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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

The Board of Directors (the “Board”) of China Rare Earth Holdings Limited (the “Company”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2021 together with the comparative figures for the corresponding year in 2020 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the year ended 31 December	
		2021	2020
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	(2)	1,212,471	1,112,317
Cost of sales		(1,126,488)	(1,036,492)
Gross profit		85,983	75,825
Other income		5,856	5,977
Selling and distribution expenses		(13,230)	(10,276)
Administrative expenses		(44,471)	(39,575)
Other net loss		(5,600)	(5,016)
Profit from operations		28,538	26,935
Finance costs	(3)	(455)	(440)
Profit before taxation	(4)	28,083	26,495
Income tax charge	(5)	(2,647)	(5,887)
Profit for the year		25,436	20,608
Profit for the year attributable to:			
Owners of the Company		24,274	19,710
Non-controlling interests		1,162	898
		25,436	20,608
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share			
Basic and diluted	(7)	1.04	0.84

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

	For the year ended	
	31 December	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year	<u>25,436</u>	<u>20,608</u>
Other comprehensive income for the year		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of foreign operations	<u>80,243</u>	<u>162,352</u>
Total comprehensive income for the year	<u><u>105,679</u></u>	<u><u>182,960</u></u>
Total comprehensive income for the year attributable to:		
Owners of the Company	<u>104,280</u>	<u>181,636</u>
Non-controlling interests	<u>1,399</u>	<u>1,324</u>
	<u><u>105,679</u></u>	<u><u>182,960</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December	
	2021	2020
	<i>Note</i>	<i>HK\$'000</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets		
Goodwill	–	–
Property, plant and equipment	209,203	145,442
Right-of-use assets	100,536	102,473
Deferred tax assets	6,685	4,670
	316,424	252,585
Current assets		
Inventories	341,144	340,391
Trade and other receivables	(8) 562,444	492,847
Prepayments and deposits	6,352	105,650
Tax recoverable	808	785
Cash and cash equivalents	1,819,833	1,740,255
	2,730,581	2,679,928
Current liabilities		
Trade payables	(9) 106,661	75,607
Accruals and other payables	35,551	57,487
Amounts due to directors	7,885	5,012
Lease liabilities	353	1,243
Tax payable	4,916	6,493
	155,366	145,842
Net current assets	2,575,215	2,534,086
Total assets less current liabilities	2,891,639	2,786,671
Non-current liabilities		
Lease liabilities	1,391	2,102
NET ASSETS	2,890,248	2,784,569
CAPITAL AND RESERVES		
Share capital	234,170	234,170
Reserves	2,647,191	2,542,911
Equity attributable to owners of the Company	2,881,361	2,777,081
Non-controlling interests	8,887	7,488
TOTAL EQUITY	2,890,248	2,784,569

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements of the Group for the year ended 31 December 2020, except for the new standards, amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants which are effective for accounting periods beginning on or after 1 January 2021. The application of the new standards, amendments and interpretations has no material impact on the results and the financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment is required.

2. REVENUE AND SEGMENT INFORMATION

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to Chief Executive Officer, who has been identified as the Group's chief operating decision maker, for the purposes of resource allocation and performance assessment, the Group has identified two reportable segments as follows:

Rare Earth: Manufacture and sales of rare earth products
Refractory: Manufacture and sales of refractory products

The measure used for reporting segment profit is "adjusted profit before interest, taxes, depreciation and amortisation".

(a) Segment revenue and results

	Rare Earth		Refractory		Total	
	2021	2020	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue						
Revenue from external customers	858,249	809,120	354,222	303,197	1,212,471	1,112,317
Inter-segment revenue	—	26	—	—	—	26
Reportable segment revenue	<u>858,249</u>	<u>809,146</u>	<u>354,222</u>	<u>303,197</u>	<u>1,212,471</u>	<u>1,112,343</u>
Results						
Reportable segment profit	<u>34,129</u>	<u>25,693</u>	<u>35,637</u>	<u>44,350</u>	<u>69,766</u>	<u>70,043</u>

(b) Revenue from external customers by sales of major products and geographical markets are as follows:

	Rare Earth		Refractory		Total	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Sales of major products						
Rare earth oxides	858,249	809,120	–	–	858,249	809,120
Refractory materials	–	–	293,092	259,622	293,092	259,622
Magnesium grains	–	–	61,130	43,575	61,130	43,575
Total	<u>858,249</u>	<u>809,120</u>	<u>354,222</u>	<u>303,197</u>	<u>1,212,471</u>	<u>1,112,317</u>
Geographical markets						
The People's Republic of China (the "PRC")	846,306	796,483	291,947	264,596	1,138,253	1,061,079
Japan	11,936	9,013	41,839	29,492	53,775	38,505
Europe	7	2,519	2,912	2,898	2,919	5,417
Others	–	1,105	17,524	6,211	17,524	7,316
Total	<u>858,249</u>	<u>809,120</u>	<u>354,222</u>	<u>303,197</u>	<u>1,212,471</u>	<u>1,112,317</u>

3. FINANCE COSTS

Finance costs included interest on discounted bills at approximately HK\$321,000 (2020: HK\$241,000) and interest on lease liabilities at approximately HK\$134,000 (2020: HK\$199,000).

4. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging/(crediting):

	2021 HK\$'000	2020 HK\$'000
Depreciation of property, plant and equipment	31,457	32,000
Depreciation of right-of-use assets	4,181	4,366
Net gain on disposal of property, plant and equipment	(327)	(1,297)
Gain on disposal of right-of-use assets	(164)	–
	<u>35,147</u>	<u>34,769</u>

5. INCOME TAX CHARGE

Income tax charge for the year comprised:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current tax – PRC Enterprise Income Tax		
– Provision for the year	(4,497)	(6,483)
Deferred taxation		
– Origination and reversal of temporary differences	<u>1,850</u>	<u>596</u>
	<u>(2,647)</u>	<u>(5,887)</u>

The Company and its subsidiaries incorporated in the Cayman Islands and the British Virgin Islands, respectively, are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.

No provision for Hong Kong Profits Tax was made for the years ended 31 December 2021 and 2020 as the estimated assessable profits arising in Hong Kong for the years were offset with the accumulated tax losses brought forward.

PRC Enterprise Income Tax is calculated at the statutory income tax rate of 25% on the estimated assessable profits of the Company's subsidiaries established in the PRC during the years ended 31 December 2021 and 2020, among which one subsidiary is entitled to a preferential income tax rate of 15%.

The PRC Enterprise Income Tax Law also requires withholding tax of 5% or 10% upon distribution of profits by the PRC subsidiaries since 1 January 2008 to its overseas (including Hong Kong) shareholders.

6. DIVIDENDS

No final dividend for previous year was declared and paid during the year ended 31 December 2021 (2020: Nil).

No final dividend was proposed for the year ended 31 December 2021 (2020: Nil).

7. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of approximately HK\$24,274,000 (2020: HK\$19,710,000) and the weighted average number of approximately 2,341,700,000 (2020: 2,341,700,000) ordinary shares in issue during the year ended 31 December 2021.

Diluted earnings per share equals to the basic earnings per share as the Company has no potential dilutive ordinary shares outstanding during the years ended 31 December 2021 and 2020.

8. TRADE AND OTHER RECEIVABLES

The Group generally allows a credit period ranging from 0 to 180 days to its customers and allows up to 365 days to reputable customers.

Trade and other receivables of the Group comprised:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade receivables	539,962	457,879
Other receivables	958	3,499
Other tax refundable	21,524	31,469
	<u>562,444</u>	<u>492,847</u>

An ageing analysis of trade receivables based on the invoice date is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Less than 6 months	493,762	362,978
6 months to less than 1 year	61,443	105,762
1 year to less than 2 years	12,745	10,495
Over 2 years	15,207	15,157
	<u>583,157</u>	<u>494,392</u>
Less: Impairment loss on trade receivables	<u>(43,195)</u>	<u>(36,513)</u>
	<u>539,962</u>	<u>457,879</u>

9. TRADE PAYABLES

An ageing analysis of trade payables based on the invoice date is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Less than 6 months	62,066	39,698
6 months to less than 1 year	10,031	6,410
1 year to less than 2 years	9,196	5,039
Over 2 years	25,368	24,460
	<u>106,661</u>	<u>75,607</u>

10. PLEDGE OF ASSETS

As at 31 December 2021, certain leasehold lands with carrying amount of approximately HK\$43,739,000 (2020: HK\$44,117,000) and certain buildings with aggregate carrying amount of approximately HK\$1,000 (2020: HK\$764,000) were pledged as collateral for banking facilities.

11. COMMITMENTS

As at 31 December 2021, the Group had capital commitments in respect of the acquisition and construction of property, plant and equipment contracted but not provided for of approximately HK\$4,840,000 (2020: HK\$534,000).

FINANCIAL RESULTS

For the year ended 31 December 2021, the Group recorded revenue of approximately HK\$1,212,471,000, up by about 9% when compared to that of HK\$1,112,317,000 in 2020. Revenue from the Group's rare earth products rose by about 6% to approximately HK\$858,249,000 from HK\$809,120,000 in 2020 and accounted for about 71% of total revenue of the Group. As for refractory products, revenue increased by about 17% to HK\$354,222,000 from HK\$303,197,000 in 2020 accounting for about 29% of total revenue of the Group. The Group's overall gross profit margin was about 7%, which is at a similar level to the margin in 2020. During the year, the Group recorded a net profit of about HK\$25,436,000, an increase of about 23% from HK\$20,608,000 in 2020. Earnings per share rebounded to about HK 1.04 cents (2020: HK 0.84 cents).

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 December 2021 (2020: Nil).

ANNUAL GENERAL MEETING

The 2022 Annual General Meeting (the "AGM") will be held on 16 June 2022 (Thursday). A notice convening the AGM and all other relevant documents will be published and dispatched to the shareholders of the Company in accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") in due course.

CLOSURE OF REGISTER OF MEMBERS

The Company's register of members will be closed from 13 June 2022 (Monday) to 16 June 2022 (Thursday), both days inclusive, during which period no transfer of shares will be registered. To ensure that shareholders are entitled to attend and vote at the AGM, shareholders must deliver their duly stamped instruments of transfer, accompanied by the relevant share certificates, to the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 10 June 2022 (Friday) for registration of the relevant transfer.

BUSINESS REVIEW

Rare Earth Business

In 2021, countries around the world began to gradually come out of the haze of the epidemic and the global economy recovered at a gradual pace. Heeding the increased demand for “carbon neutrality” and “carbon emissions reduction”, new energy or clean energy products were increasing in popularity. The development of electric vehicles and wind power generation, etc., directly impacted the market demand for rare earth magnetic materials as well as the product price. At the same time, Sino-US trade relations remained strained. China’s State Council announced that the legislative work plan for 2021 regarding rare earth governance regulations and Ministry of Industry and Information Technology under its jurisdiction also stated that it would launch the “Rare Earth Regulations” in the near term. The price of rare earth products remained high due to China’s industrial policies. On the other hand, the border between China and Myanmar continued to be blocked due to political instability in Myanmar alongside the impact of the pandemic seriously affecting the import of raw materials from Myanmar and thus supporting the rare earth products price at the high range.

The Group continued to adjust its product portfolio in response to market demand. During the year, the Group sold approximately 880 tonnes of rare earth products, a decrease of approximately 35% compared with last year. Segment revenue was approximately HK\$858,249,000, an increase of approximately 6% compared with last year. The Group mainly sold the rare earth elements that could be applied in magnetic materials and the average price of such rare earth elements increased compared with last year. For examples, the price of dysprosium oxide increased by around 40% and the price of praseodymium neodymium oxide and terbium oxide increased by approximately 70% to 80% respectively. Segmental gross profit margin was about 4%, slightly increased compared with last year.

In recent years, China has upheld the importance of green production to protect the environment while pursuing economic growth in order to achieve sustainable development. As a result, the central government and even local government have introduced various environmental protection requirements, such as tightening the requirements for handling smelting slag in the manufacturing process of rare earth products and sewage purification and discharge. As a comprehensive upgrade was launched by the local government which targeted the environmental measures within the region, many chemical plants were reduced or suspended production to cooperate with the move. The Group has always valued environmental protection standards and proactively cooperated with the local government’s work. In addition to limiting the operation of the rare earth separation production line, it has also allocated more resources for waste disposal management. Although this has led to an increase in production cost, the Group will not hesitate to do its part to protect the environment with the mission to maintain sustainable business development. Fortunately, the Group has transformed the rare earth business model into trading and further processing aspects, along with production focusing on the value-added high-end products such as rare earth oxides with special granularity. As such, the related impact was limited.

In terms of the geographic market distribution, the sales of the Group's rare earth products were still mainly focused on the domestic market in China. Export to overseas market such as Japan was only accounted for less than 2% of the segment revenue.

Refractory Materials Business

In 2021, the pandemic in China has greatly moderated compared to last year, industries like steel, non-ferrous metals, glass, cement, ceramics and petrochemicals have resumed work and production. The situation in various domestic industries was better than that in the previous year. The iron and steel industry continued to deepen the supply-side structural reform, further consolidate the achievements of iron and steel capacity removal and promote the technological transformation of the industry; while the production of non-ferrous metals has maintained steady growth, investment in fixed assets has recorded positive growth and remarkable results have been achieved in ensuring supply and price stabilization. The overall outlook of the industry was positive with a certain rigid demand for refractory materials maintained. However, the refractory industry faced not only opportunities but also challenges. After surviving the epidemic, various enterprises were cautious in their procurement and have tightened operating expenses. When sourcing refractory products, they concerned not just with product quality but were also becoming more cost-conscious and have imposed price pressure on suppliers.

During the year, the Group's refractory materials segment posted revenue of approximately HK\$354,222,000, increased by about 17% when compared with last year. The segmental gross profit margin was 15%.

During the year, the Group sold approximately 34,800 tonnes of refractory materials products, which was an approximate 25% increase compared to last year. However, the average selling prices of major products like fused magnesia-chrome bricks and casting materials decreased by 15% resulting in a limited increase in revenue which was approximately HK\$293,092,000, an increase by about 13% when compared with 2020. During the year, the price of refractory raw materials increased. Especially during the third and fourth quarters, the shortage of domestic electric supply caused fluctuations in the price of refractory raw materials. Some of the price increased more significantly, and coupled with the increase in labour cost according to the market trend. As a result, related gross profit margin decreased to approximately 15%.

The Group's magnesium grains business secured steady recovery during the year. The economic activities in Northeast China rebounded when the pandemic moderated in 2021. Local government began to allow enterprises to resume production in an orderly manner. The resumption of work and production in industries such as steel and non-ferrous metals has also boosted the demand for refractory raw materials resulting in an increase in the price of magnesia and other materials. The Group sold approximately 22,200 tonnes of magnesium grains products in 2021, an increase of approximately 15% over last year. The average selling price of the products increased by approximately 20% compared with last year and related sales value significantly increased by about 40% over last year to approximately HK\$61,130,000. The related gross profit margin increased to approximately 10%.

In terms of the geographic market distribution, the Group's refractory products were still focused on the domestic market in China during the year and it accounted for approximately 82% of the segment revenue. The Japanese market accounted for about 12% and the remaining 6% were taken up by other markets, including the European market, other Asian market and Southern American market.

PROSPECTS

The Chinese government has specified in the "Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Long-Range Objectives Through the Year 2035" (《中華人民共和國國民經濟和社會發展第十四個五年規劃和二〇三五年遠景目標綱要》) that China will focus on strategic emerging industries, including next-generation information technology, biotechnology, new energy, new materials, high-end equipment, new energy vehicles, green and environmental protection technology, aeronautics and astronautics and marine equipment. At the end of 2021, the Ministry of Industry and Information Technology of China encouraged rare earth enterprises to merge and restructure during the 14th Five-Year Plan period, and would support rare earth enterprises to extend their downstream industrial chains to enhance their development capabilities and brand influence. The rare earth industry as a whole will move into a stage of development that focuses on mid-to-high-end applications and high added value to give full play to the strategic value of rare earth applications. With an increase in demand and application of high precision technologies, the application and development of rare earth technology will be promoted and the overall rare earth industry will develop in a steady and healthy trend.

As an important strategic resource, the demand for rare earth has attracted greater market attention amid global economic uncertainty due to the unclear Sino-US trade relations and market volatility brought on by the Russia-Ukraine war that broke out in early 2022. On the other hand, the political instability in Myanmar continues to affect the supply and price of rare earth materials. The Group will continue to monitor the situation and adjust its business strategies in response to changes in market supply and demand.

It is the Group's long-term policy to seek opportunities for cooperation and to continue to enhance its corporate resources. At the end of 2021, the Group entered into a strategic cooperation framework agreement with China Northern Rare Earth (Group) High-Tech Company Limited to strategically cooperate in relation to rare earth trading, rare earth deep processing and other relevant aspects for the extension of rare earth cooperation industrial chain. The parties shall maintain close communication, and make full use of the Group's overseas capital platform to revitalise the assets and increase the degree of industrial integration. The cooperation is expected to create synergies between the two parties and will benefit the Group's development in the long run.

The central and local governments in China are increasingly demanding higher ecological conservation standards. In response, the Group will continue to invest in upgrading its environmental protection equipment and optimise its daily production processes to sustain its development. In addition, some of the Group's production equipment has been in operation for quite some time and hence the time for replacement has come. The Group will take environmental considerations into account when replacing equipment.

On the other hand, although the refractory industry has benefited from the recovery of the industries such as steel and non-ferrous metal in China, business confidence remains weak. In today's business environment that is filled with intense price competition, the Group believes every challenge is an opportunity. Leveraging its high-quality standards, the Group remains optimistic in winning the trust of its customers and is confident of maintaining business growth.

In the long run, the Group continues to look for opportunities to move upstream and is always prepared for vertical integration in the industry.

LIQUIDITY AND FINANCIAL RESOURCES

The Group continues to adopt prudent financial measures and retains sufficient liquidity for future investments and business development. As at 31 December 2021, the Group held cash and bank deposits totaling approximately HK\$1,819,833,000, representing a slight increase from approximately HK\$1,740,255,000 at the end of 2020, mainly due to the appreciation of Renminbi during the year. Among the cash and bank deposits at the end of the year as mentioned above, there was approximately HK\$1,817,366,000 denominated in Renminbi and placed in the PRC. Accounts receivable before impairment loss increased by approximately 18% to approximately HK\$583,157,000 at the end of 2021 compared to the end of last year. Approximately 85% of them were aged less than six months and the risk of bad and doubtful debts was limited. Taking the current market conditions into consideration, the Group temporarily slowed down the prepayment for materials that used to cope with the tight supply of materials resources by the end of the year. The Group will continue to make necessary adjustments according to market situation. As at 31 December 2021, the Group's net current assets amounted to approximately HK\$2,575,215,000, similar to the level at the end of 2020. Total liabilities to total assets ratio remained at approximately 5%.

During the year, the Group did not borrow from banks or financial institutions. As at 31 December 2021, the Group has maintained a financing facility of RMB150,000,000 (equivalent to approximately HK\$183,464,000) with a domestic bank by pledging certain leasehold lands and buildings with a total carrying value of approximately HK\$43,740,000. The facility has not been utilised yet. In addition, at the end of the year, the Group had no charge on other assets nor holding any financial derivative products. The Group has no significant exposure to interest rate risk. For foreign exchange risk, most of the Group's assets, liabilities and transactions are denominated in Renminbi with the rest in US dollars and Hong Kong dollars. During the year, the Renminbi appreciated slightly which did not cause material fluctuation or impact on the Group's financial results. The Group will continue to monitor changes in exchange rates and strive to minimise financial risks.

STAFF AND REMUNERATION

The Group continued to adjust its manpower structure in line with business development needs. During the year, there were fewer basic workers than at the end of last year as a result of the restructuring of rare earth production facilities. As at 31 December 2021, the Group employed a total of approximately 360 employees at all levels. Staff packages were slightly increased in line with market conditions. The Group's staff costs for the year, including directors' emoluments, totaled approximately HK\$38,749,000, an increase of over 25% than that in 2020. The Group continued to provide on-the-job training and further education opportunities for its staff in order to maintain professional competence.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There has been no purchase, sale or redemption of any of the Company's listed securities by the Group during the year ended 31 December 2021.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, including the review of the audited consolidated financial statements for the year ended 31 December 2021.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2021 as set out in this announcement have been agreed by the Company's auditor, Ascenda Cachet CPA Limited (the "Auditor"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by the Auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Auditor on this announcement.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to attaining good corporate governance practices and procedures. The Company has adopted its own code of corporate governance based on the principles and code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules. In the opinion of the Board, the Company has complied with the CG Code throughout the year ended 31 December 2021.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own code of conduct regarding directors' dealing in the Company's securities (the "Company's Code") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. Specific enquiry has been made to all directors and all the directors have confirmed that they have complied with the Company's Code and the Model Code throughout the year ended 31 December 2021.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.creh.com.hk). The annual report of the Company for the year ended 31 December 2021 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and made available on the above websites in due course.

MEMBERS OF THE BOARD

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.

By order of the Board
China Rare Earth Holdings Limited
Qian Yuanying
Chairman

Hong Kong, 29 March 2022