



[Press Release]

China Rare Earth Announces 2013 Annual Results

(28 March 2014 – Hong Kong) – Rare earth and refractory materials manufacturer **China Rare Earth Holdings Limited** (“China Rare Earth” or the “Group”) (stock code: 769) today announced its annual results for the year ended 31 December 2013.

During the year under review, the Group’s turnover was HK\$1,488,282,000 (2012: HK\$2,101,918,000). Affected by the persistent uncertainty in the global economy and substantial fluctuations in market demand, the rare earth market remained sluggish. Turnover of its rare earth business was approximately HK\$1,090,092,000 (2012: HK\$1,626,524,000), accounting for about 73% of the Group’s total turnover. Turnover of the refractory materials business was HK\$398,190,000 (2012: HK\$475,394,000), accounting for about 27% of the Group’s total.

Reflected from the data, the results performance in the second half of the year was significantly better than that of the first half. The Group recorded an annual gross loss of HK\$217,560,000, considerably improved compared to the gross loss of HK\$273,480,000 in the interim period, reflecting the continuous improvement in operating environment. After taking into account other sales and management expenses and taxation, the net loss was substantially reduced by 47% to HK\$369,706,000 compared to last year (2012: HK\$699,519,000), which is a slightly increase from the net loss of HK\$344,155,000 reported for the interim period. Loss per share was approximately 21.20 HK cents (2012: loss per share of 40.64 HK cents).

As at 31 December 2013, the Group had cash and bank deposits valued at approximately HK\$1,369,054,000 and a balance of net current assets valued at approximately HK\$2,368,367,000. The total liabilities to total assets ratio reduced to around 4%, reflecting the Group’s solid financial position.

Mr. JIANG Quanlong, Chairman of China Rare Earth, concluded, “Despite the challenging external environment, as the Chinese Government continues to strengthen supervision and support for emerging industries, we are cautiously optimistic about the prospects of the rare earth industry. The Group will leverage its solid business foundation to improve its service, so it can enhance its competitiveness by providing better product quality and services. We will also strive to strengthen research and development and upgrade our production technology with the aim to reinforce our position in the industry and achieve sustainable growth.”

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

China Rare Earth Holdings Limited is engaged in the manufacture 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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