



Central China Goldfields plc
(“Central China” or the “Company”)

29 September 2009

Chairman’s Statement

Central China Goldfields plc (AIM: GGG) reports its unaudited results for the six months ended 30 June 2009. This has been a challenging period in the development of your Company.

Operational highlights:

- In January the Company received the balance of the sale proceeds in respect to the Snow Mountain Project. The bulk of these proceeds were applied to secure our initial 30% interest in Nimu Project.
- In January the Company received £207,500 from the December 2008 placing at 1.5 pence. Included in this was subscription for £20,000 from certain Directors.
- In March the Company raised £300,000 at 1.25 pence, including £34,500 from Directors and employees.
- In April we appointed Alexander David Securities as joint broker to the Company.
- In May the Company signed a contract mining deal with a subsidiary of CITIC Anhua to develop the Dong Mao Huo gold project.
- In June our partner the Sichuan Bureau of Metallurgy and Geological Exploration approached the Company to acquire our interest in the Nimu Project for a consideration of RMB 71 million.
- In light of the more subdued global environment for junior mining exploration companies appropriate cost reduction measures were implemented. These adjustments resulted in a significant reduction in ongoing operational costs.

Post Balance Sheet Events:

- In July a Circular with details of the proposed sale of our interest in Nimu Project was circulated to shareholders and the sale was subsequently approved by the shareholders.
- The first instalment of payment from the sale of the Nimu Project was received in August.
- In September we appointed Ciceron “Jun” Angeles as the Technical Director of the Company.

Outlook

The Company was disappointed that it was unable to advance its potentially world class copper discovery at Nimu. However, having considered the matter thoroughly, the Directors believed it was in the best interests of the Company to recommend the sale of the project. In light of the global financial crisis, our ability to raise substantial funds from the market to advance this project diminished substantially in the autumn of 2008. When matched with the desires of our partner in China this meant that withdrawal from the project and taking a modest profit on the asset became the most sensible way to proceed.

Today, Central China Goldfields plc is positioned as a well funded company with a demonstrably successful exploration team. This, alongside a wealth of contacts in China who are keen to seek opportunities farther afield, enables us to go forward optimistically to seek undervalued and underdeveloped projects.

The management team have been working hard to identify projects that will enhance shareholder value and, over the course of the next six months, we will be assessing various new opportunities and look forward to updating shareholders with further details.

Nigel Clark
Chairman

Central China Goldfields plc
Interim Results (unaudited) for the period ended 30 June 2009

CONSOLIDATED INCOME STATEMENT

Six months ended 30 June 2009

	Six months ended 30 June 2009 £	Six months ended 30 June 2008 £
Administrative expenses	(228,493)	(723,619)
OPERATING LOSS	(228,493)	(723,619)
Net gain on disposal of intangible assets	-	999,408
Loss on impairment of marketable securities	-	(311,662)
Investment revenues - interest on bank deposits	-	12,560
LOSS BEFORE TAX	(228,493)	(23,313)
Tax	-	-
LOSS FOR THE FINANCIAL PERIOD	(228,493)	(23,313)
ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT	(228,493)	(23,313)
LOSS PER SHARE	£0.0013	£0.0002

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

The Group has no recognised income or expense other than the loss for the period shown above in the consolidated income statement.

Accordingly, a statement of recognised income and expense is not presented.

The Company has taken advantage of section 230 of the Companies Act 1985 not to publish its own Income Statement.

STATEMENT OF CHANGES IN EQUITY

	Six months ended 30 June 2009 £	Six months ended 30 June 2008 £
Opening balance	7,578,603	6,151,357
Loss for the financial period	(228,493)	(23,313)
New equity share capital subscribed	378,333	31,360
Premium on new equity share capital subscribed	107,201	188,160
Translation reserve	(855,790)	53,871
Foreign exchange movement on revaluation of minority interest	(45,491)	13,424
Closing balance	6,934,363	6,414,859

CONSOLIDATED BALANCE SHEET

	30 June 2009 £	31 Dec 2008 £
NON CURRENT ASSETS		
Goodwill	126,148	126,148
Other intangible assets	6,941,458	7,726,808
Property, plant and equipment	46,860	83,525
	7,114,466	7,936,481
CURRENT ASSETS		
Other receivables	297,169	3,763,815
Cash and cash equivalents	184,916	63,598
	482,085	3,827,413
TOTAL ASSETS	7,596,551	11,763,894
CURRENT LIABILITIES		
Other payables	(662,188)	(4,185,291)
TOTAL LIABILITIES	(662,188)	(4,185,291)
NET ASSETS	6,934,363	7,578,603
EQUITY		
Share capital	1,833,672	1,455,339
Share premium	8,213,121	8,105,920
Warrant reserve	492,329	492,329
Share option reserve	282,577	310,400
Translation reserve	793,386	1,649,176
Retained losses	(4,907,910)	(4,707,240)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	6,707,175	7,305,924
Minority interest	227,188	272,679
TOTAL EQUITY	6,934,363	7,578,603

CONSOLIDATED CASH FLOW STATEMENT

	Six months ended 30 June 2009 £	Six months ended 30 June 2008 £
Operating loss	(228,493)	(35,873)
Depreciation	5,759	5,590
Non-cash loss on impairment of marketable securities	-	331,662
Gain on disposal of intangible assets	-	(999,408)
Proceeds on disposal of intangible assets	-	218,206
Effect of foreign exchange translation	48,619	12,825
Decrease(Increase) in receivables and other current assets	3,466,646	(205,371)
(Decrease)Increase in other payables	(3,664,603)	1,096,876
NET CASH USED IN OPERATING ACTIVITIES	(372,072)	404,507
INVESTING ACTIVITIES		
Change in property, plant and equipment	28,619	(9,706)
Change in other intangible assets	(18,476)	(1,625,125)
Interest received	-	12,560
NET CASH USED IN INVESTING ACTIVITIES	10,143	(1,622,271)
FINANCING ACTIVITIES		
Issue of equity share capital	378,333	-
Share premium on issue of equity share capital	107,201	-
NET CASH FROM FINANCING ACTIVITIES	485,534	-
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	123,605	(1,217,764)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	63,598	1,620,463
Effect of foreign exchange rate changes	(2,287)	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	184,916	402,699

NOTES TO THE FINANCIAL STATEMENTS

Six months ended 30 June 2009

1. ACCOUNTING POLICIES

These interim financial statements do not constitute statutory financial statements within the meaning of Section 240 of the Companies Act 1985. A copy of the statutory accounts for the year ended 31 December 2008 has been delivered to the Registrar of Companies. The auditors' report on those accounts was not qualified and did not contain statements under Section 237 (2) or (3) of the Companies Act 1985.

These interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Results for the six-month period ended 30 June 2009 have not been audited.

2. LOSS PER SHARE

IAS requires presentation of diluted earnings per share when a company could be called upon to issue shares that would decrease net profit or increase net loss per share. For a loss-making company with outstanding share 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 basic loss per share for out-of-money share options.

The calculation of basic and diluted loss per ordinary share is based on the loss of £228,493 for the six months ended 30 June 2009 (30 June 2008: £23,313) and on 172,042,145 ordinary shares (30 June 2008: 123,817,873) being the weighted-average number of ordinary shares in issue.

3. SHARE CAPITAL

	30 June 2009 £	30 June 2008 £
Authorised share capital 500,000,000 ordinary shares of 1 pence each	5,000,000	5,000,000

Called up, allotted and fully paid

	No.	£	No.	£
Ordinary shares of 1 pence each	183,367,191	1,833,672	123,817,873	1,238,179

During the six months ended 30 June 2009, 37,833,333 1p ordinary shares were issued as follows:

- (i) 13,833,333 shares at 1.5 pence
- (ii) 24,000,000 shares at 1.25 pence

The Group has 15,067,250 (June 2008 - 15,067,250) share purchase warrants outstanding at a weighted average exercise price of 10.06 pence (June 2008 - 10.06 pence).

At 30 June 2009, the total number of share options outstanding was 9,200,000 (June 2008 - 12,070,000). During the financial period, no share options were issued (June 2008 - nil) and 800,000 lapsed (June 2008 - 450,000).

For further information, please contact:

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