation, unless all of the written consents necessary to effect the action specify a later date as the effective date of the action.

Unless otherwise provided in the articles of incorporation, action required or permitted by the FBCA to be taken at an annual or special meeting of shareholders may be taken without a meeting, without prior notice, and without a vote if the action is taken by the holders of outstanding stock of each voting group entitled to vote thereon having not less than the minimum number of votes with respect to each voting group that would be necessary to authorize or take such action at a meeting at which all voting groups and shares entitled to vote thereon were present and voted. In order to be effective, the action must be evidenced by one or more written consents describing the action taken, dated and signed by approving shareholders having the requisite number of votes of each voting group entitled to vote thereon, and delivered to the corporation by delivery to its principal office in this state, its principal place of business, the corporate secretary, or another officer or agent of the corporation having custody of the book in which proceedings of meetings of shareholders are recorded. No written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the date of the earliest dated consent delivered in the manner required by the section, written consents signed by the number of holders required to take action are delivered to the corporation by delivery as set forth in the section. Within 10 days after obtaining such authorization by written consent, notice must be given to those shareholders who have not consented in writing or who are not entitled to vote on the action. The notice shall fairly summarize the material features of the authorized action and, if the action be such for which dissenters' rights are provided under this act, the notice shall contain a clear statement of the right of shareholders dissenting therefrom to be paid the fair value of their shares upon compliance with further provisions of the FBCA regarding the rights of dissenting shareholders.

Classified Board of Directors

Colorado and Florida both permit a corporation’s bylaws to provide for a classified board of directors. Both Colorado and Florida permits a maximum of three classes of directors. Neither we nor Big Tree have adopted a classified board of directors.

Removal of Directors

The CBCA provides that any director may be removed, with or without cause, only by the holders of our voting securities and only if the votes cast in favor of removal exceed the votes cast against removal.

Under the FBCA, the shareholders may remove one or more directors with or without cause unless the articles of incorporation provide that directors may be removed only for cause. Removal may be by a majority of the votes entitled to vote. If a director is elected by a voting group of shareholders, only the shareholders of that voting group may participate in the vote to remove him or her. If cumulative voting is authorized, a director may not be removed if the number of votes sufficient to elect the director under cumulative voting is voted against his or her removal. If cumulative voting is not authorized, a director may be removed only if the number of votes cast to remove the director exceeds the number of votes cast not to remove him or her. A director may be removed by the shareholders at a meeting of shareholders, provided the notice of the meeting states that the purpose, or one of the purposes, of the

meeting is removal of the director.

Notice of Adjournments and Other Actions

Consistent with the CBCA, the Colorado Charter Documents requires that:

- if the authorized shares of the corporation are to be increased, at least 30 days' notice shall be given to the shareholders of record, and
- if a shareholder meeting is adjourned for more than 120 days (in which case a new record date is to be fixed by the board of directors), notice shall be given to record holders as of the new record date.

Under the FBCA, unless the bylaws require otherwise, if an annual or special shareholders' meeting is adjourned to a different date, time, or place, notice need not be given of the new date, time, or place if the new date, time, or place is announced at the meeting before an adjournment is taken, and any business may be transacted at the adjourned meeting that might have been transacted on the original date of the meeting. If a new record date for the adjourned meeting is or must be fixed under the FBCA, however, notice of the adjourned meeting must be given to persons who are shareholders as of the new record date who are entitled to notice of the meeting.

Record Date

Consistent with the CBCA, the Colorado Charter Document provide that with respect to all actions requiring the fixing of a record date (including distributions) other than a shareholder action by written consent, the record date is not more than 70 days before the meeting or action requiring a determination of shareholders. With respect to shareholder action by written consent, the record date is the date on which writing upon which the action is taken is first received by the corporation.

Under the FBCA, if not otherwise provided by or pursuant to the bylaws, the record date for determining shareholders entitled to notice of and to vote at an annual or special shareholders' meeting is the close of business on the day before the first notice is delivered to shareholders. A record date may not be more than 70 days before the meeting or action requiring a determination of shareholders. A determination of shareholders entitled to notice of or to vote at a shareholders' meeting is effective for any adjournment of the meeting unless the board of directors fixes a new record date, which it must do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

Amendment to the Articles of Incorporation

Under the CBCA, amendments to the Colorado Articles, other than ministerial amendments authorized by the directors without shareholder action, may be proposed by our board of directors or by the holders of shares representing at least 10% of all of the votes entitled to be cast on the amendment. The board of directors must recommend the amendment to the shareholders, unless the amendment is being proposed by the shareholders, or unless the board of directors determines that because of a conflict of interest or other special circumstances it should make no recommendation and communicates the basis for its determination to the shareholders with the amendment.

Under the FBCA, Big Tree may amend its articles of incorporation at any time to add or change a provision that is required or permitted in the articles of incorporation or to delete a provision not required in the Florida Charter Documents. Whether a provision is required or permitted in the articles of incorporation is determined as of the effective date of the amendment. A shareholder of Big Tree does not have a vested property right resulting from any provision in the articles of incorporation, including provisions relating to management, control, capital structure, dividend entitlement, or purpose or duration of the corporation. For the amendment to be adopted, the board of directors must recommend the amendment to the shareholders, unless the board of directors determines that because

of conflict of interest or other special circumstances it should make no recommendation and communicates the basis for its determination to the shareholders with the amendment, and the shareholders entitled to vote on the amendment must approve the amendment by a greater vote or a vote by voting groups, the amendment to be adopted must be approved by a majority of the votes entitled to be cast on the amendment by any voting group with respect to which the amendment would create dissenters' rights.

Amendment to the Bylaws

The Colorado Charter Documents provide that the board of directors of our shareholders may amend, restate or repeal our bylaws.

Under the FBCA, a Florida corporation's board of directors may amend or repeal its bylaws unless:

- the articles of incorporation or FBCA reserves the power to amend the bylaws generally or a particular bylaw provision exclusively to the shareholders; or
- the shareholders, in amending or repealing the bylaws generally or a particular bylaw provision, provide expressly that the board of directors may not amend or repeal the bylaws or that bylaw provision.

Big Tree's shareholders may amend or repeal the corporation's bylaws even though the bylaws may also be amended or repealed by its board of directors.

Dissolution

Under the CBCA, our the board of directors may submit a proposal of voluntary dissolution of our company to our shareholders who are entitled to vote thereon. Our board of directors must recommend such dissolution to the shareholders as part of the dissolution proposal, unless our board of directors determines that because of a conflict of interest or other special circumstances it should make no recommendation and communicates the basis for its determination to the shareholders. Unless the CBCA or the Colorado Charter Documents, or the board of directors require a greater vote, the proposal to dissolve shall be approved by each voting group entitled to vote separately on the proposal by a majority of all the votes entitled to be cast on the proposal by that voting group. The Colorado Charter Documents do not contain any provisions requiring a greater vote.

Under the FBCA, Big Tree's board of directors must recommend dissolution to the shareholders, unless the board of directors determines that because of conflict of interest or other special circumstances it should make no recommendation and communicates the basis for its determination to the shareholders. The shareholders entitled to vote must approve the proposal to dissolve, unless the Florida Charter Documents require a greater vote or a vote by voting groups, by a majority of all the votes entitled to be cast on that proposal. The Florida Charter Documents do not contain any provisions requiring a greater vote.

Dividends

The CBCA permits our board of directors to declare dividends from funds legally available for that purpose. This provision is subject to the CBCA requirement that the payment of distributions is generally permissible unless after giving effect to the dividend or distribution, the corporation would be unable to pay its debts as they become due in the usual course of business, or if the total assets of the corporation would be less than the sum of its total liabilities plus the amount that would be needed, if we were dissolved at the time the dividend was paid, to satisfy the preferential rights of shareholders whose preferential rights upon dissolution of our company are greater than those of the shareholders receiving the dividend. Because Colorado law dispenses with the concepts of par value of shares as well as statutory definitions of capital and surplus, this limitation is the only limitation with respect to the declaration of dividends by our board of directors. The holders of our Series B convertible preferred stock and Series C convertible preferred stock are not entitled to cash dividends. While these shares are outstanding, should we declare a dividend payable in shares of our common stock, the holders of our Series B convertible preferred stock and Series C convertible preferred stock would be entitled to participate in the dividend, with the number of dividend shares to be received determined by multiplying the conversion rate then in effect by a fraction of which the numerator is the total

number of shares of our common stock then outstanding immediately prior to the declaration of the dividend and the denominator is the total number of shares of our common stock outstanding immediately after the dividend.

The FBCA contains the same provision with respect to declaration of dividends as the CBCA, except that FBCA recognizes the concepts of par value, capital and surplus are retained in Florida. No distribution may be made if, after giving effect, Big Tree would not be able to pay its debts as they become due in the usual course of business; or if Big Tree's total assets would be less than the sum of its total liabilities plus the amount that would be needed, if Big Tree were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the distribution.

Business Combination Statute

The CBCA does not contain any business combination provisions.

The FBCA contains a control-share acquisition law, which a Florida corporation can opt out of by including a provision in its articles of incorporation. The Florida Articles contain an opt-out provision for the Florida control-share law. The control-share law applies if a person acquires enough shares in the aggregate to exercise or direct the exercise of the voting power of the issuing public corporation in the election of directors within any of the following ranges of voting power:

- one-fifth or more but less than one-third of all voting power;
- one-third or more but less than a majority of all voting power; or
- a majority or more of all voting power.

A person with control-shares shall not enjoy full voting rights for those shares unless they were acquired in a merger or stock purchase that is approved by the corporation's board of directors. Absent such approval, the control shares will not have full voting rights unless:

- each class or series entitled to vote separately on the proposal to grant full voting rights to the control shares by a majority of all the votes entitled to be cast by the class or series, with the holders of the outstanding shares of a class or series being entitled to vote as a separate class if the proposed control-share acquisition would, if fully carried out, result in any changes in any class or series of stock; or
- each class or series entitled to vote separately on the proposal by a majority of all the votes entitled to be cast by that group, excluding all interested shares.

Any control shares that do not have voting rights because such rights were not accorded to such shares by approval of a resolution by the shareholders shall regain voting rights and shall no longer be deemed control shares upon a transfer to a person other than the acquiring person or associate or affiliate of the acquiring person unless the acquisition of the shares by the other person constitutes a control-share acquisition, in which case the voting rights of the shares remain subject to the provisions of the control-share law.

Dissenters' (Appraisal) Rights

Under the CBCA, shareholders are entitled to exercise dissenters' rights in the event of certain mergers, share exchanges, sales, leases, exchanges or other dispositions of all or substantially all of the property of the corporation. Shareholders also may dissent in the case of a reverse stock split that reduces the number of shares owned to a fraction of a share or to scrip if such scrip is to be acquired for cash or voided. Dissenters' rights in Colorado are available to both record holders and beneficial holders. Further, if the class or series of stock is listed on the New York Stock Exchange, the NYSE Amex, or the Nasdaq Stock Market, or, if not listed thereon, the corporation has at least 2,000 shareholders and at least $10 million in market float, then the shares of that class or series would not be entitled to

appraisal rights, unless the holders of those shares are required to accept in exchange for their shares any consideration other than cash or stock of another company.

Under the FBCA, dissenting shareholders who follow prescribed statutory provisions, are, in certain circumstances, entitled to appraisal rights in the event of:

- the consummation of a plan of merger or consolidation;
- the consummation of a sale or exchange of all of substantially all the assets of a corporation other than in the usual and regular course of business;
- amendments to the articles of incorporation if the shareholder is entitled to vote on the amendment and if such amendment would adversely affect the rights or preferences of the shareholder;
- consummation of a plan of share exchange to which the corporation is a party as the corporation, the shares of which will be acquired, if the shareholder is entitled to vote on the plan;
- the approval of a control-share acquisition pursuant to Florida law; and
- any corporate action taken, to the extent the articles of incorporation provide that a voting or nonvoting shareholder is entitled to dissent and obtain payment for his shares.

Further, as with the CBCA, if the class or series of stock is listed on the New York Stock Exchange, the NYSE Amex, or the Nasdaq Stock Market, or, if not listed thereon, the corporation has at least 2,000 shareholders and at least $10 million in market float, then the shares of that class or series would not be entitled to appraisal rights, unless the holders of those shares are required to accept in exchange for their shares any consideration other than cash or stock of another company. Appraisal rights may be limited or eliminated in the articles of incorporation but such limitation or elimination shall not apply to any control share acquisition that occurs prior to the one-year anniversary of the effective date of such article provision. A shareholder is not entitled to appraisal rights for a completed corporate action, unless the corporate action was not adopted and approved in accordance with the articles of incorporation, by-laws or FBCA, or unless fraud or misrepresentations were used to obtain shareholder approval of the corporate action. Appraisal rights are available to both record holders and beneficial holders.

Limitation on Liability and Indemnification

The Colorado Charter Documents require that we indemnify the following persons, only if such persons acted in good faith and in a manner such persons reasonably believed to be in or not opposed to our best interests, and with respect to any criminal proceeding, had no reasonable cause to believe the person's conduct was unlawful:

- directors, except with respect to a personal benefit improperly received by such directors, and
- officers and employees, except with respect to matters in which such officers and employees are adjudged to be liable for their own gross negligence or willful misconduct and except with respect to a personal benefit improperly received by such officers and employees, as well as fiduciary agents or individuals serving as officer or directors of another corporation at our request.

In addition, as required by the CBCA, we are required to give shareholders, with or before the notice for the next shareholders' meeting, a notice of all indemnification of, or advancement of expenses to, directors of our company in connection with a proceeding by or in the right of the corporation.

Under the Florida Charter Documents, Big Tree can indemnify any director, officer, employee, or agent who was or is a party to any proceeding (other than an action by, or in the right of, the corporation), if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Big Tree can indemnify any director, officer, employee, or agent to any proceeding by or in the right of the corporation to procure a judgment in its favor if such person acted in good faith and in a manner he or she reasonably

believed to be in, or not opposed to, the best interests of the corporation, except that no indemnification shall be allowed if the person is adjudged liable by the court, unless the court finds that indemnification is available. Further, indemnification is also dependent upon a finding that the person satisfied the applicable standard of conduct, which determination must be made a majority vote of the board, a majority vote of the shareholders, or by independent legal counsel.

The Florida Charter Documents do not contain the provisions that is expressly required by Colorado law (but not by Florida law) that we provide a notice to shareholders in the event of indemnification of, or advancement of expenses to, our directors in connection with a proceeding by or in the right of the corporation. It should be noted, however, that the Florida Charter Documents are otherwise similar to the Colorado Charter Documents with respect to mandatory indemnification by Big Tree of directors and officers, and that all such persons must act in good faith and in a manner such persons reasonably believed to be in or not opposed to the best interests of Big Tree, and with respect to any criminal proceeding, had no reasonable cause to believe the person's conduct was unlawful.

Derivative Actions

Under the CBCA, if a court finds that a derivative action was brought without reasonable cause, the court may require the plaintiff to pay the defendants' reasonable expenses attributable to the defense of such action, exclusive of attorney's fees. In addition, the we may, at any time before final judgment, require the plaintiff to give a security for the costs and reasonable expenses which may be incurred by us or other parties named as defendants in the defense of such action, but not including attorney's fees, if the shareholder instituting the action holds less than 5% of the outstanding shares of any class of our securities, unless the shares so held have a market value in excess of $25,000. If the court then finds that the action was instituted without cause, we may have recourse to such security in the amount determined by the court.

Under the FBCA, a court may dismiss a derivative proceeding if, on motion by Big Tree, the court finds that one of the groups specified below has made a determination in good faith after conducting a reasonable investigation upon which its conclusions are based that the maintenance of the derivative suit is not in the best interests of the corporation. Big Tree will have the burden of proving the independence and good faith of the group making the determination and the reasonableness of the investigation. The determination shall be made by:

- a majority vote of independent directors, if the independent directors constitute a quorum;
- a majority vote of a committee consisting of two or more independent directors appointed by a majority vote of independent directors present at a meeting of the board of directors, whether or not such independent directors constitute a quorum; or
- a panel of one or more independent persons appointed by the court upon motion by the corporation;

and a proceeding commenced under this section may not be discontinued or settled without the court's approval.

If the court determines that a proposed discontinuance or settlement will substantially affect the interest of the corporation's shareholders or a class, series, or voting group of shareholders, the court shall direct that notice be given to the shareholders affected. The court may determine which party or parties to the proceeding shall bear the expense of giving the notice.

A person may not commence a proceeding in the right of a domestic or foreign corporation unless the person was a shareholder of the corporation when the transaction complained of occurred or unless the person became a shareholder through transfer by operation of law from one who was a shareholder at that time. A complaint in a proceeding brought in the right of a corporation must be verified and allege with particularity the demand made to obtain action by the board of directors and that the demand was refused or ignored by the board of directors for a period of at least 90 days from the first demand unless, prior to the expiration of the 90 days, the person was notified in writing that the corporation rejected the demand, or unless irreparable injury to the corporation would result by waiting for the expiration of the 90-day period. If the corporation commences an investigation of the charges made in the demand or complaint, the court may stay any proceeding until the investigation is completed.

On termination of the proceeding, the court may require the plaintiff to pay any defendant's reasonable expenses, including reasonable attorney's fees, incurred in defending the proceeding if it finds that the proceeding was commenced without reasonable cause. The court may award reasonable expenses for maintaining the proceeding, including reasonable attorney's fees, to a successful plaintiff or to the person commencing the proceeding who receives any relief, whether by judgment, compromise, or settlement, and require that the person account for the remainder of any proceeds to the corporation; however, this subsection does not apply to any relief rendered for the benefit of injured shareholders only and limited to a recovery of the loss or damage of the injured shareholders.

Derivative actions may be commenced by a beneficial owner or a shareholder of record.

How the Reverse Stock Split will be Effected

The effective date and time of the reverse stock split will be the same effective date and time as the effective date of the change in domicile and name change. On the effective date of the reverse stock split, each 700 shares of our issued and common stock will become one share of Big Tree common stock. In connection with the reverse stock split, the number of shares of our common stock reserved for issuance upon the exercise of outstanding options and the exercise price of those options will be proportionally adjusted on the effective date of the reverse stock split.

All of the outstanding shares of our Series B convertible preferred stock and Series C convertible preferred stock will automatically convert, without any action of the holders, into shares of Big Tree’s common stock on a one for one basis giving effect to the reverse stock split.

The reverse stock split will become effective simultaneously for all of our outstanding shares of common stock, and the exchange ratio will be the same for all of our issued and outstanding shares of common stock. Subject to the provisions for elimination of fractional shares, the reverse stock split will affect all of our shareholders uniformly and will not disproportionately affect any shareholder's percentage ownership in our company or proportionate voting power. No fractional shares of common stock will be issued to any shareholder in connection with the reverse stock split and all fractional shares which might otherwise be issuable to a shareholder as a result of the reverse stock split will be rounded up to the nearest whole share of post-reverse stock split common stock.

After the effective date of the reverse stock split, each certificate representing shares of pre-reverse stock split common stock will be deemed to represent 1/700th of a share of Big Tree common stock, subject to rounding for fractional shares, and the records of our transfer agent, Transfer Online, Inc., shall be adjusted to give effect to the reverse stock split. Following the effective date of the reverse stock split, the share certificates representing the pre-reverse stock split common stock in our name will continue to be valid for the appropriate number of shares of post-reverse stock split Big Tree common stock, adjusted for rounding. Certificates representing shares of the post-reverse stock split Big Tree common stock will be issued in due course as certificates for pre-reverse stock split common shares of our common stock are tendered for exchange or transfer to our transfer agent. We request that shareholders do not send in any of their stock certificates at this time.

As applicable, new share certificates evidencing post-reverse stock split Big Tree common shares that are issued in exchange for pre-reverse stock split shares representing restricted shares will contain the same restrictive legend as on the old certificates. For purposes of determining the term of the restrictive period applicable to the post-reverse stock split shares, the time period during which a shareholder has held their existing pre-reverse stock split shares will be included in the total holding period.

Effect of the Reverse Split on the Number of Authorized Shares of Big Tree Common Stock

As described above, the authorized capital of our company and Big Tree is identical. The shares of our Series B convertible preferred stock and Series C convertible preferred stock are not presently convertible. All shares of our Series B convertible preferred stock and Series C convertible preferred stock will automatically convert into shares of Big Tree common stock at the effective time of the reincorporation. The following table presents information about our issued and outstanding common stock, shares reserved and shares available for future issuance, on a pre-reverse stock split and post-reverse stock split basis:

Description	Number of Common Shares	
	Pre-Reverse Split	Post-Reverse Split *
Total authorized shares of common stock	100,000,000	100,000,000
Less: issued and outstanding shares	96,078,960	137,256
Less: shares reserved for issuance upon the exercise of outstanding options	50,000	50,000
Common shares issued upon automatic conversion of Series B convertible preferred stock	-	3,362,759
Common shares issued upon automatic conversion of Series C convertible preferred stock	-	6,500,000
Total issued outstanding shares of common stock plus shares reserved	96,128,960	10,050,015
Unreserved shares of common stock available for future issuance	3,871,040	89,949,985

* estimated, subject to rounding.

In addition to permitting the automatic conversion of our Series B convertible preferred stock and Series C convertible preferred stock, our board of directors also believes that it is prudent and advisable for us to retain a sufficient number of authorized but unissued shares of common stock to better position ourselves with added flexibility to raise additional capital through a variety of possible financing transactions and/or consummate mergers, acquisitions, combinations and various other strategic alternatives, and in order to avoid delays that might otherwise arise if we were required to solicit shareholder approval for additional shares at the time of a proposed transaction. Our authorized but unissued common stock may be issued at the direction of our board of directors at such times, in such amounts and upon such terms as our board of directors may determine, without further approval of our shareholders unless, in any instance, such approval is expressly required by law. The resulting increase in the number of authorized common shares as a result of the reverse stock split may affect the rights of existing holders of common shares to the extent that future issuances of common shares reduce each existing shareholder's proportionate ownership and voting rights in our company. In addition, possible dilution caused by future issuances of common shares could be accompanied by a decline in the market price of our shares, assuming a market for our common stock continues, of which there is no assurance.

The additional common stock that will be available for issuance following the reverse stock split could have material anti-takeover consequences, including the ability of our board of directors to issue additional common shares without additional shareholder approval because unissued common stock could be issued by our board of directors in circumstances that may have the effect of delaying, deterring or preventing takeover bids. For example, without further shareholder approval, our board of directors could strategically sell common shares in a private transaction to purchasers who would oppose a takeover. In addition, because shareholders do not have preemptive rights under the Florida Charter Documents, the rights of existing shareholders may (depending on the particular circumstances in which the additional common shares are issued) be diluted by any such issuance and increase the potential cost to acquire control of our company. In proposing the reverse stock split our board of directors was, in part, motivated by our desire to provide sufficient shares to permit conversion of the Series B convertible preferred stock and Series C convertible preferred stock, as well as other business and financial considerations, and not by the threat of any attempt to accumulate shares or otherwise gain control of our company. However, shareholders should nevertheless be aware that approval of Proposal 1 could facilitate our efforts to deter or prevent changes of control in the future.

Other than as set forth herein, there are currently no plans, agreements, arrangements, or understanding, for the issuance of additional shares of common stock. Our board of directors does not intend to issue any additional common shares except on terms that it deems to be in the best interest of our company and our shareholders. It is not anticipated that our financial condition, the percentage ownership of management, the number of shareholders, or any aspect of our business will materially change as a result of the reverse stock split, except as impacted by the automatic conversions of the Series B convertible preferred sock and Series C convertible preferred stock.

Federal Income Tax Consequences of the Reincorporation

The following discussion summarizing certain federal income tax consequences of the reincorporation is based on the Internal Revenue Code of 1986, as amended (the "Code"), the applicable Treasury Regulations promulgated thereunder, judicial authority and current administrative rulings and practices in effect on the date this proxy statement was first mailed to shareholders. This discussion is for general information only and does not discuss consequences that may apply to special classes of taxpayers (e.g., non-resident aliens, broker-dealers, or insurance companies). The following discussion has not been prepared by tax counsel, but has been reviewed by management and is believed to be accurate as of the date of this proxy statement. Our views regarding the tax consequences of the reincorporation are not binding upon the Internal Revenue Service or the courts, and there can be no assurance that the Internal Revenue Service or the courts would accept the positions expressed herein.

We believe that the reincorporation will constitute a tax-free reorganization within the meaning of Section 368(a) of the Code. Accordingly, for federal income tax purposes:

- no gain or loss will be recognized by the holders of shares of common stock or preferred stock upon consummation of the reincorporation;
- the aggregate tax basis of the Big Tree common shares received in the reincorporation will be the same as the aggregate tax basis of our shares exchanged in the reincorporation;
- the holding period of the Big Tree common shares received in the reincorporation will include the period for which shares of our stock were held;
- the value of the additional share received by a shareholder in lieu of a fractional share as a result of the reverse stock split, however, might result in a gain or loss based upon the difference between the value of the additional share and the basis in the surrendered fractional share; and.
- no gain or loss will be recognized by us as a result of the reverse stock split.

THIS SUMMARY IS PROVIDED FOR GENERAL INFORMATION ONLY AND DOES NOT PURPORT TO ADDRESS ALL ASPECTS OF THE POSSIBLE FEDERAL INCOME TAX CONSEQUENCES OF THE REINCORPORATION AND IS NOT INTENDED AS TAX ADVICE TO ANY PERSON. IN PARTICULAR, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THIS SUMMARY ASSUMES THAT OUR SHARES ARE HELD AS "CAPITAL ASSETS" AS DEFINED IN THE CODE, AND DOES NOT CONSIDER THE FEDERAL INCOME TAX CONSEQUENCES TO OUR SHAREHOLDERS IN LIGHT OF THEIR INDIVIDUAL INVESTMENT CIRCUMSTANCES OR TO HOLDERS WHO MAY BE SUBJECT TO SPECIAL TREATMENT UNDER THE FEDERAL INCOME TAX LAWS (SUCH AS DEALERS IN SECURITIES, INSURANCE COMPANIES, FOREIGN INDIVIDUALS AND ENTITIES, FINANCIAL INSTITUTIONS AND TAX EXEMPT ENTITIES). IN ADDITION, THIS SUMMARY DOES NOT ADDRESS ANY CONSEQUENCES OF THE REINCORPORATION UNDER ANY STATE, LOCAL OR FOREIGN TAX LAWS. THE STATE AND LOCAL TAX CONSEQUENCES OF THE REINCORPORATION MAY VARY AS TO EACH SHAREHOLDER DEPENDING ON THE STATE IN WHICH SUCH SHAREHOLDER RESIDES. AS A RESULT, IT IS THE RESPONSIBILITY OF EACH SHAREHOLDER TO OBTAIN AND RELY ON ADVICE FROM HIS, HER OR ITS TAX ADVISOR AS TO, BUT NOT LIMITED TO, THE FOLLOWING: (A) THE EFFECT ON HIS, HER OR ITS TAX SITUATION OF THE REINCORPORATION, INCLUDING, BUT NOT LIMITED TO, THE APPLICATION AND EFFECT OF STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX LAWS; (B) THE EFFECT OF POSSIBLE FUTURE LEGISLATION OR REGULATIONS; AND (C) THE REPORTING OF INFORMATION REQUIRED IN CONNECTION WITH THE REINCORPORATION ON HIS, HER OR ITS OWN TAX RETURNS. IT WILL BE THE RESPONSIBILITY OF EACH SHAREHOLDER TO PREPARE AND FILE ALL APPROPRIATE FEDERAL, STATE AND LOCAL TAX RETURNS.

Accounting Treatment of the Reincorporation

The reincorporation will be accounted for as a reverse merger whereby, for accounting purposes, we will be considered the accounting acquiror and Big Tree will be treated as the successor to our historical operations. Accordingly, our historical financial statements of, which previously have been reported to the Securities and Exchange Commission on Forms 10-K and 10-Q, among others, as of and for all periods through the date of this proxy statement, will be treated as the financial statements of Big Tree.

Dissenters' Rights

The holders of our Series B convertible preferred stock and Series C convertible preferred stock have waived dissenter's rights related to the actions herein described. Summarized below are the dissenters' rights of our common shareholders and the statutory procedures required to be followed in order to perfect such rights. A copy of Article 113 of the CBCA, which is the provision governing dissenters' rights under the CBCA, is attached to this proxy statement as Appendix F. The following summary is qualified in its entirety by reference to Article 113 of the CBCA, and such Article should be reviewed carefully by the our shareholders. Failure to comply strictly with all conditions for asserting rights as a dissenting shareholder, including the time limits, will result in loss of such dissenters' rights by the dissenting shareholder.

A record holder of our common stock may assert dissenters' rights as to fewer than all of the shares of our common stock registered in such record holder's name only if the record holder dissents and does not vote in favor of Proposal 1 with respect to all shares of our common stock beneficially owned by any one person and causes our company to receive written notice which states such dissent and the name, address and federal taxpayer identification number, if any, of each beneficial holder on whose behalf the record holder asserts dissenters' rights.

A beneficial holder of our common stock may assert dissenters' rights as to the shares held on such beneficial shareholder's behalf only if the beneficial holder causes us to receive the record holder's written consent to the dissent not later than the time the beneficial holder asserts dissenters' rights and the beneficial holder dissents and causes the record holder to refrain from voting in favor of Proposal 1 with respect to all shares of our common stock owned by the beneficial holder.

If the holder of shares of our common stock wishes to dissent, it must send to us, before the vote on Proposal 1 is taken, written notice of its intention to demand payment for its shares of our common stock if the merger is effectuated. Neither a vote against Proposal 1 nor any proxy directing such vote, nor abstention from voting on Proposal 1 will satisfy the requirement for a written notice to us. All such notices should be mailed to 431 Fairway Drive, Suite 251, Deerfield Beach, FL 33441, Attention: Mr. Dore Scott Perler.

If Proposal 1 is approved at the special meeting, then, within 10 days thereafter, we will provide to the holder of shares of our common stock, if still entitled to demand payment, a written notice containing all information required by Colorado law. The dissenting holder entitled to demand payment must, in accordance with the provisions of Article 113 of the CBCA, demand payment and deposit share certificates representing such dissenting holder's shares of our common stock.

We will pay to the holder of shares of our common stock, if eligible, and if it has validly exercised its dissenters' rights under Article 113 of the CBCA, the amount we estimate is the fair value of the dissenting holder's shares plus interest at the rate provided in Article 113 of the CBCA from the effective date of the merger until the payment date. We also will provide the information required by Article 113 of the CBCA to the dissenting owner of shares of our common stock entitled to receive payment.

If the holder of shares of our common stock has validly exercised dissenters' rights under Article 113 of the CBCA and believes that:

- the amount offered or paid is less than the fair value of such holder's shares, or that the interest was incorrectly calculated, or
- we have failed to make the payment within 60 days of the deadline for receiving payment demand, or
- we do not return deposited certificates when required to do so,

the dissenting holder may give notice to us of such holder's estimate of the fair market value of such holder's shares and the amount of interest due and demand payment of such estimate, less any payment previously made by us, or the dissenting holder may reject our offer and demand payment of the fair value of the shares and interest due. If a dissenting holder's demand for payment remains unresolved, then we may, within 60 days of receipt thereof, commence a proceeding and petition the court to determine the fair value of such dissenting holder's shares and interest due thereon. If we do not timely make such a request, we must pay the dissenting holder the amount set forth in such holder's demand for payment.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" PROPSAL 1.

OTHER MATTERS

As of the date hereof, there are no other matters that we intend to present, or have reason to believe others will present, at the special meeting. If, however, other matters properly come before the special meeting, the accompanying proxy authorizes the person named as proxy or his substitute to vote on such matters as he determines appropriate.

SHAREHOLDER PROPOSALS TO BE PRESENTED AT THE NEXT ANNUAL MEETING

For a shareholder proposal to be considered for inclusion in our proxy statement for the 2012 annual meeting, the Corporate Secretary must receive the written proposal at our principal executive offices no later than the deadline stated below. Such proposals must comply with SEC regulations under Rule 14a-8 regarding the inclusion of shareholder proposals in company-sponsored proxy materials. Proposals should be addressed to:

Transax International Limited
Attention: Corporate Secretary
South Part I-101
Nanshe Area, Pengnan Industrial Park
North Yingbingbei Road
Waisha Town, Longhu District
Shantou, Guangdong, China 515023
Facsimile: (86) 754 83238998

Under Rule 14a-8, to be timely, a shareholder’s notice must be received at our principal executive offices not less than 120 calendar days before the date of our proxy statement release to shareholders in connection with the previous year’s annual meeting. However, if we did not hold an annual meeting in the previous year or if the date of this year’s annual meeting has been changed by more than 30 days from the date of the previous year’s annual meeting, then the deadline is a reasonable time before we begin to print and send our proxy materials. Therefore, shareholder proposals intended to be presented at the 2012 annual meeting must be received by us at our principal executive office no later than August 31, 2012 in order to be eligible for inclusion in our 2012 proxy statement and proxy relating to that meeting. Upon receipt of any proposal, we will determine whether to include such proposal in accordance with regulations governing the solicitation of proxies.

You may propose director candidates for consideration by the Board. Any such recommendations should include the nominee’s name and qualifications for Board membership, information regarding the candidate as would be required to be included in a proxy statement filed pursuant to SEC regulations, and a written indication by the recommended

candidate of her or his willingness to serve, and should be directed to the Corporate Secretary at our principal executive offices located at South Part I-101, Nanshe Area, Pengnan Industrial Park, North Yingbingbei Road, Waisha Town, Longhu District, Shantou, Guangdong, China 515023 within the time period described above for proposals other than matters brought under SEC Rule 14a-8.

AVAILABILITY OF ANNUAL REPORT ON FORM 10-K

As required, we have filed our 2010 annual report on Form 10-K with the SEC. Shareholders may obtain, free of charge, a copy of the 2010 Form 10-K by writing to us at South Part I-101, Nanshe Area, Pengnan Industrial Park, North Yingbingbei Road, Waisha Town, Longhu District, Shantou, Guangdong, China 515023, Attention: Corporate Secretary.

SHAREHOLDERS SHARING THE SAME LAST NAME AND ADDRESS

The SEC has adopted rules that permit companies and intermediaries such as brokers to satisfy delivery requirements for proxy statements with respect to two or more shareholders sharing the same address by delivering a single proxy statement addressed to those shareholders. This process, which is commonly referred to as “householding,” potentially provides extra convenience for shareholders and cost savings for companies. We and some brokers household proxy materials, delivering a single proxy statement to multiple shareholders sharing an address unless contrary instructions have been received from the affected shareholders. Once you have received notice from your broker or us that they are or we will be householding materials to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate proxy statement, or if you currently receive multiple proxy statements and would prefer to participate in householding, please notify your broker if your shares are held in a brokerage account or us if you hold registered shares. You can notify us by sending a written request to Transax International Limited, South Part I-101, Nanshe Area, Pengnan Industrial Park, North Yingbingbei Road, Waisha Town, Longhu District, Shantou, Guangdong, China 515023, Attention: Corporate Secretary, or by faxing a communication to (86) 754 83228998.

WHERE YOU CAN FIND MORE INFORMATION

This proxy statement refers to certain documents that are not presented herein or delivered herewith. Such documents are available to any person, including any beneficial owner of our shares, to whom this proxy statement is delivered upon oral or written request, without charge. Requests for such documents should be directed to Transax International Limited, South Part I-101, Nanshe Area, Pengnan Industrial Park, North Yingbingbei Road, Waisha Town, Longhu District, Shantou, Guangdong, China 515023, Attention: Corporate Secretary.

We file annual and special reports and other information with the SEC. Certain of our SEC filings are available over the Internet at the SEC's web site at http://www.sec.gov. You may also read and copy any document we file with the SEC at its public reference facilities:

Public Reference Room Office
100 F Street, N.E.
Room 1580
Washington, D.C. 20549

You may also obtain copies of the documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Callers in the United States can also call 1-202-551-8090 for further information on the operations of the public reference facilities.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Wei Lin
Wei Lin, Chief Executive Officer

Shantou, Guangdong, China
February 3, 2012

The undersigned, a shareholder of Transax International Limited (the "Company"), hereby revoking any proxy heretofore given, does hereby appoint Dore Scott Perler proxy, with power of substitution, for and in the name of the undersigned to attend the special meeting of shareholders of the Company to be held at 431Fairway Drive, Suite 200, Deerfield Beach, FL 33441, on February 29, 2012 beginning at [•], local time, or at any adjournment or postponement thereof, and there to vote, as designated below.

(CONTINUED AND TO BE SIGNED ON REVERSE SIDE.)

VOTING INSTRUCTIONS

If you vote by fax, please DO NOT mail your proxy card.

Œ Please ensure you fold then detach and retain this portion of this Proxy Œ

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS
SPECIAL MEETING OF SHAREHOLDERS – FEBRUARY 29, 2012 AT [•].

CONTROL ID:	XXXXXXX
PROXY ID:	XXXXXXX
PASSWORD:	XXXXXXX

MAIL:	Please mark, sign, date, and return this Proxy Cardpromptly using the postage paid envelope enclosed.
FAX:	Complete the reverse portion of this Proxy Cardand Fax to 202-521-3464.
PHONE:	1-866-752-VOTE

ISSUER SERVICES – PROXY
DEPT.
201 Shannon Oaks Circle
Suite 105
Cary, NC 27511-5570

ABC HOLDER
400 MY STREET
CHICAGO, IL 60605

special meeting of shareholders of
transax international limited

proxy solicated on behalf of the board of directors

please complete, date, sign and return promptly in the enclosed envelope.
pleas mark your vote in blue or blank ink as show here: x

proposal 1 à for against abstain
to approve the reincorporation of the company from colorado to florida, including the name change of the company to “big tree group, inc.” and a 700:1 reverse stock split of the company’s outstanding common sock o o o control id:

the board of directors recommends a vote “for” proposal 1.

mark “x” if you plan to attend the meeting: o

this proxy, when properly executed, will be voted as directed by the shareholder(s). if no such directions are made, the proxy will be voted “for” proposal 1. if other business is properly brought before the meeting, the proxy will vote in accordance with his best judgment.

mark here for an address change o new address if applicable:
_____
_____

important; please sign as your name or names appear on this proxy. when shares are held jointly, each holder should sign. when signing as executor, administrator, attorney, trustee or guardian, please give full tile as such. if signer is a corporation, pleas sign full corpoation name by duly audhotirze officer, giving full title as such. if signer is a partnerhisp, please sin in partnership name by authorized person.

dated: _____, 2012

_____
(print name of shareholder and/or joint tenant)

_____
(signature of shareholder)

_____
(second signature if held jointly)

Appendix A

AGREEMENT AND PLAN OF MERGER
by and between
TRANSAX INTERNATIONAL LIMITED
a Colorado corporation
and
BIG TREE GROUP, INC.,
a Florida corporation

AGREEMENT AND PLAN OF MERGER, dated as of [•], 2012, between Transax International Limited, a Colorado corporation (the "Parent"), and Big Tree Group, Inc., a Colorado corporation (the "Subsidiary"), such corporations being sometimes referred to herein together as the "Corporations."

W I T N E S S E T H:

WHEREAS, the Subsidiary was incorporated under the laws of the State of Florida on January 18, 2012 and the authorized capital stock of the Subsidiary consists of 100,000,000 shares of common stock, par value $0.00001 per share ("Subsidiary Common Stock") and 20,000,000 shares of preferred stock, par value $0.00001 per share, issuable in such designations, rights and preferences as the Subsidiary's Board of Directors may determine from time to time (the "Subsidiary Preferred Stock"). As of the date hereof, there are 100 shares of Subsidiary Common Stock issued and outstanding on the date hereof, all of which such shares are owned by the Parent, and no shares of Subsidiary Preferred Stock issued and outstanding.

WHEREAS, pursuant to the provisions of Florida Business Corporations Act ("FBCA") and the Colorado Business Corporations Act ("CBCA"), the Subsidiary shall merge with and into the Parent (the "Merger"), with the Subsidiary to be the surviving corporation of the Merger and to continue its existence under the FBCA.

WHEREAS, the respective Boards of Directors of the Corporations and the Parent as the sole shareholder of the Subsidiary, by resolutions duly adopted, have approved this Agreement, and have directed that it be submitted to the respective shareholders of the Corporations for approval and adoption.

WHEREAS, on February 29, 2012 the Parent held a special meeting of its shareholders at which special meeting this Agreement and all transactions contemplated thereby were approved by the Parent's shareholders pursuant to the provisions of the CBCA.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements set forth herein, the Corporations hereby agree as follows:

ARTICLE ONE
MERGER

1.1. On the Effective Date (as defined in Section 1.7), and in accordance with the provisions of the FBCA and the CBCA, the Subsidiary shall be merged with and into the Parent and the Subsidiary shall be the surviving corporation (the "Surviving Corporation") of the Merger.

1.2. On the Effective Date, the separate existence of the Parent shall cease, the Subsidiary and Parent shall be a single corporation; and the Surviving Corporation shall possess all the rights, privileges, powers and franchises, as well of a public as of a private nature, and shall be subject to all the restrictions, disabilities and duties of each of the Corporations; and all and singular, the rights, privileges, powers and franchises of each of the Corporations, and all property, real, personal and mixed, and all debts due to either of the Corporations on whatever account, as well for stock subscriptions as all other things in action or belonging to or due to each of the Corporations, shall be taken and deemed to be transferred to and vested in the Surviving Corporation without further act or deed; and all property, rights, privileges, powers and franchises, and all and every other interest shall be thereafter as effectually the property of the Surviving Corporation as they were of the Corporations, and title to any real estate or interest therein, vested by deed or otherwise in either of the Corporations, shall not revert or be in any way impaired by reason of the Merger, but all rights of creditors and any liens upon the property of either of the Corporations shall be preserved unimpaired; and all debts, liabilities and duties of each of the Corporations shall thenceforth attach to the Surviving Corporation, and may be enforced against it to the same extent as if such debts, liabilities and duties had been incurred or contracted by it. Any action or proceeding, whether civil, criminal or administrative, pending by or against either of the Corporations shall be prosecuted as if the Merger had not take place, or the Surviving Corporation may be substituted in such action or proceeding in place of either of the Corporations.

1.3. From time to time after the Effective Date, the last acting officers of the Parent or the corresponding officers of the Surviving Corporation may, in the name of the Parent, execute and deliver all such proper deeds, assignments and other instruments, and take or cause to be taken all such further or other actions as the Surviving Corporation or its successors or assigns may deem necessary or desirable in order to vest in, or perfect or confirm to, the Surviving Corporation and its successors and assigns title to, and possession of, all of the property, rights, privileges, powers and franchises referred to in Section 1.2 and otherwise to carry out the intent and purposes of this Agreement.

1.4. All corporate acts, plans (including, without limitation, stock option plans), policies, approvals and authorizations of the Parent, its Board of Directors, committees elected or appointed by its Board of Directors, officers and agents, which are valid and effective immediately prior to the Effective Date, shall be taken for all purposes as the acts, plans, policies, approvals and authorizations of the Surviving Corporation and shall be as effective and binding on the Surviving Corporation as they were with respect to the Parent.

1.5. On and after the Effective Date, (a) the Articles of Incorporation and By-Laws of the Subsidiary, as in effect on the date hereof, shall continue to be the Articles of Incorporation and By-Laws of the Surviving Corporation, unless and until they are thereafter duly altered, amended or repealed, as provided therein or by law, and (b) the persons serving as directors and officers of the Subsidiary immediately prior to the Effective Date shall be the directors and officers, respectively, of the Surviving Corporation until their respective successors shall have been elected and shall have been duly qualified or until their earlier death, resignation or removal.

1.6 At the Effective Date, each common stock purchase warrant, stock option, employee benefit plan, incentive compensation plan, stock purchase plan and other similar plans to which the Parent is then a party shall be automatically assumed by the Surviving Corporation, without further action by the Parent or the Subsidiary. To the extent any common stock purchase warrant, stock option, employee benefit plan, incentive compensation plan or other similar plan provides for the issuance or purchase of, or otherwise relates to, Parent Common Stock, after the Effective Date such warrant, option or plan shall be deemed to provide for the issuance or purchase of, or otherwise relate to, the Subsidiary Common Stock. At the Effective Date, each outstanding warrant and option to purchase shares of Parent Common Stock outstanding immediately prior to the Effective Date will become a warrant or an option to purchase 1/700th of a share of Subsidiary Common stock, at seven hundred (700) times the exercise price of

such option or warrant immediately prior to the Effective Date, subject to the same terms and conditions as set forth in the agreement under which such warrant or option was granted.

1.7. Articles of Merger shall be signed, verified and filed with the Secretary of State of Florida and a Certificate of Merger shall be signed, verified and filed with the Secretary of State of Colorado. The Merger shall become effective on the close of business on [•], 2012, which such date is referred to herein as the "Effective Date."

ARTICLE TWO
SHARES

4.1 On the Effective Date, each issued and outstanding share of Parent's common stock, par value $0.00001 per share (the "Parent Common Stock") shall be converted into 1/700th of a share of the Subsidiary Common Stock. From and after the Effective Date, all of the outstanding certificates which prior to that time represented shares of Parent Common Stock shall be deemed for all purposes to evidence ownership of and to represent 1/700th of a share of Subsidiary Common Stock into which the shares represented by such certificates have been converted as provided herein. If, as a result of hereof the holders of Parent Common Stock would otherwise be entitled to receive a fractional share of Subsidiary Common Stock, all such fractional shares shall be rounded up to the nearest whole share of Subsidiary Common Stock. The registered owner on the books and records of the Parent or its transfer agent of any such outstanding stock certificate shall, until such certificate shall have been surrendered for transfer or conversion or otherwise accounted for to Parent or its transfer agent, have and be entitled to exercise any voting and other rights with respect to and to receive any dividend and other distributions upon the shares of Subsidiary evidenced by such outstanding certificate as provided herein.

4.2 On the Effective Date, each issued and outstanding share of Parent's Series B Convertible Preferred Stock shall, without any action on the part of any party, be converted into one share of Subsidiary Common Stock.

4.3 On the Effective Date, each issued and outstanding share of Parent's Series C Convertible Preferred Stock shall, without any action on the part of any party, be converted into one share of Subsidiary Common Stock.

4.4 The Subsidiary Common Stock owned by the Parent immediately prior to the Effective Date shall, by virtue of the Merger and without any action on the part of any party, be cancelled and retired and all rights in respect thereof shall cease.

ARTICLE THREE
CONDITIONS

The consummation of the Merger is subject to the satisfaction prior to the Effective Date of the following condition:

3.1. No governmental authority or other third party shall have instituted or threatened any action or proceeding against the Subsidiary or the Parent to enjoin, hinder or delay, or to obtain damages or other relief in connection with, the transactions contemplated by this Agreement; and no action shall have been taken by any court or governmental authority rendering the Subsidiary or the Parent unable to consummate the transactions contemplated by this Agreement.

ARTICLE FOUR
TERMINATION

This Agreement may be terminated and the Merger abandoned by the Subsidiary or the Parent by appropriate resolution of its respective Board of Directors and for any reason whatsoever, at any time prior to the Effective Date, whether before or after approval and adoption of this Agreement by the Parent's shareholders or by the Parent as the sole shareholder of the Subsidiary. In the event that this Agreement is terminated, it shall become void and shall have no effect, and no liability shall be imposed upon either of the Corporations or the directors, officers or shareholders thereof.

ARTICLE FIVE
AMENDMENT AND WAIVER

Prior to the Effective Date, whether before or after approval of this Agreement by the Parent's shareholders or by the Parent as the sole shareholder of the Subsidiary, this Agreement may be amended or modified in any manner as may be determined in the judgment of the respective Boards of Directors of the Corporations to be necessary, desirable or expedient in order to clarify the intention of the parties hereto or to effect or facilitate the filing, recording or official approval of this Agreement and the Merger in accordance with the purposes and intent of this Agreement. Any failure of either of the Corporations to comply with any of the agreements set forth herein may be expressly waived in writing by the other Corporation.

TRANSAX INTERNATIONAL LIMITED,
a Colorado corporation

By:_____
Wei Lin, Chief Executive Officer

BIG TREE GROUP, INC., a Florida corporation

By: _____
Wei Lin, Chief Executive Officer

Appendix B

ARTICLES OF MERGER

The following Articles of Merger are submitted in accordance with the Florida Business Corporations Act, pursuant to Section 607.1105 of the Florida Statutes.

FIRST: The name and jurisdiction of the surviving corporation:

Name	Jurisdiction	Document Number
Big Tree Group, Inc.	Florida	[•]

SECOND: The name and jurisdiction of each merging corporation:

Name	Jurisdiction	Document Number
Transax International Limited	&#16	