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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)

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

The board (the “**Board**”) of directors of China Rare Earth Holdings Limited (the “**Company**”) proposes to recommend that amendments be made to the existing articles of association of the Company (the “**Articles**”) for the purposes of, among others, (i) bringing the Articles in line with the latest legal and regulatory requirements, including the applicable laws of the Cayman Islands and the amendments made to Appendix 3 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) which took effect on 1 January 2022; (ii) allowing general meetings to be held as hybrid meetings or electronic meetings which the shareholders of the Company (the “**Shareholders**”) may attend by electronics means in addition to physical meetings which the Shareholders may attend in person; and (iii) incorporating housekeeping amendments (collectively, the “**Proposed Amendments**”). The Board also proposes to recommend that the amended and restated articles of association of the Company which incorporate all of the Proposed Amendments (the “**New Articles**”) be adopted. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Articles.

The key changes entailed by the Proposed Amendments are set out below:

1. to change references to “the Companies Law” to references to “the Companies Act” in light of the fact that all laws of the Cayman Islands are now referred to as “Acts”;
2. to include certain defined terms to align with the applicable laws of the Cayman Islands, the Listing Rules and the relevant provisions in the Articles including “clearing house”, “close associate(s)”, “connected transactions”, “electronic communication”, “electronic meeting”, “hybrid meeting”, “Meeting Location”, “physical meeting”, “Principal Meeting Place” and “substantial shareholder” and to update relevant provisions in the Articles in this regard;

3. to clarify that any person appointed by the Directors to fill a casual vacancy on or as an addition to the Board shall hold office only until the first annual general meeting of the Company after his appointment, and shall then be eligible for re-election;
4. to clarify that the removal of Director may be approved by ordinary resolution before the expiration of his term of office notwithstanding anything in the Articles or in any agreement between the Company and such Director and may elect another person in his stead;
5. to provide that the Company must hold an annual general meeting in each financial year and such annual general meeting must be held within six months after the end of the Company's financial year;
6. to clarify that an annual general meeting must be called by at least twenty-one (21) days' notice in writing;
7. to clarify that a general meeting other than annual general meeting must be called by at least fourteen (14) days' notice in writing;
8. to provide that all Shareholders shall have the right to: (i) speak at a general meeting of the Company; and (ii) vote at a general meeting of the Company, except where a Shareholder is required, by the Listing Rules, to abstain from voting to approve the matter under consideration;
9. to clarify that the Shareholders holding a minority stake of 10% in the total number of issued shares will be able to convene an extraordinary general meeting and add resolutions to a meeting agenda;
10. to clarify that remuneration of the auditor of the Company (the "**Auditor**") shall be fixed by ordinary resolution at a general meeting;
11. to provide that removal of the Auditor shall be approved by ordinary resolution at a general meeting;
12. to allow a Shareholder of the Company, who is a clearing house, to appoint representative(s) to attend any general meeting of the Company, and such representative(s) so appointed shall be entitled to exercise the same rights and powers on behalf of the clearing house;
13. to exclude the application of Section 8 and Section 19 of the Electronic Transactions Act (2003) of the Cayman Islands to the extent;

14. to provide that any Shareholder or Director attending and participating at a meeting held by means of electronic facilities shall be deemed to be present at that meeting;
15. to clarify that references to a person's participation in the business of a general meeting include the right (including, in the case of corporation, through a duly authorised representative) to speak or communicate, vote, be represented by a proxy and have access in hard copy or electronic form to all document required to be made available at the meeting;
16. to clarify that references to electronic facilities include, website addresses, webinars, webcast, video or any form of conference call systems (telephone, video, web or otherwise);
17. to clarify that references to a document (including, but without limitation, a resolution in writing) being signed or executed includes references to it being signed or executed under hand or under seal or by electronic signature or by electronic communication or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not;
18. to clarify that the Board may accept the surrender for no consideration of any fully paid share;
19. to provide that title to listed shares may be evidenced and transferred in accordance with the Listing Rules that are and shall be applicable to such listed shares, and that the register of members of the Company in respect of its listed shares may be kept by recording the particulars required by the applicable laws of the Cayman Islands in a form otherwise than legible if such recording complies with the Listing Rules;
20. to specify that the chairman may adjourn a meeting from time to time (or indefinitely) and/or from place to place(s) and/or from one form to another (a physical meeting, an electronic meeting or a hybrid meeting) as the meeting (at which a quorum is present) shall determine;
21. to provide the following in relation to the Shareholders' attendance at general meetings:
 - (1) to allow the Board to arrange for persons entitled to attend a general meeting to do so by simultaneous attendance and participation by means of electronic facilities at such location or locations ("**Meeting Location(s)**") determined by the Board;

- (2) where a Shareholder is attending a Meeting Location and/or in the case of a hybrid meeting, the meeting shall be treated as having commenced if it has commenced at the principal place of meeting (the “**Principal Meeting Place**”);
- (3) any Shareholder or proxy attending in such way or participating in an electronic meeting or a hybrid meeting by means of electronic facilities is deemed to be present at and shall be counted in the quorum of, and be entitled to vote at, the meeting;
- (4) failure (for any reason) of the electronic facilities or communication equipment, or any other failure in the arrangements for enabling those in a Meeting Location other than the Principal Meeting Place to participate in the business for which the meeting has been convened or in the case of an electronic or hybrid meeting, the inability of one or more Shareholders or proxies to access electronic facilities, shall not affect the validity of the meeting or the resolutions passed provided a quorum is present throughout the meeting;
- (5) all persons seeking to attend and participate in an electronic meeting or a hybrid meeting shall be responsible for maintaining adequate facilities to enable them to do so; and
- (6) if any of the Meeting Locations is not in the same jurisdiction as the Principal Meeting Place and/or in the case of a hybrid meeting, the provisions of the New Articles concerning the service and giving of notice for the meeting, and the time for lodging proxies, shall apply by reference to the Principal Meeting Place;

22. to provide that in relation to convening a general meeting:

- (1) the Board may determine whether to hold a general meeting (including an annual general meeting, any adjourned meeting or postponed meeting) as a physical meeting in any part of the world and at one or more locations, as a hybrid meeting or as an electronic meeting; and
- (2) the notice of a general meeting shall specify the particulars of the resolutions, time and date of the meeting, the place of the meeting (save for an electronic meeting), the Principal Meeting Place (if there is more than one meeting location as determined by the Board pursuant to the New Articles) and agenda. If the general meeting is to be a hybrid meeting or an electronic meeting, the notice shall include details of the electronic facilities;

23. in relation to the power of the Board and the chairman of the general meeting to make arrangements for managing attendance and/or participation and/or voting at the Principal Meeting Place, any Meeting Location(s) and/or participation in an electronic meeting or a hybrid meeting by means of electronic facilities:
 - (1) if it appears to the chairman of the general meeting that the electronic facilities have become inadequate for the meeting, or it is not possible to give all persons entitled to do so a reasonable opportunity to communicate and/or vote at the meeting or secure the proper and orderly conduct of the meeting, then the chairman may, in his/her absolute discretion, interrupt or adjourn the meeting (including adjournment for indefinite period). All business conducted at the meeting up to the time of such adjournment shall be valid;
 - (2) the Board and the chairman of the general meeting may make any arrangement for and impose any requirement or restriction appropriate to ensure the security and orderly conduct of a meeting; and
 - (3) the Directors may, subject to certain notification requirements, change and/or postpone the general meeting to another date, time and/or place and/or change the electronic facilities and/or change the form of the general meeting without approval of the Shareholders if the Directors consider it is inappropriate or impracticable to hold the general meeting;
24. to clarify that a physical meeting may also be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting;
25. to clarify that in relation to voting at any general meeting:
 - (1) a resolution put to the vote of a meeting shall be decided by way of poll, saved that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Shareholder present in person or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Shareholder which is a clearing house (or its nominee(s), each such proxy shall have one vote on a show of hands);
 - (2) the type of matters which are to be regarded as of a procedural and administrative nature; and
 - (3) how and by whom a poll may be demanded, in the case of a physical meeting where a show of hands is allowed, before or on the declaration of the result of the show of hands;

26. to provide that the Board may postpone its meetings as it considers appropriate;
27. to provide that the Board may provide an electronic address for the receipt of any document or information relating to proxies for a general meeting. If such an electronic address is provided, the Board shall be deemed to have agreed that any such document or information may be sent by electronic means to that address;
28. to provide that the Board may resolve to capitalise all or any part of any amount for the time being standing to the credit of any reserve of fund whether or not the same is available for distribution by applying such sum in paying up unissued shares to be allotted to (i) employees of the Company and/or its affiliates upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Shareholders at a general meeting or (ii) any trustee of any trust to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Shareholders at a general meeting; and
29. to provide the following in relation to the arrangement for the notice and document delivery:
 - (1) to allow alternative ways of notice and document delivery including electronic means;
 - (2) to provide the details of the delivery arrangement for electronic delivery; and
 - (3) to clarify the existing delivery arrangement.

Other house-keeping amendments to the Articles are also proposed for the purpose of clarifying existing practices and making consequential amendments in line with the Proposed Amendments, and to better align the wordings with that of the relevant Listing Rules and applicable laws of the Cayman Islands.

The Proposed Amendments and adoption of the New Articles are subject to the approval of the Shareholders by way of special resolution at the upcoming annual general meeting of the Company (the “AGM”), with amendments to take effect when the New Articles, which will incorporate all of the Proposed Amendments, is adopted at the AGM.

A circular containing, amongst other things, further information regarding the Proposed Amendments, together with the notice of the AGM, will be despatched to the Shareholders in due course.

By Order of the Board
Law Lap Tak
Company Secretary

Hong Kong, 14 April 2022

As at the date of this announcement, the Board of the Company 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.