



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)

**VOLUNTARY DISCLOSURE:
assumption of directorship in a listing applicant
by the Chairman of the Company**

The Board has been informed by Mr Jiang Quanlong, the Chairman and an executive director of the Company, that he has been assuming the office of director of PAEP Cayman, which published and issued a prospectus in respect of public offer and placing of shares in PAEP Cayman on 10 December 2007.

Mr Jiang has indicated to the Board he expects, following the listing of PAEP Cayman on the Stock Exchange, to devote comparatively more time on strategic management of the PAEP Group. However, he will continue to devote sufficient time for the discharge of his functions and executive responsibilities in the CRE Group. The Board believes that Mr Jiang's assumption of the office of the Chairman and an executive director of PAEP Cayman will not affect Mr Jiang in maintaining his current role in, and his functions and executive responsibilities for, the CRE Group to any material extent.

Mr Jiang Quanlong ("Mr Jiang") is the Chairman and an executive director of China Rare Earth Holdings Limited ("Company"). He has been actively participating in the discussion and formulation of the overall business development of the group ("CRE Group") of companies comprising the Company and its subsidiaries over the past eight years. Mr Jiang attended all the board meetings held in the two years ended 31 December 2006 and the current financial year. He also participated in over 90% of other senior management meetings of the CRE Group held during the past eight years.

The board of directors ("Board") of the Company has been informed by Mr Jiang that he has been assuming the office of director of Pan Asia Environmental Protection Group Limited ("PAEP Cayman", a company incorporated in the Cayman Islands), which published and issued a prospectus in respect of public offer and placing of shares in PAEP Cayman on 10 December 2007 and its proposed listing on the main board of The Stock Exchange of Hong Kong Limited ("Stock Exchange").

Mr Jiang has indicated to the Board that he expects, following the listing of PAEP Cayman on the Stock Exchange, to devote comparatively more time on strategic management of the group ("PAEP Group") of companies comprising PAEP Cayman and its subsidiaries. In terms, therefore, of allocation of time to company affairs between the CRE Group and the PAEP Group, Mr Jiang will allocate relatively more time to the management of the affairs of the PAEP Group than to the CRE Group.

In relation to Mr Jiang's future participation in and allocation of time for the affairs of the CRE Group, Mr Jiang has indicated to the Board that he expects he will continue and maintain his current role in, and his functions and executive responsibilities for the CRE Group, namely, (i) he will continue to lead the CRE Group in overall strategic planning and business development, (ii) he will attend all or a majority of the board meetings and senior management meetings where important management decision and policies are discussed and made.

Mr Jiang's assessment is that given the long operating history of the CRE Group and the nature of the CRE Group's business, the above functions and executive responsibilities in the CRE Group do not require Mr Jiang's full time attention. The Board agrees to his assessment. Mr Jiang also indicates that while he will not be participating in the daily management of the CRE Group, he will devote sufficient time for the discharge of his above functions and executive responsibilities.

The Board notes that Mr Jiang has been leading the development of the PAEP Group in the past few years, as well as the current listing exercise of PAEP Cayman. Throughout these times, he remained responsible for the performance of his functions and executive duties to the CRE Group. Given Mr Jiang's indication that he will continue to devote sufficient time for the discharge of his above functions and executive responsibilities in the CRE Group, the Board believes that Mr Jiang's assumption of the office of the Chairman and an executive director of PAEP Cayman will not affect Mr Jiang in maintaining his current role in, and his functions and executive responsibilities for, the CRE Group to any material extent.

By Order of the Board of
China Rare Earth Holdings Limited
Qian Yuanying
Executive Director

Hong Kong, 10 December 2007

As at the date of this announcement, the board of Directors comprises Mr Jiang Quanlong, Ms Qian Yuanying, Ms Xu Panfeng and Mr Jiang Cainan as executive Directors, and Mr Liu Yujiu, Mr Huang Chunhua and Mr Jin Zhong as independent non-executive Directors.