

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 30 June 2003 together with the comparative figures for the corresponding period in 2002 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	For the six months ended 30 June	
		2003 HK\$'000 (Unaudited)	2002 HK\$'000 (Unaudited)
Turnover	(4)	196,549	196,113
Cost of sales		(156,960)	(138,463)
Gross profit		39,589	57,650
Interest income		1,112	3,187
Selling and distribution expenses		(6,028)	(5,988)
Administrative expenses		(10,126)	(10,051)
Profit from operations	(5)	24,547	44,798
Finance costs	(6)	(93)	(3)
Other income, net		547	256
Profit before taxation		25,001	45,051
Taxation	(7)	(2,842)	(6,137)
Profit before minority interests		22,159	38,914
Minority interests		(336)	(996)
Net profit for the period		21,823	37,918
Dividends	(8)	-	16,289
Earnings per share	(9)		
– Basic		2.68 cents	4.66 cents
– Diluted		N/A	N/A