

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



NORTH MINING SHARES COMPANY LIMITED

北方礦業股份有限公司

(formerly known as SUN MAN TAI HOLDINGS COMPANY LIMITED)

(Incorporated in Bermuda with limited liability)

(Stock Code: 433)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2009

The board of directors (the "Board") of North Mining Shares Company Limited (formerly known as "Sun Man Tai Holdings Company Limited") (the "Company") announces the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2009, together with the comparative figures for the corresponding period in 2008.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2009

	Notes	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Unaudited)
Turnover	2	8,681	25,832
Cost of sales		(3,420)	(54,696)
Gross profit		5,261	(28,864)
Other revenue		846	801
Negative goodwill		–	27,180
Administrative expenses		(11,857)	(11,331)
Fair value loss on financial assets at fair value through profit or loss		–	(12,966)
Impairment loss on property under development		(84,794)	–
Other operating expenses		(3,057)	(925)
Loss from operations	3	(93,601)	(26,105)
Share of results of associate		3,652	2,562
Finance costs	4	–	(562)
Loss before tax		(89,949)	(24,105)
Taxation	5	(526)	(602)
Loss for the period		(90,475)	(24,707)
Loss for the period attributable to:			
Owners of the Company		(90,475)	(23,861)
Minority interests		–	(846)
		(90,475)	(24,707)
Loss per share			
– Basic	6	(0.93) HK cents	(0.70) HK cents
– Diluted		N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2009

	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Unaudited)
Loss for the period	(90,475)	(24,707)
Exchange differences arising on the translation of foreign operations	(698)	(1,046)
Total comprehensive loss for the period	(91,173)	(25,753)
Total comprehensive loss attributable to:		
Owners of the Company	(91,173)	(25,753)
Minority interests	(640)	–
	(91,813)	(25,753)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2009

		30/6/2009 HK\$'000 (Unaudited)	31/12/2008 HK\$'000 (Audited)
	Notes		
ASSETS			
Non-current assets			
Property, plant and equipment	8	34,243	112,169
Investment properties		361,401	357,835
Goodwill		12,591	12,591
Intangible assets		31,494	32,419
Interest in associates		63,400	59,386
Prepaid lease payments		87,549	88,533
Exploration and evaluation assets		889,887	888,579
Other non-current assets		35,000	–
		1,515,565	1,551,512
Current assets			
Account receivables	9	1,973	2,464
Prepayments, deposits and other receivables		85,445	105,213
Cash and bank balances		161,999	126,984
		249,417	234,661
Total assets		1,764,982	1,786,173
EQUITY			
Capital and reserves attributable to the Company's owners			
Share capital		155,129	155,129
Reserves		1,061,561	1,151,338
		1,216,690	1,306,467
Minority interests		437,339	436,699
Total equity		1,654,029	1,743,166

		30/6/2009 HK\$'000 (Unaudited)	31/12/2008 HK\$'000 (Audited)
	Notes		
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		31,713	30,536
Current liabilities			
Account payables	10	1,036	1,888
Other payables and accrued expenses		14,695	7,441
Amount due from a shareholder		61,000	–
Tax payable		2,509	3,142
		79,240	12,471
Total liabilities		110,953	43,007
Total equity and liabilities			
		1,764,982	1,786,173
Net current assets			
		170,177	222,190
Total assets less current liabilities			
		1,685,742	1,773,702
Net assets		1,654,029	1,743,166

NOTES TO CONDENSED FINANCIAL STATEMENTS

For the six months ended 30 June 2009 (in HK Dollars)

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared in accordance with the Hong Kong Accounting Standard ("HKAS") No. 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The accounting policies and basis of preparation used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2008, except in relation to the following new and revised Hong Kong Financial Reporting Standards, ("HKFRSs", which also include HKASs and Interpretations) that affect the Group and are adopted for the first time for the current period's financial statements:

HKAS 1 (revised)	Presentation of financial statements
HKAS 23 (revised)	Borrowing costs
HKAS 27 (revised)	Consolidated and separate financial statements – cost of an investment in a subsidiary, jointly controlled entity or associate
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement
HKFRS 2 (Amendment)	Share-based payment – vesting conditions and cancellations
HKFRS 7 (Amendment)	Financial instruments: Disclosures – improving disclosure about financial instruments
HKFRS 8	Operating segments
HKFRS 32 (Amendment)	Financial Instruments: Presentation
HK(IFRIC) Int – 9 and HKAS 39 (Amendment)	Reassessment of Embedded Derivatives and Financial Instruments: Recognition and Measurement
HK(IFRIC) Int – 13	Customer Loyalty Programmes
HK(IFRIC) Int – 15	Agreements for the Construction of Real Estate
HK(IFRIC) Int – 16	Hedges of a Net Investment in a Foreign Operation

Except for the new requirements of HKAS 1 (Revised) and HKFRS 8 as described below, the adoption of the abovementioned new or revised standards, amendments and interpretations did not result in any substantial changes to the Group's significant accounting policies and presentation of the condensed consolidated interim financial information.

As a result of the adoption of HKAS 1 (revised), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. The new format for the consolidated statement of comprehensive income and the consolidated statement of changes in equity has been adopted in this condensed consolidated interim financial information and corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

HKFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. This was consistent with the presentations of segment information in prior years. The adoption of HKFRS 8 has had no material impact on the reportable segments being identified and presented.

The Group has not early applied the following new or revised standards, amendments or interpretation that have been issued but are not yet effective:

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs issued in 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 ²
HKAS 27 (Revised in 2008)	Consolidated and Separate Financial Statements ¹
HKAS 39 (Amendment)	Eligible Hedged Items ¹
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters ³
HKFRS 2 (Amendment)	Group cash-settled share-based payments transactions ³
HKFRS 3 (Amendment)	Business Combinations ¹
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners ¹
HK(IFRIC) – Int 18	Transfers of Assets from Customers ⁴

¹ Effective for annual periods beginning on or after 1 July 2009.

² Amendments that are effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate.

³ Effective for annual periods beginning on or after 1 January 2010.

⁴ Effective for transfers on or after 1 July 2009.

The adoption of HKFRS 3 (Revised 2008) may affect the Group's accounting for business combinations for which the acquisition dates are on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised 2008) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary that do not result in loss of control of the subsidiary. Changes in the Group's ownership interest that do not result in loss of control of the subsidiary will be accounted for as equity transactions. The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

2. SEGMENT INFORMATION

During the period, the Group adopted HKFRS 8 Operating Segments with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. In contrast, the predecessor standard (HKAS 14 Segment Reporting) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. Nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

Business segment information is chosen as the primary reporting format because this is more consistent with the Group's internal financial reporting.

The Group comprises the following main business segments:

Property leasing:	–	The leasing of commercial premises
Interest income:	–	Lending of funds to independent third parties
Property management:	–	Provision of management service to premises
Securities trading:	–	Trading of securities listed on the Stock Exchange
Mining operation:	–	Exploitation, processing and sales of mineral concentrates in the PRC

The following is an analysis of the Group's revenue and results by business segment for the period under review:

For the six months ended 30 June 2009						
	Property Leasing HK\$'000 (Unaudited)	Interest Income HK\$'000 (Unaudited)	Property Management HK\$'000 (Unaudited)	Securities Trading HK\$'000 (Unaudited)	Mining Operation HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Reportable segment revenue	7,098	–	1,583	–	–	8,681
Reportable segment results	5,000	–	261	–	–	5,261
Unallocated revenue						846
Negative goodwill						–
Unallocated expenses						(14,914)
Impairment loss on property under development						(84,794)
Loss from operations						(93,601)
Finance costs						–
Share of results of associates						3,652
Loss before tax						(89,949)
Taxation						(526)
Loss for the period						(90,475)

For the six months ended 30 June 2008						
	Property Leasing HK\$'000 (Unaudited)	Interest Income HK\$'000 (Unaudited)	Property Management HK\$'000 (Unaudited)	Securities Trading HK\$'000 (Unaudited)	Mining Operation HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Reportable segment revenue	3,034	825	1,695	20,278	–	25,832
Reportable segment results	2,225	825	230	(45,110)	–	(41,830)
Unallocated revenue						801
Negative goodwill						27,180
Unallocated expenses						(14,106)
Impairment loss on property under development						–
Loss from operations						(26,105)
Finance costs						(562)
Share of results of associates						2,562
Loss before tax						(24,105)
Taxation						(602)
Loss for the period						(24,707)

The following is an analysis of the Group's assets by business segment:

As at 30 June 2009						
	Property Leasing HK\$'000 (Unaudited)	Interest Income HK\$'000 (Unaudited)	Property Management HK\$'000 (Unaudited)	Securities Trading HK\$'000 (Unaudited)	Mining Operation HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment assets	397,426	–	50	–	890,222	1,287,698
Interests in associates						63,400
Goodwill and intangible assets						44,085
Prepaid lease payments						87,549
Other unallocated assets						282,250
Consolidated total assets	397,426	–	50	–	890,222	1,764,982

As at 31 December 2008						
	Property Leasing HK\$'000 (Audited)	Interest Income HK\$'000 (Audited)	Property Management HK\$'000 (Audited)	Securities Trading HK\$'000 (Audited)	Mining Operation HK\$'000 (Audited)	Total HK\$'000 (Audited)
Segment assets	386,990	–	38	–	888,579	1,275,607
Interests in associates						59,386
Goodwill and intangible assets						45,010
Prepaid lease payments						88,533
Other unallocated assets						317,637
Consolidated total assets	386,990	–	38	–	888,579	1,786,173

3. LOSS FROM OPERATIONS

The Group's loss from operations is arrived at after charging:

	Six months ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Amortisation of intangible assets	925	925
Depreciation of property, plant and equipment	1,047	415
Operating lease rentals in respect of land and buildings	869	715
Impairment loss on property under development	84,794	–
Directors' emoluments	545	303
Salaries and allowances	2,694	2,619
Retirement benefit scheme contributions	258	271
Changes in fair value of financial assets through profit or loss	–	12,966

4. FINANCE COSTS

	Six months ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on:		
Convertible bonds interest at effective interest rate	—	562

5. TAXATION

	Six months ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Provision for the period	526	602
Over-provision in prior periods	—	—
	526	602

The provision for Hong Kong Profits Tax is calculated at 16.5% (2008: 16.5%) of the estimated assessable profits for the period. No provision for Hong Kong profits tax has been made in the interim financial statements as the Group's operating in Hong Kong incurred a tax loss for the period (30 June 2008: Nil).

PRC income tax charge represents the PRC Enterprise Income Tax paid or payable during the period. Enterprise Income Tax in the PRC has been provided at the prevailing rate of 25% on the estimated assessable profit applicable to the Company's subsidiaries established in the PRC.

Deferred tax assets have not recognised in the financial statements in respect of estimated tax losses due to the unpredictability of future profit streams (30 June 2008: Nil).

6. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
Loss from operations attributable to owners of the Company (in HK\$'000)	(90,475)	(24,707)
Weighted average number of ordinary shares in issue	9,695,585,093	3,519,252,093
Basic loss per share attributable to owners of the Company (HK cents per share)	(0.93)	(0.70)

There were no potential dilutive shares in existence for the six months ended 30 June 2009 and 2008, accordingly, no diluted loss per share has been presented.

7. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the current period (30 June 2008: Nil).

8. PROPERTY, PLANT AND EQUIPMENT

The changes in the net book value of property, plant and equipment for the six months ended 30 June 2009 are analysed as follow:

	HK\$'000 (Unaudited)
At 1 January 2009 (Audited)	112,169
Additions	9,172
Depreciation charge for the period	(1,047)
Impairment loss	(84,794)
Exchange reserve	(1,257)
At 30 June 2009 (Unaudited)	<u>34,243</u>

9. ACCOUNT RECEIVABLES

	30 June 2009 HK\$'000 (Unaudited)	31 December 2008 HK\$'000 (Audited)
Account receivables	3,834	4,325
Less: Impairment loss recognised	(1,861)	(1,861)
	<u>1,973</u>	<u>2,464</u>

Included in account receivables are debts which are normally due within 30 days from the date of billing. The aging analysis included as follows:

	30 June 2009 HK\$'000 (Unaudited)	31 December 2008 HK\$'000 (Audited)
0-30 days	1,973	2,464
31 – 365 days	–	–
Over 1 year	1,861	1,861
	<u>3,834</u>	<u>4,325</u>

10. ACCOUNT PAYABLES

The aging analysis of account payables is set out as follows:

	30 June 2009 HK\$'000 (Unaudited)	31 December 2008 HK\$'000 (Audited)
Due within one month or on demand	<u>1,036</u>	<u>1,888</u>

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE

In the first half of 2009, the global financial markets slowly recovered from the financial tsunami. During the period under review, the Group managed to grasp market opportunities precisely from the recovering market to reduce market risks and impacts. In order to diversify the businesses of the Group, the Company has been actively exploring new investment opportunities with profitable prospects. After tapping into the mining business, the Board believes that the acquisitions of various mines will further create strategic values for the Group.

For the six months ended 30 June 2009, the Group recorded a turnover of approximately HK\$8,681,000 (30 June 2008: HK\$25,832,000), representing a decrease of approximately 66.39% as compared with the corresponding period in 2008. Such decrease was mainly due to the fact that the Group trimmed down its securities trading operation to reduce the market risk arising from the securities market.

Moreover, turnover generated from the Group's property management slightly decreased to approximately HK\$1,583,000 for the six months ended 30 June 2009, representing an decrease of 6.6% as compared to HK\$1,695,000 for the corresponding period in 2008. Such decrease was mainly attributable to the decrease in building management income during the period under review.

During the period under review, the Group recorded a loss of approximately HK\$90,475,000 (30 June 2008: loss of approximately HK\$24,707,000). Such increase was mainly a result of the impairment loss recorded from the property development in Xian of approximately HK\$84,794,000. Taken out the effect of impairment loss, the loss will be dropped to HK\$5,681,000, representing a decrease of approximately 77% as compared with the last corresponding period of 2008.

DIVISIONAL BUSINESS REVIEW

The principal activities of the Group are (i) mining operation; (ii) securities trading; (iii) property investment; (iv) property development and (v) property management. An analysis for each of the business operation is set out as follows:

Mining operation

As at 30 June 2009, the Group held 51% equity interests of Jilin Province Rui Sui Kuang Ye Company Limited ("Rui Sui"). Rui Sui has an exploration rights to an iron mine covering approximately 4.17 km² in Da Nan Gou, Jin Dou Xiang, Tong Hua of the Jilin Province in the PRC. The exploration was still in progress during the period under review.

During the period under review, the Group entered into an acquisition agreement and a supplementary agreement on 31 March 2009 and 1 April 2009 respectively to acquire the entire equity interests in 青海省祁連山銅業有限公司 (Qinghai Province Qilianshan Copper Company Limited*) (“Qilianshan”), 青海正遠礦業有限公司 (Qinghai Zhengyuan Mining Company Limited*) (“Zhengyuan”) and 博爾塔拉蒙古自治州喇嘛蘇銅礦 (Boertala Mongolian Autonomous Prefecture Lamasu Copper Mine*) (“Lamasu”) at a consideration of HK\$1,607,457,000.

On 5 July 2009, the Group entered into an acquisition agreement to acquire the 65% equity interests of 陝西省洛南縣九龍礦業有限公司 (Shaanxi Province Luo Nan Xian Jiu Long Kuang Ye Company Limited*) at a consideration of HK\$820,164,000. With a site of approximately 7.1956 km² in Xi Ban Cha Gou, Huang Long Pu Cun, Shi Men Zhen, Luo Nan Xian, Shaanxi Province, the PRC, the current annual output of Shaanxi Province Luo Nan Xian Jiu Long Kuang Ye Molybdenum Mine is 3500-5000 tones of molybdenum concentrate.

In view of the significant investments made in the mining operation, during the period under review, the Group appointed a senior consultant, Mr. Yan Tian Ming (“Mr. Yan”), to advise the Group with respect to mining operation. Mr. Yan has extensive experience in PRC mining industry dating back to 1968 and had been the Deputy General Manager in Jin Dui Cheng Molybdenum Company. The Board believes that the extensive experience of Mr. Yan may enhance the efficiency and effectiveness of the Group’s mining operation.

The Group acquired a number of high-quality mining companies to progressively develop its mining operations in the PRC. The Group believes that the demand of minerals will increase as the economy recovers. The Board is confident that the mining operation will make a positive contribution to the Company and its shareholders as a whole.

Securities Trading

In the first half of 2009, the Group trimmed down its securities trading operation pending the stabilization of the Hong Kong securities market. The Group’s investment team will closely monitor the market situation and will be cautious in making investment decision in order to protect the interest of the Group and its shareholders.

Property Investment

Changchun, the PRC

The average occupancy rates of the shopping mall in Changchun City was approximately 65%. For the six months ended 30 June 2009, turnover and profit attributable to the Group was approximately HK\$7,098,000 (2008: HK\$3,034,000) and HK\$5,000,000 (2008: HK\$2,225,000) respectively. The increase in turnover during the period under review was mainly due to the fact that rental income arising from the shopping mall for the whole period under review had been fully consolidated into the Group whereas there were only few months being consolidated in the corresponding period in 2008.

During the period under review, the Group invested approximately HK\$9,170,000 to upgrade the shopping mall so as to attract more fashion retailers targeting youngsters as potential tenants. Currently, substantial parts of the shopping mall are still under renovation and the Board targeted to upgrade the shopping mall to become preferred shopping mall for young fashion shoppers in Changchun, the PRC. The Board expects the shopping mall in Changchun City will bring a positive return and steady rental income to the Group.

Xian, the PRC

The Group currently has one property development project in Xian. However, during the period under review, the Board has discovered that, without its knowledge or consent, the land where the property development project to be erected was apparently surrendered to the Xian government by the JV Partner in a suspected fraud. The Company had sought legal advice from its Xian lawyers about its remedies including recovery of the value of the land from the suspected fraudsters. A report had been made to the Xian police. According to the Xian police, suspects had been arrested in connection with the suspected fraud and part of the proceeds had been identified and frozen pending further investigation. Xian police confirmed that none of the directors had been involved in the case. The Company will continue to seek legal advice from lawyers as to the actions which it can take to protect its rights including the recovery of the value of the land from the wrongdoers.

Property Management

For the six months ended 30 June 2009, turnover generated from the property management operation was approximately HK\$1,583,000 (30 June 2008: HK\$1,695,000), representing a decrease of approximately 6.6%. Such decrease was mainly due to the decrease in management fee. During the period under review, the Group has one management contract for a high quality villa-type property in Shanghai. The management of the Group is seeking other high quality property management contract to expand the Group's property management portfolio.

Associates

As at 30 June 2009, the Group has an associate company which was principally engaged in the manufacturing and trading of pharmaceutical products in the PRC. During the period under review, the results of the associate company are promising and the operation of the associate company continued to expand. For the six months ended 30 June 2009, the Group shared a profit from the associate company of approximately HK\$3,652,000 (30 June 2008: HK\$2,562,000). The Group is confident and expecting a better return from the associate company in the future.

PROSPECTS

In the second half of 2008, the impact of the global financial crisis on the PRC gradually deepened. The central government quickly adopted measures such as major interest rate cut, relaxed credit control, together with the RMB4 trillion stimulus plan and other active fiscal policies since September 2008, and the economic downturn was gradually contained in the second quarter of 2009. Some of the economic indicators showed sights of rebounding from the bottom; GDP growth rate upped from 6.1% in the first quarter to 7.9% in the second quarter of the year. Moreover, the recent robust US macroeconomic indicators have provided evidence that the global recession is coming to an end and economic activities are back on the growth track.

Benefited from the economic stimulus plan of the PRC, the Group believes that the demand of raw materials such as molybdenum, iron and copper etc. will increase. Therefore, after the completion of several acquisitions, the acquired PRC mining companies will make a significant contribution to the Company's profit. Moreover, The Group will continue to identify and pursue investment opportunities and manage the existing investments in accordance with the Group's investment objectives of achieving medium-term growth in profits and capital appreciation. The Board believes that the Group is able to fulfill its investment objectives and to make timely investments as well as to capture opportunities when they arise.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operation with internally generated cash flow and proceeds received from funds raising activities. During the period under review, the Group recorded a net cash inflow of approximately HK\$35,015,000, while it was a cash outflow of the last corresponding period of HK\$67,879,000.

The Group expressed its gearing ratio as a percentage of bank and other borrowing over total shareholders' equity. As at 30 June 2009, the gearing ratio was nil (31 December 2008: Nil).

The Group is of good liquidity and sufficient solvent ability, the current ratio was 3.15 for the six months ended 30 June 2009 while it was 18.8 as at 31 December 2008.

As at 30 June 2009, the debt to equity ratio was 0.067 while it was 0.025 as at 31 December 2008. The ratio was calculated by dividing the total liabilities of HK\$110,953,000 (31 December 2008: HK\$43,007,000) by the total shareholders' equity of HK\$1,654,029,000 (31 December 2008: HK\$1,743,166,000).

The Board believes that the Group has a healthy financial position and has sufficient resources to satisfy its capital expenditure and working capital requirement.

CAPITAL STRUCTURE AND TREASURY POLICIES

Capital Structure

The capital structure of the Group as at 30 June 2009 has been summarised below:

	30 June 2009 HK'000	31 December 2008 HK'000
Current assets	249,417	234,661
Current liabilities	79,240	12,471
Shareholders' equity	1,654,029	1,743,166

Current assets mainly comprise cash and bank balances of approximately HK\$161,999,000 (31 December 2008: HK\$126,984,000).

Current liabilities mainly comprise tax payable, account payables, accrual and other payables.

Treasury Policies

During the six months ended 30 June 2009, the business activities of the Group were mainly denominated in Hong Kong dollars and Renminbi. The Board does not consider that the Group is significantly exposed to any foreign currency exchange risk. It is the Group's treasury policy to manage its foreign currency exposure whenever its financial impact is material to the Group. For the six months ended 30 June 2009, the Group did not employ any financial instruments for hedging purposes and did not engage in foreign currency speculative activities.

BORROWINGS AND BANKING FACILITIES

The Group does not have any bank borrowing as at 30 June 2009 (31 December 2008: Nil).

CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

As at 30 June 2009, the Group had no material contingent liabilities (31 December 2008: Nil) and capital commitments (31 December 2008: Nil).

PLEDGE AND CHARGES OF GROUP ASSETS

As at 31 December 2008 and 30 June 2009, the Group does not have any pledged assets.

MATERIAL TRANSACTIONS

The Group entered into an acquisition agreement dated 31 March 2009 and a supplementary agreement dated 1 April 2009 respectively with independent third parties to acquire the entire equity interests in Qilianshan, Zhengyuan and Lamasu, all are limited liability companies incorporated in the PRC, for an aggregate consideration of approximately HK\$1,607,457,000 (the "Consideration"), part of which shall be satisfied by the issue of new shares of the Company (the "Acquisitions"). The Acquisitions have not yet completed as at 30 June 2009 while (i) the Group entered into a second supplementary agreement in August 2009 to change, among others, the subject matters of the Acquisitions, the Consideration and the conditions precedent of the Acquisitions; and (ii) further sale and purchase agreements will be entered detailing the terms of the Acquisitions and the completion arrangements. Details of the Acquisitions are set out in the Company's announcements dated 16 April 2009, 7 May 2009, 18 August 2009 and 31 August 2009.

Save as disclosed herein before, the Group had no material transactions, acquisitions/disposals of subsidiaries and associated companies during the six months period under review.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 30 June 2009, the Group employed 71 (30 June 2008: 63) full time employees in Hong Kong and the PRC. Employee remuneration packages are structured and reviewed with reference to the nature of the jobs, market condition and individual merits. The Group also provides other employee benefits which include year end double pay, mandatory provident fund and medical insurance. Total staff costs for the six months ended 30 June 2009 were approximately HK\$2,694,000 (30 June 2008: HK\$2,619,000).

CHANGE OF COMPANY NAME

The change of the Company name from “Sun Man Tai Holdings Company Limited” to “North Mining Shares Company Limited” and the adoption of the Chinese name “北方礦業股份有限公司” as secondary name of the Company were approved by the shareholders at the special general meeting held on 28 April 2009 and became effective on 29 April 2009. All pre-conditions in respect of such change were satisfied in May 2009.

CHANGE IN BOARD LOT SIZE

The board lot size of the shares for trading on the Stock Exchange has been changed from 25,000 shares to 10,000 shares with effective from 16 June 2009. The Board believed that the reduction in board lot size will facilitate the trading and enable the Company to attract more investors and broaden its shareholder base. The change in board lot size will not affect any of the shareholder’s rights.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities during the six months ended 30 June 2009.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES OF THE LISTING RULES

The Board has reviewed the Company's corporate governance practices. 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 during the six months ended 30 June 2009.

Model Code

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors. Having made specific enquiry of all directors, the Company confirmed that all directors have complied with the required standard set out in the Model Code for the six months period under review.

Audit Committee

The audit committee comprises three independent non-executive directors of the Company, namely Mr. Mu Xiangming (Chairman of the Committee), Dr. Cheng Chak Ho and Mr. Lo Wa Kei Roy. The purpose of the establishment of the audit committee is for reviewing and supervising the financial reporting process and internal control of the Group. The audit committee had reviewed the Group's interim results for the six months ended 30 June 2009.

PUBLICATION OF THE DETAILED INTERIM RESULTS ON THE STOCK EXCHANGE'S WEBSITE

The result announcement is published on the website of the Stock Exchange at www.hkex.com.hk and the Company's website at www.northmining.com.hk. The 2009 interim report of the Company containing all the information required by the Listing Rules will be dispatched to its shareholders and published on the above websites in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to extend our gratitude to customers and shareholders for their continuous support and our staff for their invaluable dedication and contribution in the past period.

On behalf of the Board
Chiu Yeung
Executive Director

Hong Kong, 24 September 2009

As at the date of this announcement, the executive directors are Mr. Ji Jian Xun, Mr. Chiu Yeung, Mr. Jin Jiu Xin, Mr. Zhao Qing, Mr. Zhang Jia Kun, Mr. Chai Ming and Mr. Gao Yuan Xing; and the independent non-executive directors are Mr. Mu Xiangming, Mr. Lo Wa Kei Roy and Dr. Cheng Chak Ho.

* *For identification purpose only*