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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)

VOLUNTARY ANNOUNCEMENT STRATEGIC COOPERATION FRAMEWORK AGREEMENT

This is a voluntary announcement made by China Rare Earth Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”). The board (the “**Board**”) of directors (“**Directors**”) of the Company is pleased to announce that on 18 December 2021, the Company entered into a strategic cooperation framework agreement (the “**Strategic Cooperation Framework Agreement**”) with China Northern Rare Earth (Group) High-Tech Co., Ltd. (“**China Northern Rare Earth**”), a company listed on the Shanghai Stock Exchange (stock code: 600111). Set out below are the details of the Strategic Cooperation Framework Agreement:

The Strategic Cooperation Framework Agreement

Date: 18 December 2021

Parties: (1) the Company; and
(2) China Northern Rare Earth.

To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, China Northern Rare Earth and its respective associates are independent third parties of the Company and its connected persons.

Purpose of the Strategic Cooperation Framework Agreement

Pursuant to the Strategic Cooperation Framework Agreement, the parties have undertaken to strengthen the cooperation between the parties in relation to the Group’s rare earth business, and to establish cooperation in respect of mines in southern and northern China. The parties intend to strategically cooperate in relation to rare earth trading, rare earth deep processing and other relevant aspects for the extension of rare earth cooperation industrial chain (the “**Strategic Cooperation**”). The parties shall maintain close communication, and make full use of the Group’s overseas capital platform to revitalise the assets and increase the degree of industrial integration of the parties. The parties may adopt different cooperation models according to the actual market and project conditions. Each of the parties agreed to provide the most favourable cooperative terms to facilitate the Strategic Cooperation, and may enter into definitive cooperation agreement(s), if any, to set out details and terms for the Strategic Cooperation.

Non legally-binding effect

The Strategic Cooperation Framework Agreement does not constitute a commitment or binding obligation on the parties in relation to the Strategic Cooperation. The Strategic Cooperation under the Strategic Cooperation Framework Agreement will be subject to execution and completion of binding agreement(s).

REASONS FOR AND BENEFITS OF THE STRATEGIC COOPERATION

China Northern Rare Earth is a company listed on the Shanghai Stock Exchange and is principally engaged in the production of rare earth. The Board considers that the Strategic Cooperation will enhance the Group's overall competitiveness in the industry and enhance the overall corporate development of the Group and maximise return to the Company and its shareholders in the long run.

GENERAL

As the Strategic Cooperation Framework Agreement may or may not lead to the entering into any binding agreement(s), the abovementioned proposed cooperation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 19 December 2021

As at the date of this announcement, the Board consists of Ms. Qian Yuanying, Mr. Jiang Quanlong, Mr. Jiang Dawei and Mr. Jiang Cainan as executive Directors and Mr. Huang Chunhua, Mr. Jin Zhong and Mr. Dou Xuehong as independent non-executive Directors.