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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)

PROFIT WARNING

This announcement is made by China Rare Earth Holdings Limited (the “**Company**”, together with its subsidiary, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the provision of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong). References are made to the announcement of the Company dated 15 August 2022 (the “**Inside Information Announcement**”) in relation to the factory maintenance services, and the interim results announcement of the Company dated 30 August 2022 (the “**Interim Results Announcement**”). Unless otherwise defined, terms used herein shall have the same meanings as those defined in the Inside Information Announcement and the Interim Results Announcement.

The board (the “**Board**”) of directors of the Company wishes to inform the shareholders of the Company and the potential investors that, based on the unaudited consolidated results of the Company for the year ended 31 December 2022, the Group is expected to record a loss of over HK\$300 million, as compared to a profit of approximately HK\$25.4 million for the year ended 31 December 2021. Such shift from profit to loss was mainly attributable to (i) the impact brought by the continued COVID-19 pandemic which led to decrease in sales in both rare earth business and refractory materials business; and (ii) the expenses arising from the payment of service fee as stated in the Inside Information Announcement in relation to the provision of maintenance services for the soil and groundwater (the “**Services**”). As stated in the Inside Information Announcement, the Company entered into the Agreement in relation to the provision of Services and the service fee payable for the Services may have an impact on the Group’s annual results for the year ended 31 December 2022.

The information contained in this announcement is based on the Board's preliminary assessment after reviewing the unaudited consolidated management accounts of the Group for the year ended 31 December 2022. The information contained in this announcement is neither based on any figure nor information that has been audited or reviewed by the external auditor of the Company. The Group's actual results will be reviewed by the Company's auditor and the audit committee prior to finalisation. Therefore, the actual results of the Group for the year ended 31 December 2022 may differ from the information contained in this announcement.

On behalf of the Board
China Rare Earth Holdings Limited
Qian Yuanying
Chairman

Hong Kong, 27 February 2023

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.