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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)

**ANNOUNCEMENT MADE IN ACCORDANCE WITH
RULE 13.18 OF THE LISTING RULES**

The directors (“**Directors**”) of China Rare Earth Holdings Limited (“**Company**”) announce that on 20 January 2009, the Company as borrower entered into a loan agreement (“**Loan Agreement**”) with CITIC Ka Wah Bank Limited as lender in respect of a loan facility (“**Loan Facility**”) of an aggregate amount of US\$10 million.

Under the Loan Agreement, the Company shall, among other things, ensure that Mr Jiang Quanlong and his family remain the Company’s major shareholder position and do not reduce their shareholding of the Company, directly or indirectly, to less than 30 per cent., and maintain the management control of the Company throughout the life of the Loan Facility.

The maturity date of the Loan Facility is the date falling 36 months from the acceptance date of the Loan Agreement.

As at the date of this announcement, Mr Jiang Quanlong is an executive Director, and with his family together, directly or indirectly, held an aggregate of approximately 41.88 per cent. of the issued share capital of the Company.

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

Hong Kong, 20 January 2009

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