



[Press Release]

## **China Rare Earth Acquires Remaining 50.1% Equity Interest in OSRAM (China) at a Consideration of HK\$15 Million**

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### **Masters the Operational and Sales Management of Fluorescent Materials**

(30 September 2013 – Hong Kong) — Rare earth and refractory materials manufacturer China Rare Earth Holdings Limited (“China Rare Earth” or the “Group”) (stock code: 769) announced that on 27 September 2013, the Group, through its wholly-owned subsidiary Silver Mile Holdings Limited (“Silver Mile”), has entered into an agreement with its joint venture partner OSRAM GmbH in relation to the acquisition of 50.1% equity interest in OSRAM (China) Fluorescent Materials Co., Ltd. (“OSRAM (China)” or “JV”) at a consideration of HK\$15,132,500. Upon the completion of the transaction, OSRAM (China) will become a wholly-owned subsidiary of the Group.

OSRAM (China) is principally engaged in the manufacturing and sales of fluorescent products. Before the completion of the transaction, OSRAM GmbH and Silver Mile held 50.1% and 49.9% equity interest in OSRAM (China) respectively. The consideration of the acquisition is to be financed by cash from internal resources of the Group.

Based on the unaudited management accounts of the JV, its total assets as at 30 June 2013 amounted to approximately RMB200,601,000. Revenue as at 31 December 2012 was RMB120,810,000 and net loss after tax was RMB23,503,000.

**Mr JIANG Quanlong, Chairman of China Rare Earth**, said, “The Group and OSRAM GmbH have been business partners for many years. The strategic adjustments made by OSRAM GmbH to its business development in China have created a good opportunity for the Group to acquire the remaining equity interest in the JV at an attractive price. There are business potentials for the fluorescent materials market in the PRC and, moreover, OSRAM GmbH would continue to develop its lighting business and procure fluorescent products from the Group. Upon closing of the acquisition, we would fully control the operational and sales management of the JV. In order to boost our returns on the investment, we have already adjusted our sales approach by developing sales network and expanding customer base aggressively.”

**About China Rare Earth Holdings Limited (Stock Code: 769)**

China Rare Earth Holdings Limited is engaged in the manufacturing and sales of rare earth (including fluorescent materials) and refractory products (including high temperature ceramics and magnesium grains). Rare earth products are widely applied in traditional industries including steel, metallurgy, construction glass, and petrochemical, and high-tech industries such as electronics, communications, aerospace and medical equipment. Refractory products are used extensively in industrial refractory facilities for petrochemical, metallurgy, non-ferrous metallurgy, construction glass, chemical fertilizers, ceramics and power industries, etc. For more information, please visit the company's web site at <http://www.creh.com.hk>.

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