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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)

CHANGE IN AUDITORS

The Board announces that SHINEWING resigned as auditors of the Company with effect from 11 July 2008 and CCIF were appointed as auditors of the Company on 11 July 2008 to fill the casual vacancy following the resignation of SHINEWING as auditors of the Company, and to hold office until the conclusion of the next annual general meeting of the Company.

The board of directors (“**Board**”) of China Rare Earth Holdings Limited (“**Company**”) announces that SHINEWING (HK) CPA Limited (“**SHINEWING**”) resigned as auditors of the Company with effect from 11 July 2008 after taking into account their available internal resources in light of their current workflows and CCIF CPA Limited (“**CCIF**”) were appointed as auditors of the Company to fill the casual vacancy following the resignation of SHINEWING as auditors of the Company, and to hold office until the conclusion of the next annual general meeting of the Company.

For the purpose of good corporate governance, the management of the Company also considers that it is an appropriate time for a change in auditors for the benefit of the shareholders of the Company as SHINEWING (and its predecessor, Ho and Ho & Company) have been the auditors of the Company for more than five years. The Company would like to thank SHINEWING for their professional services over such period of time.

The Company has received a confirmation from SHINEWING stating that there were no circumstances connected with their resignation which they considered should be brought to the attention of the shareholders or creditors of the Company. The Board confirms that there are no circumstances in respect of the change in auditors which should be brought to the attention of the shareholders of the Company.

By Order of the Board of
China Rare Earth Holdings Limited
Jiang Quanlong
Chairman

Hong Kong, 11 July 2008

As at the date of this announcement, the Board comprises Mr Jiang Quanlong, Ms Qian Yuanying, Ms Xu Panfeng and Mr Jiang Cainan as executive directors, and Mr Liu Yujie, Mr Huang Chunhua and Mr Jin Zhong as independent non-executive directors.