

**CHINA RARE EARTH HOLDINGS LTD:
THE CHAIRMAN IS SUED FOR MORE THAN \$HK212.65 MILLION**

Senior Management of China Rare Earth Holdings Ltd () (Code: 769, Main Board, The Stock Exchange of Hongkong Ltd) appears to have its knickers in a bit of twist – because the company’s Chairman has just been sued for more than \$HK212.65 million.

In an announcement, dated July 1, 2015, China Rare Earth Holdings Ltd has informed its shareholders:

*‘The Company was informed by Mr. Jiang Quanlong (“**Mr. Jiang**”), the chairman and an executive director of the Company, that a writ was issued against him claiming, among other matters, a sum of approximately HK\$213 million on 30 June 2015 (“**Proceedings**”). It is claimed that Mr. Jiang has failed to pay the plaintiff such outstanding sum pursuant to a loan agreement made between Mr. Jiang and the plaintiff on 27 June 2014.*

‘Mr. Jiang informed the Company that he is currently obtaining legal advice in relation to the Proceedings and he will dispute and vigorously defend the claims under the Proceedings.

*‘Reference is made to the announcement (“**Rights Issue Announcement**”) of the Company dated 10 June 2015 in relation the proposed issue of rights shares by the Company on the basis of 2 rights shares for every 5 existing shares to the qualifying shareholders by way of rights or to holders of nil-paid rights shares at the subscription price of HK\$0.60 per rights share (“**Rights Issue**”). As stated in the Rights Issue Announcement, the committed shareholder, YY Holdings Limited, has irrevocably undertaken to the Company and the underwriter, among other matters, that it will subscribe or procure subscription in full for its entitlements under the Rights Issue pursuant to the terms of the Rights Issue and lodge with the Company acceptance in respect of all the Rights Shares provisionally allotted to it, with payment in full. YY Holdings Limited (in which Mr. Jiang is not a beneficial shareholder) has notified the Company that it remains committed and has made arrangements to subscribe or procure subscription in full for its entitlements under the Rights Issue pursuant to its undertaking as mentioned above.*

‘The Company considers that the Proceedings were a personal matter of Mr. Jiang. Furthermore, neither the Company nor any of its subsidiaries is a party to the Proceedings. The business operation and financial position of the Group have not been affected by the Proceedings. Further announcement(s) will be made by the Company as and when appropriate to keep the shareholders and potential investors informed of the material developments in this matter.’

The above announcement was signed by Ms Qian Yuan Ying (), who is the wife of Mr Jiang Quan Long, an Executive Director of China Rare Earth Holdings Ltd.

The High Court Writ of Summons

In the High Court of the Hongkong Special Administrative Region (HKSAR) of the People’s Republic of China (PRC), Simsen Capital Finance Ltd () (the Plaintiff) has issued proceedings against Mr Jiang Quan

Long () (the Defendant), seeking \$HK212,649,863.01 plus interest at the rate of 18 percent per annum from June 30, 2015, until payment is made in full.

The ... [CLICK TO ORDER FULL ARTICLE](#)

While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.

*If readers feel that they would like to voice their opinions about that which they have read in **TARGET**, please feel free to e-mail your views to editor@targetnewspapers.com. **TARGET** does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*