

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



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 Basement II, The Boardroom, The Wharney Guang Dong Hotel Hong Kong, 57-73 Lockhart Road, Wanchai, Hong Kong on Friday, 6 June 2014 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 2013 and the Directors’ report and the Independent Auditor’s report thereon;
- 2A. to re-elect Ms. Qian Yuanying as an executive director (“Director”) of the Company;
- 2B. to authorise the board (the “Board”) of Directors to fix the Directors’ remuneration;
3. to elect Mr. Huang Chunhua (who has served as an independent non-executive Director for more than 9 years) as an independent non-executive Director and to authorise the Board of Directors to fix his remuneration;
4. to re-appoint the retiring auditor, Crowe Horwath (HK) CPA Limited and to authorise the Board of Directors to fix its remuneration;

5. 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 to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital 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:
  - (i) a Rights Issue (as hereinafter defined); or
  - (ii) any share option scheme of the Company; or
  - (iii) 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
  - (iv) 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 aggregate nominal amount of the share capital of the Company in issue at 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).”

6. 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 aggregate nominal amount 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 aggregate nominal amount of the share capital of the Company in issue at the date of passing 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.”

7. 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. 5 and 6 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. 5 above be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company purchased or agreed to be purchased by the Company under the authority granted pursuant to Resolution No. 6 above, provided that such amount shall not exceed ten per cent (10%) of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution.”

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

**“THAT** the share option scheme of the Company (the “New Share Option Scheme”), the rules of which are contained in the document marked “A” produced to the meeting and, for the purposes of identification, signed by the chairman of the meeting and summarised in the circular of the Company dated 24 April 2014, be hereby approved and adopted and the directors of the Company be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme including without limitation:

- (a) administering the New Share Option Scheme and granting options under the New Share Option Scheme;
- (b) modifying and/or amending the rules of the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”);
- (c) issuing and allotting from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options granted under the New Share Option Scheme; and
- (d) making application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any shares of the Company or any part thereof that may from time to time be issued and allotted pursuant to the exercise of the options granted under the New Share Option Scheme.”

By Order of the Board  
**LAW Lap Tak**  
*Company Secretary*

Hong Kong, 24 April 2014

*Principal Place of Business in Hong Kong:*  
15th Floor, Club Lusitano  
16 Ice House Street  
Central  
Hong Kong

*Notes:*

1. 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.
2. 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 or adjourned meeting.
3. The Register of Members of the Company will be closed from 3 June 2014 to 6 June 2014 (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 30 May 2014.
4. 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.
5. In relation to Resolution Nos. 2A and 3 above, details of Directors standing for re-election are set out in Appendix II to the circular of the Company dated 24 April 2014.
6. In relation to Resolution No. 5 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 shareholders.
7. In relation to Resolution No. 6 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.
8. 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 announcement, the executive directors are Mr. Jiang Quanlong, Ms. Qian Yuanying, Mr. Jiang Cainan and the independent non-executive directors are Mr. Huang Chunhua, Mr. Jin Zhong and Mr. Wang Guozhen.*