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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)

INSIDE INFORMATION
ESTABLISHMENT OF INDEPENDENT INVESTIGATION COMMITTEE
AND CONTINUATION OF TRADING HALT

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”, and each a “**Director**”) of China Rare Earth Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).

ESTABLISHMENT OF INDEPENDENT INVESTIGATION COMMITTEE

The Board recently received complaint letter (the “**Complaint Letter**”) from a purported employee of one of the Group’s subsidiaries in mainland China (the “**PRC**”) alleging, among other things, the potential misappropriation of assets of the Group’s subsidiary which led to the accumulation of debt and frequent visits by banks and suppliers.

In order to verify these allegations, the Company has engaged PRC legal advisers to conduct due diligence on two PRC subsidiaries of the Group, Yixing Xinwei Leeshing Refractory Materials Company Limited* (宜興新威利成耐火材料有限公司) and Yixing Xinwei Leeshing Rare Earth Company Limited* (宜興新威利成稀土有限公司) (collectively, the “**Subsidiaries**”). It was found out that (i) the Subsidiaries were involved in a number of lawsuits and enforcement-related cases; (ii) the amount of due and unfulfilled debts involved may have exceeded the amount of the paid-up capital of the Subsidiaries; and (iii) the Subsidiaries have been included in the list of executors and restriction on high consumption in the PRC.

Furthermore, the Board was also recently notified that a complaint was made by the legal representative on behalf of Mr. Jiang Quanlong and Mr. Jiang Dawei, which, among others, raised concerns regarding the validity of the Company’s acquisition of 1,600 kilograms of tungsten bars which was completed and announced on 16 June 2025 (the “**Acquisition**”).

As the majority of the Board members considered that (i) the Acquisition and completion thereof (the “**Completion**”) were duly authorised by the Board on 28 May 2025 (where all five then directors that attended the meeting including Mr. Jiang Quanlong and Mr. Jiang

Dawei unanimously agreed and approved the Acquisition); (ii) Mr. Jiang Quanlong and Mr. Jiang Dawei also took part in the preparation of the Completion; and (iii) the Completion was taken place in accordance with the terms of the sale and purchase agreement, the content of such complaint shall be further investigated.

Given the aforesaid perceived issues, the Board resolved on 4 July 2025 to establish an independent investigation committee (the “**Committee**”) to (i) deal with the Complaint Letter and verify the allegations thereof; (ii) conduct an independent investigation on the Group including but not limited to the Subsidiaries and all relevant personnel; (iii) examine whether there has been any misappropriation of assets of the Group; (iv) review the internal control of the Group and identify any compliance issues; (v) assess the impact on the Group’s business operation, formulate action plans and provide recommendations to the Board; (vi) conduct independent investigation on the validity of the Acquisition; and (vii) handle any other matters authorised by the Board (the “**Investigation**”).

The Committee shall comprise the independent non-executive Directors of the Company. The Board has appointed Mr. Man Kong Yui, Mr. Kang Shuaijie and Prof. Yip Tze Wai Albert as members of the Committee, and Prof. Yip Tze Wai Albert has been appointed as the chairman of the Committee.

Further announcement(s) will be made by the Company regarding any further material development of the Investigation as and when appropriate.

CONTINUATION OF TRADING HALT

Trading in the Shares on the Stock Exchange has been halted with effect from 1:45 p.m. on Wednesday, 18 June 2025 and will remain halted until further notice. The Company will make further announcement(s) in accordance with the Listing Rules as and when necessary in relation to any material development of the Investigation or any update in connection with the above.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By order of the Board
China Rare Earth Holdings Limited
Guo Jinying
Joint Acting Chairman

Hong Kong, 4 July 2025

As at the date of this announcement, the Board consists of Mr. Jiang Quanlong, Mr. Jiang Dawei and Ms. Guo Jinying as executive Directors, and Mr. Man Kong Yui, Mr. Kang Shuaijie and Prof. Yip Tze Wai Albert as independent non-executive Directors.

* *for identification only*