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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) CHANGE OF AUDITOR;
AND
(2) BOARD'S STATEMENT ON INVESTIGATION PROGRESS**

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 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

References are made to the announcements of the Company dated 28 May 2025, 11 June 2025, 16 June 2025, 4 July 2025, 8 July 2025, 8 August 2025, and 8 December 2025 (the “**Announcements**”) in relation to, among other things, the acquisition of tungsten bars by the Group and the key findings of a report prepared by an independent forensic accountant. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

RESIGNATION OF AUDITOR

The Board hereby announces that the Board and the audit committee of the Board (the “**Audit Committee**”) have received a letter (the “**Resignation Letter**”) dated 24 December 2025 from Ascenda Cachet CPA Limited (“**Ascenda Cachet**”) on their resignation as auditor of the Company with effect on 24 December 2025.

As stated in the Resignation Letter, in reaching the decision of their resignation, Ascenda Cachet performed normal procedures including annual consideration of whether they wish to continue to act for their audit clients through their engagement continuance assessment. As a result of a lack of sufficient information provided by the management of the Company to Ascenda Cachet, Ascenda Cachet are unable to complete their assessment, particularly in relation to the nature and impact of the IIC Investigations (as defined below) mentioned in the Company’s Announcements (as defined below), including but not limited to the integrity of the directors and management of the Company and the completeness and integrity of the books and records of the Group. In reaching such a conclusion, Ascenda Cachet have also taken into account a number of factors including, among others, the professional risk associated with the audit, the level of audit fees and the available internal resources given

their current workflows. In addition, Ascenda Cachet have also considered the contents mentioned in the announcements of the Company published on 6 July 2025, 22 July 2025, 8 August 2025, 29 August 2025, 11 September 2025, 17 September 2025, 30 September 2025, 8 December 2025 and 17 December 2025 (the “**Company’s Announcements**”), particularly in relation to the allegations, the litigations, the unrecorded borrowings, the potential misappropriation of assets and the findings of the independent investigation conducted by the Independent Investigation Committee of the Company (the “**IIC Investigations**”).

As a supplement to those stated in the Resignation Letter, Ascenda Cachet further clarified that for completion of their assessment of the client acceptance and continuation procedures, they did not receive any documentation and/or information from the Board and management of the Company other than the Company's Announcements in relation to the above matters.

Ascenda Cachet confirmed in the Resignation Letter that (i) they have also not commenced any audit work on the consolidated financial statements of the Group for the year ending 31 December 2025; and (ii) save as disclosed above, there are no other matters or circumstances in connection with their resignation as the auditor of the Company that need to be brought to the attention of the holders of securities of the Company.

BOARD’S RESPONSES TO THE RESIGNATION LETTER

The Board would like to clarify that the Board reviewed and approved the Forensic Report, and an announcement containing the key findings of the Forensic Report was published by the Company before the date of this announcement. The Board considers it has fully addressed all questions raised by Ascenda Cachet during the past few months and that sufficient information had already been made available to Ascenda Cachet to enable them to assess the matters referred to in its resignation notice, including the key findings of the Forensic Report and matters relating to the integrity of the current and former directors and management of the Group. Indeed, the Company already gave point to point replies & full explanations in response to Ascenda's enquiries & requests.

The audit committee of the Company (the “**Audit Committee**”), comprising the new composition of independent non-executive Directors, further noted that, in accordance with established auditing standards, an assessment of integrity is ordinarily made through a combination of enquiries, observations and external verification procedures. In light of the information made available to Ascenda Cachet and the scope of work expected in such assessments, the Audit Committee considered that Ascenda Cachet did not have sufficient grounds to conclude that they were unable to form an assessment of integrity, and that such inability should not be attributed to the Company.

The Board and the Audit Committee confirm that, saved as disclosed above, they are not aware of any disagreement or unresolved matter in connection with Ascenda Cachet’s resignation that needs to be brought to the attention of the shareholders of the Company.

APPOINTMENT OF AUDITOR

The Board, with the recommendation of the Audit Committee, has resolved to appoint Cheng & Cheng Limited (“**Cheng Cheng**”) as the external auditor of the Company with effect from 2 January 2026, to fill the vacancy following the resignation of Ascenda Cachet and to hold office until the conclusion of the next annual general meeting of the Company. Pursuant to Article 176(A) of the articles of association of the Company, the Board has the power to fill the vacancy in the office of auditor and to fix the remuneration of the auditor so appointed. Accordingly, no extraordinary general meeting will be held for such purpose. The Board further confirms that, saved as disclosed in this announcement, it is not aware of any other matters in relation to the change of auditor that need to be brought to the attention of holders of securities of the Company.

The Board would like to take this opportunity to express its warm welcome to Cheng Cheng on its appointment as the auditor of the Company.

BOARD’S STATEMENT ON INVESTIGATION PROGRESS

The Board further emphasises that the Investigation into other matters (including the possible misappropriation of assets at the Subsidiaries by the previous management of the Subsidiaries and the then internal controls) remains ongoing, and the Company will announce further updates as appropriate. The current Board is committed to addressing and resolving legacy issues left by former management, and the Independent Investigation Committee is working closely with professional advisers to complete the Investigation as soon as practicable. The Company will publish further updates in due course.

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

Hong Kong, 2 January 2026

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.