

The Board of Directors (the "Board") of China Rare Earth Holdings Limited (the "Company") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30th June 2001 together with the comparative figures for the corresponding period in 2000 as follows:

CONSOLIDATED INCOME STATEMENT

	For the six months ended 30th June	
	2001	2000
	(Unaudited)	(Unaudited)
		(Restated)
	HK\$'000	HK\$'000
Turnover	333,059	242,131
Cost of sales	(226,557)	(161,264)
Gross profit	106,502	80,867
Other revenue	2,903	1,065
Selling and distribution costs	(6,581)	(4,590)
Administrative expenses	(17,321)	(15,410)
Profit from operations	85,503	61,932
Finance costs	(1,275)	(3,408)
Other non-operating (expenses) income	(2,725)	627
Profit before taxation	81,503	59,151
Taxation	-	-
Profit after taxation	81,503	59,151
Minority interests	(2,880)	(2,202)
Profit attributable to shareholders	78,623	56,949
Dividends	(20,773)	(12,000)
Retained profit for the period	57,850	44,949
Earnings per share		
– Basic	11.46 cents	9.49 cents
– Diluted	N/A	9.43 cents
Proposed interim dividend per share	2 cents	1 cent