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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

(1) UPDATES ON LITIGATION;

AND

(2) CONTINUED SUSPENSION OF TRADING

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 the announcement of the Company dated 29 August 2025 in relation to, among other things, the due diligence investigation (“**DD Investigation**”) performed by a PRC law firm on Yixing Xinwei Leeshing Refractory Materials Company Limited* (宜興新威利成耐火材料有限公司) (“**YXL Refractory Materials**”) and Yixing Xinwei Leeshing Rare Earth Company Limited* (宜興新威利成稀土有限公司) (“**YXL Rare Earth**”) (collectively, the “**Subsidiaries**” and each a “**Subsidiary**”), which revealed, among other matters, (i) each Subsidiary is involved in at least 45 lawsuits and nine enforcement-related cases; and (ii) YXL Rare Earth and YXL Refractory Materials reportedly owe judgment debts to various PRC banks and corporates.

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

UPDATES ON LITIGATION

In the first lawsuit, 招商銀行股份有限公司宜興支行 (“**CMB**”) as plaintiff, and the following seven entities or individuals as defendants, namely, (1) YXL Rare Earth, (2) YXL Refractory Materials, (3) 宜興新威集團有限公司, (4) 無錫新威高溫陶瓷有限公司 (“**WX Ceramics**”), (5) 無錫泛亞環保科技有限公司 (“**WFY Environment Technology**”), (6) Ms. Qian Yuanying (“**Ms. Qian**”) and (7) Mr. Jiang Quanlong (“**Mr. Jiang QL**”), reached a settlement during the course of the legal proceedings as shown in a civil mediation agreement (case number: (2023) 蘇0213 民初17314號). The parties confirmed and agreed that, among other things, (i) YXL

Rare Earth owed CMB a principal amount of RMB38,354,000 on a loan, accrued interest thereon during the term of the loan of RMB17,570.01, default interest and compound interest accrued on the outstanding interest during the term of the loan, and such sums shall be repaid by YXL Rare Earth periodically between 31 March 2024 and 31 December 2025, in addition to legal costs of RMB50,000 to be paid by 31 December 2024; (ii) CMB is entitled to enforce the security and sell a property charged by Mr. Jiang QL in favour of CMB; and (iii) the other defendants (other than YXL Rare Earth) shall be jointly and severally liable for the said sums owed by YXL Rare Earth to CMB. To the best of the knowledge, information and belief of the Directors having made reasonable enquiries, based on the results of public search, separate legal proceedings (case number: (2025) 蘇0213 執4232號) have been commenced in around June 2025 to enforce the civil mediation agreement reached in the original proceedings.

In the second lawsuit, which was commenced on 4 February 2024, the People's Court of Liangxi District, Wuxi, Jiangsu Province, the People's Republic of China, made a judgment (case number: (2024) 蘇0213 民初1646號) in favour of the plaintiff, 上海浦東發展銀行股份有限公司無錫分行 (“**SPDB**”), against the following defendants, namely, (1) WFY Environment Technology, (2) YXL Rare Earth, (3) YXL Refractory Materials, (4) Mr. Jiang QL and (5) Ms. Qian, pursuant to which it was ordered that, among other things, (i) WFY Environment Technology shall, within 10 days from the judgment becoming effective, repay to SPDB the principal amount of RMB25,000,000 on a loan, accrued interest thereon during the term of the loan of RMB201,875 (up to 21 February 2024), default interest, compound interest accrued on the outstanding interest during the term of the loan, and legal costs of RMB80,000; and (ii) the other defendants (other than WFY Environment Technology) shall be jointly and severally liable for the said sums owed by WFY Environment Technology to SPDB. To the best of the knowledge, information and belief of the Directors having made reasonable enquiries, based on the results of public search, separate legal proceedings (case number: (2025) 蘇0213 執5662號) have been commenced in around June 2025 to enforce the judgement made in the original proceedings.

In the third lawsuit, 樂祺紡織實業(無錫)有限公司 (“**Leqi Textile**”) as plaintiff, and the following seven entities or individuals as defendants, namely, (1) YXL Rare Earth, (2) WFY Environment Technology, (3) YXL Refractory Materials, (4) WX Ceramics, (5) 宜興威爾發非金屬材料有限公司 (“**YW Non-metallic Material**”), (6) Mr. Jiang QL and (7) Ms. Qian, reached a settlement during the course of the legal proceedings as shown in a civil mediation agreement (case number: (2023) 蘇0282 訴前調書95號). The parties confirmed and agreed that, among other things, (i) YXL Rare Earth owed Leqi Textile a principal amount of RMB36,970,000 on a loan and interest accrued thereon for the period from 27 September 2023 until the actual repayment date, and such sums shall be repaid by YXL Rare Earth periodically between 24 October 2023 and 31 March 2024, in addition to a guarantee fee of RMB5,431,663.5 and an aggregate amount of RMB909,574 for court fees, legal costs and other relevant fees, costs and expenses involved in the lawsuit to be paid by 31 March 2024; (ii) the other defendants (other than YXL Rare Earth) shall be jointly and severally liable for the said sums owed by YXL Rare Earth to Leqi Textile; and (iii) Leqi Textile is entitled to enforce the securities and sell such properties charged by YXL Refractory Materials, WX Ceramics and YW Non-metallic Material in favour of Leqi Textile. 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: (2024) 蘇0282 執2440號) was commenced in around April 2024 and a decision was made in around

September 2024 to terminate or suspend the enforcement of the civil mediation agreement reached in the original proceedings; and a new set of legal proceedings (case number: (2025) 蘇0282 執恢298號) has been commenced in around April 2025 to enforce the civil mediation agreement reached 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. In addition, it is believed that such lawsuits and/or the underlying loan arrangements or transactions were subject to announcement, circular, reporting and/or shareholders' approval requirements under the Listing Rules, the failure of the relevant former directors or the then Board to disclose such information have caused non-compliance by the Company with the Listing Rules and/or other applicable regulations. The Company will continue to use all possible endeavours to safeguard the interest of its 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, 11 September 2025

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

* *For identification purposes only*