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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)

**(1) SUPPLEMENTAL ANNOUNCEMENT TO  
QUARTERLY UPDATE ON RESUMPTION PROGRESS;  
(2) UPDATES ON LITIGATION;  
AND  
(3) CONTINUED SUSPENSION OF TRADING**

**Financial Adviser to the Company**



**Donvex Capital Limited**

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**”) pursuant to Rule 13.09 and 13.10 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 Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to (i) the announcement of the Company dated 17 September 2025 in relation to the quarterly update of the resumption progress of the Company (the “**Quarterly Update Announcement**”); (ii) the announcement of the Company dated 8 and 29 August 2025 (the “**Resumption Guidance Announcements**”) in relation to, among other things, the letters from the Stock Exchange setting out the guidance for the resumption of trading in the shares of the Company (the “**Shares**”) on the Stock Exchange (the “**Resumption Guidance**”); (iii) the announcement of the Company dated 4 July 2025 in relation to establishment of independent investigation committee in view of a complaint letter from a purported employee of the Group (the “**Employee Complaint**”) received regarding the potential misappropriation of assets of the Group’s subsidiaries (the “**Investigation Announcement**”); and (iv) the announcement of the Company dated 11 September 2025 in relation to certain lawsuits against subsidiaries of the Company (the “**Litigation Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Quarterly Update Announcement, Resumption Guidance Announcements and the Litigation Announcement.

## **SUPPLEMENTAL INFORMATION ON RESUMPTION PROGRESS**

The Company would like to inform the Company's Shareholders and potential investors with supplemental information in relation to the update on the latest status of the Group's business operations and the progress on fulfilling the requirements under the Resumption Guidance.

### **Additional information on the business operations of the Company**

As disclosed in the annual report of the Company for the year ended 31 December 2024, the Company is principally engaged in two business segments, being the rare earth business and the refractory material business through the Subsidiaries in the PRC.

As disclosed in the Investigation Announcement, the Company had received the Employee Complaint from a purported employee of one of the subsidiaries of the Company 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 bank and suppliers. As such, the Committee had engaged the PRC Legal Advisers to conduct the DD Investigation on the Subsidiaries, the preliminary findings of which were disclosed in the Resumption Guidance Announcements. Based on its investigation results, the PRC Legal Advisers advised the Company to report the case to the police authorities or initiate legal proceedings based on an alleged misappropriation of funds by the then management personnel. As such, on 27 August 2025, the Committee filed a complaint with each of the CCB and SFC against the Suspected Wrongdoers on their suspected misconduct.

#### *Follow up work by the current Board*

Upon site visits, data inspections and interviews with staff and creditors conducted in July and August 2025, the preliminary findings of the PRC Legal Advisers revealed that the operations of the Subsidiaries appeared to be minimal or may have been suspended for an extended period of time.

The current Board was in shock by the preliminary findings of the PRC Legal Advisers, and followed up by making multiple requests to the then executive directors of the Company, who were responsible for the operation of the Group, to hand over all documents relating to the Company, including but not limited to financial and operational documents of all subsidiaries of the Company, but to no avail as at the date of this announcement. The current Board had no alternative but to directly request the financial controller and legal representatives of the Subsidiaries to retrieve the books and records of the Subsidiaries. However, the Company has not received any response in this regard and therefore has no access to the books and records of the Subsidiaries as at the date of this announcement.

In order to facilitate the retrieval of books and records of the Subsidiaries, the Company is in the course of changing the legal representative of the Subsidiaries. The current Board has, at its best effort, continued to retrieve information in relation to the Subsidiaries, which had led to the discovery of information on a number of lawsuits, details of which are set out in the Litigation Announcement and the section headed "UPDATES ON LITIGATION" below in this announcement.

In view of (i) the lack of access to the books and records of the Subsidiaries; and (ii) the findings of the DD Investigation, the Company considers that, at this stage, it is unable to ascertain the status of the business operations of the rare earth business and refractory material business of the Company, which were operated through the Subsidiaries.

Despite the fact that the current Board has yet to regain control of the Subsidiaries, as disclosed in the Quarterly Update Announcement, the current Board is using its best endeavours to explore resuming the rare earth business and/or the refractory material business by establishing a new subsidiary.

### **Internal control review**

In addition to the ongoing forensic investigation by the independent forensic accountant, as one of the matters set out in the Resumption Guidance, the Company shall and will conduct an independent internal control review and demonstrate that the Company has place adequate internal control and procedure to comply with the Listing Rules.

The Company has approached several potential internal control consultants since the receipt of the Resumption Guidance. However, as (i) the Company has difficulties in gaining access to the books and records of the Subsidiaries; and (ii) the Company is in the course of changing the legal representatives of the Subsidiaries, the Company has yet to agree on the scope of the independent internal control review. The Company will continue to communicate with potential internal control consultant, and once the appointment of the internal control consultant is confirmed, the Company will further discuss with such consultant regarding the timeline for the internal control review in order to fulfil the Resumption Guidance.

### **Interim results and despatch of the interim report for the six months ended 30 June 2025**

As (i) the Company is still in the course of assessing certain financial and legal matters, including issues related to the potential misappropriation of assets of the Subsidiaries; and (ii) the Company currently does not have access to the books and records of the Subsidiaries, the publications of the interim results and interim report for the six months ended 30 June 2025 were delayed. As disclosed above, the Company is in the course of changing the legal representatives of the Subsidiaries to facilitate the retrieval of books and records of the Subsidiaries. The expected dates of the publication of the interim results and interim report for the six months ended 30 June 2025 will be subject to, among other things, the Company being able to gain access to the books and records of the Subsidiaries and ascertain the financial and legal matters in relation to the Subsidiaries.

The Company will publish further announcement(s) to inform the Shareholders of (i) the date of the Board meeting to approve the publication of the interim results for the six months ended 30 June 2025; and (ii) the date of publication of the interim results for the six months ended 30 June 2025, as and when appropriate.

Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the Listing Rules to update its Shareholders and potential investors on the progress in complying with the Resumption Guidance.

## UPDATES ON LITIGATION

The Board would like to provide further information to the Shareholders and potential investors of the Company on further information on two of the other lawsuits, which are the information currently available to the Board as at the date of this announcement.

In the first lawsuit, which was commenced on 7 December 2023, the People’s Court of Yixing, Jiangsu Province, the People’s Republic of China, made a judgment (case number: (2023) 蘇0282民初17454號) in favour of the plaintiff, 交通銀行股份有限公司無錫分行 (“**BOC**”), against the following defendants, namely, (1) YXL Refractory Materials, (2) YXL Rare Earth, (3) 無錫泛亞環保科技有限公司 (“**WFY Environment Technology**”), (4) 江蘇蜀浦新型建材科技有限公司 (“**JSP Building Materials**”), (5) Ms. Qian Yuanying (“**Ms. Qian**”) and (6) Mr. Jiang Quanlong (“**Mr. Jiang QL**”), pursuant to which it was ordered that, among other things, (i) YXL Refractory Materials shall, within 10 days from the judgment becoming effective, repay to BOC the principal amount of RMB26,500,000 on a loan, compound interest accrued on the outstanding interest and default interest; (ii) YXL Rare Earth, WFY Environment Technology, Mr. Jiang QL and Ms. Qian shall be jointly and severally liable for the sums owed by YXL Refractory Materials to BOC; (iii) JSP Building Materials shall be liable for the sums owed by WFY Environment Technology to BOC; and (iv) the defendants shall be liable for and reimburse BOC for court fees, legal costs and other relevant fees, costs and expenses involved in the lawsuit in the aggregate amount of RMB92,163 within 10 days from the judgment becoming effective. To the best of the knowledge, information and belief of the Directors having made reasonable enquiries, based on the results of public search, a separate set of legal proceedings (case number: (2025) 蘇0282執恢296號) was commenced in around April 2025 to enforce the judgment made in the original proceedings.

In the second lawsuit, which was commenced on 7 December 2023, the People’s Court of Yixing, Jiangsu Province, the People’s Republic of China, made a judgment (case number: (2023) 蘇0282民初17455號) in favour of the plaintiff, BOC, against the following defendants, namely (1) YXL Rare Earth, (2) YXL Refractory Materials, (3) WFY Environment Technology, (4) JSP Building Materials, (5) Ms. Qian and (6) Mr. Jiang QL, pursuant to which it was ordered that, among other things, (i) YXL Rare Earth shall, within 10 days from the judgment becoming effective, repay to BOC the principal amount of RMB115,199,988.1 on a loan, compound interest accrued on the outstanding interest and default interest; (ii) BOC is entitled to enforce the securities and sell such properties charged by YXL Rare Earth in favour of BOC in the limits of up to RMB68,812,800 and RMB51,187,200, respectively; (iii) YXL Refractory Materials and WFY Environment Technology shall be jointly and severally liable for the sums owed by YXL Rare Earth to BOC in the limit of up to RMB144,000,000 and Mr. Jiang QL and Ms. Qian shall be jointly and severally liable for the sums owed by YXL Rare Earth to BOC in the limit of up to RMB144,000,000; (iv) JSP Building Materials shall be liable for the sums owed by WFY Environment Technology to BOC; and (v) the defendants shall be liable for and reimburse BOC for court fees, legal costs and other relevant fees, costs and expenses involved in the lawsuit in the aggregate amount of RMB313,913 within 10 days from the judgment becoming effective. To the best of the knowledge, information and belief of the Directors having made reasonable enquiries, based on the results of public search, a separate set of legal proceedings (case number: (2025) 蘇0282執恢297號) was commenced in around April 2025 to enforce the judgment made in the original proceedings.

To the best of the knowledge, information and belief of the Directors having made reasonable enquiries, the equity interest of WFY Environment Technology is indirectly owned as to 90% by Mr. Jiang QL.

The current Board had no prior knowledge of, and only became aware of the abovementioned lawsuits from the DD Investigation and the relevant public searches conducted recently and is assessing its potential impact on the Company. The Company will continue to use all possible endeavours to safeguard the interest of the Shareholders (including seeking legal advice on the lawsuits) and update the Shareholders and potential investors of the Company on further developments in this regard by way of announcement(s) as and when appropriate.

### **CONTINUED SUSPENSION OF TRADING**

Trading in the Shares on the Stock Exchange has been suspended since 1:45 p.m. on 18 June 2025 and will remain suspended until the Company meets all resumption guidance set by the Stock Exchange, remedies the issues causing its trading suspension and fully complies with the Listing Rules to the Stock Exchange's satisfaction.

**Shareholders and potential investors are accordingly advised to exercise caution when dealing in the securities of the Company.**

By order of the Board  
**China Rare Earth Holdings Limited**  
**Guo Jinying**  
*Executive Director*

Hong Kong, 30 September 2025

*As at the date of this announcement, the Board consists of Ms. Guo Jinying as executive Director, and Mr. Man Kong Yui, Prof. Yip Tze Wai Albert and Mr. Ma Siu Kit as independent non-executive Directors.*