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**稀镁科技**  
**REMT**

**稀镁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)**

## **PROFIT WARNING**

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(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wish to inform the shareholders of the Company and potential investors that, based on a preliminary review of the unaudited consolidated management accounts for the year ended 31 December 2023 (the “**FY2023**”), and the operational and financial data available as of the date of this announcement (collectively referred to as the “**Unaudited Financial Information**”), it is expected that the Group may record a consolidated net loss of approximately HK\$410 million to HK\$430 million for FY2023. In comparison, the Group recorded a consolidated net profit of approximately HK\$1.4 million for the year ended 31 December 2022.

The expected net loss for FY2023 is mainly due to the following factors: (i) The overall price of magnesium ingots in the PRC showed a downward trend in 2023, fluctuating within a low range, and the continued decline in magnesium prices suppressed the profit margins of magnesium enterprises, thereby affecting the sales and production levels in FY2023; (ii) the Group’s magnesium business continued to incur losses, necessitating an impairment loss provision of approximately HK\$204 million for non-current assets (non-recurring and non-cash in nature); and (iii) the creditor scheme implemented by the Group in 2022, which recognized a one-off discount gain on debt restructuring of approximately HK\$267 million, which was a non-recurring and non-cash income, with no corresponding gain being recognized in 2023.

As the annual results for FY2023 have not been finalised, the information contained in this announcement is only based on the Board's reference to the Unaudited Financial Information available as of the date of this announcement, which have not been audited by the auditors of the Company nor reviewed by the audit committee of the Company. The annual results announcement of the Company for FY2023 is expected to be published on 28 March 2024 in full compliance with the requirements under the Listing Rules.

**Shareholders and prospective investors are advised to exercise cautions when dealing in the shares of the Company.**

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

Hong Kong, 18 March 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.*