

**ANGLO AMERICAN SERVICES
OVERSEAS LIMITED**

Report and Financial Statements

31 December 2005



**Deloitte & Touche LLP
London**

REPORT AND FINANCIAL STATEMENTS 2005

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REPORT AND FINANCIAL STATEMENTS 2005

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

C B Corrin
N Jordan
R J King
G A Wilkinson

SECRETARY

G A Wilkinson

REGISTERED OFFICE

20 Carlton House Terrace
London
SW1Y 5AN

BANKERS

Barclays Bank PLC
1 Churchill Place
Canary Wharf
London E14 5HP

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2005.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The Company is involved in investigating potential investment opportunities in China. The directors have the present intention of maintaining the business in its current form for the foreseeable future.

RESULTS AND DIVIDENDS

The loss after taxation for the year was £950,052 (2004: £695 276). The directors do not recommend the payment of a dividend for the year (2004: nil).

FINANCIAL INSTRUMENTS

The directors considered the risks attached to the Company's financial instruments which principally comprise operating debtors, operating creditors and loans to and from other group companies. The directors have taken a prudent approach in their consideration of the various risks attached to the financial instruments of the Company. The Company's exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of assets, liabilities and the financial statements.

The director's policy on hedging is to hedge all financial risks where it is feasible and cost effective to do so. The Company had no hedged transactions during the year.

DIRECTORS AND THEIR INTERESTS

The following served as directors throughout the year and to the present time:

C B Corrin
N Jordan
R J King
G A Wilkinson

Directors' share options

	Holding at 1 January 2005	Anglo American options ⁽¹⁾ Options Granted 2005	Options Exercised / Lapsed 2005	Holding at 31 December 2005
R J King	117,752	-	24,000	93,752

	Anglo American long term incentive plan (LTIP) Total beneficial interest in LTIP at 1 January 2005	Number of shares exercised during the year	Number of shares lapsed during the year	Total beneficial interest in LTIP at 31 December 2005
R J King	48,595	(14,273)	(4,506)	29,816

Directors' share interests

None of the directors had any disclosable interests in the shares of the Company.

DIRECTORS' REPORT

The interests of directors who held office at 31 December 2005 in Ordinary Shares ("Shares") of Anglo American plc were as follows:

	As at 1 January 2005		As at 31 December 2005	
	Beneficial	Conditional ⁽¹⁾⁽²⁾	Beneficial	Conditional ⁽¹⁾⁽²⁾
R J King	7,423	51,446	16,196	107,989

(1) Matching shares to be allocated after the deferral period of three years, subject to certain conditions.

(2) With effect from 1 January 2004, grants under the LTIP Scheme ceased to be by way of low cost options, and since that date are by way of conditional grants of shares.


The interests of the other directors serving at 31 December 2005 in the shares of Anglo American plc are disclosed as follows:

N Jordan	}	- in the annual financial statements of Anglo American Finance (UK) Limited
G A Wilkinson		
C B Corrin		- in the annual financial statements of Anglo American Services (UK) Ltd.

AUDITORS

In accordance with Section 386 of the Companies Act 1985, Deloitte & Touche LLP are deemed to remain in office as auditors under the terms of an Elective Resolution dated 24 February 2004.

Approved by the Board of Directors
and signed on behalf of the Board



G A Wilkinson
Secretary

20 October 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements. The directors have chosen to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. United Kingdom company law requires the directors to prepare such financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period. In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANGLO AMERICAN SERVICES OVERSEAS LIMITED

We have audited the financial statements of Anglo American Services Overseas Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, 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 members those matters we are required to state to them in an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the Company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 other transactions is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

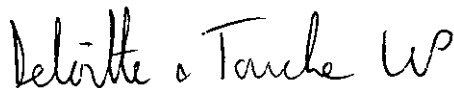
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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'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 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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2005 and of its loss for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

20 October 2006

ANGLO AMERICAN SERVICES OVERSEAS LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 2005

	Note	2005 £	2004 £
Administrative expenses		(943,459)	(702,532)
OPERATING LOSS	3	(943,459)	(702,532)
Interest receivable and similar income		304	276
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(943,155)	(702,256)
Tax (charge)/credit on loss on ordinary activities	4	(6,897)	6,980
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(950,052)	(695,276)
Retained loss for the financial year	7, 8	(950,052)	(695,276)
Profit and loss account brought forward		(950,052)	(776,077)
Profit and loss account carried forward		<u>(2,421,405)</u>	<u>(1,471,353)</u>

All amounts derive from continuing operations.

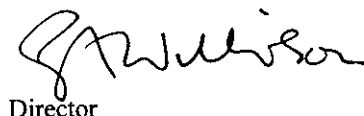
There are no recognised gains and losses for the current and preceding financial year other than the losses shown above and therefore no separate statement of total recognised gains and losses has been presented.

BALANCE SHEET
31 December 2005

	Note	2005 £	2004 £
FIXED ASSETS	5	58,502	101,502
CURRENT ASSETS			
Other debtors		34,810	3,000
Amounts owed by group undertakings		83	1
Group Relief Receivable		-	6,980
Cash at bank and in hand		103,975	39,859
		<u>138,868</u>	<u>49,840</u>
CREDITORS: amounts falling due within one year			
Amounts owed to group undertakings		(2,548,362)	(1,622,694)
Trade creditors		<u>(70,412)</u>	<u>-</u>
		<u>(2,618,774)</u>	<u>(1,622,694)</u>
NET CURRENT LIABILITIES		<u>(2,479,906)</u>	<u>(1,572,854)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES AND NET LIABILITIES		<u>(2,421,404)</u>	<u>(1,471,352)</u>
CAPITAL AND RESERVES			
Called up share capital	6	1	1
Profit and loss account	8	<u>(2,421,405)</u>	<u>(1,471,353)</u>
EQUITY SHAREHOLDERS' DEFICIT	7	<u>(2,421,405)</u>	<u>(1,471,352)</u>

These financial statements were approved by the Board of Directors on 20 October 2006.

Signed on behalf of the Board of Directors



Director

NOTES TO THE ACCOUNTS**Year ended 31 December 2005****1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom generally accepted accounting principles (UK GAAP) and in accordance with UK company law. The financial information has been prepared on a historical cost basis.

The particular accounting policies adopted are consistent with those adopted in the prior year end and are described below.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation, calculated to write off in equal instalments the cost less estimated residual value of each asset over its estimated useful life.

Fixtures and fittings are depreciated over a period of four years, except for telephone and security assets which are depreciated over a period of five years.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign currency

Foreign currency transactions during the year have been translated and included in the financial statements at the rates of exchange prevailing at the time those transactions were executed. Monetary assets and liabilities denominated in foreign currencies have been translated at the rates of exchange prevailing at the balance sheet date.

Cash flow statement

As the Company is a wholly-owned subsidiary, the cash flows of the Company are included in the consolidated cash flow statement of its parent undertaking. Consequently the Company is exempt under the provisions of Financial Reporting Standard 1 (Revised) – “Cash flow statements”, from publishing a separate cash flow statement.

NOTES TO THE ACCOUNTS
Year ended 31 December 2005

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The Company had 9 employees during the year (2004: 7). The directors received no remuneration during the period (2004: £nil).

	2005 £	2004 £
Staff costs were:		
Salaries	278,690	188,441
Social security costs	22,624	26,179
Other pension costs	13,728	10,519
	<u>315,042</u>	<u>225,139</u>

3. OPERATING LOSS

Operating loss is stated after charging:

	2005 £	2004 £
Depreciation	22,471	23,007
Auditors' remuneration	4,000	3,465
Management fees	<u>145,323</u>	<u>127,063</u>

4. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	2005 £	2004 £
Current tax:		
Group relief	-	6,980
Adjustment in respect of prior year	<u>(6,897)</u>	<u>-</u>
Tax (charge)/credit on loss on ordinary activities	<u>(6,897)</u>	<u>6,980</u>
Factors affecting tax charge:		
Loss on ordinary activities before tax	<u>(943,155)</u>	<u>(702,256)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004: 30%)	282,947	210,677
Pre-trading expenditure	<u>(283,038)</u>	<u>(203,697)</u>
Group relief for nil consideration	91	-
Adjustment in respect of prior year	<u>(6,897)</u>	<u>-</u>
Current tax (charge)/credit for the year	<u>(6,897)</u>	<u>6,980</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 2005

5. FIXED ASSETS

	Motor vehicles, fixtures and fittings £	Total £
Cost		
At 1 January 2005	144,389	144,389
Additions	24,413	24,413
Disposals	(44,942)	(44,942)
At 31 December 2005	<u>123,860</u>	<u>123,860</u>
Depreciation		
At 1 January 2005	42,887	42,887
Charge for the year	22,471	22,471
At 31 December 2005	<u>65,358</u>	<u>65,358</u>
Net book value		
At 31 December 2005	<u>58,502</u>	<u>58,502</u>
At 31 December 2004	<u>101,502</u>	<u>101,502</u>

6. CALLED UP SHARE CAPITAL

	2005 £	2004 £
Authorised:		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Called up, allotted and paid:		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2005 £	2004 £
Opening shareholders' deficit	(1,471,352)	(776,076)
Loss for the year	<u>(943,155)</u>	<u>(695,276)</u>
Closing shareholders' deficit	<u>(2,414,507)</u>	<u>(1,471,352)</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 2005

8. PROFIT AND LOSS ACCOUNT

	2005 £
At 1 January 2005	(1,471,353)
Loss for the year	(950,052)
At 31 December 2005	<u>(2,421,405)</u>

9 RELATED PARTY TRANSACTIONS

At 31 December 2005, as identified in note 10, Anglo American plc is the Company's ultimate parent company. The Company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard 8 not to disclose related party transactions with Anglo American group companies.

10 ULTIMATE PARENT COMPANY

The immediate parent company is Anglo American Finance (UK) Limited, a company incorporated in Great Britain and registered in England and Wales.

The ultimate parent company and controlling party is Anglo American plc, a company incorporated in Great Britain. Anglo American plc is the parent undertaking of the largest and smallest group which includes the Company and for which group accounts are prepared. The financial statements of both the immediate and ultimate parent companies may be obtained from the Company Secretary, 20 Carlton House Terrace, London SW1Y 5AN.