

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.



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)

INSIDE INFORMATION

AUCTION BY BAISHAN COURT IN RESPECT OF THE ASSETS OF A SUBSIDIARY

This announcement is made by Rare Earth Magnesium Technology Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Listing Rules of The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) regarding inside information (as defined in the Listing Rules).

As disclosed in the interim result announcements for the six months ended 30 June 2023 (the “**2023 Interim Results**”) published on 31 August 2023, one of the Company’s subsidiaries in the PRC, Baishan Tianan Magnesium Metal Mining Co., Ltd. (“**Baishan Tianan**”), received a summons from a PRC court on 2 June 2021, due to Baishan Tianan’s failure to fulfill the loan terms with a bank in the PRC. The bank filed a claim against Baishan Tianan, demanding immediate repayment of all outstanding principal, interest, and other relevant fees. The related bank loan was secured by the land use rights, factory buildings, and machinery equipment owned by Baishan Tianan located in Baishan City, Jilin Province, China (the “**Baishan Tianan Assets**”). As of the date of this announcement, the outstanding principal amount owed to the bank is RMB64,000,000.

The Company has received an execution ruling from the Baishan Court dated 5 February 2024, and has been informed that the Baishan Court will auction the Baishan Tianan Assets from 10 March 2024 to 11 March 2024, with a total reserve price of approximately RMB132.79 million. The proceeds from the auction are expected to be used primarily to repay the related debts of Baishan Tianan. As disclosed in the 2023 Interim Results, the market price of magnesium is low, continuously challenging the cost line, compressing profits, and with weak demand, the overall atmosphere in the magnesium industry is depressed. Consequently, the Group has adjusted and scaled down the production of magnesium products, and the capacity of Baishan Tianan has been idle for several years.

As of the date of this announcement, the Baishan Tianan Assets have not yet been auctioned. Currently, the Group's business operations are still proceeding normally, and the above matter has not had a significant impact on the Group's other business operations. The Company will make further announcements regarding the auction of the Baishan Tianan Assets in due course.

Shareholders and potential investors of the Company are advised that if no interested buyers are identified, the Baishan Tianan Assets may not be successfully auctioned. The Company will issue further announcements to update the status of the auction as appropriate.

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

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

Hong Kong, 9 February 2024

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.