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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)

INSIDE INFORMATION FACTORY MAINTENANCE SERVICES

This announcement is made by China Rare Earth Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong).

The board (the “**Board**”) of directors (“**Directors**”) of the Company wishes to inform the shareholders of the Company (“**Shareholders**”) and the potential investors that on 15 August 2022, Yixing Xinwei Leeshing Rare Earth Company Limited* (“**Yixing Xinwei**”) (宜興新威利成稀土有限公司), a subsidiary of the Company, entered into an agreement (the “**Agreement**”) with Jiangsu Zhongyi Jinda Environmental Protection Industry Technology Research Institute Company Limited* (“**Jiangsu Zhongyi**”) (江蘇中宜金大環保產業技術研究院有限公司) in relation to the provision of maintenance services for soil and groundwater (the “**Services**”) by Jiangsu Zhongyi at the area of the factory of Yixing Xinwei (the “**Factory**”) and its surrounding area in Jiangsu province. Yixing Xinwei had previously engaged an independent third party to conduct an environmental investigation on the soil and groundwater at the area of the Factory and understands that certain maintenance work is necessary. As such, Yixing Xinwei engaged Jiangsu Zhongyi to carry out the Services.

Pursuant to the Agreement, among others, Jiangsu Zhongyi is responsible in (i) carrying out the maintenance work in the soil and groundwater at the area of the Factory and its surrounding area (“**Plot Area**”); (ii) conducting a thorough safety check at the Plot Area; and (iii) ensuring that the qualities of the soil and groundwater in the Plot Area fulfil government regulatory standards.

Pursuant to the terms of the Agreement, Yixing Xinwei shall pay 20% of the total service fee of RMB296 million, amounting RMB59.2 million, to Jiangsu Zhongyi as a prepayment for the Services within five working days after the signing of the Agreement. Subsequently, Yixing Xinwei shall pay Jiangsu Zhongyi proportionally in accordance with different project milestones after both parties have signed and confirmed the work progress in writing from time to time.

Upon receipt of the prepayment, Jiangsu Zhongyi shall immediately commence preparation for the Services. It is expected that the Services will be completed within two months after the commencement date.

The Company would also like to inform the Shareholders and the potential investors that the service fee payable for the Services may have an impact on the Group's annual results for the year ending 31 December 2022. 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, 15 August 2022

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.

* *For identification purposes only*