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CHINA RARE EARTH HOLDINGS LIMITED

中國稀土控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 769)

VOLUNTARY ANNOUNCEMENT PROCEEDINGS AGAINST CHAIRMAN

The Company was informed by Mr. Jiang Quanlong, the chairman and an executive director of the Company, that a writ was issued against him claiming, among other matters, a principal sum of SGD18,891,827 (equivalent to approximately HK\$108 million) and the related interest on 4 August 2017. Mr. Jiang informed the Company that he is currently obtaining legal advice in relation to the Proceedings.

The Board considers that the Proceedings were a personal matter of Mr. Jiang. The Board wishes to announce that none of the members of the Group is a party to the Proceedings. The business operation and financial position of the Group have not been affected by the Proceedings.

This is a voluntary announcement made by China Rare Earth Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

The Company was informed by Mr. Jiang Quanlong (“**Mr. Jiang**”), the chairman and an executive director of the Company, that a writ was issued against him claiming, among other matters, a principal sum of SGD18,891,827 (equivalent to approximately HK\$108 million) and the related interest on 4 August 2017 (the “**Proceedings**”). It is claimed that Mr. Jiang has failed to pay the plaintiff such outstanding sum pursuant to a credit agreement made between Mr. Jiang and the plaintiff on 26 July 2014.

Mr. Jiang informed the Company that he is currently obtaining legal advice in relation to the Proceedings.

The Company considers that the Proceedings were a personal matter of Mr. Jiang. Furthermore, neither the Company nor any of its subsidiaries is a party to the Proceedings. The business operation and financial position of the Group have not been affected by the Proceedings. Further announcement(s) will be made by the Company as and when appropriate to keep the shareholders and potential investors informed of the material developments in this matter.

On behalf of the Board
China Rare Earth Holdings Limited
Qian Yuanying
Executive Director

Hong Kong, 8 August 2017

As at the date of this announcement, the board of directors of the Company consists of Mr. Jiang Quanlong, Ms. Qian Yuanying and Mr. Jiang Cainan as executive directors and Mr. Huang Chunhua, Mr. Jin Zhong and Mr. Wang Guozhen as independent non-executive directors.