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RARE EARTH MAGNESIUM TECHNOLOGY GROUP HOLDINGS LIMITED

(in provisional liquidation)

(for restructuring purposes only)

(Incorporated in Bermuda with limited liability)

(Stock Code: 601)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM”) of Rare Earth Magnesium Technology Group Holdings Limited (the “**Company**”) will be held on Wednesday 25 May 2022 at 2:30 p.m. at 16th Floor, Tower 5, The Gateway, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

Capitalised terms used in this notice shall have the same meaning of those defined in the circular of the Company dated 3 May 2022 to the Shareholders (the “**Circular**”) unless otherwise specified.

SPECIAL RESOLUTION

1. “**THAT**, subject to (i) passing of the ordinary resolution numbered 2 below; (ii) the granting by the Listing Committee of The Stock Exchange of the listing, and permission to deal in, the New Shares; and (iii) the compliance by the Company with the relevant procedures and requirements under the Companies Act 1981 of Bermuda to effect the Capital Reduction and the Rules Governing the Listing of Securities on the Stock Exchange to effect the Capital Reorganisation and, with effect from the second business day immediately following the date on the conditions of the Capital Reorganisation are fulfilled:
 - (i) the issued share capital of the Company be reduced by cancelling the paid up capital to the extent of HK\$1.99 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$2.00 to HK\$0.01;
 - (ii) immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares with par value of HK\$2.00 each be sub-divided into two hundred (200) new ordinary shares of par value HK\$0.01 each;

- (iii) all credits arising as a result of the Capital Reduction be transferred to the contributed surplus account of the Company for use by the Directors in any manner permitted by the Companies Act 1981 of Bermuda and the bye-laws of the Company; and
- (iv) any one director of the Company be and is hereby authorised to do all such acts or things, as he/she may in his/her absolute discretion consider necessary or desirable, to give effect to this resolution and the transactions contemplated thereunder.”

ORDINARY RESOLUTIONS

- 2. “**THAT**, subject to (i) the Listing Committee of The Stock Exchange granting the listing of, and permission to deal in, the New Shares; and (ii) the compliance with the relevant procedures and requirements under the Rules Governing the Listing of Securities on the Stock Exchange to effect the Capital Reorganisation, with effect from the second business day (as defined in the bye-laws of the Company) immediately following the date on the conditions of the Capital Reorganisation are fulfilled, every twenty (20) issued and unissued ordinary share(s) of par value HK\$0.10 each in the share capital of the Company be consolidated into one (1) ordinary share(s) of par value HK\$2.00 each in the share capital of the Company.”
- 3. “**THAT**, subject to the applicable laws of Hong Kong and the directions and sanctions of the Hong Kong Court, the approval of the Scheme Creditors and to all the other resolutions set out in this notice being passed:
 - (i) the Creditors’ Scheme material particular whereof are disclosed in the scheme of arrangement document of the Company dated 18 January 2022 (as amended and supplemented) and despatched to the creditors of the Company (details of the majority terms of the Creditors’ Scheme are set out in the section headed “Letter from the Board – The Creditors’ Scheme” in the circular of the Company dated 3 May 2022), which are to be proposed and effected as a scheme under Part 13 of the Companies Ordinance, be and are hereby approved, subject to any modification thereof or addition thereof approved or imposed by the Hong Kong Court (if any); and
 - (ii) subject to the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Scheme Shares and the Conversion Shares, with immediate effect after the conditions precedent to the Creditors’ Scheme are fulfilled:
 - (a) the transactions contemplated under the Creditors’ Scheme in connection with the issue of the Scheme Shares and the Convertible Bonds be and are hereby approved;
 - (b) the Directors be and are hereby granted a Specific Mandate to allot and issue, pursuant to the Creditors’ Scheme, of the Scheme Shares to the Scheme Company and of the Conversion Shares upon conversion of the Convertible Bonds be and are hereby approved.”

4. “**THAT**, any one director of the Company be and is hereby authorised to do all such acts or things, as he/she may in his/her absolute discretion consider necessary or desirable, to give effect to foregoing resolutions and the transactions contemplated thereunder.”

By order of the Board
Rare Earth Magnesium Technology Group Holdings Limited
(in provisional liquidation)
(for restructuring purposes only)
Shum Sai Chit
Chairman

Hong Kong, 3 May 2022

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong:

16th Floor, Tower 5
The Gateway
Harbour City
Tsim Sha Tsui, Kowloon
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the SGM convened by the above notice is entitled to appoint another person as his proxy to attend and, on a poll, vote on his behalf. A proxy need not be a member of the Company but must attend the SGM to represent the member.
2. In order to be valid, the form of proxy must be deposited with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong together with any power of attorney or other authority, under which it is signed, or a certified copy of that power or authority, not less than 48 hours before (i.e. no later than 2:30 p.m. on Monday, 23 May 2022) the time for holding the SGM or any adjournment thereof.
3. In the case of joint holders of any shares in the Company, any one of such joint holders may vote at the SGM, either in person or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the meeting, either personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such shares shall be accepted to the exclusion of the votes of the other joint registered holders.
4. For the purpose of determining the eligibility of the shareholders of the Company to attend and vote at the SGM, the register of members of the Company will be closed from Friday, 20 May 2022 to Wednesday, 25 May 2022, both days inclusive, during this period no transfer of Shares will be registered. In order to qualify for attending and voting at the SGM, all share transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 19 May 2022, for registration.

5. If “extreme conditions” caused by super typhoons, typhoon signal No. 8 or above, or a black rainstorm warning is in effect at 7:30 a.m. on the date of the SGM, the meeting will be postponed. The Company will post an announcement on its website (www.remt.com.hk) and designated website of the Stock Exchange (www.hkexnews.hk) to notify Shareholders of the date, time and place of the rescheduled meeting.
6. Taking into account of the recent development of the epidemic caused by Coronavirus Disease (“**COVID-19**”), the Company will implement the following prevention and control measures at the meeting against the epidemic to protect the Shareholders from the risk of infection:
 - (i) Temperature measurement will be conducted for every Shareholder or proxy before allowing them to enter the building. Any person with fever will be prohibited from entering into the venue;
 - (ii) Every Shareholder or proxy is required to wear surgical facial mask throughout the meeting;
 - (iii) No refreshment will be served; and
 - (iv) there will be alternative seating so that social distancing seating plans will be implemented.

Furthermore, the Company wishes to advise the Shareholders, particularly the Shareholders who are subject to quarantine in relation to COVID-19, that they may appoint any person or the chairman of the meeting as a proxy to vote on the resolutions, instead of attending the meeting in person.

As at the date of this notice, the directors of the Company are:

Executive directors: Mr. Shum Sai Chit (*Chairman*) and Ms. Chi Sile

Independent non-executive directors: Mr. Kwong Ping Man, Mr. Cheung Sound Poon and Mr. Kwan Ngai Kit