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Form A
表格甲

Provisional allotment letter no.
暫定配額通知書編號

IMPORTANT
重要提示

THIS PROVISIONAL ALLOTMENT LETTER (THE "PAL") IS VALUABLE AND TRANSFERABLE AND REQUIRES YOUR IMMEDIATE ATTENTION. THE OFFER CONTAINED IN THIS PROVISIONAL ALLOTMENT LETTER EXPIRES AT 4:00 P.M. ON THURSDAY, 30 JULY 2015 (OR SUCH LATER DATE AS MENTIONED IN THE PARAGRAPH HEADED "EFFECT OF BAD WEATHER" OVERLEAF).

本暫定配額通知書(「暫定配額通知書」)具有價值及可轉讓，並請即處理。本暫定配額通知書所載之要約於二零一五年七月三十日(星期四)(或首頁「惡劣天氣之影響」一段所述之有關較後日期)下午四時正結束。IF YOU ARE IN ANY DOUBT ABOUT THIS PAL OR AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, OTHER LICENSED DEALER IN SECURITIES, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISER. IF YOU HAVE SOLD OR TRANSFERRED ALL OF YOUR SHARES OF THE COMPANY, YOU SHOULD AT ONCE HAND THE PROSPECTUS AND THIS LETTER AND THE ACCOMPANYING EAF TO THE PURCHASER(S) OR THE TRANSFERREE(S) OR TO THE BANK, LICENSED SECURITIES DEALER OR OTHER AGENT THROUGH WHOM THE SALE OR TRANSFER WAS EFFECTED FOR TRANSMISSION TO THE PURCHASER(S) OR THE TRANSFERREE(S).

閣下如對本暫定配額通知書或對應採取之行動有任何疑問，應諮詢閣下之股票經紀、其他註冊證券交易商、銀行經理、律師、專業會計師或其他專業顧問。閣下已出售或轉讓閣下之全部本公司股份，應立即把供股章程及本函件及隨附之額外申請表格送交買方或承讓人或經手買賣或轉讓之銀行、持牌證券交易商或其他代理人，以便轉交買方或承讓人。Hong Kong Exchanges and Clearing Limited, the Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this PAL, 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 PAL.

香港交易及結算有限公司、香港聯合交易所有限公司及香港中央結算有限公司對本暫定配額通知書之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本暫定配額通知書全部或任何部分內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。Capitalised terms used herein have the same meanings as those defined in the prospectus issued by China Rare Earth Holdings Limited dated 16 July 2015 (the "Prospectus") unless the context otherwise requires.

除非文義另有指明，否則本暫定配額通知書所用詞彙與中國稀土控股有限公司所刊發日期為二零一五年七月十六日之章程(「供股章程」)所界定者具有相同涵義。Dealings in the Shares, the Rights Shares in their nil-paid form and fully-paid form may be settled through CCASS and you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

股份以及未繳股款及繳足股款供股股份之買賣可透過中央結算系統進行交收，閣下應諮詢閣下之股票經紀或其他註冊證券交易商、銀行經理、律師、專業會計師或其他專業顧問有關該等交收安排之詳情，以及有關安排對閣下之權利及權益可能構成之影響。Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

待未繳股款及繳足股款供股股份獲准於聯交所上市及買賣後，未繳股款及繳足股款供股股份將獲香港結算系統納為合資格證券，可自未繳股款及繳足股款供股股份分別於聯交所開始買賣之日(或香港結算可能釐訂之其他日期)起，於中央結算系統內寄存、結算及交收。聯交所參與者關於任何交易日之交易須於其後第二個交易日在中央結算系統交收。所有中央結算系統之活動均須依據不時有效之中央結算系統一般規則及中央結算系統運作程序規則進行。A copy of this PAL, together with a copy of the Prospectus and the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies" in Appendix III to the Prospectus, has been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The Registrar of Companies in Hong Kong and the Securities and Futures Commission of Hong Kong take no responsibility as to the contents of any of these documents.

本暫定配額通知書連同供股章程以及供股章程附錄三「送呈公司註冊處處長之文件」一段所指明之文件，已依據公司(清盤及雜項條文)條例第342C條之規定向香港公司註冊處處長作出登記。香港公司註冊處處長及香港證券及期貨事務監察委員會對任何此等文件之內容概不負責。If you wish to exercise your right to subscribe for all the Rights Shares specified in this PAL, you should lodge this PAL in accordance with the instructions printed herein, together with a remittance for the full amount payable on acceptance, with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:00 p.m. on Thursday, 30 July 2015. All remittances must be made by cheque or banker's cashier order in Hong Kong dollars. Cheques must be drawn on an account with, and banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "CHINA RARE EARTH HOLDINGS LIMITED - PROVISIONAL ALLOTMENT ACCOUNT" and crossed "ACCOUNT PAYEE ONLY".

倘閣下擬行使閣下之權利認購本暫定配額通知書指定之所有供股股份，閣下必須最遲於二零一五年七月三十日(星期四)下午四時正前按照本通知書印列之指示將暫定配額通知書連同須於接納時繳足之股款送交過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號17樓1712-1716號舖。所有股款均須以港元支票或銀行本票繳付，而有關支票或銀行本票則須以香港之持牌銀行戶口付款或由香港之持牌銀行開出，註明抬頭人為「CHINA RARE EARTH HOLDINGS LIMITED - PROVISIONAL ALLOTMENT ACCOUNT」，並以「只准入抬頭人賬戶」劃線方式開出。

Registrar:
Computershare Hong Kong
Investor Services Limited
Shops 1712-1716,
17/F, Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong
過戶登記處:
香港中央證券登記有限公司
香港灣仔皇后大道東183號
合和中心17樓1712-1716號舖



中國稀土控股有限公司
China Rare Earth Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)
(Stock Code: 769)
(股份代號: 769)

Registered office:
Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111
Cayman Islands
註冊辦事處:
Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111
Cayman Islands
Principal place of business
in Hong Kong:
15/F, Club Lusitano,
16 Ice House Street, Central
Hong Kong
香港主要營業地點:
香港
中環雪廠街16號
西洋會所大廈15樓

RIGHTS ISSUE OF 669,057,222 RIGHTS SHARES AT THE SUBSCRIPTION PRICE OF HK\$0.60
EACH ON THE BASIS OF TWO RIGHTS SHARES
FOR EVERY FIVE EXISTING SHARES HELD ON THE RECORD DATE
供股
根據於記錄日期每持有五股現有股份獲發兩股供股股份之基準
按每股供股股份0.60港元之認購價
發行669,057,222股供股股份

PAYABLE IN FULL ON ACCEPTANCE BY NO LATER THAN 4:00 P.M.
ON THURSDAY, 30 JULY 2015
股款須於接納時(不遲於二零一五年七月三十日(星期四)下午四時正)繳足

PROVISIONAL ALLOTMENT LETTER
暫定配額通知書

Name(s) and address of the Qualifying Shareholder(s) 合資格股東姓名及地址

[]

Number of Shares registered in your name(s) on Friday, 10 July 2015:
於二零一五年七月十日(星期五)登記於閣下名下之股份數目:

Box A
甲欄

[]

Number of Rights Shares provisionally allotted to you subject to payment in full on acceptance by no later than 4:00 p.m. on Thursday, 30 July 2015:
可供閣下申請之供股股份暫定配額數目，股款須於接納時(不遲於二零一五年七月三十日(星期四)下午四時正)繳足:

Box B
乙欄

[]

Total subscription money payable
應付認購款項總額

Box C
丙欄
HK\$
港元

[]

Name of bank on which cheque/banker's cashier order is drawn:
支票/銀行本票的付款銀行名稱:

Cheque/banker's cashier order number:
支票/銀行本票號碼:

Contact telephone no.:
聯絡電話:

It should be noted that Shares have been dealt in on an ex-rights basis from Monday, 6 July 2015. Dealings in the Rights Shares in the nil-paid form will take place from Monday, 20 July 2015 to Monday, 27 July 2015 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or waived (as applicable) or the Underwriter exercises its rights to terminate the Underwriting Agreement on or before 4:00 p.m. on Friday, 31 July 2015 (or such later time and/or date as the Company and the Underwriter may determine in writing), the Rights Issue will not proceed.

閣下應注意，股份已自二零一五年七月六日(星期一)起以除權基準買賣。未繳股款供股股份將於二零一五年七月二十日(星期一)至二零一五年七月二十七日(星期一)(首尾兩日包括在內)期間買賣。倘於二零一五年七月三十一日(星期五)下午四時正之前(或本公司與包銷商可能以書面釐定之較後時間及/或日期)供股之條件未能獲達成或獲豁免(如適用)或包銷商行使權利終止包銷協議，則不會進行供股。

Any Shareholders or persons contemplating buying or selling Shares from now up to the date on which all the conditions of the Rights Issue are fulfilled or waived (as applicable) and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases, and any dealings in the Rights Shares in their nil-paid form between Monday, 20 July 2015 and Monday, 27 July 2015 (both days inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed.

任何擬於即日起至供股條件獲達成或獲豁免(如適用)當日止期間及於包銷商根據包銷協議之終止權利終止的日期之前購買或出售股份之股東或人士，以及任何於二零一五年七月二十日(星期一)起至二零一五年七月二十七日(星期一)止期間(首尾兩日包括在內)買賣未繳股款供股股份之股東或人士，均須承擔供股或未能成為無條件或不一定進行之風險。

Any Shareholders or other persons contemplating dealing in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.

任何有意買賣股份或未繳股款供股股份之股東或其他人士務請諮詢彼等本身專業顧問之意見。

It should be noted that the Underwriting Agreement contains provisions granting VMS Securities Limited the right to terminate the Underwriting Agreement on the occurrence of certain events, which have been set out in the paragraph headed "Termination of the Underwriting Agreement" in the "Letter from the Board" of the Prospectus. If the Underwriting Agreement is terminated by VMS Securities Limited prior to the Latest Time for Termination (being 4:00 p.m. on Friday, 31 July 2015 or such later time as may be agreed between the Company and the Underwriter) or does not become unconditional, the Rights Issue will not proceed.

務請注意，包銷協議載有條文授予鼎興證券有限公司於發生若干事件時終止包銷協議之權利，有關事件載於供股章程「董事會函件」內「終止包銷協議」一段。包銷協議被鼎興證券有限公司在最後截止時限(即二零一五年七月三十一日(星期五)下午四時正)之前或經本公司與包銷商協定之較後時間之前終止或未能成為無條件，將不會進行供股。

NO RECEIPT WILL BE GIVEN
所有繳款將不獲發收據

IN THE EVENT OF A TRANSFER OF RIGHTS TO SUBSCRIBE FOR RIGHTS SHARE(S) REPRESENTED BY THIS DOCUMENT, HONG KONG AD VALOREM STAMP DUTY IS PAYABLE ON EACH SALE AND EACH PURCHASE. A GIFT OR A TRANSFER OF BENEFICIAL INTEREST OTHER THAN BY WAY OF SALE IS ALSO LIABLE TO HONG KONG AD VALOREM STAMP DUTY. EVIDENCE OF PAYMENT OF HONG KONG AD VALOREM STAMP DUTY WILL BE REQUIRED BEFORE REGISTRATION OF THIS DOCUMENT.

在轉讓認購本文件所指之供股股份之權利時，每宗買賣均須繳納香港從價印花稅。以出售以外方式餽贈或轉讓實益擁有之權益亦須繳納香港從價印花稅。在辦理本文件登記之前，須出示已繳納香港從價印花稅之證明。

Form B 表格乙

FORM OF TRANSFER AND NOMINATION 轉讓及提名表格

(To be completed and signed only by the Qualifying Shareholder(s) who wish(es) to transfer all of his/her/its/their right(s) to subscribe for the Rights Shares comprised herein)
(僅供擬將其於本表格所列認購供股股份之權利全數轉讓之合資格股東填寫及簽署)

To the Directors
China Rare Earth Holdings Limited
致： 中國稀土控股有限公司
列位董事

Dear Sirs and Madams,
I/We hereby transfer all of my/our rights to subscribe for the Rights Shares comprised in this PAL to the person(s) accepting the same and signing the registration application form (Form C) below.
敬啟者：
本人/吾等茲將本暫定配額通知書所列本人/吾等可認購供股股份之權利全數轉讓予接受此權利並簽署以下登記申請表格(表格丙)之人士。

1. _____ 2. _____ 3. _____ 4. _____
Signature(s) of Shareholder(s) (all joint Shareholders must sign) 股東簽署(所有聯名股東均須簽署)

Date日期: _____

Note: Hong Kong stamp duty is payable in connection with the transfer of your rights to subscribe for the Rights Shares.
附註：轉讓 閣下可認購供股股份之權利須繳納香港印花稅。

Form C 表格丙

REGISTRATION APPLICATION FORM 登記申請表格

(To be completed and signed only by the person(s) to whom the rights to subscribe for the Rights Shares have been transferred)
(僅供承讓認購供股股份權利之人士填寫及簽署)

To the Directors
China Rare Earth Holdings Limited
致： 中國稀土控股有限公司
列位董事

Dear Sirs and Madams,
I/We request you to register the number of Rights Shares mentioned in Box B of Form A in my/our name(s) and I/we agree to accept the same on the terms embodied in this PAL and the Prospectus and subject to the articles of association of the Company.
敬啟者：
本人/吾等謹請 閣下將表格甲內乙欄所列供股股份數目以本人/吾等名義登記，本人/吾等同意按照本暫定配額通知書及供股章程所載之條款，並在 貴公司之組織章程細則限制下接納該等股份。

Existing Shareholder(s)
Please mark "X" in this box
現有股東請於欄內填上「X」號

To be completed in block letters in ENGLISH. Joint applicants should give address of the first-named applicant only.
請用英文大楷填寫。聯名申請人只須填報排名首位之申請人的地址。

| | | | | |
|--|----------------------------------|----------------|----------------------------|--|
| Name in English 英文姓名 | Family name/Company name 姓氏/公司名稱 | Other names 名字 | Name in Chinese 中文姓名 | |
| Name continuation and/or names of joint applicants in English 續姓名及/或聯名申請人英文姓名 (if required) (如有需要) | | | | |
| Address in English (joint applicants should give one address only) 英文地址(聯名申請人 只須填報一個地址) | | | | |
| Occupation 職業 | | | Telephone no. 電話號碼 | |
| Dividend instructions 派息指示 | | | | |
| Name and address of bank 銀行名稱及地址 | Bank account Number 銀行戶口號碼 | | | |
| | BANK 銀行 | BRANCH 分行 | ACCOUNT 賬戶 | |
| | | | | |

1. _____ 2. _____ 3. _____ 4. _____
Signature(s) of applicant(s) (all joint applicants must sign) 申請人簽署(所有聯名申請人均須簽署)

Date日期: _____

Note: Hong Kong stamp duty is payable in connection with the acceptance of the rights to subscribe for the Rights Shares.
附註：閣下接納可認購供股股份之權利須繳納香港印花稅。



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)

Dear Qualifying Shareholder(s),

INTRODUCTION

In accordance with the terms set out in the Prospectus accompanying this PAL, the Directors have provisionally allotted to you Rights Shares on the basis of two Rights Shares for every five existing Shares held and registered in your name(s) on Friday, 10 July 2015. Your holding of Shares as at Friday, 10 July 2015 is set out in Box A and the number of Rights Shares provisionally allotted to you is set out in Box B. Terms defined in the Prospectus have the same meanings herein unless the context requires otherwise.

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* with the then existing Shares in issue on the date of allotment of the Rights Shares in the fully-paid form in all respects. Holders of such Rights Shares will be entitled to receive all future dividends and distributions which are declared the record date of which is after the date of allotment and issue of the Rights Shares in the fully-paid form.

The Prospectus and the related application forms have not been and will not be registered or filed under any applicable securities or equivalent legislation of any jurisdictions other than Hong Kong.

No action has been taken to permit the offering of the Rights Shares, or the distribution of the Prospectus or any of the related application forms, in any territory or jurisdiction outside Hong Kong. Accordingly, no person receiving a copy of the Prospectus or any of the related application forms in any territory or jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in the relevant jurisdiction such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements.

It is the responsibility of any person (including but without limitation to nominee, agent and trustee) receiving a copy of the Prospectus or any of the related application forms outside Hong Kong and wishing to take up the Rights Shares under the Prospectus to satisfy himself/herself/itself as to the full observance of the laws and regulations of all the relevant jurisdiction including the obtaining of any governmental or other consents for observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been complied with. If you are in any doubt as to your position, you should consult your professional advisers. **For the avoidance of doubt, HKSCC Nominees Limited, who subscribes for the Rights Shares on behalf of CCASS Participants, is not subject to any of the above representations and warranties. The Company reserves the right to refuse to permit any Qualifying Shareholder to take up nil-paid Rights Shares or apply for excess Rights Shares where it believes that doing so would violate applicable securities legislations or other laws or regulations of any jurisdiction.**

PROCEDURE FOR APPLICATION AND PAYMENT

To take up your provisional entitlement in full you must lodge the whole of this PAL intact with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with a remittance for the full amount payable on acceptance, as set out in Box C, so as to be received by the Registrar no later than 4:00 p.m. on Thursday, 30 July 2015 (or under bad weather conditions, such later date as mentioned in the paragraph headed "Effect of bad weather" below). All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, or banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "CHINA RARE EARTH HOLDINGS LIMITED – PROVISIONAL ALLOTMENT ACCOUNT" and crossed "ACCOUNT PAYEE ONLY". Such payment will constitute acceptance of the terms of this PAL and the Prospectus and subject to the articles of association of the Company. No receipt will be issued for sums received on application. Share certificate(s) for any Rights Shares in respect of which the application is accepted will be sent to the Qualifying Shareholders, and in the case of joint Qualifying Shareholders, to the first-named Qualifying Shareholders, by ordinary post at their own risk at the address stated overleaf on or before Friday, 7 August 2015.

It should be noted that unless this PAL, together with the appropriate remittance for the amount shown in Box C, has been lodged as described above by no later than 4:00 p.m. on Thursday, 30 July 2015 (or, under bad weather conditions, such later date as mentioned in the paragraph headed "Effect of bad weather" below), this PAL and all rights hereunder will be deemed to have been declined and the relevant Rights Shares will be cancelled. The Company may (at its sole discretion but without obligation) treat a PAL (lodged as mentioned above) as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

APPLICATION FOR EXCESS RIGHTS SHARES

Qualifying Shareholders are entitled to apply for any unsold Rights Shares created by adding together fractions of the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders.

Application for excess Rights Shares should be made by completing and signing the EAF enclosed with the Prospectus for excess Rights Shares and lodging the same with a separate remittance for the full amount payable in respect of the excess Rights Shares being applied for in accordance with the instructions printed thereon, with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:00 p.m. on Thursday, 30 July 2015. All remittances must be made in Hong Kong dollars and cheques must be drawn on an account with, or banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "CHINA RARE EARTH HOLDINGS LIMITED – EXCESS APPLICATION ACCOUNT" and crossed "ACCOUNT PAYEE ONLY". The Registrar will notify the Qualifying Shareholders of any allocation of the excess Rights Shares made to them.

TRANSFER

If you wish to transfer all of your rights to subscribe for the Rights Shares provisionally allotted to you hereunder, you must complete and sign the form of transfer and nomination (Form B) and hand this PAL to the person(s) to or through whom you are transferring your rights. The transferee(s) must then complete and sign the registration application form (Form C) and lodge this PAL intact together with a remittance for the full amount payable on acceptance as set out in Box C with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong so as to be received by no later than 4:00 p.m. on Thursday, 30 July 2015. It should be noted that Hong Kong stamp duty is payable in connection with the transfer of your rights to subscribe for the relevant Rights Shares and the acceptance by the transferee(s) of such rights.

SPLITTING

If you wish to accept only part of your provisional allotment or transfer part of your rights to subscribe for the Rights Shares provisionally allotted hereunder, or to transfer your rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:00 p.m. on Wednesday, 22 July 2015 with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, who will cancel the original PAL and issue new PALs in the denominations required, which will be available for collection at the Registrar after 9:00 a.m. on the second Business Day after your surrender of the original PAL.

FRACTIONS OF RIGHTS SHARES

The Company will not provisionally allot fractions of Rights Shares. All fractions of Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will be sold in the market if a premium (net of expenses) can be achieved, and the Company will retain the proceeds from such sale(s). Any unsold fractions of Rights Shares will be made available for excess application.

EFFECT OF BAD WEATHER

The latest time for acceptance and payment for the Rights Shares and for application and payment for excess Rights Shares, will not take effect if there is a tropical cyclone warning signal no. 8 or above, or a "black" rainstorm warning (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Time for Acceptance, in such case the latest time of acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Time for Acceptance, in such case the latest time of acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on the Latest Time for Acceptance, the dates mentioned in this section may be affected. The Company will notify Shareholders by way of announcements of any changes to the expected timetable as soon as practicable.

TERMINATION OF THE UNDERWRITING AGREEMENT

It should be noted that the Underwriting Agreement contains provisions granting VMS Securities Limited the right to terminate the Underwriting Agreement on the occurrence of certain events, which have been set out in the paragraph headed "Termination of the Underwriting Agreement" in the "Letter from the Board" of the Prospectus. If the Underwriting Agreement is terminated by VMS Securities Limited prior to the Latest Time for Termination (being 4:00 p.m. on Friday, 31 July 2015 or such later time as may be agreed between the Company and the Underwriter) or does not become unconditional, the Rights Issue will not proceed.

WARNING OF THE RISK OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

It should be noted that the Shares have been dealt in on an ex-rights basis from Monday, 6 July 2015. Dealings in the Rights Shares in the nil-paid form will take place from Monday, 20 July 2015 to Monday, 27 July 2015 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or waived (as applicable) on or before 4:00 p.m. Friday, 31 July 2015 (or such later time and/or date as the Company and the Underwriter may determine in writing), the Rights Issue will not proceed.

Any Shareholders or persons contemplating buying or selling Shares from now up to the date on which all the conditions of the Rights Issue are fulfilled or waived (as applicable) and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases, and any dealings in the Rights Shares in their nil-paid form between Monday, 20 July 2015 and Monday, 27 July 2015 (both days inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed.

Any Shareholders or other persons contemplating dealing in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.

CHEQUES AND BANKER'S CASHIER ORDERS

All cheques and banker's cashier orders will be presented for payment upon receipt and all interests earned on such monies (if any) will be retained for the benefit of the Company. Completion and lodgement of this PAL together with a cheque or banker's cashier order in payment of the Rights Shares applied for will constitute a warranty that the cheque or banker's cashier order will be honoured upon first presentation. If any cheque or banker's cashier order is not honoured upon first presentation, this PAL is liable to be rejected, and in that event your assured entitlement and all rights hereunder will be deemed to have been declined and will be cancelled.

CERTIFICATES FOR THE RIGHTS SHARES

It is expected that certificates for the fully-paid Rights Shares will be despatched by ordinary post to those entitled thereto to their registered addresses at their own risk on or before Friday, 7 August 2015. One share certificate will be issued for all the Rights Shares allotted to an applicant.

GENERAL

Lodgement of the PAL with, where relevant, the form of transfer and nomination purporting to have been signed by the person(s) in whose favour it has been issued, shall be conclusive evidence of the title of the party or parties lodging it to deal with the same and to receive split provisional letters of allotment and/or certificates for the Rights Shares.

All documents, including cheques for the amounts due, will be sent by ordinary post at the risk of the persons entitled thereto to their registered addresses.

The terms and conditions relating to application for the Rights Shares as contained in the Prospectus shall apply. The PAL and any application for the excess Rights Shares pursuant to it shall be governed by, and construed in accordance with, the laws of Hong Kong.

Copies of the Prospectus giving details of the Rights Issue are available at the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong during normal business hour until Thursday, 30 July 2015.

By completing, signing and submitting the forms accompanying the PAL, you agree to disclose to the Company and/or the Registrar and their respective advisers and agents personal data and any information which they require about you or the person(s) for whose benefit you have made the acceptance of the provisional allotment of Rights Shares. The Personal Data (Privacy) Ordinance provides the holders of securities with rights to ascertain whether the Company or the Registrar holds their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. In accordance with the Personal Data (Privacy) Ordinance, the Company and the Registrar have the right to charge a reasonable fee for the processing of any data access request. All requests for access to data or correction of data or for information regarding policies and practices and the kinds of data held should be addressed to the Company, at the Registrar's office at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or as notified from time to time in accordance with applicable law, for the attention of the Company Secretary or (as the case may be) the Registrar.

For and on behalf of the Board
China Rare Earth Holdings Limited
Jiang Quanlong
Chairman