

This is a consolidated version of the Memorandum of Association of CHINA RARE EARTH HOLDINGS LIMITED 中國稀土控股有限公司 not formally adopted by shareholders at a general meeting of the Company. The Chinese version is for reference only and the English version shall always prevail in case of any inconsistency between the English version and the Chinese translation thereof.

Memorandum of Association

of

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)

(As adopted by a resolution passed by virtue of the written resolutions of
the sole member on 29 September 1999)

THE COMPANIES LAW (1998 REVISION)
EXEMPTED COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION
OF
CHINA RARE EARTH HOLDINGS LIMITED
中國稀土控股有限公司

1. The name of the Company is CHINA RARE EARTH HOLDINGS LIMITED 中國稀土控股有限公司^{Note 1}.
2. The Registered Office of the Company shall be at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KYI-1111, Cayman Islands^{Note 2}.
3. Subject to the following provisions of this Memorandum, the objects for which the Company is established are unrestricted and shall include, but without limitation:
 - (a) to act and to perform all functions of a holding company in all its branches and to co-ordinate the policies, administration, management, supervision, control, research, planning, trading and any other activities of any subsidiary or affiliated company or companies wherever incorporated or carrying on business or of any group of companies of which the Company or any subsidiary or affiliated company is now or may become a member or which are now or may become in any manner associated with or controlled directly or indirectly by the Company.
 - (b) to carry on all, or any one or more, of the following businesses in all or any of their various aspects:
 - (a) providing services of any kind, financial or otherwise, in, from and to any part of the world outside the Cayman Islands;
 - (b) general trading, importing, exporting, buying, selling and dealing in goods, materials, substances, articles and merchandise of all kinds in, from and to any part of the world, whether as principal or as agent;
 - (c) manufacturing, processing and/or extracting or taking goods, materials, substances, articles and merchandise of all kinds in any part of the world; and

Note 1: The Company has changed its name from “Yixing Xinwei Holdings Limited 宜興新威控股有限公司” to “China Rare Earth Holdings Limited 中國稀土控股有限公司” pursuant to the Companies Law Cap 22 with effect from 8 June 2000.

Note 2: The Company’s registered office was changed from the offices of Codan Trust Company (Cayman) Limited, Zephyr House, Mary Street, P.O. Box 2681, George Town, Grand Cayman, British West Indies to Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KYI-1111, Cayman Islands with effect from 16 October 2006.

- (d) investing, developing, dealing in and/or managing real estate or interests therein in any part of the world outside the Cayman Islands;
 - (c) to carry on any other business of any nature whatsoever which may seem to the directors of the Company to be capable of being conveniently carried on in connection or conjunction with any business of the Company hereinbefore or hereinafter authorised or to be expedient with a view to rendering profitable or more profitable any of the Company's assets or utilising its know-how or expertise;
 - (d) to act as an investment company and for that purpose to acquire and hold upon any terms and, either in the name of the Company or that of any nominee, shares, stock, debentures, debenture stock, annuities, notes, mortgages, bonds, obligations and securities, foreign exchange, foreign currency deposits and commodities, issued or guaranteed by any company wherever incorporated or carrying on business, or by any government, sovereign, ruler, commissioners, public body or authority, supreme, municipal, local or otherwise, by original subscription, tender, purchase, exchange, underwriting, participation in syndicates or in any other manner and whether or not fully paid up, and to make payments thereon as called up or in advance of calls or otherwise and to subscribe for the same, whether conditionally or absolutely, and to hold the same with a view to investment, but with the power to vary any investments, and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof, and to invest and deal with the moneys of the Company not immediately required upon such securities and in such manner as may be from time to time determined.
4. Subject to the following provisions of this Memorandum, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of The Companies Law (1998 Revision).
 5. Nothing in this Memorandum shall permit the Company to carry on a business for which a licence is required under the laws of the Cayman Islands unless duly licensed.
 6. The Company shall not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this clause shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
 7. The liability of each member is limited to the amount from time to time unpaid on such member's shares.

8. The share capital of the Company is HK\$200,000,000.00 ^{Note 3} divided into 2,000,000,000 shares of a nominal or par value of HK\$0.10 each, with power for the Company insofar as is permitted by law to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law (1998 Revision) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether stated to be preference or otherwise shall be subject to the powers hereinbefore contained ^{Note 3}.

We, the undersigned, are desirous of being formed into a company pursuant to this Memorandum of Association and the Companies Law (1998 Revision), and we hereby agree to take the numbers of shares set opposite our respective names below.

Note 3: The authorized capital of the Company was increased from HK\$100,000.00 to HK\$200,000.00 by the creation of 1,000,000 shares of HK\$0.10 each by an ordinary resolution passed on 29 September 1999, then to HK\$100,000,000.00 by the creation of an additional 998,000,000 shares of HK\$0.10 each by an ordinary resolution passed on 29 September 1999, and further increased to HK\$200,000,000.00 by the creation of an additional 1,000,000,000 shares of HK\$0.10 each by an ordinary resolution passed on 29 January 2004.

Dated this 27 July, 1999

SIGNATURE, NAME, OCCUPATION, AND ADDRESS OF SUBSCRIBER	NUMBER OF SHARES TAKEN BY SUBSCRIBER
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CODAN TRUST COMPANY (CAYMAN) LIMITED, a Cayman Islands Company of: P.O. Box 2681 GT Zephyr House George Town Grand Cayman British West Indies	one
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by:

_____ (signed)
Neil T. Cox

and:

_____ (signed)
Theresa L. Pearson

_____ (signed)
Witness to the above signatures:

Address: Zephyr House, Mary Street, George Town, Grand Cayman

Occupation: Secretary