

## 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 2005 together with the comparative figures for the corresponding period in 2004 as follows:

### CONDENSED CONSOLIDATED INCOME STATEMENT

		<b>For the six months ended 30 June</b>	
	<i>NOTES</i>	<b>2005 HK\$'000 (Unaudited)</b>	2004 HK\$'000 (Unaudited) (Restated)
Turnover	5	<b>375,505</b>	336,471
Cost of sales		<b>(284,233)</b>	(247,894)
Gross profit		<b>91,272</b>	88,577
Interest income		<b>892</b>	1,051
Selling and distribution expenses		<b>(8,512)</b>	(8,391)
Administrative expenses		<b>(10,309)</b>	(10,729)
Other income, net		<b>467</b>	559
Profit from operations	6	<b>73,810</b>	71,067
Finance costs	7	<b>(21)</b>	(1,199)
Profit before taxation		<b>73,789</b>	69,868
Taxation	8	<b>(16,984)</b>	(8,981)
Profit for the period		<b>56,805</b>	60,887
Attributable to:			
Equity holders of the Company		<b>56,136</b>	59,941
Minority interests		<b>669</b>	946
		<b>56,805</b>	60,887
Dividends	9	<b>-</b>	-
Earnings per share	10		
– Basic		<b>5.69 cents</b>	6.24 cents
– Diluted		<b>N/A</b>	6.24 cents