



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)

PROXY FORM

Form of proxy for use by shareholders at the annual general meeting

to be convened at 10:30 a.m. on Thursday, 15 June 2006

at Basement II, The Boardroom, The Wharney Guang Dong Hotel Hong Kong, 57-73 Lockhart Road, Wanchai, Hong Kong

I/We ^(note a) _____
of _____
being the holder(s) of _____ ^(note b) shares of HK\$0.10 each in the capital of China Rare Earth Holdings Limited ("Company"), hereby appoint the Chairman of the annual general meeting of the Company ("Meeting") or _____
of _____

to act as my/our proxy ^(note c) at the Meeting to be held at 10:30 a.m. on Thursday, 15 June 2006 at Basement II, The Boardroom, The Wharney Guang Dong Hotel Hong Kong, 57-73 Lockhart Road, Wanchai, Hong Kong and at any adjournment thereof and to vote on my/our behalf as directed below.

Please make a mark in the appropriate boxes to indicate how you wish your vote(s) to be cast on a poll.

		FOR ^(note d)	AGAINST ^(note d)
1.	To receive and consider the Reports of the Directors and Auditors and the audited consolidated Financial Statements of the Company for the year ended 31 December 2005.		
2.	To declare a final dividend for the year ended 31 December 2005.		
3A.	To re-elect Ms Xu Panfeng as Director.		
3B.	To re-elect Mr Jiang Cainan as Director.		
3C.	To re-elect Mr Liu Yujiu as Director.		
3D.	To authorize the Board of Directors to fix the Directors' remuneration.		
4.	To re-appoint the retiring auditors, ShineWing (HK) CPA Limited and to authorise the Board of Directors to fix their remuneration.		
5.	To give a general mandate to the Directors to allot, issue and deal with unissued shares not exceeding 20% of the issued share capital of the Company.		
6.	To give a general mandate to the Directors to repurchase shares of the Company not exceeding 10% of the issued share capital of the Company.		
7.	To extend the general mandate granted to the Directors to allot, issue and deal with additional shares of an amount not exceeding the amount of shares repurchased by the Company.		
8.	To approve the alteration to the Articles of Association of the Company as set out in resolution numbered 8 in the notice of annual general meeting.		

Date _____

Signature **X** _____ ^(notes e, f, g and h)

Notes:

- Full name(s) and address(es) are to be inserted in **BLOCK CAPITALS**. The names of all joint registered holders should be stated.
- Please insert the number of shares registered in your name(s). If no number is inserted, this form of proxy will be deemed to relate to all the shares in the capital of the Company registered in your name(s).
- A proxy need not be a member of the Company. If you wish to appoint some person other than the Chairman of the Meeting as your proxy, please delete the words "the Chairman of the Meeting or" and insert the name and address of the person appointed as your proxy in the space provided.
- If you wish to vote for any of the resolutions set out above, please tick ("✓") the boxes marked "For". If you wish to vote against any resolutions, please tick ("✓") the boxes marked "Against". If the form returned is duly signed but without specific direction on any of the proposed resolutions, the proxy will vote or abstain at his discretion in respect of all resolutions; or if in respect of a particular proposed resolution there is no specific direction, the proxy will, in relation to that particular proposed resolution, vote or abstain at his discretion. A proxy will also be entitled to vote at his discretion on any resolution properly put to the Meeting other than those set out in the notice convening the Meeting.
- In the case of joint registered holders of any share, this form of proxy may be signed by any joint registered holder, but if more than one joint registered holder is present at the Meeting, whether in person or by proxy, that one of the joint registered holders whose name stands first on the register of members in respect of the relevant jointly registered share shall alone be entitled to vote in respect thereof to the exclusion of the votes of the other joint registered holders.
- The form of proxy must be signed by a shareholder, or his attorney duly authorised in writing, or if the shareholder is a corporation, either under its Common Seal or under the hand of an officer or attorney so authorised.
- To be valid, this form of proxy together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority must be deposited at the offices of the Company's Hong Kong branch registrar, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 48 hours before the time of the Meeting or any adjournment meeting.
- Any alteration made to this form should be initialled by the person who signs the form.
- Completion and return of this form of proxy will not preclude you from attending and voting in person at the Meeting or any adjournment thereof if you so wish.