

## INTERIM RESULTS

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 2004 together with the comparative figures for the corresponding period in 2003 as follows:

### CONDENSED CONSOLIDATED INCOME STATEMENT

		<b>For the six months ended 30 June</b>	
		<b>2004</b>	2003
	<i>NOTES</i>	<b>HK\$'000</b>	<i>HK\$'000</i>
		<b>(Unaudited)</b>	(Unaudited)
Turnover	(4)	<b>336,471</b>	196,549
Cost of sales		<b>(247,992)</b>	(156,960)
Gross profit		<b>88,479</b>	39,589
Interest income		<b>1,051</b>	1,112
Selling and distribution expenses		<b>(8,391)</b>	(6,028)
Administrative expenses		<b>(10,738)</b>	(10,126)
Other income, net		<b>559</b>	547
Profit from operations	(5)	<b>70,960</b>	25,094
Finance costs	(6)	<b>(1,199)</b>	(93)
Profit before taxation		<b>69,761</b>	25,001
Taxation	(7)	<b>(8,981)</b>	(2,842)
Profit before minority interests		<b>60,780</b>	22,159
Minority interests		<b>(946)</b>	(336)
Net profit for the period		<b>59,834</b>	21,823
Dividends	(8)	–	–
Earnings per share	(9)		
– Basic		<b>6.23 cents</b>	2.68 cents
– Diluted		<b>6.23 cents</b>	N/A