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NORTH MINING SHARES COMPANY LIMITED
北方礦業股份有限公司

(formerly known as SUN MAN TAI HOLDINGS COMPANY LIMITED

新萬泰控股有限公司*)

(Incorporated in Bermuda with limited liability)

(Stock Code: 433)

**ANNOUNCEMENT MADE PURSUANT TO
RULE 13.09 OF THE LISTING RULES
AND
PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

Reference is made to the Report in which it was reported that as at 31 December 2008, the Group had a property development project in Xian, the construction progress of which was satisfactory during the year.

The Board wishes to announce that, it has discovered that, without its knowledge or consent, the Land in question was apparently surrendered to the Xian government for the Proceeds in a suspected fraud by the JV Partner. The Company has sought legal advice from its Xian lawyers about its remedies including recovery of the value of the Land from the suspected fraudsters. A report has been made to the Xian police. According to the Xian police, suspects have been arrested in connection with the suspected fraud and part of the Proceeds has been identified and frozen pending further investigation.

The Board also wishes to inform the shareholders of the Company and potential investors that the loss of the Land will be reflected as an exceptional loss of about HK\$84.8 million in the interim results of the Group for the six months ended 30 June 2009. This will increase the loss of the Group as compared with the loss recorded for the same period in 2008.

* For identification purpose only

This announcement is based only on a preliminary review of the unaudited consolidated management accounts of the Group which has not yet been reviewed by the auditors of the Company.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

Reference is made to the Company's Annual Report 2008 (the "**Report**") in which it was reported that as at 31 December 2008, the Group had a property development project in Xian, the construction process of which was satisfactory during the year.

The Board of Directors of the Company (the "**Board**") wishes to inform the shareholders of the Company and potential investors that the land on which the aforesaid property development project was situated (the "**Land**") was held by Xian BOCMT Real Estate Company Limited ("**Xian BOCMT**"). Xian BOCMT is a joint venture company set up in 2000 between a wholly owned subsidiary of the Company, and Xian He Shun Real Estate Development Ltd (西安和順房地產開發有限公司) ("**JV Partner**") for, among other things, real property development in China. In early April 2009, the Company learned that in January 2006 without the Company's knowledge or consent, the Land was apparently surrendered to the Xian government for some RMB1.178 billion (the "**Proceeds**") in a suspected fraud by the JV Partner. To the best of the Company's knowledge, the surrender of the Land was first suspected by a major shareholder of the Company, who made a report to the Xian police in August 2008 without informing the Company. In early April 2009, the shareholder informed the Company about the suspected fraud. Immediately, the Company sought legal advice and the suspected fraud was again reported to the police.

According to the Xian police, three suspects have been arrested in connection with the fraud. The Xian police have told the Company that its investigation into the fraud is still on going. The Xian police have identified part of the Proceeds and have frozen such funds pending further investigation.

The Company will continue to seek legal advice from its Xian 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.

The loss of the Land will be reflected as a provision for exceptional loss of about HK\$84.8 million in the interim results of the Group for the six months ended 30 June 2009 due to be published shortly.

The Board considers the overall operation of the Group as a whole remains sound and its financial position remains solid.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by the order of the Board, of which the directors individually and jointly accept responsibility for the accuracy of the information contained in this announcement.

By order of the Board of
North Mining Shares Company Limited
Chiu Yeung
Executive Director

Hong Kong, 2 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 and Mr. Chai Ming; and the independent non-executive Directors are Mr. Mu Xiangming, Mr. Lo Wa Kei Roy and Dr. Cheng Chak Ho.

All Directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.