



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)

RESIGNATION AND APPOINTMENT OF DIRECTORS

The Directors wish to announce that Mr Fan Yajun resigned as an executive Director with effect from 19 August 2005 and each of Ms Xu Panfeng and Mr Jiang Cainan was appointed as an executive Director with effect from 19 August 2005.

The board (“**Board**”) of directors (“**Directors**”) of China Rare Earth Holdings Limited (“**Company**”) announces that Mr Fan Yajun resigned as an executive Director with effect from 19 August 2005 for personal reasons. Mr Fan Yajun has confirmed that there is no matter in relation to his resignation that needs to be brought to the attention of the shareholders of the Company.

The Company would like to take this opportunity to express its gratitude to Mr Fan Yajun for his valuable contribution to the Company and its subsidiaries (collectively, the “**Group**”) in the past years.

The Board is pleased to further announce that each of Ms Xu Panfeng and Mr Jiang Cainan was appointed as an executive Director for a term of 3 years with effect from 19 August 2005.

Brief particulars of Ms Xu Panfeng and Mr Jiang Cainan are as follows:

MS XU PANFENG

Ms Xu, aged 40, joined the Group in 1987. Ms Xu is an executive Director and the deputy general manager of the Group and is responsible for the sales of rare earth business. Ms Xu has extensive experience in production and marketing of rare earth industry. Save as disclosed herein, in the three years immediately preceding 19 August 2005, Ms Xu had not held any directorship in listed public companies or other major appointments and qualifications.

As at 19 August 2005, Ms Xu did not have any interest in the shares or underlying shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Apart from being an executive Director and the deputy general manager of the Group, Ms Xu is not related to any other directors, senior management, substantial shareholders or controlling shareholders of the Company.

Ms Xu has entered into a service contract with the Company and is entitled to an annual salary of RMB120,000 and a management bonus determined by reference to her experience and expected contribution to the Group. She is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Company’s articles of association.

MR JIANG CAINAN

Mr Jiang, aged 46, joined the Group in 1986. Mr Jiang is an executive Director, the deputy general manager of the Group and the general manager of Yixing Xinwei Leeshing Refractory Materials Company Limited (“**Yixing Xinwei**”), a subsidiary of the Company. Mr Jiang is responsible for the operation of the refractory materials business. Mr Jiang has over 20 years of experience in refractory materials industry. Save as disclosed herein, in the three years immediately preceding 19 August 2005, Mr Jiang had not held any directorship in listed public companies or other major appointments and qualifications.

As at 19 August 2005, Mr Jiang did not have any interest in the shares or underlying shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Apart from being an executive Director and the deputy general manager of the Group and the general manager of Yixing Xinwei, Mr Jiang is not related to any other directors, senior management, substantial shareholders or controlling shareholders of the Company.

Mr Jiang has entered into a service contract with the Company and is entitled to an annual salary of RMB120,000 and a management bonus determined by reference to his experience and expected contribution to the Group. He is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Company’s articles of association.

Save as disclosed above, the Company is not aware of any other matters that needs to be brought to the attention of the holders of the shares of the Company in relation to the above appointments.

As at the date of this announcement, the Board comprises the following members:

Executive Directors:

Jiang Quanlong
Qian Yuanying
Xu Panfeng
Jiang Cainan

Independent non-executive Directors:

Liu Yujiu
Huang Chunhua
Jin Zhong

By order of the Board
China Rare Earth Holdings Limited
Law Lap Tak
Company Secretary

Hong Kong, 19 August 2005