
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other licensed registered securities dealer, bank manager, solicitor, certified public accountant or other professional adviser.

If you have sold all your shares in China Rare Earth Holdings Limited, you should at once hand this circular together with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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中國稀土控股有限公司

China Rare Earth Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 769)

PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES AND RE-ELECTION OF DIRECTORS AT ANNUAL GENERAL MEETING AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting of the Company to be held at Conference Centre, China Rare Earth Holdings Limited, Huguang Road, Yangan Village, Dingshu Town, Yixing City, Jiangsu Province, PRC, on Thursday, 18 June 2020 at 10:30 a.m. is set out on pages 13 to 17 of this circular.

Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event no later than 48 hours before the time of the meeting (i.e. no later than 10:30 a.m. on Tuesday, 16 June 2020) or any adjournment thereof to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

The circular together with the form of proxy for use at the Annual General Meeting are also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.creh.com.hk).

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

To safeguard the health and safety of Shareholders and to prevent the spreading of the Coronavirus Disease 2019 ("COVID-19"), the following precautionary measures will be implemented at the Annual General Meeting:

- (1) compulsory body temperature screening;
- (2) mandatory use of surgical face masks;
- (3) no provision of refreshments or drinks;
- (4) mandatory health declaration — anyone subject to quarantine, has any flu-like symptoms or has travelled overseas within 14 days immediately before the Annual General Meeting ("recent travel history"), or has close contact with any person under quarantine or with recent travel history will not be permitted to attend the Annual General Meeting; and
- (5) anyone attending the Annual General Meeting is reminded to observe good personal hygiene at all times.

In light of the continuing risks posed by the COVID-19, the Company strongly encourages Shareholders NOT to attend the Annual General Meeting in person, and advises Shareholders to appoint the Chairman of the Annual General Meeting as their proxy to vote according to their indicated voting instructions as an alternative to attending the Annual General Meeting in person. Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement on such measures as appropriate.

28 April 2020

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DEFINITIONS

In this circular, the following expressions have the following meanings, unless the context requires otherwise:

“Annual General Meeting”	the annual general meeting of the Company to be held at Conference Centre, China Rare Earth Holdings Limited, Huguang Road, Yangan Village, Dingshu Town, Yixing City, Jiangsu Province, PRC, on Thursday, 18 June 2020 at 10:30 a.m., the notice of which is set out on pages 13 to 17 of this circular, and at any adjournment thereof
“Articles”	the articles of association of the Company currently in force
“Board”	the board of Directors
“Company”	China Rare Earth Holdings Limited, a company incorporated in the Cayman Islands and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended from time to time
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate
“Group”	the Company and its subsidiaries, and the expression “member(s) of the Group” shall be construed accordingly
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate to the Directors to exercise the power of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the total number of issued shares of the Company as at the date of passing the relevant resolution at the Annual General Meeting
“Latest Practicable Date”	22 April 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Repurchase Mandate”	a general and unconditional mandate to the Directors to enable them to repurchase Shares which shall not exceed 10% of the total number of issued shares of the Company as at the date of passing the relevant resolution at the Annual General Meeting
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs approved by the Securities and Futures Commission of Hong Kong as amended from time to time
“%”	per cent

LETTER FROM THE BOARD



中國稀土控股有限公司
China Rare Earth Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 769)

Executive Directors:

Ms. Qian Yuanying, *Chairman*
Mr. Jiang Quanlong
Mr. Jiang Dawei
Mr. Jiang Cainan

Registered office:

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Independent Non-executive Directors:

Mr. Huang Chunhua
Mr. Jin Zhong
Mr. Wang Guozhen

Principal place of business

in Hong Kong:
Room 2509, Harcourt House
39 Gloucester Road
Wanchai
Hong Kong

28 April 2020

To the Shareholders

Dear Sir or Madam

**PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES AND
REPURCHASE SHARES AND RE-ELECTION OF DIRECTORS
AT ANNUAL GENERAL MEETING
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The primary purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting to be held on Thursday, 18 June 2020.

ISSUE MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be given the Issue Mandate, i.e. a general and unconditional mandate to allot, issue and deal with new Shares up to 20% of the total number of issued shares of the Company as at the date of passing of the relevant resolution. As at the Latest Practicable Date, a total of 2,341,700,281 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Issue Mandate to issue a maximum of 468,340,056 Shares.

LETTER FROM THE BOARD

REPURCHASE MANDATE AND EXTENSION MANDATE

An ordinary resolution will also be proposed at the Annual General Meeting to give the Directors the Repurchase Mandate, i.e. a general and unconditional mandate to exercise all powers of the Company to repurchase, on the Stock Exchange, or on any other stock exchange on which the Shares may be listed, Shares up to a maximum of 10% of the total number of issued shares of the Company as at the date of passing of the relevant resolution. Based on the 2,341,700,281 Shares in issue as at the Latest Practicable Date and assuming no Shares are issued or repurchased before the Annual General Meeting, the Company would therefore be allowed under this mandate to repurchase a maximum of 234,170,028 Shares.

In addition, an ordinary resolution regarding the Extension Mandate will be proposed at the Annual General Meeting providing that any Shares repurchased under the Repurchase Mandate (up to a maximum of 10% of the issued Shares as at the date of the grant of the Repurchase Mandate) will be added to the total number of Shares which may be allotted and issued under the Issue Mandate.

The Issue Mandate and the Repurchase Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the end of the period within which the Company is required by the Companies Law or the Articles to hold its next annual general meeting; or (c) when revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

Under the Listing Rules, the Company is required to give to all Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the Annual General Meeting. An explanatory statement for such purpose is set out in Appendix I to this circular.

ANNUAL GENERAL MEETING

The notice of the Annual General Meeting is set out on pages 13 to 17 of this circular for the purpose of considering and, if thought fit, passing the resolutions set out therein.

Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and, in any event no later than 48 hours before the time appointed for the Annual General Meeting (i.e. no later than 10:30 a.m. on Tuesday, 16 June 2020) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders (except for procedural and administrative matters) at a general meeting must be taken by poll. An announcement on the poll results will be published by the Company after the Annual General Meeting on Hong Kong Exchanges and Clearing Limited's website at www.hkexnews.hk and the Company's website at www.creh.com.hk in accordance with Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

In accordance with Articles 108(A) and (B) of the Articles, Ms. Qian Yuanying, Mr. Jiang Dawei and Mr. Jin Zhong will retire as Directors by rotation at the Annual General Meeting. All the above retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

As at the Latest Practicable Date, Mr. Jin Zhong has been serving as an Independent Non-executive Director of the Company for more than nine years. Code Provision A.4.3 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules (the “CP A.4.3”) stipulated that (a) serving for more than nine years could be relevant to the determination of a non-executive director’s independence; and (b) if an independent non-executive director serves more than nine years, his further appointment should be subject to a separate resolution to be approved by shareholders.

All the Independent Non-executive Directors, including Mr. Jin Zhong, have confirmed their independence with reference to the factors set out in Rule 3.13 of the Listing Rules. The Nomination Committee has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the above-mentioned Directors with reference to the nomination principles and criteria set out in the Company’s Board Diversity Policy and Nomination Policy and the Company’s corporate strategy, and the independence of all Independent Non-executive Directors.

The Nomination Committee has recommended to the Board on re-election of all the above-mentioned Directors. The Directors note that Mr. Jin Zhong has not participated in any executive management of the Group. Taking into consideration of his independent scope of works in the past years, the Directors consider Mr. Jin Zhong is still independent in accordance with the Listing Rules despite the fact that he has served the Company for more than nine years. A separate resolution will be proposed for the re-election of Mr. Jin Zhong as an Independent Non-executive Director for the Shareholders’ approval at the Annual General Meeting pursuant to the CP A.4.3.

Save as Mr. Jin Zhong, the Directors also consider that all the Independent Non-executive Directors are independent in accordance with the independence guidelines set out in the Listing Rules and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity.

The particulars of these three Directors which are required to be disclosed by the Listing Rules are set out in Appendix II to this circular.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement in this circular or this circular misleading.

LETTER FROM THE BOARD

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

RECOMMENDATION

The Directors believe that the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate are beneficial to the Company and the Shareholders as a whole.

The Directors believe that an exercise of the Issue Mandate will enable the Company to take advantage of market conditions to raise additional capital for the Company.

The Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be exercised when the Directors believe that repurchases of Shares will benefit the Company and the Shareholders.

An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31 December 2019, being the date of its latest audited consolidated financial statements. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

Accordingly, the Directors recommend Shareholders to vote in favour of the ordinary resolutions approving the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate at the Annual General Meeting.

Yours faithfully
For and on behalf of the Board of
CHINA RARE EARTH HOLDINGS LIMITED
QIAN Yuanying
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchases of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

2. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 2,341,700,281 Shares in issue.

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 234,170,028 Shares, representing not more than 10% of the total number of issued shares of the Company as at the Latest Practicable Date.

3. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which the Shares are listed. Share repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

4. FUNDING OF REPURCHASES

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's memorandum of association, the Articles, the Companies Law and other applicable laws of the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Companies Law, repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital. Any premium payable on a redemption or purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital.

Taking into account the current working capital or gearing position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or gearing position of the Company (as compared with the position as at 31 December 2019, being the date of its latest audited consolidated financial statements). However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the twelve calendar months preceding the Latest Practicable Date are as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2019	0.355	0.320
May 2019	0.870	0.295
June 2019	0.680	0.510
July 2019	0.570	0.435
August 2019	0.640	0.470
September 2019	0.510	0.460
October 2019	0.470	0.375
November 2019	0.420	0.355
December 2019	0.475	0.365
January 2020	0.420	0.345
February 2020	0.415	0.330
March 2020	0.360	0.255
April 2020 (up to the Latest Practicable Date)	0.315	0.280

6. UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the powers of the Company to make repurchases under the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

7. DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company under the Repurchase Mandate if such is approved by the Shareholders.

No core connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

8. EFFECT OF TAKEOVERS CODE

If as a result of a repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (as defined in the Takeovers Code), depending on the level of increase in the Shareholder's interest could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge of the Company, as at the Latest Practicable Date, YY Holdings Limited, which was wholly-owned by YYT (PTC) Limited, the trustee of YY Trust, the discretionary object of which is a company wholly-owned by Ms. Qian Yuanying (also the founder of YY Trust) and her sons, was a substantial Shareholder of the Company and was beneficially interested in 707,179,200 Shares, representing approximately 30.20% of the total number of issued Shares. Apart from the foregoing, Ms. Qian Yuanying held 21,000,000 Shares through Praise Fortune Limited, a company in which she beneficially owned approximately 39.93% of issued share capital. For the purpose of the Takeovers Code, Ms. Qian Yuanying and her close associate (as defined in the Listing Rules) are taken to have an interest in a total of 728,179,200 Shares, representing approximately 31.10% of the total number of issued Shares. Details of the interests of the above parties and the duplications of their interests are set out in the 2019 annual report.

In the event that the Directors exercise the Repurchase Mandate in full, the aggregate shareholding of YY Holdings Limited and Ms. Qian Yuanying (and her close associate) would be increased to approximately 33.55% and 34.55% of the total number of issued Shares respectively. The Directors consider that such increase in shareholding would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not consider such increase would reduce the issued share capital in the public to less than 25% (or the relevant prescribed minimum percentage required by the Stock Exchange).

The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

9. SHARE REPURCHASE MADE BY THE COMPANY

The Company has not repurchased any of the Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

APPENDIX II DETAILS OF DIRECTORS STANDING FOR RE-ELECTION

The biographical details of the Directors eligible for re-election at the Annual General Meeting are set out below:

EXECUTIVE DIRECTORS

Ms. Qian Yuanying

Ms. Qian Yuanying (“Ms. Qian”), aged 61, is a founding member and the chairman of the Group. Ms. Qian is responsible for the formulation of the Group’s overall business development policies. Ms. Qian is recognised as a senior economist by Jiangsu Provincial Personnel Department, and she is also qualified as a Chinese Career Manager. Ms. Qian has over 30 years of experience in the rare earth and refractory materials industries. Prior to the founding of the Group, Ms. Qian was a high school teacher. Ms. Qian is also a director of YY Holdings Limited, a substantial shareholder of the Company. Ms. Qian is the wife of Mr. Jiang Quanlong, an executive Director of the Group, and the mother of Mr. Jiangxin, the general manager of the Group.

As at the Latest Practicable Date, Ms. Qian was taken to be interested in 728,179,200 shares in the Company (representing approximately 31.10% of the total number of issued Shares) within the meaning of Part XV of the SFO. The details of her other interests in associated corporations of the Company are disclosed in the Directors’ Report of the Company for the year ended 31 December 2019.

Ms. Qian had entered into a service contract with the Company for an initial term of three years commencing 1 September 1999 and expiring on 31 August 2002, renewable automatically for successive terms of one year each commencing from the date next after the expiry of the then current term of the appointment, and is subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Articles. For the year ended 31 December 2019, Ms. Qian has received director’s emoluments in a total sum of approximately HK\$1,098,000, which is determined by the Board on the basis of her experience, responsibility, workload and the time devoted to the Group and is subject to the review of the remuneration committee from time to time and is to be approved by the Shareholders at the Company’s annual general meetings.

Save as disclosed above, Ms. Qian does not have, and is not deemed to have, any interests or short positions in any Shares, underlying Shares or debentures of the Company and its associated corporations within the meaning of the SFO.

Save as disclosed above, Ms. Qian (1) has not held any directorships in any public companies the securities of which are listed on any securities marked in Hong Kong or overseas during the past these years; (2) does not hold any other position with the Company or other members of the Group; and (3) does not have any relationships with any Directors, senior management, substantial Shareholders or controlling Shareholders (as defined in the Listing Rules) of the Company.

There is no information which is discloseable nor is/was she involved in any matters required to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Ms. Qian that need to be brought to the attention of the Shareholders.

Mr. Jiang Dawei

Mr. Jiang Dawei (“Mr. Jiang”), aged 36, joined the Group in 2006 and was appointed as the chief executive officer and an executive Director of the Group in September 2017. Mr. Jiang is responsible for the overall management of the Group and the marketing aspect of the Group’s business. Previously, Mr. Jiang was the head of the sales department of Yixing Xinwei Leeshing Rare Earth Company Limited, a subsidiary of the Company. Mr. Jiang obtained a Bachelor Degree of Business Administration from Yangzhou University.

As at the Latest Practicable Date, Mr. Jiang was interested in 530,077 Shares in the Company (representing approximately 0.02% of the total number of issued Shares) within the meaning of Part XV of the SFO.

Mr. Jiang had entered into a service contract with the Company in which his term of office is for a period of three years commencing from 7 September 2017, renewable automatically for successive terms of one year each commencing from the date next after the expiry of the then current term of the appointment, and is subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Articles. For the year ended 31 December 2019, Mr. Jiang has received director’s emoluments in a total sum of approximately HK\$201,000, which is determined by the Board of the Company on the basis of his experience, responsibility, workload and the time devoted to the Group and is subject to the review of the remuneration committee from time to time and the approval by the Shareholders at the Company’s annual general meetings.

Save as disclosed above, Mr. Jiang has not held any other directorships in the last three years in any other public companies, the securities of which are listed in Hong Kong or overseas and does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company or their respective associates (as defined under the Listing Rules).

Save as disclosed above, Mr. Jiang (1) has not held any directorships in any public companies the securities of which are listed on any securities marked in Hong Kong or overseas during the past these years; (2) does not hold any other position with the Company or other members of the Group; and (3) does not have any relationships with any Directors, senior management, substantial Shareholders or controlling Shareholders (as defined in the Listing Rules) of the Company.

There is no information which is discloseable nor is/was he involved in any matters required to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Jiang that need to be brought to the attention of the Shareholders.

INDEPENDENT NON-EXECUTIVE DIRECTOR**Mr. Jin Zhong**

Mr. Jin Zhong (“Mr. Jin”), aged 68, joined the Company in 2004 as an independent non-executive Director of the Group. Mr. Jin graduated from the Faculty of Material Engineering of Wuhan Steel College, specialising in refractory studies. Mr. Jin was previously the deputy chief engineer of the head factory of Guiyang City Refractory Materials Factory.

As at the Latest Practicable Date, Mr. Jin does not have, and is not deemed to have, any interests or share positions in any Shares, underlying Shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Mr. Jin had accepted a letter of appointment with the Company in which his term of office is for a period of two years commencing from 1 September 2009, renewable automatically for successive terms of two years each commencing from the date next after the expiry of the then current term of the appointment, and is subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Articles. For the year ended 31 December 2019, Mr. Jin has received director’s emoluments in a total sum of approximately HK\$41,000, which is determined by the Board of the Company on the basis of his experience, responsibility, workload and the time devoted to the Group and is subject to the review of the remuneration committee from time to time and the approval by the Shareholders at the Company’s annual general meetings.

Save as disclosed above, Mr. Jin (1) has not held any directorships in any public companies the securities of which are listed on any securities marked in Hong Kong or overseas during the past these years; (2) does not hold any other position with the Company or other members of the Group; and (3) does not have any relationships with any Directors, senior management, substantial Shareholders or controlling Shareholders (as defined in the Listing Rules) of the Company.

There is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements under the Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Jin that need to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING



中國稀土控股有限公司
China Rare Earth Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 769)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of China Rare Earth Holdings Limited (the “Company”) will be held at Conference Centre, China Rare Earth Holding Limited, Huguang Road, Yangan Village, Dingshu Town, Yixing City, Jiangsu Province, PRC, on Thursday, 18 June 2020 at 10:30 a.m. to consider and, if thought fit, transact the following ordinary business:

1. to receive and consider the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2019 and the Directors’ report and the Independent Auditor’s report thereon;
2. to re-elect Ms. Qian Yuanying as an executive director (“Director”) of the Company;
3. to re-elect Mr. Jiang Dawei as an executive Director of the Company;
4. to re-elect Mr. Jin Zhong as an independent non-executive Director of the Company;
5. to authorise the board (the “Board”) of Directors to fix the Directors’ remuneration;
6. to re-appoint the retiring auditor, Ascenda Cachet CPA Limited and to authorise the Board of Directors to fix its remuneration;
7. to consider and, if thought fit, pass with or without modifications the following resolution as an Ordinary Resolution:

“THAT:

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), the exercise by the Directors of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with the unissued shares of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares, which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period (as defined below) to make or grant offers, agreements and options which would or might require the exercise of such powers during or after the end of the Relevant Period in accordance with all applicable laws, rules and regulations;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the total number of issued shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
- (1) a Rights Issue (as hereinafter defined); or
 - (2) any share option scheme of the Company; or
 - (3) any issue of shares in lieu of the whole or part of a dividend on shares in accordance with the Articles of Association of the Company and other relevant regulations; or
 - (4) any issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares,

shall not exceed twenty per cent (20%) of the total number of issued shares of the Company at the date of passing of this Resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this Resolution), and the said approval shall be limited accordingly; and

- (d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (1) the conclusion of the next annual general meeting of the Company;
- (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Articles of Association of the Company to be held; and
- (3) the revocation or variation of the mandate granted under this Resolution by an Ordinary Resolution of the members of the Company in general meeting.

“Rights Issue” means an offer of shares, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors of the Company to holders of shares of the Company whose names appear on the Company’s Register of Members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

8. to consider and, if thought fit, pass with or without modifications the following resolution as an Ordinary Resolution:

“THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as defined in paragraph (c) below) of all powers of the Company to purchase shares of HK\$0.10 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and subject to and in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws in this regard, be and is hereby generally and unconditionally approved;
- (b) the total number of shares of the Company which may be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed ten per cent (10%) of the total number of issued shares of the Company at the date of passing this Resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this Resolution) and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (1) the conclusion of the next annual general meeting of the Company;
- (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Articles of Association of the Company to be held; and
- (3) the revocation or variation of the mandate granted under this Resolution by an Ordinary Resolution of the members of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

9. as special business, to consider and, if thought fit, pass with or without modifications the following resolution as an Ordinary Resolution:

“**THAT** conditional on the passing of Resolutions No. 7 and 8 as set out above, the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares of the Company pursuant to Resolution No. 7 above be and is hereby extended by the addition thereto of the number of the shares of the Company purchased or agreed to be purchased by the Company under the authority granted pursuant to Resolution No. 8 above, provided that such amount shall not exceed ten per cent (10%) of the total number of issued shares of the Company at the date of passing this Resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this Resolution).”

By Order of the Board
LAW Lap Tak
Company Secretary

Hong Kong, 28 April 2020

Principal Place of Business in Hong Kong:

Room 2509, Harcourt House
39 Gloucester Road
Wanchai
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Listing Rules. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.creh.com.hk) in accordance with the Listing Rules.
2. A member entitled to attend and vote at the meeting mentioned above is entitled to appoint in written form one or more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
3. To be valid, the proxy form together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority must be deposited at the offices of the Company's Hong Kong branch share registrar ("Branch Registrar"), Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time of the above meeting (i.e. no later than 10:30 a.m. on Tuesday, 16 June 2020) or adjourned meeting.
4. The Register of Members of the Company will be closed from Monday, 15 June 2020 to Thursday, 18 June 2020 (both days inclusive), during which period no transfer of the Company's shares will be effected. In order to determine the entitlement to attend and vote at the Annual General Meeting, all share certificates with completed transfer forms, either overleaf or separately, must be lodged with the Branch Registrar at Rooms 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 12 June 2020.
5. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. In relation to Resolutions Nos. 2 to 4 above, details of Directors standing for re-election are set out in Appendix II to the circular of the Company dated 28 April 2020.
7. In relation to Resolution No. 7 above, approval is being sought from the shareholders of the Company for the grant to the Directors of a general mandate to authorise the allotment and issue of shares under the Listing Rules. The Directors have no immediate plans to issue any new shares of the Company other than shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by the shareholders.
8. In relation to Resolution No. 8 above, the Directors wish to state that they will exercise the powers conferred thereby to purchase shares of the Company in circumstances, which they deem appropriate for the benefit of the shareholders.
9. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto but if more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members of the Company in respect of the joint holding.

As at the date of this notice, the Board of the Company consists of Ms. Qian Yuanying, Mr. Jiang Quanlong, Mr. Jiang Dawei and Mr. Jiang Cainan as executive directors and Mr. Huang Chunhua, Mr. Jin Zhong and Mr. Wang Guozhen as independent non-executive directors.