



Xinjiang Xinxin Mining Industry Co., Ltd.*

新疆新鑫礦業股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 3833)

ANNOUNCEMENT OF 2009 INTERIM RESULTS

OPERATING AND FINANCIAL HIGHLIGHTS

- Consolidated revenue decreased by 59.3% to RMB264.3 million, mainly due to a significant decline in the nickel and copper prices in the international and domestic markets.
- Consolidated net profit attributable to the equity holders of the Company decreased by 74.0% to RMB67.3 million.
- Basic earnings per share attributable to the equity holders of the Company amounted to RMB0.03, representing a decrease of RMB0.087 per share.

1. COMPANY RESULTS

The board of directors (the “Board”) of Xinjiang Xinxin Mining Industry Co., Ltd.* (the “Company”) hereby announces the unaudited consolidated operating results of the Company and its subsidiaries (the “Company and its Subsidiaries” or the “Group”) prepared in conformity with the Hong Kong Financial Reporting Standards (“HKFRS”) for the six months ended 30 June 2009 (the “Period”), together with the unaudited consolidated operating results of the first half of 2008 (the “Same Period Last Year”) for comparison. Such operating results have been reviewed and confirmed by the Company’s audit committee (the “Audit Committee”). Consolidated revenue of the Group for the Period decreased by 59.3% to RMB264.3 million, mainly due to a significant decline in nickel and copper prices in the international and domestic markets. The realised consolidated net profit attributable to the equity holders of the Company decreased by 74.0% to RMB67.3 million.

Basic earnings per share attributable to the equity holders of the Company for the Period amounted to RMB0.03, representing a decrease of RMB0.087 per share as compared to that for the Same Period Last Year. The decrease in basic earnings per share was mainly due to the decrease in net profit.

The Board does not recommend any payment of interim dividend for 2009.

Please refer to the unaudited condensed consolidated interim financial information for details of the consolidated operating results.

* For identification purpose only

2. MANAGEMENT DISCUSSION AND ANALYSIS

Market Review and Outlook

In 2008, nickel and copper prices in the international and domestic non-ferrous markets continued to decline dramatically as a result of the impact of the international financial crisis and economic recession. In the first quarter of 2009, nickel and copper prices in the international and domestic markets remained lackluster. Nickel and copper prices started to increase gradually as a result of the stabilization factors of the world and PRC economy during the second quarter of 2009. Three-month future price of nickel cathode was traded on the London Metal Exchange (the “LME”) with an average price of US\$11,834 per tonne for the first half of 2009, representing a decrease of 57% from US\$27,527 per tonne for the first half of 2008. Three-month future price of copper cathode was traded on the LME with an average price of US\$4,089 per tonne for the first half of 2009, representing a decrease of 49% from US\$8,045 per tonne for the first half of 2008.

In the domestic metal market, the average spot price of nickel cathode at the Changjiang Nonferrous Metal Spot Market (長江有色金屬現貨市場) for the Period was RMB95,775 per tonne, a decrease of 58% from RMB228,413 per tonne for the Same Period Last Year. The average spot price of copper cathode for the Period was RMB34,397 per tonne, a decrease of 46% from RMB63,987 per tonne for the Same Period Last Year. During the Period, nickel cathode and copper cathode prices in the domestic metal market had similar trend as those in the international non-ferrous market.

Currently, the world economy shows sign of stability, and the PRC economy starts recovery gradually. In the second quarter of 2009, the growth of GDP of the PRC was close to 8%. The PRC government has launched a series of measures to stimulate the economic growth, which has offered solid support for the recovery of PRC economy. It is expected that the domestic non-ferrous market of nickel cathode and copper cathode will continue to sustain trading with active transactions, while the trading prices will keep an upward trend with fluctuations based on the average spot price of the Period.

In terms of outlook, the Group considers that given the demand for durable goods in the PRC will rise, and the increase in the supply of nickel and copper will relatively be slower, higher prices in nickel and copper will be supported. The Group, as the PRC’s second largest nickel producer, is well positioned to capitalize on the rising demand for nickel and copper with expansion projects in Xinjiang and further development of existing mines, and is committed to increase its production volume and sales volume. Thus, the Group expects that its 2009 operating targets of producing 4,226 tonnes of nickel cathode and 5,000 tonnes of copper cathode, both produced by self-produced raw materials, can be achieved. However, due to the impact of lackluster domestic nickel price, some domestic small and medium-sized nickel mines reduced production output or suspended production, resulting the Group’s outside purchase of nickel raw materials decreased significantly. Thus, it is expected that the Group’s 2009 operating target of producing 7,121 tonnes of nickel cathode is hard to achieve.

Note: Commodity prices mentioned above are inclusive of value-added tax

Business Review

The Group reported consolidated revenue of RMB264.3 million for the Period, a decline of 59.3% from RMB649.6 million for the Same Period Last Year. The profit attributable to the equity holders of the Company was RMB67.3 million, representing a decrease of 74.0% from RMB259.1 million for the Same Period Last Year.

For the first half of 2009, the Group's average selling price of nickel cathode was RMB83,636 (after tax) per tonne, representing a decrease of 56.8% from RMB193,791 (after tax) for the Same Period Last Year, and the average selling price of copper cathode was RMB29,747 (after tax) per tonne, representing a decrease of 44.5% from RMB53,607 (after tax) for the Same Period Last Year. At the same time, due to the impact of lackluster international and domestic nickel prices, some domestic small and medium-sized nickel mines had reduced production output or suspended production. Thus, the Group's external purchase of nickel raw materials significantly decreased, resulting in the Group's production volume of nickel cathode dropped by approximately 18.6% as compared to that for the Same Period Last Year.

Financial Review and Analysis

Turnover and gross profit

The following table illustrates the details of sales by products for the Period and the Same Period Last Year:

Product name	For the period ended 30 June 2009			For the period ended 30 June 2008		
	Sales volume tonnes	Amounts RMB'000	% to Turnover	Sales volume tonnes	Amounts RMB'000	% to Turnover
Nickel cathode	2,060.1	172,299	65.2%	2,593.8	502,654	77.4%
Copper cathode	2,424.3	72,116	27.3%	2,242.0	120,187	18.5%
Copper concentrate	425.9	3,466	1.3%	791.3	10,658	1.6%
Other product		16,380	6.2%		16,098	2.5%
Total turnover		264,261	100.0%		649,597	100.0%
Cost of sales		(190,105)	71.9%		(371,049)	57.1%
Gross profit		74,156	28.1%		278,548	42.9%

As a result of the significant decline in price of nickel cathode in the international and domestic non-ferrous markets, turnover of nickel cathode for the Period decreased 65.7% to RMB172.3 million as compared to the Same Period Last Year. Average selling price of nickel cathode for the Period dropped 56.8% to RMB83,636 per tonne as compared to that for the Same Period Last Year. In addition, the Group's production volume of nickel cathode dropped approximately 18.6% as compared to that for the Same Period Last Year due to the significant decrease in volume of external purchase of nickel raw materials. The sales volume of nickel cathode for the Period dropped 20.6% to 2,060.1 tonnes.

As a result of the significant decline in price of copper cathode in the international and domestic non-ferrous markets as compared to that for the Same Period Last Year, turnover of copper cathode for the Period decreased 40% to RMB72.1 million as compared to that for the Same Period Last Year. Average selling price of copper cathode for the Period dropped 44.5% to RMB29,747 per tonne. The decrease in turnover of copper cathode was partly offset by an increase of 8.1% in the sale volume of copper cathode to 2,424.3 tonnes in the Period. Such increase in sales volume was due to the change in the production technology at Kalatongke Mine and the suspension of copper concentrate production, resulting in an increase in copper count in nickel matte.

Turnover of copper concentrate for the Period decreased 67.5% to RMB3.5 million. Average selling price of copper concentrate for the Period dropped 39.6% to RMB8,138 per tonne. The sales volume of copper concentrate for the Period dropped 46.2% to 425.9 tonnes. The decrease in sales volume of copper concentrate was due to the non-production of copper concentrate at Kalatongke Mine caused by the change in its production technology.

In the Period, turnover of other products was RMB16.4 million, a slight increase of 1.8% from RMB16.1million in the Same Period Last Year, mainly due to the increase in the sales of gold and silver.

Gross profit of the Group in the Period decreased 73.4% to RMB74.2 million from RMB278.6 million in the Same Period Last Year, and the gross profit margin for the Period and the Same Period Last Year were 28.1% and 42.9%, respectively. The decrease in gross profit margin for the Period was mainly due to the decrease in the market price of nickel cathode and copper cathode.

Selling and marketing expenses

Selling and marketing expenses increased by 17.5% to RMB3.8 million as compared to those in the Same Period Last Year, primarily because the acquisitions of the equity interest in Xinjiang Yakesi Resources Development Co., Ltd (“Yakesi”) and Hami Jubao Resource Development Co., Ltd (“Jubao”) by the Company were completed in February 2009, and the transportation costs related to the sales of products of Yakesi and Jubao were increased in the Period.

Administrative expenses

Administrative expenses decreased by 37.6% to RMB33.7 million, primarily due to the decrease in mineral resources compensation fee as a result of the decrease in selling price of mineral products and the decrease in part of the salary expenses payable to employee.

Other net income

Other net gain/(loss) increased from a loss of RMB12.5 million for the Same Period Last Year to a gain of RMB2.8 million for the Period and the net gain incurred was mainly income from scrap sales.

Finance income and finance costs

Finance income decreased by 44.9% to RMB28.5million for the Period, primarily due to the decrease in interest income as a result of the decrease in average cash and bank balance from those for the Same Period Last Year.

Finance costs decreased by 95% to RMB0.07 million for the Period, primarily due to no exchange loss incurred during the Period as the Company converted the remaining proceeds from the initial public offering into Renminbi in early 2008.

Financial position

The Group's consolidated balance sheet remains strong and the Shareholders' equity decreased by 2.5% to RMB5,092.6 million as at 30 June 2009. Total assets increased by 2.6% to RMB5,533.6 million, primarily due to the acquisitions of Yakesi, Jubao and Xinjiang Zhongxin Mining Company Limited ("Zhongxin Mining").

As at 30 June 2009, the Group's net cash outflow generated from operating activities was RMB98.5 million, decreased by RMB203.3 million (or decreased by 193.9%) as compared to that for the Same Period Last Year, primarily due to a decrease of operating profit. Net cash outflow of RMB517.5 million used in investing activities mainly consisted of the payments for the equity transfer in relation to the acquisition of Yakesi, Jubao and Zhongxin Mining and the equipment and project expenses in relation to the technology renovation work of the Group. Net cash outflow of RMB166.6 million from financing activities mainly represented the dividend paid in 2008.

Historical Capital Expenditure

Capital expenditure was primarily used to expand the production capacities of the Group and to improve the mining, ore processing, smelting and refining technology of the Group. The following table sets out the conditions of the Group's capital expenditure as well as the ratio of the capital of each operation over total capital expenditure based on various categories of operations:

	Six months ended 30 June 2009 RMB'000	Percentage %
Mining, ore processing and smelting operations in Kalatongke Mine	155,571	56.6%
Refining and complementary operations in Fukang Refinery (阜康冶煉廠)	51,872	18.9%
Exploration cost in Mengxi Mining	3,000	1.1%
Mining and ore processing operations in Yakesi	56,914	20.7%
Mining operation in Jubao	7,321	2.7%
Total	274,678	100%

3. SHARE CAPITAL AND DIVIDENDS

(A) Share Capital

The Company's share capital as at 30 June 2009 is as follows:

	Number of shares issued	% of capital	Nominal value RMB'000
Registered, issued and fully paid			
Domestic shares of RMB0.25 each	1,451,000,000	65.66%	362,750
H shares of RMB0.25 each	759,000,000	34.34%	189,750
	<u>2,210,000,000</u>	<u>100.00%</u>	<u>552,500</u>

(B) Shareholding of Substantial Shareholders

So far as was known to any director or supervisor of the Company, as at 30 June 2009, the persons or companies (other than a director or supervisor of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly deemed to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company were as follows:

Name	Number of shares held	Class of share	Approximate percentage of shareholding on relevant class of shares (%)	Approximate percentage of the total share capital (%)
Xinjiang Non-ferrous Metal Industry (Group) Ltd.* (新疆有色金屬工業 (集團) 有限責任公司)	885,204,000 (L)	Domestic share	61.01	40.06
Shanghai Yilian Kuangneng Co. Ltd* (上海怡聯礦能 實業有限公司) (Note)	282,896,000 (L)	Domestic share	19.50	12.80
Zhongjin Investment (Group) Ltd* (中金投資 (集團) 有限公司) (Note)	198,028,000 (L)	Domestic share	13.65	8.96
The National Council for Social Security Fund of the PRC (中國全國社會 保障基金理事會)	69,000,000 (L)	H share	9.09	3.12

(L) = Long positions

Note: The entire shareholdings/equity interests of Shanghai Yilian Kuangneng Co. Ltd. and Zhongjin Investment (Group) Ltd. are beneficially owned by Mr. Zhou Chuanyou (周傳有).

* The English name is a translation of the Chinese name and provided for reference only.

Save as disclosed above, as at 30 June 2008, the directors of the Company were not aware of any other person (other than a director or supervisor of the Company) who had interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

(C) Dividends

The Board does not recommend any payment of interim dividend for 2009 (nil for 2008).

4. LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2009, the Group had total cash and cash equivalents amounting to RMB2,665.4 million, and those as at 31 December 2008 were RMB3,176.9 million.

	As at 30 June 2009	As at 31 December 2008
Current Ratio (Times)	10.6	24.7
Gearing Ratio	0.99%	NA

As at 31 December 2008, the Group did not have any loans or borrowings. As at 30 June 2009, the Group had bank borrowing of RMB55.0 million, being bank borrowing in June 2009 for the acquisition of Zhongxin Mining by the Company, which was fully repaid in July 2009 by Zhongxin Mining.

5. DIRECTORS' INTEREST

(A) Directors' and Supervisors' Interest in Contract

As at 30 June 2009, none of the directors or supervisors of the Company had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company, its subsidiaries or any of its fellow subsidiaries was a party during the Period.

(B) Interests of Directors and Supervisors in Shares

Share Appreciation Rights Incentive Scheme

At the annual general meeting held on 29 May 2008, the Company adopted and approved a share appreciation rights incentive scheme (the "Share Appreciation Rights Incentive Scheme" or "SARIS") to acknowledge the contributions of senior management and key personnel. The SARIS is an arrangement providing for incentive for the management of the Company such that it attaches importance to the performance of the shares of the Company and its long-term development without the characteristics of shares. It is intended to align the senior management's interests to those of the Company and its shareholders. It is intended that the operation of the SARIS will not involve any issue of new H Shares of the Company, and the exercise of any share appreciation rights will not create a dilution effect on the Company's shareholding structure.

The SARIS entitles persons who are granted such rights to receive cash payments when the Company's share price rises above the exercise price granted in the share appreciation rights in a certain pre-determined period, subject to certain terms and conditions of the SARIS.

The share appreciation rights are not transferable, nor are there any voting rights attached to the share appreciation rights. The SARIS is not a scheme involving the grant of options over new securities of the Company, and therefore will not fall within the ambit of, and will not be subject to, Chapter 17 of the Listing Rules.

Below listed are the recipients of the SARIS and their allocated number of SARIS number as at 30 June 2009:

Senior management

Name	Position	Number of SARIS	Percentage of total issued shares
Yuan Ze	Chairman of the Board and executive director	3,000,000	0.136
Shi Wenfeng	General manager and executive director	2,000,000	0.090
Zhang Guohua	Executive deputy general manager and executive director	2,000,000	0.090
Liu Jun	Deputy general manager and executive director	1,000,000	0.045
Niu Xuetao	Non-executive director	500,000	0.023
He Hongfeng	Financial controller	1,000,000	0.045
Zhang Junjie	Company secretary	1,000,000	0.045
Wu Tao	Chief engineer	1,000,000	0.045
Twelve key personnel		3,120,000	0.141
Total		14,620,000	0.660

Save as disclosed above and in the section headed "Share Capital and Dividends – Shareholding of Substantial Shareholders", as at 30 June 2009, none of the directors or supervisors of the Company or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which would be required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Part XV of the SFO or which would be required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

(C) Directors' and Supervisors' Rights to Acquire Shares or Debentures

Save as disclosed above, at no time during the Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any directors and supervisors of the Company or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, its subsidiary or any of its fellow subsidiaries a party to any arrangement to enable the directors or supervisors of the Company to acquire such rights in any other body corporate.

6. COMMODITY PRICE RISK

The prices of the Group's products are impacted by the international and domestic market prices and changes in global supply and demand for such products. Price volatility of non-ferrous metals is also affected by the global and PRC economics cycles as well as the fluctuations of the global currency markets. Both the international and domestic market prices of non-ferrous metals as well as the volatility of supply and demand are beyond the control of the Company. Therefore, the volatility of commodity prices may materially affect the turnover and profit of the Company. The Group did not engage in nor enter into any trading contracts and pricing arrangements to hedge the risk of volatility of non-ferrous metals prices.

7. RISK OF FLUCTUATIONS IN EXCHANGE RATE

The transactions of the Group are all denominated in Renminbi. Fluctuations in exchange rates may affect the international and domestic non-ferrous metal commodity prices, which may impact the Group's results of operation. Renminbi is not a freely convertible currency and the conversion of Renminbi to a basket of currencies may involve fluctuations. In light of further actions and measures adopted for free transactions of Renminbi by the PRC government, fluctuations in exchange rates may adversely affect the value, translated or converted into Hong Kong dollars, of the Group's net assets, earnings and any dividends the Company declares.

8. INTEREST RATE RISK

Although the Company has no exposure to risks resulting from fluctuations in interest rates on the Group's debt-free balance sheet, to the extent that the Company may need to raise debt financing in the future, any upward fluctuations in interest rates will increase the cost of new debt financing.

9. CHARGE ON ASSETS

As at 30 June 2009, Zhongxin Mining, a subsidiary of the Company, had pledges of plant and equipment with book value of RMB3.3 million in relation to a bank borrowing of RMB35.0 million. The pledges were released in July 2009. Save as disclosed in this paragraph, there were no other charges or pledges of assets in the Group as at 30 June 2009.

10. MATERIAL LITIGATION OR ARBITRATION

The Group was not involved in any material litigation or arbitration during the Period.

11. CONTINGENT LIABILITIES

Save as disclosed in note 23 to the condensed consolidated interim financial information (unaudited), the Group had no other significant contingent liabilities as at 30 June 2009.

12. MAJOR ACQUISITIONS

Acquisition of Yakesi and Jubao

On 23 November 2008, the Company entered into equity transfer agreements with Alexis Investments Limited (“Alexis”), Xinjiang Kangshun Mineral Project Development Co., Ltd., Hami Yatian Trading Co., Ltd., Hami Jin Hai Xin Mining Development Co., Ltd., Shanghai Lei Shi Investments Management Co., Ltd. and Beijing Jing Shi Li Mai Biology Technology Co., Ltd. respectively, to acquire 100% equity interest in Yakesi held by the above companies for a total consideration of RMB467.25 million. At the same time, the Company entered into an equity transfer agreement with Alexis to acquire 25% of equity interest of in Jubao held by Alexis for a total consideration of RMB75 million. Yakesi holds 75% equity interest in Jubao.

The total consideration for the above equity transfer is RMB542.25 million. According to the above mentioned equity transfer agreements, the Company has paid RMB271.125 million in November 2008 as deposit and prepayment for the equity transfer.

The procedure of changes of registration at the relevant Administration for Industrial and Commerce Department in relation to the equity interest transfer has already been completed in February 2009. According to the above mentioned equity transfer agreements, the Company has paid all the remaining consideration.

Acquisition of Zhongxin Mining

On 8 April 2009, the Company entered into equity transfer agreements with Xinjiang Investment and Development (Group) Company Limited, No.13 Agriculture Construction Division of Xinjiang Production and Construction Military Unit State-owned Assets Operation Co., Ltd., Shaanxi Honghao Industry Co., Ltd., Hami City Huilong Mining Industry Co.,Ltd. and Hami City Jinhua Mining Co., Ltd. respectively, to acquire 95% equity interest in Zhongxin Mining held by the abovementioned companies in a consideration of RMB55.1 million. In June 2009, the Company has completed all the procedure of the abovementioned acquisitions and paid all the consideration for the equity interest transfers according to the equity transfer agreements. At the same time, the Company contributed RMB62 million for the capital increase of Zhongxin Mining. The registered capital of Zhongxin Mining increased to RMB120 million from RMB58 million after the capital increase, and the Company holds 97.58% equity interest in Zhongxin Mining.

Save as disclosed above, there were no other material acquisitions and disposals in relation to the Company and its Subsidiaries and associated companies during the Period.

13. EMPLOYEES AND WELFARE

As at 30 June 2009, the Group had 3,028 full-time employees. Breakdowns by function and location are as follows:

Division	Employees	% to Total
Management and administration	162	5.4%
Engineering technician	395	13.0%
Production staff	1,908	63.0%
Repair and maintenance	378	12.5%
Inspection	169	5.6%
Sales	16	0.5%
Total	3,028	100.0%

The remuneration package of the Group's employees includes salary, bonuses and allowances. The Group has participated in the social insurance contribution plans organised by local governments in the PRC. In accordance with the relevant national and local labour and social welfare laws and regulations, the Group is required to pay on behalf of its employees a monthly social insurance premium covering pension insurance, medical insurance, employment insurance and housing provident funds. According to the current applicable local regulations, the respective percentages of the pension insurance, medical insurance, employment insurance and housing provident funds which the Group must contribute are 20%, 6%-7.5%, 2% and 10%, respectively, of its employees' total monthly basic salary. The Group also contributes 0.5%-2% of its employees' total monthly basic salary for occupational injury insurance and 0.6%-1% of the total monthly basic salary for maternity cover.

14. USE OF PROCEEDS

During the Period, the Company applied the proceeds from the initial public offering totaling RMB595.4 million as follows:

- RMB2.2 million was used in relation to the geological mine search below and in the surrounding area of the Kalatongke Mine;
- RMB66.0 million was used in relation to the further expansion of the mining and ore processing at the Kalatongke Mine;
- RMB85.4 million to be used in relation to the expansion of the smelting operation at the Kalatongke Mine;
- RMB4.6 million was used in relation to the expansion of the refining capacity of the Fukang Refinery in respect of 13,000 tonnes of nickel cathode per year;
- RMB47.0 million was used in relation to the expansion of the refining capacity of the Fukang Refinery in respect of 12,000 tonnes of copper cathode per year;
- RMB271.5 million was used for the remaining consideration in relation to the acquisition of Yakesi and Jubao and related costs; and
- RMB118.7 million was used in relation to the acquisition of 95% equity interest in Zongxin Mining and its capital increase.

15. PURCHASE, SALE OR REDEMPTIONS OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor its Subsidiaries purchased, sold or redeemed any securities of the Company during the Period.

16. CORPORATE GOVERNANCE AND COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to improving its corporate governance, and enhancing the transparency to its shareholders. Throughout the Period, to the knowledge of the Board, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules.

17. BOARD OF DIRECTORS

The Board consists of nine directors, including four executive directors, two non-executive directors and three independent non-executive directors. During the Period, the Board convened two meetings (with an attendance rate of 17/18) in which all four executive directors attended such Board meetings.

18. SUPERVISORY COMMITTEE

The Company has a supervisory committee comprising five Supervisors to exercise supervision over the Board and its members and the senior management; and preventing them from abusing their power and authorities and jeopardizing the legal interests of the shareholders, the Company and its employees. The supervisory committee convened one meeting during the Period (with an attendance rate of 4/5).

19. MODEL CODE FOR DIRECTORS' DEALING IN SECURITIES

Upon specific enquiries made to all the directors of the Company and in accordance with information provided, the Board confirmed that all directors of the Company have complied with the provisions under the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 of the Listing Rules during the Period.

20. AUDIT COMMITTEE

Written terms of reference of the audit committee of the Board (the "Audit Committee") based on "A Guide for Effective Audit Committees" issued by the Hong Kong Institute of Certified Public Accountants have been adopted by the Board. The Audit Committee provides an important link between the Board and the Group's auditors in matters falling within the scope of the audit of the Group. The Audit Committee reviews the effectiveness of the external audit and of internal controls, evaluate risks and will provide comments and advice to the Board. The Audit Committee comprises one non-executive director, namely, Mr. Zhou Chuanyou and two independent non-executive directors, namely, Mr. Chen Jianguo and Mr. Ng Yuk Keung. The Audit Committee is chaired by Mr. Chen Jianguo. The Audit Committee has reviewed the unaudited financial results of the Group for the Period and considered that they are in compliance with the relevant accounting standards, and that the Company has made appropriate disclosure thereof.

21. DISCLOSURE OF INFORMATION ON THE STOCK EXCHANGES WEBSITE

This announcement will be published on the website of the Stock Exchange at <http://www.hkex.com.hk> under “Latest Listed Company Information” and the website of the Company at www.xjxxky.com.cn. The 2009 interim report will be despatched to shareholders and published on the Stock Exchange’s website and the Company’s website.

By Order of the Board
Xinjiang Xinxin Mining Industry Co., Ltd.
Yuan Ze
Chairman

Xinjiang, the PRC, 21 August 2009

As at the date of this announcement, the executive directors are Mr. Yuan Ze, Mr. Shi Wenfeng, Mr. Zhang Guohua and Mr. Liu Jun; the non-executive directors are Mr. Zhou Chuanyou and Mr. Niu Xuetao; and the independent non-executive directors are Mr. Chen Jianguo, Mr. Sun Baosheng and Mr. Ng Yuk Keung.

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

(All amounts in RMB thousands unless otherwise stated)

		As at 30 June 2009 Unaudited	31 December 2008 Audited
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,540,400	870,377
Mining rights	5	665,622	282,996
Land use rights	5	125,835	76,267
Intangible assets		805	458
Investment in a joint-venture	6	144,242	144,669
Investment in an associate	7	9,598	–
Other non-current assets		1,138	271,125
Deferred tax assets	15	19,537	5,379
Goodwill		21,151	–
Total non-current assets		2,528,328	1,651,271
Current assets			
Inventories		171,376	160,293
Trade and bills receivables	8	3,721	4,299
Other receivables, prepayments and other current assets	9	151,166	114,667
Interest receivable		13,646	16,755
Cash and bank balances		2,665,405	3,448,018
Total current assets		3,005,314	3,744,032
Total assets		5,533,642	5,395,303
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	10	552,500	552,500
Capital reserve		4,055,489	4,055,489
Other reserves		183,223	182,168
Retained earnings		288,970	421,651
		5,080,182	5,211,808
Minority interests		12,429	9,803
Total equity		5,092,611	5,221,611
LIABILITIES			
Non-current liabilities			
Long-term borrowings	14	20,000	–
Long-term payables	11	1,268	1,361
Provision for close down, restoration and environmental costs		6,454	4,524
Deferred income		26,441	16,383
Deferred tax liabilities	15	104,467	–
Total non-current liabilities		158,630	22,268
Current liabilities			
Short-term borrowings	14	20,000	–
Current portion of long-term borrowings	14	15,000	–
Current portion of long-term payables	11	443	978
Trade payables	12	76,795	69,713
Other payables and accruals	13	100,969	80,731
Dividend payable		68,310	–
Income tax payable		884	2
Total current liabilities		282,401	151,424
Total liabilities		441,031	173,692
Total equity and liabilities		5,533,642	5,395,303
Net current assets		2,722,913	3,592,608
Total assets less current liabilities		5,251,241	5,243,879

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(All amounts in RMB thousands unless otherwise stated)

		Unaudited	
		Six months ended 30 June	
	<i>Note</i>	2009	2008
Revenue	4	264,261	649,597
Cost of sales	16	(190,105)	(371,049)
Gross profit		74,156	278,548
Selling and marketing expenses	16	(3,818)	(3,249)
Administrative expenses	16	(33,732)	(54,050)
Other gains/(losses) – net	17	2,806	(12,525)
Operating profit		39,412	208,724
Finance income	18	28,528	51,791
Finance costs	18	(72)	(1,445)
Finance income – net	18	28,456	50,346
Share of loss of a joint-venture	6	(427)	–
Share of loss of an associate	7	(87)	–
Profit before income tax		67,354	259,070
Income tax expense	19	(70)	–
Profit for the period		67,284	259,070
Other comprehensive income for the period, net of tax		–	–
Total comprehensive income for the period		67,284	259,070
Total comprehensive income attributable to:			
Equity holders of the Company		67,274	259,072
Minority interests		10	(2)
		67,284	259,070
Earnings per share for profit attributable to the equity holders of the Company during the period (expressed in Renminbi per share)			
– basic and diluted	20	0.030	0.117
Proposed dividend		–	–

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

(All amounts in RMB thousands unless otherwise stated)

	Unaudited						
	Attributable to equity holders of the Company					Minority interests	Total equity
	Share capital	Capital reserve	Other reserves	Retained earnings	Total		
At 1 January 2008	552,500	4,055,489	153,076	329,895	5,090,960	–	5,090,960
Capital contribution from minority interest	–	–	–	–	–	9,800	9,800
Total comprehensive income for the period	–	–	–	259,072	259,072	(2)	259,070
Dividend	–	–	–	(176,800)	(176,800)	–	(176,800)
At 30 June 2008	<u>552,500</u>	<u>4,055,489</u>	<u>153,076</u>	<u>412,167</u>	<u>5,173,232</u>	<u>9,798</u>	<u>5,183,030</u>
At 1 January 2009	552,500	4,055,489	182,168	421,651	5,211,808	9,803	5,221,611
Total comprehensive income for the period	–	–	–	67,274	67,274	10	67,284
Acquisition of a subsidiary	–	–	–	–	–	2,616	2,616
Dividend	–	–	–	(198,900)	(198,900)	–	(198,900)
Appropriation to safety fund reserve	–	–	1,329	(1,329)	–	–	–
Utilisation of safety fund reserve	–	–	(274)	274	–	–	–
At 30 June 2009	<u>552,500</u>	<u>4,055,489</u>	<u>183,223</u>	<u>288,970</u>	<u>5,080,182</u>	<u>12,429</u>	<u>5,092,611</u>

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

(All amounts in RMB thousands unless otherwise stated)

	Unaudited	
	Six months ended 30 June	
	2009	2008
Cash flows from operating activities		
Cash (used in)/generated from used in operations	(98,062)	104,824
Income tax paid	(402)	—
	<u>(98,464)</u>	<u>104,824</u>
Net cash (used in)/generated from operating activities		
	<u>(98,464)</u>	<u>104,824</u>
Cash flows from investing activities		
Acquisition of subsidiary, net of cash required	(280,777)	—
Purchase of property, plant and equipment	(266,852)	(157,092)
Purchase of other intangible assets	(1,548)	(444)
Purchase of financial assets at fair value through profit or loss	—	(3,820)
Proceeds from disposal of property, plant and equipment	—	8
Proceeds from disposal of financial assets at fair value through profit or loss	—	4,792
Interest received	31,637	51,791
	<u>31,637</u>	<u>51,791</u>
Net cash used in investing activities		
	<u>(517,540)</u>	<u>(104,765)</u>
Cash flows from financing activities		
Dividend paid	(166,610)	(176,800)
Capital contribution from minority shareholders in a subsidiary	—	7,800
	<u>—</u>	<u>7,800</u>
Net cash used in financing activities		
	<u>(166,610)</u>	<u>(169,000)</u>
Net decrease in cash and bank balances		
	<u>(782,614)</u>	<u>(168,941)</u>
Cash and bank balances at beginning of the period	3,448,018	4,096,103
Exchange losses on cash and cash equivalents	—	(1,126)
	<u>—</u>	<u>(1,126)</u>
Cash and bank balances at end of the period	<u><u>2,665,404</u></u>	<u><u>3,926,036</u></u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED)

(All amounts in RMB thousands unless otherwise stated)

1 GENERAL INFORMATION

Xinjiang Xinxin Mining Industry Co., Ltd. (the “Company”) and its subsidiary (collectively referred to as the “Group”) is principally engaged in the mining, ore processing, smelting, refining and sales of nickel, copper and other non-ferrous metal products. The Company was incorporated in the People’s Republic of China (the “PRC”) on 1 September 2005 as a joint stock company with limited liability. The address of the Company’s office is 7/F, Youse Building, No.4 You Hao North Road, Urumqi, Xinjiang Uygur Autonomous Region of the PRC.

In October 2007, the Company completed its initial public offering (“IPO”) and the H shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The Company acquired Xinjiang Yakesi Resources Development Co., Ltd. (“Yakesi”) and Hami Jubao Resource Development Co., Ltd. (“Jubao”) on 18 February 2009, and Xinjiang Zhongxin Mining Company Limited (“Zhongxin Mining”) on 18 June 2009. Further details are given in Note 22.

This condensed consolidated interim financial information is presented in thousands of units of Renminbi (“RMB”), unless otherwise stated.

This condensed consolidated interim financial information has been approved for issue by the Board of Directors on 21 August 2009.

This condensed consolidated interim financial information has not been audited.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the half year ended 30 June 2009 has been prepared in accordance with HKAS 34, ‘Interim financial reporting’. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2008, which have been prepared in accordance with HKFRSs.

3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2008, as described in those annual financial statements.

Segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2009:

- HKAS 1 (revised), ‘Presentation of financial statements’. The revised standard prohibits the presentation of items of income and expenses (that is ‘non-owner changes in equity’) in the statement of changes in equity, requiring ‘non-owner changes in equity’ to be presented separately from owner changes in equity. All ‘non-owner changes in equity’ are required to be shown in a performance statement.

Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

The Group has elected to present one statement (the statement of comprehensive income). The interim financial statements have been prepared under the revised disclosure requirements.

- HKFRS 8, 'Operating segments'. HKFRS 8 replaces HKAS 14, 'Segment reporting'. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes.

The Group has applied HKFRS 8 from 1 January 2009, but it does not have a material impact on the Group's financial statements.

- Amendment to HKFRS 7, 'Financial instruments: disclosures'. The amendment increases the disclosure requirements about fair value measurement and reinforces existing principles for disclosure about liquidity risk. The amendment introduces a three-level hierarchy for fair value measurement disclosures and requires some specific quantitative disclosures for financial instruments on the lowest level in the hierarchy. It also requires entities to provide additional disclosures about the relative reliability of fair value measurements. These disclosures will help to improve comparability between entities about the effects of fair value measurements. In addition, the amendment clarifies and enhances the existing requirements for the disclosure of liquidity risk primarily requiring a separate liquidity risk analysis for derivative and non-derivative financial liabilities. The Group has applied HKFRS 7 (Amendment) from 1 January 2009, but it does not have a material impact on the Group's financial statements.
- HKFRS 2 (Amendment), 'Share-based payment'. The amended standard deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. As such these features would need to be included in the grant date fair value for transactions with employees and others providing similar services, that is, these features would not impact the number of awards expected to vest or valuation thereof subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group has applied HKFRS 2 (Amendment) from 1 January 2009, but it does not have a material impact on the Group's financial statements.
- HKAS 23 (Revised), 'Borrowing costs' (effective from 1 January 2009). The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Group has applied HKAS 23 (Revised) from 1 January 2009, but it does not have a material impact on the Group's financial statements.
- HKAS 32 (Amendment), 'Financial instruments: Presentation', and HKAS 1 (Amendment), 'Presentation of financial statements' 'Puttable financial instruments and obligations arising on liquidation'. The amended standards require entities to classify puttable financial instruments and instruments, or components of instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation as equity, provided the financial instruments have particular features and meet specific conditions. The Group has applied the HKAS 32 (Amendment) and HKAS 1 (Amendment) from 1 January 2009, but it does not have any impact on the Group's financial statements.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2009, but are not currently relevant for the Group:

- HK(IFRIC) 9 (amendment), 'Reassessment of embedded derivatives' and HKAS 39 (amendment), 'Financial instruments: Recognition and measurement'.
- HK(IFRIC) 13, 'Customer loyalty programmes'.
- HK(IFRIC) 15, 'Agreements for the construction of real estate'.
- HK(IFRIC) 16, 'Hedges of a net investment in a foreign operation'.
- HKAS 39 (amendment), 'Financial instruments: Recognition and measurement'.

The following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2009 and have not been early adopted:

- HKFRS 3 (revised), 'Business combinations' and consequential amendments to HKAS 27, 'Consolidated and separate financial statements', HKAS 28, 'Investments in associates' and HKAS 31, 'Interests in joint ventures', effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. Management is assessing the impact of the new requirements regarding acquisition accounting, consolidation and associates on the Group.
- HK(IFRIC) 17, 'Distributions of non-cash assets to owners', effective for annual periods beginning on or after 1 July 2009. This is not currently applicable to the Group, as it has not made any non-cash distributions.
- HK(IFRIC) 18, 'Transfers of assets from customers', effective for transfer of assets received on or after 1 July 2009. This is not relevant to the Group, as it has not received any assets from customers.

HKICPA's improvements to HKFRS published in May 2009:

- Amendment to HKFRS 2 'Share-based payments', effective for periods beginning on or after 1 July 2009.
- Amendment to HKFRS 5 'Non-current Assets held for sale and discontinued operations', effective for periods beginning on or after 1 January 2010.
- Amendment to HKFRS 8 'Operating segments', effective for periods beginning on or after 1 January 2010.
- Amendment to HKAS 1 'Presentation of financial statements', effective for periods beginning on or after 1 January 2010.
- Amendment to HKAS 7 'Statement of cash flows', effective for periods beginning on or after 1 January 2010.
- Amendment to HKAS 17 'Leases', effective for periods beginning on or after 1 January 2010.
- Amendment to HKAS 36 'Impairment of assets', effective for periods beginning on or after 1 January 2010.
- Amendment to HKAS 38 'Intangible assets', effective for periods beginning on or after 1 July 2009.
- Amendment to HKAS 39 'Financial instruments: recognition and measurement', effective for periods beginning on or after 1 January 2010.
- Amendment to HK(IFRIC) 9 'Reassessment of embedded derivatives', effective for periods beginning on or after 1 July 2009.
- Amendment to HK(IFRIC) 16 'Hedges of a net investment in a foreign operation', effective for periods beginning on or after 1 July 2009.

Management is assessing the impact of HKICPA's improvements to HKFRS published in May 2009.

4 SEGMENT INFORMATION

In prior periods, segment information is analysed on the basis of business segments and geographical segments according to the requirement of HKAS14.

However, information reported to the Group's chief operating decision maker for the purpose of resource allocation and assessment of segment performance is more focused on the Group as a whole, as all of the Group's activities are engaged in the mining, ore processing, smelting, refining and sales of nickel, copper and other non-ferrous metal products. Resources are allocated based on what is beneficial for the Group in enhancing the value as a whole rather than any specific department. Performance assessment is based on the results of the Group as a whole and operating parameters set out for each department. Therefore, management considers there to be only one operating segment under the requirements of HKFRS8 and believes that this presentation provides more relevant information than previously shown under HKAS14.

Revenues from major products

The Group's revenues from its major products are set out in below table.

	Six months ended 30 June	
	2009	2008
	Unaudited	Unaudited
Nickel cathode	172,299	502,654
Copper cathode	72,116	120,187
Copper concentrate	3,466	10,658
Others	16,380	16,098
	<u>264,261</u>	<u>649,597</u>

Geographical information

As all of the turnover and operating results of the Group for the six months ended 30 June 2008 and 2009 is derived in the PRC, an analysis of the turnover and operating results of the Group by business and geographical location is not presented.

No geographical segments information of the Group's assets and liabilities is shown as the Group's assets and liabilities are located in the PRC.

Information about major customers

For the six months ended 30 June 2009, revenues of approximately RMB91,561,000 (for the six months ended 30 June 2008: RMB249,260,000) are derived from a single external customer. These revenues are attributable to the Nickel cathode and Copper cathode.

5 PROPERTY, PLANT AND EQUIPMENT, MINING RIGHTS AND LAND USE RIGHTS

	Property, plant and equipment	Mining rights	Land use rights	Total
Six months ended 30 June 2008				
Opening net book amount				
1 January 2008	556,702	292,896	77,913	927,511
Additions	149,599	–	–	149,599
Disposals	(287)	–	–	(287)
Depreciation/Amortization	(16,045)	(4,950)	(823)	(21,818)
Closing net book amount				
30 June 2008 (Unaudited)	<u>689,969</u>	<u>287,946</u>	<u>77,090</u>	<u>1,055,005</u>
Opening net book amount				
1 January 2009	870,377	282,996	76,267	1,229,640
Acquisition of subsidiaries (Note 22)	415,739	387,300	50,549	853,588
Additions	274,678	1,472	–	276,150
Depreciation/Amortization	(20,394)	(6,146)	(981)	(27,521)
Closing net book amount				
30 June 2009 (Unaudited)	<u>1,540,400</u>	<u>665,622</u>	<u>125,835</u>	<u>2,331,857</u>

6 INVESTMENT IN A JOINT-VENTURE

	For the six months ended 30 June	
	2009	2008
	Unaudited	Unaudited
At 1 January	144,669	–
Share of loss	(427)	–
At 30 June	<u>144,242</u>	<u>–</u>

7 INVESTMENT IN AN ASSOCIATE

	For the six months ended 30 June	
	2009	2008
	Unaudited	Unaudited
At 1 January	–	–
Acquisition of a subsidiary (Note 22)	9,685	–
Share of loss	(87)	–
At 30 June	<u>9,598</u>	<u>–</u>

One of new acquired subsidiary in this period, Yakesi, owns 30% equity interest in Dazi PuXiong Cooper Company Limited (“PuXiong Mining”), which is engaged in exploration, mining and milling of cooper and zinc resources in Tibet, PRC.

8 TRADE AND BILLS RECEIVABLES

	As at 30 June 2009 Unaudited	31 December 2008 Audited
Trade receivable (<i>Note (a)</i>)	4,393	4,810
Bills receivable	1,900	2,000
Less: provision for impairment of receivables	(2,572)	(2,511)
	<u>3,721</u>	<u>4,299</u>

Notes:

- (a) Trade receivables is analysed as follows:

	As at 30 June 2009 Unaudited	31 December 2008 Audited
Trade receivables		
– Fellow subsidiaries	861	575
– Other state-owned enterprises	498	85
– Third parties	3,034	4,150
	<u>4,393</u>	<u>4,810</u>
Trade receivables, gross	<u>4,393</u>	<u>4,810</u>

Ageing analysis of the gross trade receivables at the respective balance sheet date are as follows:

	As at 30 June 2009 Unaudited	31 December 2008 Audited
0 – 90 days	–	1,941
181 – 365 days	1,678	440
Over 365 days	2,715	2,429
	<u>4,393</u>	<u>4,810</u>

- (b) The credit period of trade receivables is generally from 1 to 3 months. Trade receivables with aging over 365 days were provided the provision for impairment of receivables of RMB61,000 as at 30 June 2009 and RMB2,395,000 as at 31 December 2008.
- (c) Trade receivables from related parties are unsecured, interest free and repayable in accordance with the relevant contract entered into between the Group and these related parties. Trade receivables from third parties are unsecured and non-interest bearing.
- (d) The carrying amounts of trade and bills receivables approximate their fair values.

(e) The movements of impairment of receivables are as follows:

	For the six months ended 30 June	
	2009	2008
	Unaudited	Unaudited
At 1 January	2,511	2,397
Provision for receivables impairment	61	108
At 30 June	2,572	2,505

9 OTHER RECEIVABLES, PREPAYMENTS AND OTHER CURRENT ASSETS

	As at	
	30 June	31 December
	2009	2008
	Unaudited	Audited
Other receivables		
– Amount due from Yakesi (<i>Note (a)</i>)	–	50,000
– Amount due from a joint-venture (<i>Note (b)</i>)	15,000	–
– Amount due from an associate (<i>Note (c)</i>)	7,048	–
– Other state-owned enterprises	13,472	18,147
– Third parties	6,258	4,594
Less: Impairment provision	(1,900)	(1,155)
	39,878	71,586
Advances to suppliers (<i>Note (d)</i>)	111,288	43,081
	151,166	114,667

Notes:

(a) Amount due from Yakesi

According to the contract signed by the Company and Yakesi on 12 November 2008, the Company provided a loan with amount of RMB50,000,000 to Yakesi. The loan is secured by the mining rights of Ore Body No. 30, Huangshan nickel-copper mine owned by Yakesi.

(b) Amount due from a joint-venture

According to the contract signed by the Company and Hami Hexin Mining Company Limited (“Hexin Mining”) on 29 June 2009, in which the Company owns 50% equity interest, the Company provided a loan with amount of RMB15,000,000 to Hexin Mining. The loan is with an interest rate. The amount due from Hexin Mining will be repaid by Hexin Mining no later than 31 December 2009.

(c) Amount due from an associate

According to the contract signed by Yakesi and PuXiong Mining on 27 June 2006, in which Yakesi owns a 30% equity interest, Yakesi provided a loan with amount of RMB7,000,000 to PuXiong Mining. The loan is with an interest rate. Yakesi has obtained guarantee from the controlling shareholder of PuXiong Mining with guarantee of a full repayment of the loan and interest.

(d) Advances to suppliers are analysed as follows:

	As at	
	30 June 2009 Unaudited	31 December 2008 Audited
Advances to suppliers		
– Fellow subsidiaries	5,252	58
– Other state-owned enterprises	51,235	39,647
– Third parties	54,801	3,376
	111,288	43,081

(e) Other than the amount due from Hexin Mining and PuXiong Mining, other receivables and advances are unsecured, interest free and have no fixed repayment term.

(f) The carrying amounts of other receivables, prepayments and other current assets approximate their fair values.

(g) Impairment provision for other receivables is charged to administrative expenses.

10 SHARE CAPITAL

	As at			
	30 June 2009		31 December 2008	
	Numbers of shares	Amount Unaudited	Numbers of shares	Amount Audited
Issued and fully paid				
Domestic shares of RMB0.25 each	1,451,000,000	362,750	1,451,000,000	362,750
H shares of RMB0.25 each	759,000,000	189,750	759,000,000	189,750
	2,210,000,000	552,500	2,210,000,000	552,500

11 LONG-TERM PAYABLES

	As at	
	30 June 2009 Unaudited	31 December 2008 Audited
Early retirement benefit obligation	1,711	2,339
Less: Amounts due within one year	(443)	(978)
	1,268	1,361

Note:

	Six months ended 30 June 2009 Unaudited	For the year ended 31 December 2008 Audited
At 1 January	2,339	3,791
Interest cost	72	405
Payment during the period/year	(700)	(1,857)
At 30 June/31 December	1,711	2,339

The provision for early retirement benefit is in respect of future payments to be made by the Group to former employees who have accepted early retirement terms. These payments are made monthly based on the employees' pre-retirement salary level and age, and are due to be made until the former employees reach normal statutory retirement age, which extends up to 2026. The early retirement policy ceased since the incorporation of the Company.

12 TRADE PAYABLES

Trade payables are analysed as follows:

	As at 30 June 2009 Unaudited	31 December 2008 Audited
Trade payables		
– Fellow subsidiaries	18,858	6,958
– Other state-owned enterprises	4	8,027
– Third parties	57,933	54,728
	76,795	69,713

As at 30 June 2009 and 31 December 2008, the ageing analysis of trade payables are as follows:

	As at 30 June 2009 Unaudited	31 December 2008 Audited
0 – 90 days	47,841	51,815
91 – 180 days	13,084	8,775
181 – 365 days	7,363	5,281
Over 365 days	8,507	3,842
	76,795	69,713

13 OTHER PAYABLES AND ACCRUALS

	As at	
	30 June 2009 Unaudited	31 December 2008 Audited
Other payables (<i>Note (a)</i>)	29,187	12,735
Customer deposits and receipts in advance	17,463	5,429
Salary and welfare payables	39,412	50,990
Other levies	–	519
Accrued taxes other than income tax (<i>Note (b)</i>)	14,907	11,058
	<u>100,969</u>	<u>80,731</u>

Notes:

- (a) Other payables are analysed as follows:

	As at	
	30 June 2009 Unaudited	31 December 2008 Audited
Other payables		
– Fellow subsidiaries	169	–
– Other state-owned enterprises	60	–
– Third parties	28,958	12,735
	<u>29,187</u>	<u>12,735</u>

The carrying amounts of other payables approximate their fair values.

- (b) Accrued taxes other than income tax are analysed as follows:

	As at	
	30 June 2009 Unaudited	31 December 2008 Audited
Value added tax	4,611	527
City construction tax	–	865
Individual income tax	210	2,297
Stamp duty	80	680
Resource compensation fee	9,444	4,641
Others	562	2,048
	<u>14,907</u>	<u>11,058</u>

14 BORROWINGS

	As at 30 June 2009 Unaudited	31 December 2008 Audited
Non-current	20,000	–
Current	35,000	–
	<u>55,000</u>	<u>–</u>

Movements in borrowings is analysed as follows:

	Six months ended 30 June 2009 Unaudited	2008 Unaudited
At 1 January	–	–
Acquisition of a subsidiary (<i>Note 22</i>)	55,000	–
At 30 June	<u>55,000</u>	<u>–</u>

All borrowings are borrowed by Zhongxin Mining for the construction of plant, and have been repaid in July 2009 by Zhongxin Mining.

15 DEFERRED INCOME TAX

The movements in deferred tax assets and liabilities during the six months ended 30 June 2009 are as follows:

Deferred tax liabilities

	Fair value gains
At 1 January	–
Acquisition of subsidiaries (<i>Note 22</i>)	104,606
Credited to comprehensive income statement	<u>(139)</u>
At 30 June (unaudited)	<u>104,467</u>

Deferred tax assests

	Accumulated tax losses	Pre-operating expenses	Depreciation	Deferred income	Provision for doubtful debts	Total
At 1 January	–	–	737	4,085	557	5,379
Acquisition of subsidiaries	13,158	545	391	–	64	14,158
At 30 June (unaudited)	<u>13,158</u>	<u>545</u>	<u>1,128</u>	<u>4,085</u>	<u>621</u>	<u>19,537</u>

16 EXPENSES BY NATURE

The following items have been (credited)/charged to the operating profit during the period:

	Six months ended 30 June	
	2009	2008
	Unaudited	Unaudited
Depreciation (<i>Note 5</i>)	20,394	16,045
Amortisation	7,206	5,808
Reversal of impairment of inventories	(53,193)	–
Provision for impairment of trade receivables	61	108
Provision for impairment of other receivables	375	–
Staff costs	60,130	75,322
Changes in inventories of finished goods and work-in-progress	23,019	(1,967)
Raw materials and consumables used	69,163	230,032
Power and fuel consumed	40,851	36,229
Subcontracting expenses	30,984	14,440
Other manufacturing overheads	14,152	9,551
Transportation expenses	2,854	2,527
Sales tax levies	–	5,303
Mineral resources compensation fee	3,238	20,314
Others	8,421	14,636
Total cost of sales, selling and marketing expenses and administrative expenses	227,655	428,348

17 OTHER GAINS/(LOSSES) – NET

	Six months ended 30 June	
	2009	2008
	Unaudited	Unaudited
Scrap sales	1,062	1,541
Losses on disposal of property, plant and equipment	–	(279)
Donation	–	(16,535)
Gains on disposal of financial assets at fair value through profit or loss	–	972
Others	1,744	1,776
	2,806	(12,525)

18 FINANCE INCOME – NET

	Six months ended 30 June	
	2009	2008
	Unaudited	Unaudited
Finance income		
– Interest income on short-term bank deposits	<u>28,528</u>	<u>51,791</u>
Finance costs		
– Net foreign exchange loss (<i>Note</i>)	<u>–</u>	<u>(1,126)</u>
– Unwinding of discount	<u>(72)</u>	<u>(319)</u>
	<u>(72)</u>	<u>(1,445)</u>
	<u><u>28,456</u></u>	<u><u>50,346</u></u>

Note: The net foreign exchange loss mainly related to the conversion/translation of the H shares IPO proceeds from Hong Kong Dollar to Renminbi during the period from the date the share proceeds received to the time of conversion/translation. The Hong Kong Dollar currency was depreciating as compared to Renminbi during the period.

19 INCOME TAX EXPENSE

	Six months ended 30 June	
	2009	2008
	Unaudited	Unaudited
Current income tax	209	–
Deferred income tax	<u>(139)</u>	<u>–</u>
	<u><u>70</u></u>	<u><u>–</u></u>

Effective from 1 January 2008, the Company shall determine and pay the corporate income tax in accordance with the Corporate Income Tax Law of the PRC (the “new CIT Law”) as approved by the National Congress on 16 March 2007. Under the new CIT Law the corporate income tax applicable to the Company should be 25% since 2008.

The provision for PRC current income tax is calculated based on the statutory income tax rate of 25% of the assessable income of each of the companies of the Group determined in accordance with the relevant PRC income tax rules and regulations for the six months ended 30 June 2008 and 2009 respectively.

The Company, except for its Shanghai branch, is exempted from enterprise income tax from 2007 to 2010 pursuant to the approval obtained from the Xinjiang Uygur Autonomous Region Government. This detailed procedure of tax exemption was subject to be reviewed annually.

The subsidiary, Yakesi, is eligible for enterprise income tax based on the deducted tax rate of 15% from 2005 to 2010 pursuant to approval obtained from local tax bureau of Xinjiang Xinjiang Uygur Autonomous Region.

The subsidiary, Jubao, is exempted from enterprise income tax from 2007 to 2008 and eligible for enterprise income tax based on the deducted tax rate of 7.5% from 2009 to 2010 pursuant to approval obtained from local tax bureau of Xinjiang Xinjiang Uygur Autonomous Region.

The subsidiary, Xinjiang Zhongxin Mining Company Limited (“Zhongxin Mining”), is exempted from enterprise income tax from 2007 to 2009 pursuant to approval obtained from local tax bureau of Xinjiang Xinjiang Uygur Autonomous Region.

The tax on profit for the six months ended 30 June 2008 and 2009 mainly represents the tax for the Company’s Shanghai branch. The exemption of corporate income tax in 2008 was agreed with local tax authority. The directors of the Company expect that the Company will get the approval for income tax exemption from 2009 to 2010.

Reconciliation between actual tax expense and accounting profit at applicable tax rates is as follows:

	Six months ended 30 June	
	2009	2008
	Unaudited	Unaudited
Profit before tax	<u>67,354</u>	<u>259,072</u>
Tax recalculated at statutory income tax of 25%	16,839	64,768
Effect of tax exemptions/preferential tax rate	<u>(16,769)</u>	<u>(64,768)</u>
Income tax expense	<u>70</u>	<u>—</u>

20 EARNINGS PER SHARE

	Six months ended 30 June	
	2009	2008
	Unaudited	Unaudited
Profit attributable to equity holders of the Company (RMB’000)	67,274	259,072
Number of shares in issue (thousand)	<u>2,210,000</u>	<u>2,210,000</u>
Basic and diluted earnings per share (RMB)	<u>0.030</u>	<u>0.117</u>

Diluted earnings per share is equal to basic earnings per share as there was no dilutive potential share outstanding for all periods presented.

21 DIVIDEND

	Six months ended 30 June	
	2009	2008
	Unaudited	Unaudited
Final dividend paid	<u>130,590</u>	<u>176,800</u>

(a) Acquisition of Yakesi and Jubao

On 23 November 2008, the Company entered into equity transfer agreements with Alexis Investments Limited (“Alexis”), Xinjiang Kangshun Mineral Project Development Co., Ltd., Hami Yatian Trading Co., Ltd., Hami Jin Hai Xin Mining Development Co., Ltd., Shanghai Lei Shi Investments Management Co., Ltd. and Beijing Jing Shi Li Mai Biology Technology Co., Ltd. (“other minority shareholders of Yakesi”), to acquire 100% equity interest of Yakesi for a cash consideration of RMB467,250,000.

On 23 November 2008, the Company entered into an equity transfer agreement with Alexis to acquire 25% of equity interest of Jubao for a cash consideration of RMB75,000,000. Yakesi holds 75% equity interest of Jubao.

The total consideration for the above equity interest acquisitions is RMB542,250,000. There is no contingent consideration.

Yakesi is the holder of certain mining rights of the Huangshandong nickel-copper mine, the Huangshan nickel-copper mine and the Xiangshan nickel-copper mine. Jubao is the holder of certain mining rights of the Huangshandong nickel-copper mine. The principal business of Yakesi and Jubao is the exploration of copper and nickel mines, ore processing, and manufacturing and sale of copper and nickel products.

According to the equity transfer agreements, the Company has paid 50% of consideration of RMB271,125,000 to Yakesi and Jubao’s previous shareholders in November 2008, and the remaining 50% consideration of RMB271,125,000 was paid in February 2009. The above acquisition was completed on 18 February 2009.

The acquisition business contributed revenues of RMB3,466,000 and net profit of RMB309,000 to the Group for the period from acquisition to 30 June 2009. If the acquisition has occurred on 1 January 2009, consolidated revenue and consolidated profit for the six months ended 30 June 2009 would have been RMB264,261,000 and RMB67,284,000 respectively.

Details of total purchase consideration are as follows:

Purchase consideration	
– Cash paid	542,250
– Direct cost relating to the acquisition	414
Total purchase consideration	542,664
Less: Fair value of net identifiable assets acquired (see below)	(534,754)
Positive Goodwill	7,910

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount Unaudited	Fair value Unaudited
Property, plant and equipment	283,126	282,893
Investment in an associate	9,685	9,685
Land use rights	5,808	11,285
Mining rights	1,213	387,300
Other intangible assets	337	337
Other non-current assets	10,086	10,086
Deferred tax asset	228	228
Inventories	13,943	13,943
Trade and other receivables	86,778	86,778
Cash and cash equivalents	39,366	39,366
Trade and other payables	(172,195)	(172,195)
Dividend payable	(36,020)	(36,020)
Provision for close down, restoration and environmental costs	(1,930)	(1,930)
Deferred tax liability	–	(97,002)
Net identifiable assets acquired	<u>240,425</u>	<u>534,754</u>
Out of cash to acquire business, net of cash required:		
– Cash consideration		271,125
– Direct cost relating to the acquisition		414
– Cash in subsidiary acquired		<u>(39,366)</u>
Cash outflow on acquisition		<u>232,173</u>
(b) Acquisition of Zhongxin Mining		
On 18 June 2009, the Company acquired 95% of equity share of Zhongxin Mining, a group of companies engaged in the production and sales of nickel matte, for a total cash consideration of RMB55,100,000. There is no contingent consideration.		
Details of total purchase consideration are as follows:		
Purchase consideration		
– Cash paid		55,100
– Direct cost relating to the acquisition		<u>1,649</u>
Total purchase consideration		<u>56,749</u>
Less: Fair value of net identifiable assets acquired (see below)		46,125
Percentage of equity interest acquired		95%
Fair values of identifiable assets attributable to the Company		<u>43,819</u>
Positive Goodwill		<u>12,930</u>

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount Unaudited	Fair value Unaudited
Property, plant and equipment	131,288	132,846
Land use rights	10,408	39,264
Other intangible assets	12	12
Deferred tax asset	13,930	13,930
Inventories	17,763	17,763
Trade and other receivables	1,833	1,833
Cash and cash equivalents	8,145	8,145
Loan	(55,000)	(55,000)
Deferred income	(10,069)	(10,069)
Trade and other payables	(94,995)	(94,995)
Deferred tax liability	–	(7,604)
Net identifiable assets acquired	<u>23,315</u>	<u>46,125</u>
Out of cash to acquire business, net of cash required:		
– Cash consideration		55,100
– Direct cost relating to the acquisition		1,649
– Cash in subsidiary acquired		<u>(8,145)</u>
Cash outflow on acquisition		<u>48,604</u>

On 24 June 2009, the Company contributed RMB62,000,000 for the capital of Zhongxin Mining by cash. The registered capital of Zhongxin Mining increased from RMB58,000,000 to RMB120,000,000 after the capital increase, and the equity interest held by the Company also increased from 95% to 97.58%.

23 CONTINGENCES

(a) Environmental contingencies

Historically, the Group has not incurred any significant expenditure for environmental remediation. Further, except as disclosed in Note 13, the Group is presently not involved in any environmental remediation and has not accrued any amounts for environmental remediation relating to its operations. Under existing legislations, management believes that there are no probable liabilities that will have a material adverse effect on the financial position or operating results of the Group. The PRC government, however, may move further towards the adoption of more stringent environmental standards.

Environmental liabilities are subject to considerable uncertainties which affect the Group's ability to estimate the ultimate cost of remediation efforts. These uncertainties include (i) the exact nature and extent of the contamination at various sites including, but not limited to mines and land development areas, whether operating, closed or sold, (ii) the extent of required cleanup efforts, (iii) varying costs of alternative remediation strategies, (iv) changes in environmental remediation requirements, and (v) the identification of new remediation sites. The amount of such future cost is indeterminable due to such factors as the unknown magnitude of possible contamination and the unknown timing and extent of the corrective actions that may be required. Accordingly, the outcome of environmental liabilities under future environmental legislations cannot reasonably be estimated at present, and could be material.

(b) Insurance

The Group carries commercial insurance for its employees who work underground for personal injury and its mining equipments underground. However, such insurance may not be sufficient to cover the potential future losses. While the effect of under-insurance on future incidents cannot be reasonably assessed at present, management believes this can have a material adverse impact on the results of operations or the financial position of the Group.

24 COMMITMENTS

(a) Capital commitments

Capital expenditure for property, plant and equipment at the respective balance sheet date but not yet incurred is as follows:

	As at 30 June 2009 Unaudited	31 December 2008 Audited
Contracted but not provided for:		
– Buildings	259,837	118,824
– Machinery and equipment	203,044	64,982
	<u>462,881</u>	<u>183,806</u>
Authorised but not contracted for:		
– Buildings	386,903	118,407
– Machinery and equipment	556,590	609,964
	<u>943,493</u>	<u>728,371</u>
	<u><u>1,406,374</u></u>	<u><u>912,177</u></u>

(b) Operating lease commitments

The Company leases various offices and warehouses under non-cancelable operating lease agreements.

The future aggregate minimum lease payments under non-cancelable operating leases are as follows:

	As at 30 June 2009 Unaudited	31 December 2008 Audited
No later than 1 year	818	1,636
Later than 1 year and no later than 2 year	1,636	–
Later than 2 year and no later than 3 year	1,636	–
	<u><u>4,090</u></u>	<u><u>1,636</u></u>

On 22 June 2007, the Company and Xinjiang Non-ferrous entered into one Property Lease Agreement (the “Old Property Lease Agreement”) to which Xinjiang Non-ferrous agreed to lease to the Company the Office Premises for office use. The Old Property Lease Agreement will expire on 31 December 2009.

On 11 June 2009, the Company and Xinjiang Non-ferrous entered into the Renewed Property Lease Agreement pursuant to which Xinjiang Non-ferrous agreed to continue to lease the Offices Premises to the Company with an annual rental of RMB1,636,000. The lease term is for a period commencing from 1 January 2010 and ending 31 December 2012.

(c) Investment commitment

Pursuant to the resolutions of Board of Directors' Meeting held on 11 June 2009, the Company entered into an investment agreement with Xinjiang Ashele Cooper Industry Company Limited to establish Xinjiang Wuxin Cooper Company Limited ("Xinjiang Wuxin") by the way of cash in proportion of 66% and 34% respectively. The registered capital of Xinjiang Wuxin is RMB100,000,000. Cash contribution of RMB66,000,000 to the registered capital of Xinjiang Wuxin by the Company will be completed on or before 30 September 2009.

25 RELATED-PARTY TRANSACTIONS

The Group is part of a larger group of companies under Xinjiang Non-ferrous and has extensive transactions and relationships with members of the Xinjiang Non-ferrous Group.

Xinjiang Non-ferrous itself is a state-owned enterprise and is controlled by the PRC government. In accordance with HKAS 24 (revised 2004), "Related Party Disclosure", state-owned enterprises and their subsidiaries, other than Xinjiang Non-ferrous Group's companies, directly or indirectly controlled by the PRC government are also defined as related parties of the Group. The directors of the Company are of the opinion that these transactions are conducted at terms multilaterally agreed by the underlying parties in the ordinary course of business.

During the six months ended 30 June 2008 and 2009, the Group's management are of the view that the following companies are related parties of the Group:

Name of related parties	Relationship with the Group
Xinjiang Non-ferrous	Holding Company
Xinjiang Lithia Factory	Fellow subsidiary
Xinjiang A'xi Gold Mine	Fellow subsidiary
Xinjiang Non-ferrous Gold Construction Company	Fellow subsidiary
Xinjiang Non-ferrous Metallurgy Transportation Company Co., Ltd.	Fellow subsidiary
Xinjiang Non-ferrous Metal Dibian Trade Company	Fellow subsidiary
China Non-ferrous Metal Import and Export Company of Xinjiang	Fellow subsidiary
Metallurgical Design Institute of Non-ferrous Metals of Urumqi	Fellow subsidiary
Xinjiang Non-ferrous Metallurgy Manufacture Factory	Fellow subsidiary
Xinjiang Non-ferrous Industry Group Precious Metal Co., Ltd.	Fellow subsidiary
Xinjiang Non-ferrous Metal Industrial Materials (Group) Co., Ltd.	Fellow subsidiary
Fukang Non-ferrous Development Co., Ltd.	Fellow subsidiary
Xinjiang Non-ferrous Metal Industry (Group) Fuyun Xingtong Service Co., Ltd.	Fellow subsidiary
Xinjiang Jinhui Real Estate Development Co., Ltd.	Fellow subsidiary
Urumqi Mingyuan Property Management Co., Ltd.	Fellow subsidiary
Yinlong Aluminum-plastics Compound Tube Company of Xinjiang	Fellow subsidiary
Xinjiang Sangong Power Co., Ltd.	Fellow subsidiary
Fuyun Hengsheng Beryllium Industry Co., Ltd.	Fellow subsidiary
Beijing Baodi Xindi Kemao Co., Ltd.	Fellow subsidiary
Xinjiang Non-ferrous Metal Industry (Group) Quanxin Construction Co., Ltd	Fellow subsidiary
Xinjiang Haoxin Lithia Developing Company Limited	Fellow subsidiary
Hexin Mining	Joint-venture
PuXiong Mining	Associate

(a) **Deposits and interest income**

	As at	
	30 June	31 December
	2009	2008
	Unaudited	Audited
Deposits placed with state-owned banks	2,653,402	3,436,011
	Six months ended 30 June	
	2009	2008
	Unaudited	Unaudited
Interest income from state-owned banks	28,528	51,791

(b) **During the six months ended 30 June 2008 and 2009, the Group had the following material transactions with related parties:**

Transactions with the Holding Company

	Six months ended 30 June	
	2009	2008
	Unaudited	Unaudited
Nature of transactions		
Rental expense paid/payable – Building	818	818
Dividend paid	79,668	70,816

Note: Apart from the above transaction, the Company entered into trademark agreements with the Holding Company pursuant to which the Company has the right to use the registered trademark of “Bo Feng” at no cost from 1 September 2005 to 9 July 2009.

Transactions with companies controlled by the Holding Company

Name of related parties	Nature of transactions	Six months ended 30 June	
		2009 Unaudited	2008 Unaudited
– Xinjiang Non-ferrous Industry Group Precious Metal Co., Ltd.	Purchase of equipment and fittings	580	96
– Fukang Non-ferrous Development Co., Ltd.	Purchase of raw materials and consumables	752	903
	Purchase of coal	912	904
– Xinjiang Non-ferrous Metal Industry (Group) Quanxin Construction Co., Ltd.	Provision of construction services	62,505	59,516
	Provision of equipment processing	2,390	2,348
– Fukang Non-ferrous Development Co., Ltd.	Provision of transportation services	1,684	2,152
– Xinjiang Non-ferrous Metallurgy Transportation Company Co., Ltd.	Provision of transportation services	159	75
– Xinjiang Non-ferrous Metal Industry (Group) Fuyun Xingtong Service Co., Ltd.	Provision of transportation services	244	663
	Provision of comprehensive supporting services	1,767	1,160
– Metallurgical Design Institute of Non-ferrous Metals of Urumqi	Provision of mining structure design services	648	168
– Fuyun Hengsheng Beryllium Industry Co., Ltd.	Provision of services	5	–
		<u>71,646</u>	<u>67,985</u>
Provision of loans to a joint-venture			
– Hexin Mining	Provision of loans	15,000	–
Sales of inventories to related parties			
– Fuyun Hengsheng Beryllium Industry Co., Ltd.	Sale of copper cathode	5,861	1,802
– Xinjiang Non-ferrous Industry Group Precious Metal Co., Ltd.	Sale of nickel cathode and copper cathode	31	–
– Xinjiang Non-ferrous Metal Industry (Group) Quanxin Construction Co., Ltd.	Sale of water, electricity and material	1,923	–
		<u>7,815</u>	<u>1,802</u>

(c) Balances due from or due to related parties

	30 June 2009 Unaudited	As at 31 December 2008 Audited
Trade receivables from fellow subsidiaries		
– Xinjiang Non-ferrous Industry Group Precious Metal Co., Ltd.	–	38
– Fuyun Hengsheng Beryllium Industry Co., Ltd.	537	537
– Xinjiang Haoxin Lithia Developing Company Limited	324	–
	861	575
Trade receivables from other state-owned enterprises	498	85
	1,359	660
Other receivables from a joint-venture		
– Hexin Mining	15,000	–
Other receivables from an associate		
– PuXiong Mining	7,048	–
Other receivables from other state-owned enterprises	13,472	18,147
	35,520	18,147
Advances to fellow subsidiaries		
– China Non-ferrous Metal Import and Export Company of Xinjiang	39	–
– Xinjiang Non-ferrous Metal Industry (Group) Quanxin Construction Co., Ltd.	5,213	58
	5,252	58
Advances to other state-owned enterprises	51,235	39,647
	56,487	39,705

	As at	
	30 June	31 December
	2009	2008
	Unaudited	Audited
Trade payables to fellow subsidiaries		
– Xinjiang Non-ferrous Metallurgy Manufacture Factory	7	–
– Metallurgical Design Institute of Non-ferrous Metals of Urumqi	100	–
– Fukang Non-ferrous Development Co., Ltd.	840	725
– Xinjiang Non-ferrous Metal Industrial Materials (Group) Co., Ltd.	637	–
– Xinjiang Non-ferrous Metal Industry (Group) Fuyun Xingtong Service Co., Ltd.	474	518
– Xinjiang Non-ferrous Metal Industry (Group) Quanxin Construction Co., Ltd.	16,620	5,267
– Xinjiang Non-ferrous Metallurgy Transportation Company Co., Ltd.	10	55
– Xinjiang Non-ferrous Industry Group Precious Metal Co., Ltd.	170	393
	<u>18,858</u>	<u>6,958</u>
Trade payables to other state-owned enterprises	<u>4</u>	<u>8,027</u>
	<u><u>18,862</u></u>	<u><u>14,985</u></u>
Other payables to fellow subsidiaries		
– Xinjiang Non-ferrous Gold Construction Company	169	–
Other payables to other state-owned enterprises	<u>60</u>	<u>–</u>
	<u><u>229</u></u>	<u><u>–</u></u>
Long-term payables to Holding Company		
– Current	443	978
– Non-current	1,268	1,361
	<u><u>1,711</u></u>	<u><u>2,339</u></u>
(d) Key management compensation		
	Six months ended 30 June	
	2009	2008
	Unaudited	Unaudited
– Salaries and other short-term employee benefits	1,726	1,633
– Retirement benefit contributions	59	46
	<u><u>1,785</u></u>	<u><u>1,679</u></u>