



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 2002 together with the comparative figures for the corresponding period in 2001 as follows:

## ■ CONDENSED CONSOLIDATED INCOME STATEMENT

	<b>For the six months ended 30th June</b>	
	<b>2002</b>	2001
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
Turnover	<b>196,113</b>	333,059
Cost of sales	<b>(138,463)</b>	(226,557)
Gross profit	<b>57,650</b>	106,502
Other revenue	<b>3,187</b>	2,903
Selling and distribution costs	<b>(5,988)</b>	(6,581)
Administrative expenses	<b>(10,051)</b>	(17,321)
Other income (expenses), net	<b>256</b>	(2,725)
Profit from operations	<b>45,054</b>	82,778
Finance costs	<b>(3)</b>	(1,275)
Profit before taxation	<b>45,051</b>	81,503
Taxation	<b>(6,137)</b>	–
Profit after taxation	<b>38,914</b>	81,503
Minority interests	<b>(996)</b>	(2,880)
Net profit for the period	<b>37,918</b>	78,623
Dividends	<b>16,289</b>	20,773
Basic earnings per share	<b>4.66 cents</b>	11.46 cents