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**稀镁科技
REMT**

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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)

**UPDATE ON THE CREDITORS' SCHEME;
ISSUE OF SCHEME SHARES AND CONVERTIBLE BONDS
AND
CHANGE OF ADDRESS OF HONG KONG BRANCH SHARE
REGISTRAR AND TRANSFER OFFICE**

References are made to the circular (the “**Circular**”) of Rare Earth Magnesium Technology Group Holdings Limited (the “**Company**”) dated 3 May 2022 in relation to, among others, the Creditors’ Scheme, the announcement of the Company dated 25 May 2022 in relation to the poll results of the SGM held on 25 May 2022 and the announcement of the Company dated 27 May 2022 in relation to, among others, the sanction of the Creditors’ Scheme by the Hong Kong Court. Unless otherwise stated, capitalised terms used in this announcement shall bear the same meanings as defined in the Circular.

UPDATE ON THE CREDITORS' SCHEME AND ISSUE OF SCHEME SHARES AND CONVERTIBLE BONDS

The Creditors' Scheme has become effective on 31 May 2022 and based on the information provided by the Scheme Administrators, the total amounts of the Admitted Claims of the Scheme Creditors were HK\$763,285,097.

As disclosed in the Circular, all the Scheme Creditors must indicate their preference in the preference indication forms (the “**Preference Indication Forms**”) for the manner of the restructuring of their Admitted Claims (i.e. by the Term Extension Option or the Convertible Bonds Swap Option or a combination of both) and return the Preference Indication Forms to the Scheme Administrators by the Preference Indication Date (i.e. 25 July 2022). Failure to indicate their preference will result in the Scheme Creditor being deemed to have elected to allocate the entirety of his/her/its Claim to the Convertible Bonds Swap Option.

As of the Preference Indication Date, the Scheme Administrators have received the Preference Indication Forms from all Scheme Creditors and the Admitted Claims have been allocated in the following manner:

	Admitted Claims (HK\$)
(a) Term Extension Option	304,895,361
(b) Convertible Bonds Swap Option	<u>458,389,736</u>
Total	<u><u>763,285,097</u></u>

Based on the Admitted Claims of HK\$458,389,735 (i.e. equivalent to the principal amounts of Convertible Bonds) under the Convertible Bonds Swap Option and assuming full conversion of the Convertible Bonds at the initial Conversion Price, the Convertible Bonds will be convertible into 372,563,582 Conversion Shares, of which Ming Xin's entitlement under the Convertible Bonds Swap Option is as follows:

Principal amount of Convertible Bonds:	HK\$447,076,299
Conversion Shares upon full conversion (based on initial Conversion Price):	372,563,582 New Shares

Based on the above and pursuant to the terms of the Creditors' Scheme, the Company will issue 65,843,900 Scheme Shares and Convertible Bonds in the principal amount of HK\$458,389,736 in the manner as set out in the section headed “Issue of Scheme Shares and Convertible Bonds under Specific Mandate” in the Circular.

IMPACT OF THE ISSUE OF SCHEME SHARES AND CONVERTIBLE BONDS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purpose, set out below is the shareholding structure of the Company

- (i) as at the date of this announcement;
- (ii) immediately after the allotment and issue of Scheme Shares and the Convertible Bonds and before conversion of the Convertible Bonds by Convertible Bond Option Creditors; and
- (iii) immediately after the allotment and issue of Scheme Shares and the Convertible Bonds and assuming full conversion of the Convertible Bonds by Convertible Bond Option Creditors at the initial Conversion Price:

Shareholders	As at the date of this announcement		Immediately after the allotment and issue of Scheme Shares and the Convertible Bonds		Assuming full conversion of the Convertible Bonds by Scheme Creditors at the initial Conversion Price	
			Before conversion of the Convertible Bonds by Scheme Creditors			
	Number of New Shares	Approx. %	Number of New Shares	Approx. %	Number of New Shares	Approx. %
Ming Xin (<i>Note 1</i>)	238,055,871	72.31	238,055,871	60.25	610,619,453	78.59
Scheme Company (<i>Note 2</i>)	—	—	65,843,900	16.67	65,843,900	8.47
Bondholders	—	—	—	—	9,427,864	1.21
Other public Shareholders	<u>91,163,631</u>	<u>27.69</u>	<u>91,163,631</u>	<u>23.08</u>	<u>91,163,631</u>	<u>11.73</u>
Total	<u><u>329,219,502</u></u>	<u><u>100.00</u></u>	<u><u>395,063,402</u></u>	<u><u>100.00</u></u>	<u><u>777,054,848</u></u>	<u><u>100.00</u></u>

Notes:

- Ming Xin is wholly-owned by Century Sunshine.
- The Scheme Shares are held by the Scheme Company for and on behalf of the Term Extension Option Creditors. None of the Term Extension Option Creditors will become a substantial shareholder of the Company as a result of the issuance of the Scheme Shares.

The Company will make further announcement(s) as and when appropriate.

CHANGE OF ADDRESS OF HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

The board of directors of the Company hereby announces that with effect from 15 August 2022, the Hong Kong Branch Share Registrar and Transfer Office of the Company, Tricor Secretaries Limited (the “**Branch Share Registrar**”), will change its address from Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong to:

**17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong**

All telephone and facsimile numbers of the Branch Share Registrar will remain unchanged.

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
(in provisional liquidation)
(for restructuring purposes only)
Fan Kwok Man
Company Secretary

Hong Kong, 26 July 2022

As at the date of this announcement, 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 and Mr. Cheung Sound Poon*