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CHINA RARE EARTH HOLDINGS LIMITED

中國稀土控股有限公司

(incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT

The board of directors (the “Directors”) of China Rare Earth Holdings Limited (the “Company”) is pleased to announce that the Securities and Futures Commission (the “SFC”) of Hong Kong has concluded their enquiry relating to the affairs of the Company under section 179 of the Securities and Futures Ordinance (the “Ordinance”) and, on the basis of the evidence currently before them, they intend to take the matter no further.

Reference is made to the Company’s announcement dated 4 July 2003 in which the board of Directors confirmed that the SFC had requested the Company to provide certain information pursuant to section 179 of the Ordinance.

The board of Directors is pleased to announce that the SFC has indicated to the Company that they have concluded their enquiry relating to the affairs of the Company under section 179 of the Ordinance and, on the basis of the evidence currently before them, they intend to take the matter no further.

By order of the board of Directors
JIANG Quanlong
Chairman

Hong Kong, 4 February 2004

Please also refer to the published version of this announcement in The Standard.