Central China Goldfields plc

Annual Report & Accounts 2008

Company Number:
05277251

Directors:
J F A Malaihollo
N B Clark
P A Harford
P McGroary

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Cobbetts (Secretarial Limited)
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CHAIRMAN'S STATEMENT

Dear Shareholders,

2008 has been a year of challenges set against a number of clear successes for the company.

In terms of our successes, Central China Goldfields plc has made significant progress at Nimu where we believe we may have discovered a potentially world class porphyry copper deposit. Our second major success was the sale of the Snow Mountain gold project for RMB 38 million resulting in a profit of RMB 14 million (~£1.1 million). Sadly the success of that sale was soon tempered by the sadness of the subsequent major earthquake in the direct locality of the project. Progress has also been made at the Dong Mao Huo gold deposit to the point that this can be moved on to its next stage.

These successes, however, are unfortunately not reflected in the share price. Given the wider markets general move away from resource stocks and in particular those focused on exploration, as Central China Goldfields plc is, our share price has been significantly impacted. Long term supply issues with copper and rising demand should address this issue.

Going forward, 2009 is now shaping up to be a year of careful management of our assets to ensure we retain full control of our successes and patiently build for the future.

In March, after careful deliberation of the strategic direction of the company, we sold the Snow Mountain prospect to our joint venture partners Sichuan Bureau of Metallurgy and Geology Exploration (SBMGE) for a total of RMB 38 million which represents a profit of approximately £1.1 million. Our decision was based on a desire to focus on projects which have the capacity to transform shareholder value. We, therefore, are focusing on our potential world class copper porphyry deposit at Nimu and, to a lesser extent, early cashflow prospects at the Dong Mao Huo gold project.

Twenty one holes have been drilled in the Gangjiang Licence in Nimu over the last two years with eighteen hitting significant mineralisation and many yielding good grades over considerable widths. Three areas of mineralisation have been the focus of our drilling: Guqing, East Nading and Gelong. At Guqing the mineralisation is contained in an area of 400m x 300m x 250m. Between East Nading and Gelong (now called Doulie) the mineralisation area covers 1000m x 700m with depths from surface up to 576m. There are also areas with copper oxides at surface which could be very attractive for future low-cost solvent extraction- electrowinning (SX/EW) techniques.

The mineralisation is contained in quartz monzonite rocks surrounding a rhyodacite porphyry. Further trench sampling at the end of 2008 lead us to believe that much of this 'annulus' is mineralised and that we have only drilled a portion of it to date. The tonnage indications are significant, representing a potentially world class deposit which could be open-pittable with oxides at surface. We now feel that the geological risks of this project have been reduced significantly.

At the Dong Mao Huo gold project resource definition drilling was completed and large scale bulk sampling was successfully carried out. Although this is a relatively modest resource it is situated in a very easily accessible area with roads and power on the property.

Central China Goldfields has continued to ensure good community relations at Nimu, visiting each house, explaining the programmes and negotiating appropriate land compensation for our activities. We have also ensured employment of the local people and that local cultures are fully respected. All staff have been given thorough training in community relations issues prior to the 2008 field season which helped enormously and we have continued to emphasise the importance of health, safety and environmental work.

Given the current economic downturn, the company has adjusted its cost base to reflect ongoing economic realities whilst retaining the flexibility to respond as circumstances change.

Our progress throughout the year could not have been achieved without the hard work of all our employees. Therefore, in closing, on behalf of the Board of Directors, I would like to thank all of them for their dedication over the past period and also our investors for their support in these challenging times.

Latest developments:

The company completed the transaction for the sale of the Snow Mountain Project and has since secured the vesting of the initial 30% interest in the Nimu project. Given the current market situation we are looking at alternate strategies for Dong Mao Huo and we are actively talking to potential strategic partners to develop Nimu.

In line with the strategy outlined above, in early May 2009, we concluded a Contract Mining deal with a subsidiary of CITIC-Anhua, part of a large Chinese Government Investment Company, to develop and mine the Dong Mao Huo deposit. Central China Goldfields will receive a fixed income of RMB 1.5 million per annum during the oxide phase of the mining and 30% of the net profit during the potentially more lucrative sulphide phase, as well as recovering some past expenditure.

In the beginning of June 2009, the Company announced that the Sichuan Bureau of Metallurgy and Geological Exploration has approached the Company with a view to acquiring the Company's interest in the Nimu Project. At the present time the terms of any transaction, including the level of consideration, is unclear and there is no certainty that a formal offer will be forthcoming. Should a formal offer be made this is likely to constitute a fundamental change of business as defined by the AIM Rules for Companies and will therefore be subject to shareholder approval.

Nigel Clark
Beijing
5 June 2009

REVIEW OF OPERATIONS

On Exploration and Development

The Nimu Project is potentially a world-class copper deposit. Work in 2008 concentrated on the Gangjiang Licence where two of the three known porphyry copper-molybdenum prospects were drilled. Eighteen of the twenty one holes drilled there hit significant mineralisation.

- The Doulie (formerly called Gelong-East Nading) prospect measures at least about 700 metres wide x 1,000 metres long and from 160 to over 500 metres deep. The mineralisation is additionally still open to the north, east and southwest as well as at depth at the southern portion. Some of the more significant intercepts are:
    - Hole GJ15 – 578.8 metres of 0.31% copper equivalent (0.13% Cu & 0.020% Mo) from 2.8 metres downhole, including 160.4 metres section assaying 0.48% copper equivalent (0.18% Cu and 0.033% Mo) commencing 174 metres from surface
    - Hole GJ16 – 358.2 metres of 0.58% copper equivalent (0.24% Cu & 0.038% Mo) from 41.8 metres downhole, including 104.8 metres section assaying 0.58% copper equivalent (0.28% Cu & 0.033% Mo) from 41.8 metres downhole, and 159.8 metres section assaying 0.64% copper equivalent (0.25% Cu & 0.043% Mo) from 165.8 metres downhole
    - Hole GJ19 – 339.2 metres of 0.48% copper equivalent (0.26% Cu & 0.025% Mo) from 2.9 metres downhole, including 225.2 metres of 0.54% copper equivalent (0.30% Cu & 0.027% Mo) from 176.2 metres downhole
    - Hole GJ21 – 154 metres of 0.48% copper equivalent (0.32% Cu & 0.018% Mo) from 18 metres downhole.
- The Guqing prospect is mineralised for about 400 metres x 300 metres with depths of between approximately 60 to 300 metres. Some of the better mineralised intercepts are:
    - Hole GJ13 – 96.5 metres of 0.91% copper equivalent (0.68% Cu & 0.025% Mo) from 1.5 metres downhole, and
    - Hole GJ14 – 65.1 metres of 0.75% copper equivalent (0.52% Cu & 0.025% Mo) from 1.7 metres downhole.
- There are sizeable copper oxide zones at both the Doulie and Guqing prospects which may potentially be amenable to low cost solvent extraction–electrowinning (SX/EW) processing.
    - At Guqing, the copper oxide zone measures at least about 300-400 metres x 50-140 metres and has a thickness of a few metres to 58 metres with a grade of about 0.48% to 0.72% soluble copper.
    - At Doulie, the copper oxide zone measures at least 200 metres x 250 metres and has a thickness of about 33 metres at a grade of around 0.36% to 0.39% soluble copper including 6 to 18 metres of 0.53% to 0.91% soluble copper.
- There are mineralised trenches between the Doulie and Guqing prospects and in areas further southwest, suggesting that the Gangjiang Licence consists of several prospects connected by a corridor of low-grade mineralisation, all at the contact with younger 1.5 kilometre wide rhyodacite stock.
- At the Gusiru prospect, Bairong Licence area, spectacular copper stainings on the river bed for about 100 metres stretch have been found.

At Dong Mao Huo, detailed drilling at 25 metre centres was completed and the results confirmed the presence of open-pittable, low grade oxide gold ores. In addition, we discovered several high-grade copper-zinc-bearing gold-silver veins in the sulphide zone underneath (e.g. hole CH04 -1.8 metres @ 38.9 g/t Au, 156.4 g/t Ag, 2.86% Cu and 0.7% Zn; hole RC30A - 4 metres @ 25.8 g/t Au, 5.1 g/t Ag and 0.1% Cu; hole RC43A - 2 metres @ 43.7 g/t Au, 57.7 g/t Ag and 1.2% Cu).

- Detailed metallurgical tests indicate a simple metallurgy with >90% gold recovery for cyanide column leaching of oxide gold up to 1 inch crush size, >95% gold, silver and copper recoveries for flotation of high-grade sulphide ore and 69-77% gold recovery for cyanide leaching of low- and high-grade sulphide ore.
- Bulk sampling programme of 10 tonnes of oxide ore was conducted in November. This includes refurbishment of the existing primary crusher and ancillary equipment.

During the year we drilled a total of 10,198 metres, of which 4,870 metres of diamond drill were drilled at Nimu and 5,328 metres of reverse circulation drilled at Dong Mao Huo. We analysed a total of 10,562 samples, of which 2,701 samples were from Nimu, 7,758 samples from Dong Mao Huo and 103 samples from other areas.

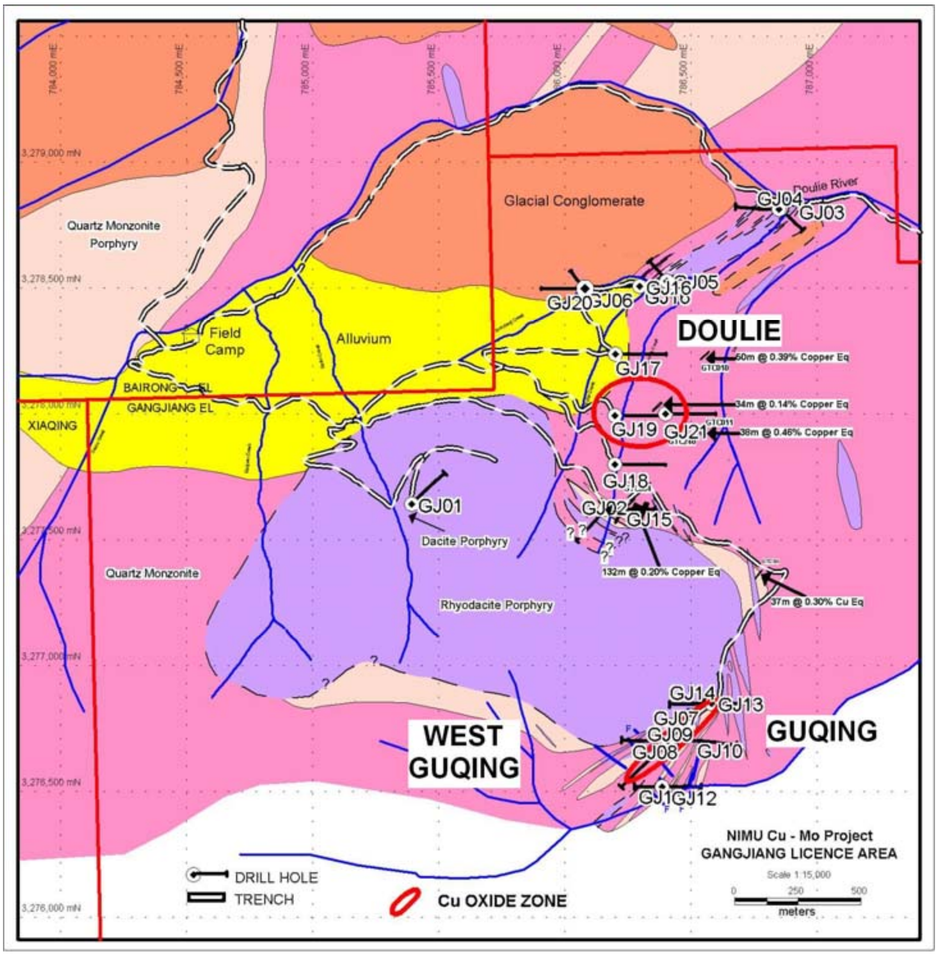
On Finance

- In April we sold the Company's interest in the Snow Mountain Project to our partner, the Sichuan Bureau of Metallurgy and Geological Exploration, for cash consideration of RMB 38 million. This represents a profit of RMB 14 million (approximately £1.1 million). The proceeds were then used to advance the Nimu Project and to earn in our initial 30% in Nimu.
- £899,520 was raised during the year, including £150,751 from Directors and employees of the Company.

On Corporate Responsibilities

- We held public meetings, in both the Nimu and Dong Mao Huo Projects, with the local communities to discuss and distribute land compensation fees, environmental protection fees and financial assistance.
- Our staff visited individual households in the Gangjiang Licence area and the other six licence areas to explain the work programme and record any concerns.
- We continue with the policy of hiring local labourers.
- We continue training in English, Health & Safety, High Altitude Operating Procedure and on various exploration techniques for staff. As a result, the field programme in Nimu in this year was conducted primarily using local staff.
- The Company continues the enforcement of its environmental monitoring and management policy.
- In the aftermath of the Sichuan earthquake in May 2008, the Company, its directors and employees collected donations which were then sent directly to the families of the victims, the local authorities in the Pingwu County and the general relief fund. The Company also donated all of its tents, bedding equipment and blankets from the Snow Mountain Project to the authorities in Pingwu County.

Dr Jeffrey F A Malaihollo
Managing Director



Geological map of northern Gangjiang licence area.

"River of Copper" – green malachite stains along the Gusiru creek, Bairong licence area.

FINANCIAL REVIEW

The results for the years ended 31 December 2008 and 31 December 2007 respectively, were as follows:

	£ 2008	£ 2007
Turnover	-	-
Administration expenses	(1,182,100)	(2,114,637)
Operating Profit (loss)	(1,182,100)	(2,114,637)
Net interest	15,519	128,052
Profit (loss) before taxation	(1,166,581)	(1,986,585)
Corporation tax	-	-
Profit (loss) for the period	(1,166,581)	(1,986,585)

LOSS PER SHARE

Loss per share during the period was £0.009 (2007 – £0.017) on an undiluted basis

SHARE CAPITAL

During the year the Company issued the following shares:

(i) 3,136,000 shares at 7 pence
(ii) 17,641,633 shares at 3 pence
(iii) 4,074,352 shares at 3.7 pence

BALANCE SHEET AND CASHFLOW

During the year the Company raised £899,520 (2007 - £628,825) from financing activities before share issuance costs. There were £17,018 share issuance costs in 2008 (2007 – nil), representing 2% (2007 – 0%) of gross proceeds.

(i) £2,143,167 (2007 – £2,081,396) of cash was invested during the period in intangible fixed assets, being the Company's mining projects in the People's Republic of China,
(ii) £712,929 (2007 – £315,064) of cash was used in the operations for the period and
(iii) £10,207 (2007 – £68,705) was spent on tangible fixed assets.

At 31 December 2008 the Group had cash of £63,598 (2007 - £1,620,463)

INTANGIBLE FIXED ASSETS AND GOING CONCERN

At 31 December 2008 the group had intangible fixed assets of £7,726,808 (2007 – £4,334,953) which is the book value of its investments in mining projects in the People's Republic of China. These investments are described in detail in the Chairman's Report. The Directors believe that these investments are fully-recoverable in the future. The Directors acknowledge that the Group's ability to continue as a going concern is dependent on its ability to obtain additional financing.

Dr Jeffrey F A Malaihollo
Managing Director

REMUNERATION REPORT

The Remuneration Committee

The Remuneration Committee reviews the performance of the Executive Directors and sets the scale and structure of their remuneration including bonus arrangements. The Remuneration Committee also sets the allocation of share options to Directors and other employees. As a small company it is not possible for the Committee to comply fully with the Combined Code. Accordingly membership of the Committee comprises P McGroary as Chairman together with N B Clark and P A Harford.

Statement of remuneration policy

The Group's policy provides for a competitive package that reflects the Group's performance and is designed to attract and retain high calibre executives. The package currently consists of a base salary, bonuses linked to financial performance and longer-term rewards in the form of share options.

DIRECTOR'S REMUNERATION

Remuneration for the year ended 31 December 2008

	Date Appointed	Salary or Fee	Fees paid to third party	Total	Options Granted
		£	£	£	
NB Clark	30 Nov 2004	44,336	19,765	64,101	-
JFA Malaihollo	04 Nov 2004	80,000	-	80,000	-
JC Forrest	30 Nov 2004 (resigned 12 Jun 2008)	11,950	-	11,950	-
PA Harford	30 Nov 2004	7,500	-	7,500	-
JM Roberts	08 Nov 2004 (resigned 30 Dec 2008)	5,625	1,875	7,500	-
J S-H Hon	17 Mar 2006 (retired 19 Aug 2008)	5,063	-	5,063	-
P McGroary	26 Oct 2007	7,500	-	7,500	-
		161,974	21,640	183,614	-

Remuneration for the year ended 31 December 2007

	Date Appointed	Salary or Fee	Fees paid to third party	Total	Options Granted
		£	£	£	
NB Clark	30 November 2004	44,675	37,716	82,391	1,200,000
JFA Malaihollo	04 November 2004	87,870	-	87,870	2,750,000
JC Forrest	30 November 2004	-	48,000	48,000	750,000
PA Harford	30 November 2004	-	7,500	7,500	400,000
JM Roberts	08 November 2004	-	7,500	7,500	400,000
J S-H Hon	17 March 2006	-	7,500	7,500	1,400,000
P McGroary	26 October 2007	1,492	-	1,492	400,000
		134,037	108,216	242,253	7,300,000

The directors received no pension contributions or benefits in kind.

DIRECTORS' REPORT

The directors present their report and the financial statements of the group for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW
The principal activity of the Group during the year was the exploration of mineral properties. During the year the Group continued exploration of its Nimu copper project and the Dong Mao Huo gold project. The Group sold its Snow Mountain Project.

SHARE CAPITAL
Details of the share capital are given in note 16.

CHARITABLE AND POLITICAL DONATIONS
The Group made no charitable or political donations during the period.

SUPPLIER PAYMENT POLICY
The Group applies a policy of agreeing terms of payment with suppliers as part of the commercial arrangements and making payments in accordance with these agreements. The average creditor payment period in the year for the Group was 30 days.

RESULTS AND DIVIDENDS
The trading results for the period and the Group's financial position at the end of the period are shown in the attached financial statements. The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS
The directors who served the Company at 31 December 2008 with their beneficial interests, including family holdings, in the shares of the company were as follows:

		Ordinary Shares of £0.01 each		
		At 31 December 2008		**At 31 December 2007**
	Date appointed	**Direct**	**Direct and Indirect**	**Direct and Indirect**
N B Clark	30 November 2004	2,310,568	2,310,568	800,000
J F A Malaihollo	4 November 2004	2,078,598	2,078,598	1,857,874
P A Harford	30 November 2004	351,351	351,351	250,000
P McGroary	26 October 2007	4,169,554	7,410,179	6,820,500

J C Forrest resigned 12 June 2008
J M Roberts resigned 30 December 2008
J S-H Hon retired 19 August 2008

In addition to their shareholdings, the directors also hold the following warrants and options:

	At 31 December 2008	
	Warrants	Options
J F A Malaihollo	2,937,250	3,750,000
N B Clark	-	1,800,000
P A Harford	250,000	800,000
P McGroary	-	400,000

All warrants are exercisable at a price of 10 pence per ordinary share at any time during the period commencing on admission to AIM and expiring sixty months thereafter, except for 2,612,250 warrants exercisable at 10.4p for sixty months from date of admission which are held by Loeb Aron & Company Ltd and which are included

in the holdings of J F A Malaihollo, who is a director of that company. Further, included in the holdings of J F A Malaihollo is 250,000 warrants held by Loeb Aron & Company Ltd.
The share options are exercisable at 6 pence, 16 pence and 19 pence at any time during the 5 year period commencing upon issuance of the options.

EMPLOYEES
All employees receive equal opportunities for training and development. The sole criterion for selection and promotion is the individual's suitability for the position.

SUBSTANTIAL INTERESTS
At the date of the Directors Report, the following parties (apart from directors) held in excess of 3% of the share capital of the company:

Barclays PLC	12,991,064	7.1%
Genesis Investment Management Ltd	9,500,000	5.2%

POST BALANCE SHEET EVENTS
Details of material post balance sheet events are given in note 21 to the financial statements.

GOING CONCERN
These financial statements have been prepared on a going concern basis which presumes the realisation of assets and discharge of liabilities in the normal course of business. The Group has no operating revenues (2007 – nil) and during the period from 1 January to 31 December 2008 incurred net expenditure of £2,143,167 (2007 – £2,081,396) on intangible assets. The Group's ability to continue as a going concern is dependent on the Group's ability to obtain additional financing and ultimately, the attainment of profitable operations.

AUDITORS
A resolution to re-appoint Edwards Veeder (Oldham) LLP will be proposed at the forthcoming annual general meeting in accordance with section 385 of the Companies Act 1985.

CORPORATE GOVERNANCE
The Group is committed to a high standard of corporate governance and operates to clear principles and procedures of control appropriate to a business of its size. Whilst there is no requirement for AIM companies to comply with the Combined Code, the Company intends to comply with the main provisions in so far as they are appropriate to smaller companies. This statement describes how the Group applies the principles of governance.

Directors
The Board is responsible for approving Company policy and strategy. It meets regularly throughout the year and there are a number of matters that are reserved for its decision. Management supply the Directors with appropriate and timely information and the Directors are free to ask for any further information they consider necessary. Copies of all press announcements made by the Company are also circulated to the Board. Directors may take independent professional advice at the Company's expense and each director has access to the Company Secretary. The Company Secretary is charged with ensuring that the Company complies with all relevant regulations. The Board consists of a Non-Executive Chairman, a Managing Director and two Non-Executive Directors.

Supply of information
To enable the Board to function effectively and allow the Directors to discharge their responsibilities, full and timely access is given to all relevant information. The Board receives reports from the Managing Director at its monthly meetings. In addition:

- an annual budget for each operating subsidiary is approved by the Board;
- actual results are monitored monthly.

Reappointment
Any Director appointed during the year is required, in accordance with the Company's Articles of Association, to retire and seek appointment by shareholders at the next Annual General Meeting. The Articles also require that one third of the Directors retire by rotation each year and seek re-appointment at the Annual General Meeting. The Directors required to retire will be those who have been longest in office since their last appointment or re-appointment.

The Remuneration Committee
Full details of the Directors remuneration and the Company's policy on remuneration are contained in the Remuneration Report above.

Communication with shareholders

The Company has made use of the London Stock Exchange PRN service to communicate with shareholders since Admission to AIM. The Annual General Meeting gives shareholders the opportunity to question the Board.

Accountability

The Board of Directors has overall responsibility for the system of internal financial control which is designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The key procedure is:

- the Audit Committee, comprising Paul McGroary (Chairman), Nigel Clark and Patrick Harford meets with the external auditors twice per year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report, Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. The Directors are required by the IAS Regulation to prepare the Group financial statements under International Financial Reporting Standards (IFRSs) as adopted by the European Union and have also elected to prepare the parent Company financial statements in accordance with IFRSs as adopted by the European Union. The financial statements are also required by law to be properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, Directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Dr Jeffrey F A Malaihollo
Managing Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTRAL CHINA GOLDFIELDS PLC

We have audited the financial statements of Central China Goldfields plc for the year ended 31 December 2008, which comprise the consolidated income statement, the consolidated and company statements of changes in equity, the consolidated and company balance sheets, the consolidated cash flow statement and the related accounting policies and notes. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the part of the Directors' Remuneration Report that is described as having been audited.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR

The directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985 and, as regards the consolidated financial statements, Article 4 of the IAS Regulation. We also report to you if, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Executive Chairman's Statement and Review, Financial Review, the unaudited part of the Directors' Remuneration Report and the Report of the Directors. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information outside the Annual Report.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company and Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Directors' Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors' Remuneration Report to be audited.

FUNDAMENTAL UNCERTAINTY – GOING CONCERN

In forming our opinion we have considered the adequacy of the disclosures made in the financial statements concerning the requirement to raise additional finance. The financial statements have been prepared on a going concern basis, the validity of which depends upon the availability of future finance. The financial statements do not include any adjustments which would result from any inability to raise such finance. Details relating to this are described in note 1 to the accounts. Our opinion is not qualified in this respect.

OPINION

In our opinion:

- The financial statements give a true and fair view, in accordance with IFRS as adopted by the European Union, of the state of the group and company's affairs as at 31 December 2008 and of its loss for the year then ended.
- The financial statements and the part of the Directors' Remuneration Report described as having been audited have been properly prepared in accordance with the Companies Act 1985 and, as regards the Group financial statements, Article 4 of the IAS Regulation; and
- The information given in the Directors' Report is consistent with the financial statements.

EDWARDS VEEDER (Oldham) LLP
Chartered Accountants & Registered Auditors
Brunswick Square
Union Street
OL1 1DE

5 June 2009

CONSOLIDATED INCOME STATEMENT
Year ended 31 December 2008

	Note	1 Jan to 31 Dec 2008 £	1 Jan to 31 Dec 2007 £
Administrative expenses		(1,182,100)	(2,114,637)
OPERATING LOSS	3	(1,182,100)	(2,114,637)
Investment revenues - interest on bank deposits		15,519	128,052
LOSS BEFORE TAX		(1,166,581)	(1,986,585)
Tax	7	-	-
LOSS FOR THE FINANCIAL PERIOD		(1,166,581)	(1,986,585)
ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT	6	(1,166,581)	(1,986,585)
BASIC LOSS PER SHARE	8	(0.009)	(0.017)

All of the activities of the Group are classed as continuing.

CONSOLIDATED BALANCE SHEET
31 December 2008

	Note	2008 £	2007 £
NON-CURRENT ASSETS			
Goodwill	9	126,148	46,887
Other intangible assets	9	7,726,808	4,288,066
Property, plant and equipment	10	83,525	62,420
Marketable securities	12	-	428,266
		7,936,481	4,825,639
CURRENT ASSETS			
Other receivables	13	3,763,815	65,322
Cash and cash equivalents		63,598	1,620,463
		3,827,413	1,685,785
TOTAL ASSETS		11,763,894	6,511,424
CURRENT LIABILITIES			
Other payables	14	(4,185,291)	(360,067)
TOTAL LIABILITIES		(4,185,291)	(360,067)
NET ASSETS		7,578,603	6,151,357
EQUITY			
Share capital	16	1,455,339	1,206,819
Share premium account	17	8,105,920	7,471,937
Warrant reserve	17	492,329	517,743
Share option reserve	17	310,400	494,079
Translation reserve	17	1,649,176	6,710
Retained losses	17	(4,707,240)	(3,751,292)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		7,305,924	5,945,996
Minority Interest		272,679	205,361
TOTAL EQUITY		7,578,603	6,151,357

These financial statements were approved by the Board of Directors and authorised for issue on 5 June 2009
Signed on behalf of the Board of Directors

N B Clark
Chairman

COMPANY BALANCE SHEET
31 December 2008

	Note	2008 £	2007 £
NON-CURRENT ASSETS			
Investments in subsidiaries	11	370,370	150,850
Marketable securities	12	-	428,266
		370,370	579,116
CURRENT ASSETS			
Other receivables	13	5,242,398	4,269,438
Cash and cash equivalents		44,899	1,310,102
		5,287,297	5,579,540
TOTAL ASSETS		5,657,667	6,158,656
CURRENT LIABILITIES			
Other payables	14	(86,337)	(89,071)
TOTAL LIABILITIES		(86,337)	(89,071)
NET ASSETS		5,571,330	6,069,585
EQUITY			
Share capital	16	1,455,339	1,206,819
Share premium account	17	8,105,920	7,471,937
Warrant reserve	17	492,329	517,743
Share option reserve	17	310,400	494,079
Retained losses	17	(4,792,658)	(3,620,993)
TOTAL EQUITY		5,571,330	6,069,585

These financial statements were approved by the Board of Directors and authorised for issue on 5 June 2009
Signed on behalf of the Board of Directors

N B Clark
Chairman

STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2008

	1 Jan to 31 Dec 2008	1 Jan to 31 Dec 2007
	£	£
GROUP		
Opening balance	6,151,357	7,038,360
Loss for financial period	(1,166,581)	(1,986,585)
New equity share capital subscribed	248,520	63,829
Premium on new equity share capital subscribed	633,983	713,158
Value attributed to warrants granted	-	(129,476)
Value attributed to share options granted	1,540	240,000
Translation reserve	1,642,466	6,710
Minority Interest	67,318	205,361
Closing balance	7,578,603	6,151,357

	1 Jan to 31 Dec 2008	1 Jan to 31 Dec 2007
COMPANY	£	£
Opening balance	6,069,585	7,011,019
Loss for financial period	(1,382,298)	(1,828,945)
New equity share capital subscribed	248,520	63,829
Premium on new equity share capital subscribed	633,983	713,158
Value attributed to warrants granted	-	(129,476)
Value attributed to share options granted	1,540	240,000
Closing balance	5,571,330	6,069,585

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 December 2008

	1 Jan to 31 Dec 2008	1 Jan to 31 Dec 2007
	£	£
Operating loss	(1,182,100)	(2,114,637)
Depreciation	14,354	6,285
Impairment charge on intangible assets and goodwill	378,402	-
Non-cash loss on impairment of marketable securities	13,207	258,722
Loss on disposal of marketable securities	295,422	
Gain on disposal of intangible assets	(1,114,011)	-
Effect of foreign exchange translation	(3,627)	82,595
Loss on disposal of property, plant and equipment	-	1,962
Stock option expense	1,540	240,000
Non-cash cost of warrants exercised	-	129,476
Change in receivables and other current assets – (Increase) / Decrease	(3,698,493)	841,488
Change in payables – Increase / (Decrease)	3,825,224	222,682
NET CASH USED IN OPERATING ACTIVITIES	(1,470,082)	(331,427)
INVESTING ACTIVITIES		
Proceeds on sale of intangible assets	3,423,365	-
Proceeds on sale of marketable securities	115,995	-
Investment in marketable securities	-	(686,988)
Acquisitions of property, plant and equipment	(10,207)	(68,705)
Acquisitions of other intangible assets	(4,452,521)	(2,081,396)
Interest received	15,519	128,052
Acquisitions of subsidiaries and minority interests	(61,436)	-
NET CASH USED IN INVESTING ACTIVITIES	(969,285)	(2,709,037)
FINANCING ACTIVITIES		
Issue of equity share capital	248,520	63,828
Share premium on issue of equity share capital	651,000	564,456
Share issue costs	(17,018)	19,226
NET CASH FROM FINANCING ACTIVITIES	882,502	647,510
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(1,556,865)	(2,392,954)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,620,463	4,013,417
CASH AND CASH EQUIVALENTS AT END OF PERIOD	63,598	1,620,463

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2008

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

General information

Central China Goldfields is a Company incorporated in England and Wales under the Companies Act 1985. The address of the registered office is given on page 1. The nature of the Group's operations and its principal activities are set out in the Directors' report on page 9.

These financial statements are presented in pounds sterling because that is the currency of the parent Company of the Group. Foreign operations are included in accordance with the policies set out in this note.

a) Basis of preparation

Central China Goldfields Plc was incorporated on 3 November 2004.

These financial statements have been prepared on a going concern basis which presumes the realisation of assets and discharge of liabilities in the normal course of business. The Group has no operating revenues (2007 – nil) and during the period from 1 January to 31 December 2008 incurred net expenditure of £2,143,167 (2007 – £2,081,396) on intangible assets. The Group's ability to continue as a going concern is dependent on the Group's ability to obtain additional financing and ultimately, the attainment of profitable operations.

The financial statements have been prepared on the historical cost basis, in accordance with International Financial Reporting Standards as adopted by the European Union and therefore the Group financial statements comply with Article 4 of the EU IAS Regulation. The principal accounting policies adopted are set out below.

b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination (see below) and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

c) Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 "Business Combination" are recognised at their fair value at the acquisition date, except for non-current assets (or disposal Groups) that are classified as held for resale in accordance with IFRS 5 "Non-Current Assets held for Sale and Discontinued Operations" which are not recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

d) Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the

recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.
On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

e) Other intangible assets

Exploration and evaluation expenditure comprises costs which are directly attributable to the acquisition of exploration licenses and subsequent exploration expenditures.
Exploration and evaluation expenditure is carried forward as an asset provided that one of the following conditions is met:

(i) Such costs are expected to be recouped in full through successful development and exploration of the area of interest or alternatively, by its sale;
(ii) Exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence of economically recoverable reserves and active and significant operations in relation to the area are continuing, or planned for the future.

Identifiable exploration and evaluation assets acquired are recognised as assets at their cost of acquisition. An impairment review is performed when facts and circumstances suggest that the carrying amount of the assets may exceed their recoverable amounts. Exploration assets are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions outlined is met. Exploration rights are amortised over the useful economic life of the mine to which it relates, commencing when the asset is available for use.
Expenditure on research activities is recognised as an expense in the period in which it is incurred.

f) Property, plant and equipment

Property, plant and equipment is stated at cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses.
Depreciation is charged so as to write off the cost, less estimated residual value on assets other than land, over their estimated useful lives, using the reducing balance method, on the following bases:

Fixtures and equipment	20-30%

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

g) Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.
Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.
If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

h) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.
The tax currently payable is based on taxable losses for the period. Taxable loss differs from net loss as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are

not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.
Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.
The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.
Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

i) Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprises cash in hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

j) Foreign currencies

The individual financial statements of each Group Company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group Company are expressed in pounds sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.
In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.
Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the profit and loss account for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.
For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in the income statement in the period in which the foreign operation is disposed of.
Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

k) Critical accounting judgements

In the process of applying the Group's accounting policies, which are described above, the Directors have made the following judgements that have the most significant effect on the amounts recognised in the financial information.

- Valuation of warrants issued and ordinary shares issued as consideration (note 16).

2. BUSINESS AND GEOGRAPHICAL SEGMENTS

For management purposes, the Group has one business and geographical segment - mining and exploration in the People's Republic of China.

3. OPERATING LOSS

	1 Jan to 31 Dec 2008	1 Jan to 31 Dec 2007
	£	£
Operating loss is after charging		
Auditors' remuneration - as auditors	16,524	20,338
Loss on disposal of marketable securities	295,422	258,722
Impairment charges for the year	391,609	-
Stock option expense	1,540	240,000
Foreign exchange (gains) / losses	(331,224)	82,595
Depreciation of tangible assets	14,354	6,285
Loss on disposal of fixed assets	-	1,962
Gain on disposal of other intangible assets	1,114,011	-

The analysis of auditors' remuneration is as follows:		
Fees payable to the Company's auditors for the audit of Company's accounts	15,000	18,000
Fees payable to the Company's auditors and their associates for other services to the Group		-
The audit of the Company's subsidiaries*	1,524	2,338
Total audit fees	16,524	20,338
TOTAL	16,524	20,338

* The audits of Zhongcheng Limited, Lhasa Tianli Mining Company Limited, Baotou Ltd and United Kingdom Central China Goldfields plc Beijing Representative Office were carried out by the subsidiaries' local auditors in the People's Republic of China.

4. STAFF COSTS

Staff costs of the Group and Company were:

Group	1 Jan to 31 Dec 2008	1 Jan to 31 Dec 2007
	£	£
Wages and salaries	371,601	211,210
Social Security Costs	22,605	15,915
Share based payments	-	136,098
	394,206	363,223
Average number of employees	53	9

Company	1 Jan to 31 Dec 2008	1 Jan to 31 Dec 2007
	£	£
Wages and salaries	110,632	199,285
Social Security Costs	12,654	13,313
Share based payments	-	136,098
	123,286	348,696
Average number of employees	3	8

5. DIRECTORS' EMOLUMENTS

Details of the Directors' emoluments are included in the remuneration report on page 9.

6. LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the financial statements of the parent Company was £1,382,298 (2007 - £1,828,945).

7. TAX

	1 Jan to 31 Dec 2008	1 Jan to 31 Dec 2007
	£	£
Current tax	-	-
Deferred tax	-	-
Tax expense for the year	-	-

Until it is probable that sufficient taxable profits will be available to allow all or partial recovery of deferred tax assets of £1,334,209 (2007 - £984,235), the accounting benefit of tax losses will not be reflected in the accounts.

The charge for the year can be reconciled to the loss per the income statement as follows:

	1 Jan to 31 Dec 2008	1 Jan to 31 Dec 2007
	£	£
Loss for the year	(1,166,581)	(1,986,585)
Tax at the UK corporation tax rate of 30%	(349,974)	(595,976)
Tax losses carried forward	349,974	595,976
Tax expense for the year	-	-

8. LOSS PER SHARE

a) Basic loss per share

Basic loss per share is calculated by dividing the profit for the year by the weighted average number of shares in issue during the year. The weighted average number of shares used is 131,113,392 (2007 - 118,357,323).

b) Diluted loss per share

International Accounting Standard 33 requires presentation of diluted earnings per share when a Company could be called upon to issues shares that would decrease the net profit or increase the net loss per share. For a loss making Company with outstanding options, net loss per share would only be increased by the exercise of out-of-money options. Since it seems inappropriate to assume that option holders would exercise out-of-money options, no adjustment has been made to diluted loss per share for out-of-money share options.

c) Headline loss per share

The Group presents an alternative measure of loss per share after excluding all capital gains and losses from the loss attributable to ordinary shareholders. The impact of this is as follows:

	2008	2007
Basic		
Loss per share	(0.009)	(0.017)
Effect of loss on disposal of property, plant and equipment	-	-
Adjusted loss per share	(0.009)	(0.017)

9. INTANGIBLE FIXED ASSETS
For the year ended 31 December 2008

Group	**Goodwill**	**Deferred Exploration Costs**	**Total**
	£	£	£
Cost and carrying amount			
At 1 January 2008	46,887	4,288,066	4,334,953
Additions	126,148	4,452,521	4,578,669
Disposals	-	(2,309,354)	(2,309,354)
Impairment charge for the year	(46,887)	(331,515)	(378,402)
Effect of foreign exchange translation	-	1,627,090	1,627,090
At 31 December 2008	126,148	7,726,808	7,852,956

The Goodwill addition relates to Baotou Inc. which has been included in the consolidation for the first time, details of this are included in note 20.

10. PROPERTY, PLANT AND EQUIPMENT

For the year ended 31 December 2008

Group	**Fixtures, fittings & software**
	£
Cost	
At 1 January 2008	68,705
Additions	10,207
Acquisitions	2,566
Disposals	-
Effect of foreign exchange translation	26,071
At 31 December 2008	107,549
Accumulated depreciation	
At 1 January 2008	6,285
Charge for the year	14,354
Disposals	-
Effect of foreign exchange translation	3,385
At 31 December 2008	24,024
Carrying amount	
At 31 December 2008	83,525
Carrying amount	
At 31 December 2007	62,420

11. INVESTMENT IN SUBSIDIARIES

For the year ended 31 December 2008

Company	**Year ended 31 Dec 2008**	**Year ended 31 Dec 2007**
	£	**£**
Cost and carrying amount		
Opening balance	150,850	127,053
Additions	219,520	23,797
Closing balance	370,370	150,850
Net book value		
Closing balance	370,370	150,850

The investments represent the whole of the share capital of:

(i) Nexon Asia Group Limited is registered in the British Virgin Islands. At 31 December 2008 it has capital and reserves of (£7,941) (2007 – (£7,165)) and for 2008 made a profit of £1,390,332 (2007 - (£773)).

(ii) Central China Minerals Limited is registered in the British Virgin Islands. At 31 December 2008 it had capital and reserves of (£973) (2007 – (£1)) and for 2008 made a loss of (£32) (2007 – (£972)).

(iii) CCG Mining Company Ltd, formerly CCG Hubei Mining Company Ltd, is registered in the British Virgin Islands. At 31 December 2008 it had consolidated capital and reserves of £93 (2007 – (£1,439)) and for 2008 made a consolidated loss of (£473,522) (2007 – (£4,987)).

(iv) CCG Copper Limited (BVI) is registered in the British Virgin Islands. At 31 December 2008 it had consolidated capital and reserves of £ 310,832 (2007 – (£21,129)) and for 2008 made a consolidated loss of (£272,129) (2007 – £14,453).

(v) CCG Xinjiang Limited (BVI) is registered in the British Virgin Islands. At 31 December 2008 it had capital and reserves of £1 (2007 – £1) and for 2008 made a loss of (£40,942) (2007 – nil).

(vi) CCG Korea Limited is registered in the People's Republic of China. At 31 December 2008 it had capital and reserves of £1 and for 2008 made a loss of (£46,181).

(vii) United Kingdom Central China Goldfields plc Beijing Representative Office (CCG Beijing) is registered in the People's Republic of China. At 31 December 2008 it had capital and reserves of £1 and for 2008 made a loss of (£150,855). Due to the extent of operations, CCG Beijing had previously been treated as an office of Central China Goldfields plc and not as a separate subsidiary.

(viii) Chengdu Zhongcheng Mining Technology Development Company Limited, wholly-owned by CCG Copper Limited, is registered in the People's Republic of China. At 31 December 2008 it had consolidated capital and reserves of £1,436,746 (2007 – (£820,211)) and for 2008 made a loss of (£167,119) (2007 – (£26,825)).

Chengdu Zhongcheng Mining Technology Development Company Limited holds 75% of Lhasa Tianli Mining Company Limited, which had capital and reserves, at 31 December 2008, of £1,209,153 (2007 – (£1,307,221)) and for 2008 spent (£110,590) on operating activities (2007 – (£1,390,993)).

Further, CCG Mining Company Ltd holds 80% of Baotou Central China Zhengyuan Minerals Inc, which had capital and reserves, at 31 December 2008, of £637,615 and for 2008 spent (£590,842) on operating activities.

12. MARKETABLE SECURITIES

For the year ended 31 December 2008

Group and Company	**Year ended 31 Dec 2008 £**	**Year ended 31 Dec 2007 £**
Cost and carrying amount		
Opening balance	428,266	-
Additions	-	686,988
Disposals	(411,417)	-
Impairment charge for the year	(13,207)	(258,722)
Effect of foreign exchange translation	(3,642)	-
Closing balance	-	428,266
Net book value		
Closing balance	-	428,266

13. OTHER RECEIVABLES

	Group 2008 £	**Group 2007 £**	**Company 2008 £**	**Company 2007 £**
Receivables due from Group undertakings	**-**	-	**5,233,945**	4,246,686
Prepayments and other receivables	**3,763,815**	65,322	**8,453**	22,752
	3,763,815	65,322	**5,242,398**	4,269,438

Included in prepayments and other receivables of the Group at 31 December 2008, is £3,436,011 receivable from the sale of the Snow Mountain project (RMB 35,000,000) (2007 – nil).

14. OTHER PAYABLES

	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Trade payables	**120,291**	76,809	**17,345**	65,484
Payables due to Minority Shareholders	**3,989,193**	257,399	**-**	-
Non-trade payables and accrued expenses	**75,807**	25,859	**68,992**	23,587
	4,185,291	360,067	**86,337**	89,071

Included in payables due to Minority Shareholders of the Group at 31 December 2008, is property payment payables of £2,901,998 (RMB 28,800,000) (2007 – nil) and drilling payables of £1,087,195 (RMB 10,789,532) (2007 – nil).

15. RELATED PARTY TRANSACTIONS

No individual party had overall control of the Company or Group during the period and no transactions were undertaken with related parties, neither during the current nor comparative financial years, being of a nature requiring disclosure under IFRS's.

16. SHARE CAPITAL

		2008 £		2007 £
Authorised share capital				
500,000,000 ordinary shares of £0.01 each		5,000,000		5,000,000
	No.	**£**	**No.**	**£**
Called up, allotted and fully paid				
Ordinary shares of £0.01 each	145,533,858	1,455,339	120,681,873	1,206,819

Issue of shares

During 2008, 24,851,985 1p ordinary shares were issued, as follows:
(i) 3,136,000 shares at 7 pence
(ii) 17,641,633 shares at 3 pence
(iii) 4,074,352 shares at 3.7 pence

Share Warrants

The group has 15,067,250 (2007- 16,067,250) share purchase warrants outstanding at a weighted average exercise price of 10.06 pence (2007 – 9.94 pence), which are listed below:

(i) 12,455,000 (2007 – 12,455,000) warrants at an exercise price of 10 pence, exercisable at any time during the period commencing on March 30, 2005 ("AIM Admission Date") and expiring on the fifth anniversary thereof;

(ii) 2,612,250 (2007 – 2,612,250) arranger warrants issued to Loeb Aron & Company Ltd exercisable at a price of 10.4 pence per share at any time during the 5 year period following the AIM Admission Date;

Share Options

At 31 December 2008, the total number of options outstanding and exercisable was 10,000,000 (2007 – 12,520,000) and was exercisable as follows:

(i) 400,000 (2007 – 400,000) share options exercisable at 19p per share on or before 23 February 2012;
(ii) 6,950,000 (2007 –7,800,000) share options exercisable at 16p per share on or before 23 February 2012;
(iii) 250,000 (2007 – 250,000) share options exercisable at 8.5p per share on or before 13 March 2010;
(iv) 2,400,000 (2007 – 4,070,000) share options exercisable at 6p on or before 13 March 2010

During the year ended 31 December 2008, the Company issued 750,000 share options exercisable at 16p per share on or before 23 February 2012 and 3,270,000 share options lapsed as follows:

(i) 1,600,000 (2007 – nil) share options, originally exercisable at 16p on or before 23 February 2012;
(ii) 1,670,000 (2007 – 230,000) share options, originally exercisable at 6p on or before 13 March 2010;

17. RESERVES

For the year ended 31 December 2008

Group	Warrant reserve £	Share option reserve £	Share premium account £	Retained losses £	Translation reserve £
At 1 January 2008	517,743	494,079	7,471,937	(3,751,292)	6,710
Loss for the year	-	-	-	(1,166,581)	-
Premium arising on issue of equity shares	-	-	651,000	-	-
Grant of share options	-	1,540	-	-	-
Movement during the year	-	-	-	-	1,642,466
Cost of lapsed warrants / options	(25,414)	(185,219)	-	210,633	-
Issue costs	-	-	(17,017)	-	-
At 31 December 2008	492,329	310,400	8,105,920	(4,707,240)	1,649,176

Company	Warrant reserve £	Share option reserve £	Share premium account £	Retained losses £
At 1 January 2008	517,743	494,079	7,471,937	(3,620,993)
Loss for the year	-	-	-	(1,382,298)
Premium arising on issue of equity shares	-	-	651,000	-
Grant of share options	-	1,540	-	-
Cost of lapsed warrants / options	(25,414)	(185,219)	-	210,633
Issue costs	-	-	(17,017)	-
At 31 December 2008	492,329	310,400	8,105,920	4,792,658

Warrant reserve

	Warrants in issue	Warrant reserve £
Group and Company		
At 31 December 2008	15,067,250	492,329
Group and Company		
At 31 December 2007	16,067,250	517,743

Stock Option Reserve

	Stock options in issue	Stock option reserve £
Group and Company		
At 31 December 2008	10,000,000	310,400
Group and Company		
At 31 December 2007	12,520,000	494,079

(i) Share options granted during the year ended 31 December 2008 were valued by the Directors using the Black-Scholes valuation model, based upon the following assumptions:
- Term range of three years
- Expected dividend yield of nil
- Risk free interest rate of 2%
- Share price volatility of 50%
- Current share price of 4 pence.

18. SHARE BASED PAYMENTS

Equity-settled share option scheme
The Company has a share option scheme for all employees of the Group. Options are exercisable at a price equal to the average quoted market price of the Company's shares on the date of grant. The vesting period is three years. If the options remain unexercised after a period of ten years from the date of grant the options expire. Options are generally forfeited if the employee leaves the Group before the options vest.
Details of the share options outstanding during the year are as follows:

	Number of share options	2008 Weighted average exercise price (£)	Number of share options	2007 Weighted average exercise price (£)
Outstanding at beginning of period	12,520,000	12.7p	4,320,000	6.0p
Granted during the period	750,000	16.0p	8,200,000	16.0p
Forfeited during the period	(3,270,000)	10.9p	-	
Exercise during the period	-		-	
Expired during the period	-		-	
Outstanding at the end of the period	10,000,000	13.5p	12,520,000	12.7p
Exercisable at the end of the period	-		-	

The options outstanding at 31 December 2008 had a weighted average exercise price of 13.5p (2007 – 12.7p), and a weighted average remaining contractual life of 2.6 years (2007 – 3.5 years). The aggregate of the estimated fair values of the outstanding options is £1,353,250 (2007 – £1,589,450).

The inputs into the Black-Scholes model are as follows:

	2008	2007
Weighted average share price	4p	10.5p
Weighted average exercise price	16p	12p
Expected volatility	50%	40%
Expected life	2.6 years	3.5 years
Risk-free rate	2%	5%
Expected dividend yields	-	-

Expected volatility was determined based on management's best estimate. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.
In 2008, the Group recognised total expenses of £1,540 (2007 – £240,000) relating to equity-settled share-based payment transactions.

19. FINANCIAL INSTRUMENTS

Group and Company

Capital risk management
The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in note 17.

Significant accounting policies
Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

Categories of financial instruments

	Group Carrying value		Company Carrying value	
	2008	2007	2008	2007
	£	£	£	£
Financial assets				
Loans and receivables				
(including cash and cash equivalents)	3,818,960	1,685,785	5,278,844	5,556,788
Financial liabilities				
Payables	4,126,648	76,809	27,693	65,484

Financial risk management objectives
The Group's financial function provides services to the business, monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.
The Group does not enter into or trade financial instruments, including derivative financial instruments, for any purpose.

Market risk
The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. There has been no change to the Group's exposure to market risks or to the manner in which it measures and manages the risk.

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The carrying amounts of the Group's and Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Assets	
	2008	2007
	£	£
Cash denominated in foreign currency	18,699	369,970

Foreign currency sensitivity analysis

The Group is exposed to the currency of the United States of America (USD).

The following table details the Group's sensitivity to a 20% increase and decrease in the Sterling against the United States Dollar. 20% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 20% change in foreign currency rates. A negative number below indicates a decrease in profit where the Sterling strengthens 20% against the relevant currency. For a 20% weakening of the Sterling against the relevant currency, there would be an equal and opposite impact on the profit and the balances below would be positive.

	USD currency impact	
	2008	2007
	£	£
Loss	(7,800)	(60,000)

The Group's sensitivity to foreign currency has increased during the current period, due to the inclusion of cash held in the CCG Copper group of subsidiaries.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes the principal cash flows. All amounts are repayable within 1 year.

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Non-interest bearing	4,185,291	360,067	86,337	89,071

The Group and Company has no financial derivatives.

20. SUBSIDIARIES

Details of the Company's subsidiaries at 31 December 2008 were as follows:

Name of subsidiary	Place of incorporation (or registration) and operation	Proportion of ownership interest %	Proportion of voting power held %	Principal activity
Nexon Asia Group Ltd	BVI	100%	100%	Holding Company
CCG Copper Ltd	BVI	100%	100%	Holding Company
CCG Mining Ltd	BVI	100%	100%	Holding Company
Central China Minerals Ltd	BVI	100%	100%	Holding Company
CCG Xinjiang Ltd	BVI	100%	100%	Holding Company
CCG Korea Ltd	BVI	100%	100%	Holding Company
Zhongcheng Ltd*	PRC	100%	100%	Holding Company
Baotou Inc**	PRC	80%	80%	Exploration Company
Lhasa Tianli Mining***	PRC	75%	75%	Exploration Company
CCG Beijing****	PRC	100%	100%	Representative Office

*Chengdu Zhongcheng Mining Technology Development Company Limited (Zhongcheng) is a 100%-owned subsidiary of CCG Copper (BVI) Limited.

**Baotou Central China Zhengyuan Minerals Inc is a 80%-controlled subsidiary of CCG Mining (BVI) Limited. CCG Mining Limited acquired shares on a minority basis in Baotou Inc in previous years, and on 1/1/2008 acquired further shares to bring its shareholding to 80%, and therefore this company has been consolidated in this year. Due to the nature of the transactions the directors believe that it is impracticabale to recognise in detail each class of asset and liability. Goodwill of £126,148 has been recognised on acquisition. The loss relating to Baotou which has been included in the consolidated income statement for the year is £590,842.

***Lhasa Tianli Mining Company Limited is a 75%-controlled subsidiary company of Zhongcheng Limited.

****United Kingdom Central China Goldfields plc Beijing Representative Office is a 100%-owned subsidiary of Central China Goldfields plc.

21. POST BALANCE SHEET EVENTS

(i) At the end of December 2008, the Company announced placements for a combination of 13,833,333 shares at 1.5 pence. These shares were not issued until January 2009 and are therefore not included in these accounts.

NOTICE OF ANNUAL GENERAL MEETING

Please note that this document is important and requires your immediate attention. If you are in any doubt as to the action to be taken, please consult an independent adviser immediately.

If you have sold or transferred or otherwise intend to sell or transfer all of your holding of ordinary shares in the Company prior to the Annual General Meeting of the Company on 30 July 2009 at 09:30 am, you should send this document, together with the accompanying Form of Proxy, to the (intended) purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was or is to be effected for transmission to the (intended) purchaser or transferee.

Company Number: 5277251

NOTICE OF ANNUAL GENERAL MEETING
CENTRAL CHINA GOLDFIELDS PLC
(the "Company")

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Company will be held at The Geological Society, Burlington House, Piccadilly, London W1J 0BG on 30 July 2009 at 09:30 am in order to consider and, if thought fit, pass resolutions 1 to 5 as Ordinary Resolutions and resolutions 6 and 7 as Special Resolutions:

Ordinary Resolutions

1 To re-elect as a director Nigel Bruce Clark who is retiring in accordance with Article 114 of the Company's Articles of Association and who being eligible is offering himself for re-election.

2 To re-elect as a director Jeffrey Francis Anthony Malaihollo who is retiring in accordance with Article 114 of the Company's Articles of Association and who being eligible is offering himself for re-election.

3 To receive, consider and adopt the directors' report and accounts of the Company for the period ended 31 December 2008.

4 To re-appoint Edwards Veeder of Brunswick Square, Union Street, Oldham OL1 1DE as auditors and to authorise the directors to determine their remuneration.

5 Pursuant to Section 80 of the Companies Act 1985 (the **"Act"**) to exercise all or any of the powers of the Company to allot relevant securities (as defined in section 80(2) of the Act) up to an aggregate nominal amount of £5,000,000, provided that this authority shall, unless previously revoked or varied by the Company in general meeting, expire at the conclusion of the next Annual General Meeting of the Company following the date of the passing of this resolution or (if earlier) 12 months from the date of passing this resolution, but so that the directors may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of that offer or agreement as if the authority hereby conferred had not expired.

Special Resolutions

6 That the Articles of Association of the Company be amended such that the Board of Directors of the Company shall be permitted to authorise any matter proposed to them by a director which would, if not so authorised, involve that director being in breach of his duty to avoid conflicts of interest under section 175 of the Companies Act 2006, by the deletion of Article 98 and its replacement by a new Article 98 in the following terms:

"98 the directors may, in accordance with the requirements set out in this article and notwithstanding anything to the contrary in these articles, authorise any matter proposed to them by any director which would, if not authorised, involve a director breaching his duty under section 175 of the Companies Act 2006 to avoid conflicts of interest ("**Conflict**").

98.1 Any authorisation under this article will be effective only if:

98.1.1 the matter in question shall have been proposed by any director for consideration at a meeting of directors in the same way that any other matter may be proposed to the directors under the provisions of these articles or in such other manner as the directors may determine;

98.1.2 any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question (the "Conflicted Director") (or any other interested director); and

98.1.3 the matter was agreed to without the Conflicted Director (or any other interested director) voting or would have been agreed to if his (or any other interested director's) vote had not been counted.

98.2 Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):

98.2.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the Conflict so authorised;

98.2.2 be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine; and

98.2.3 be terminated or varied by the directors at any time; but

this will not affect anything done by the Conflicted Director prior to such termination or variation in accordance with the terms of the authorisation.

98.3 In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if the Conflicted Director has obtained any information through his involvement in the Conflict otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the Conflicted Director is under no obligation to:

98.3.1 disclose that information to the other directors or to any director or other officer or employee of the Company; or

98.3.2 use or apply that information in performing his duties as a director of the Company;

where to do so would amount to a breach of that confidence.

98.4 Where the directors authorise a Conflict they may provide, without limitation, (whether at the time of giving the authorisation or subsequently) that the Conflicted Director:

98.4.1 is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict;

98.4.2 is not given any documents or other information relating to the Conflict; and/or

98.4.3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict.

98.5 Where the directors authorise a Conflict, the Conflicted Director will:

98.5.1 be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict; and

98.5.3 not infringe any duty he owes to the Company by virtue of sections 171 to 177 (inclusive) of the Companies Act 2006 provided he acts in accordance with such terms, limits and conditions (if any) as the directors impose in respect of its authorisation.

98.6 A director is not required, by reason of being a director of the Company (or because of the fiduciary relationship established by reason of being a director of the Company), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds."

7 Pursuant to Section 95 of the Act, to generally empower the directors to allot equity securities (as defined in Section 94(2) of the Act) for cash, pursuant to the authority conferred upon them by resolution 5 above, as if Section 89(1) of the Act did not apply to such allotment, provided that the power conferred by this paragraph 7 shall (save as provided in paragraph b below) following the passing of this resolution be limited to:

a. the allotment of equity securities in connection with a rights issue or open offer in favour of ordinary shareholders where the equity securities attributable to the respective interests of all ordinary shareholders are proportionate to the respective numbers of ordinary shares held by them on the record date for any such allotment, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or any stock exchange in any territory;

b. notwithstanding paragraph a above, the power conferred by this Resolution 7 shall be limited to the allotment of equity securities of up to the aggregate nominal amount of £5,000,000, provided that such authority shall expire at the conclusion of the next Annual General Meeting of the Company or (if earlier) 12 months from the date of passing this resolution save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

BY ORDER OF THE BOARD
Cobbetts (Secretarial) Limited

Registered Office: c/o Cobbetts LLP, 58 Mosley Street, Manchester M2 3HZ
Dated 5 June 2009

__Notes__ :

1 A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote on a poll instead of him A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company.

2 Completion and return of the form of proxy will not preclude ordinary shareholders from attending or voting at the meeting, if they so wish.

3 To be effective, this proxy form must be lodged with the Company's registrars, Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS13 8AE, United Kingdom not later than 2 business days before the time of the meeting or any adjournment thereof, together, if appropriate, with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or, where the proxy form has been signed by an officer on behalf of a corporation, a notarially certified copy of the authority under which it is signed.

4 In the case of a joint holding, a proxy need only be signed by one joint holder. If more than one such joint holder lodges a proxy only that of the holder first on the register of members will be counted. Any alternations made to this proxy should be initialled.

5 If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

6 In the case of a corporation this proxy must be given under its common seal or be signed on its behalf by an attorney or officer duly authorised.

7 Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

8 A copy of the balance sheet and every document required by law to be annexed to it, which are to be laid before the above mentioned meeting, are enclosed. The register of interests of the directors in the share capital of the company and copies of contracts of service of directors with the Company will be available for inspection at the registered office of the Company during normal business hours (Saturdays and public holidays excepted) from the date of this notice until the conclusion of the Annual General Meeting.

9 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the time by which a person must be entered on the register of members in order to have the right to attend and vote at the Annual General Meeting is 09:30 am on 28 July 2009, (being not more than 2 business days prior to the time fixed for the Meeting) or, if the Meeting is adjourned, such time being not more than 2 business days prior to the time fixed for the adjourned meeting. Changes to entries on the register of members after that time will be disregarded in determining the right of any person to attend or vote at the Meeting.

10 A copy of the amended Articles of Association will be available for inspection at the Company's registered office during normal business hours until the date of the Annual General Meeting and will also be available by request from the Company Secretary.