

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



**稀镁科技
REMT**

稀 鎂 科 技 集 團 控 股 有 限 公 司

RARE EARTH MAGNESIUM TECHNOLOGY GROUP HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 601)

**RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES
HELD ON THE RECORD DATE**

The Board is pleased to announce that at 4:00 p.m. on Friday, 20 October 2023, being the latest time for acceptance and payment for the Rights Shares and for application and payment for the excess Rights Shares:

- (i) 24 valid acceptances of provisional allotments under the PALs were received for a total of 132,524,921 Rights Shares, representing approximately 67.09 % of the maximum number of 197,531,701 Rights Shares being offered under the Rights Issue; and
- (ii) 17 valid applications for excess Rights Shares under the EAFs were received for a total of 372,885,533 Rights Shares, representing approximately 188.77% of the maximum number of 197,531,701 Rights Shares being offered under the Rights Issue.

In aggregate, 41 valid acceptances and applications in respect of 505,410,454 Rights Shares have been accepted and applied for, representing approximately 255.86 % of the maximum number of 197,531,701 Rights Shares offered under the Rights Issue.

Based on the above results, the Rights Issue was over-subscribed by 307,878,753 Rights Shares, representing approximately 155.86% of the maximum number of 197,531,701 Rights Shares offered under the Rights Issue.

It is expected that the share certificates for the fully-paid Rights Shares in respect of the valid acceptances of the Rights Shares under the PALs and the EAFs will be posted to the allottees by ordinary post to their respective registered addresses at their own risks on Monday, 30 October 2023. It is expected that the refund cheques for wholly and partially unsuccessful applications for excess Rights Shares will be posted to the relevant applicants on 30 October 2023.

Approval has been granted by the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares. Dealings in the fully-paid Rights Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Tuesday, 31 October 2023.

Reference is made to the prospectus of Rare Earth Magnesium Technology Group Holdings Limited (the “**Company**”) dated 6 October 2023 (the “**Prospectus**”) in connection with the Rights Issue. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Prospectus.

RESULTS OF THE RIGHTS ISSUE

The Board is pleased to announce that at 4:00 p.m. on Friday, 20 October 2023, being the latest time for acceptance and payment for the Rights Shares and for application and payment for the excess Rights Shares:

In aggregate, 41 valid acceptances and applications in respect of 505,410,454 Rights Shares have been accepted and applied for, representing approximately 255.86% of the maximum number of 197,531,701 Rights Shares offered under the Rights Issue.

Based on the above results, the Rights Issue was over-subscribed by 307,878,753 Rights Shares, representing approximately 155.86% of the maximum number of 197,531,701 Rights Shares offered under the Rights Issue.

THE UNDERWRITING AGREEMENT

As all the conditions precedent set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement was not terminated by the Underwriter at or before 5:00 p.m. on Thursday, 26 October 2023, the Underwriting Agreement has become unconditional.

As a result of the over-subscription of the Rights Shares and in accordance with the Underwriting Agreement, the Underwriter's underwriting obligation under the Underwriting Agreement is fully discharged and the Underwriter is not obliged to take up any Underwritten Shares.

EXCESS APPLICATION

After allocating the Rights Shares to those applications under PALs in full, there were 65,006,780 Rights Shares available for subscription under the EAFs. The Company received 17 valid applications for excess Rights Shares of a total of 372,885,533 Rights Shares. Hence, the undertaken Rights Shares under PALs represented approximately 17.40% of total number of excess Rights Shares validly applied. Given the over-subscription of the Rights Shares, the Board considers that it is fair and equitable to allot and issue such number of Rights Shares to the relevant applicants at the ratio of approximately 17.40% to each valid application of excess Rights Shares.

Refund cheques for wholly and partially unsuccessful applications for excess Rights Shares will be posted to the relevant applicants on 30 October 2023.

USE OF PROCEEDS

The gross proceeds from the Rights Issue are approximately HK\$15.8 million and the net proceeds from the Rights Issue, after deducting the underwriting commission and all other relevant expenses for the Rights Issue, are estimated to be approximately HK\$14.4 million.

Around 50% of the net proceeds, or approximately HK\$7.2 million, is planned to be used to cover ongoing administrative and operating expenses. These costs include operational expenditures such as salaries, rent, utilities, and other necessary operational items.

The remaining 50%, of approximately HK\$7.2 million, will primarily be used to nurture the growth of the Group's existing magnesium business, such as supporting production costs, facilitating the purchase of raw materials, etc. In response to potential market fluctuations and economic changes, the Company may make suitable adjustments to this proposed allocation. This flexibility ensures the most effective and beneficial use of funds for the Group's ongoing business operations and growth strategy.

SHAREHOLDING STRUCTURE OF THE COMPANY

Based on the information available to the Company and to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as at the date of this announcement, the shareholding structure of the Company immediately before and after the completion of the Rights Issue is as follows:

Shareholders	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Ming Xin	158,033,191	40.00	237,049,786	40.00
Public Shareholders				
Scheme company (<i>note</i>)	79,012,680	20.00	80,242,892	13.54
Other public shareholders	<u>158,017,531</u>	<u>40.00</u>	<u>275,302,425</u>	<u>46.46</u>
Total	<u>395,063,402</u>	<u>100.00</u>	<u>592,595,103</u>	<u>100.00</u>

Note: Pursuant to the creditor scheme of arrangement of Century Sunshine which approved at the creditors meeting on 12 May 2023 and sanctioned by the High Court of Hong Kong on 26 July 2023, Century Sunshine has procured the transfer of 79,012,680 Shares held by Ming Xin to a scheme company as an asset payable to its creditors. The scheme company has applied for 1,230,212 Rights Shares. To the best knowledge information and belief of the Directors, there is no single creditor of Century Sunshine holding interest of 10% or more in the Company through the scheme company.

DESPATCH OF SHARE CERTIFICATES FOR FULLY-PAID RIGHTS SHARES AND REFUND CHEQUE

It is expected that the share certificates for the fully-paid Rights Shares in respect of the valid acceptances of the Rights Shares under the PALs and the EAFs will be posted to the allottees by ordinary post to their respective registered addresses at their own risks on Monday, 30 October 2023. All applicants, except HKSCC Nominees Limited, will receive one share certificate for the Rights Shares allotted to them.

It is expected that the refund cheques for wholly and partially unsuccessful applications for excess Rights Shares will be posted to the relevant applicants on 30 October 2023.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Approval has been granted by the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares. Dealings in the fully-paid Rights Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Tuesday, 31 October 2023.

ADJUSTMENTS IN RELATION TO THE SHARE OPTIONS AND THE CONVERTIBLE BONDS

Pursuant to the terms of the share option scheme (the “Share Option Scheme”) of the Company adopted on 4 December 2017, the terms and conditions of the Convertible Bonds, the exercise price and the conversion price of the respective Share Options and the Convertible Bonds will be adjusted upon the completion of the Rights Issues. The adjustments to the exercise price and conversion price of the respective Share Options and the Convertible Bonds are set out below:

(i) The exercise price per Share and the number of Shares subject to the outstanding Shares Options under the Share Option Scheme prior to the completion of Rights Issue:	New exercise price per Share (rounded to 3 decimal places) and the number of Shares subject to the Share Options under the Share Option Scheme after the completion of the Rights Issue
10,170,000 Shares exercisable at HK\$8.000 each	11,464,938 Shares exercisable at HK\$7.097 each
(ii) The conversion price per Share and the number of conversion shares subject to the outstanding Convertible Bonds prior to the completion of Rights Issue:	The conversion price per Share and the number of conversion shares subject to the outstanding Convertible Bonds after the completion of Rights Issue:
395,063,402 conversion shares at the conversion price of HK\$1.200 each	491,307,327 conversion shares at the conversion price of HK\$0.933 each

Nuada Limited, the independent financial adviser appointed by the Company has reviewed and confirmed to the Directors in writing that (i) the adjustment made to the exercise price of the Share Options and the number of Shares falling to be issued upon the exercise of the Share Options is in accordance with the terms of the Share Option Scheme, Rule 17.03(13) of the Listing Rules and the Supplementary Guidance on Main Board Listing Rules 17.03(13)/GEM Listing Rules 23.03(13) and the Note Immediately After the Rule attached to the Frequently Asked Question No. 072-2020 issued by the Stock Exchange on 6 November 2020 as updated in January 2023; and (ii) the adjustment made to the conversion price of the Convertible Bonds is in accordance with the terms of the Convertible Bonds.

By Order of the Board
Rare Earth Magnesium Technology Group Holdings Limited
Shum Sai Chit
Chairman

Hong Kong, 27 October 2023

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Shum Sai Chit and Ms. Chi Sile; and three independent non-executive Directors, namely Mr. Kwong Ping Man, Mr. Cheung Sound Poon and Mr. Lin Pengxuan.