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

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary assessment of the unaudited consolidated management accounts and other financial information (collectively, the “**Unaudited Financial Information**”) of the Group for the six months ended 30 June 2023 (“**1H 2023**”), the Group expects the revenue for 1H 2023 to be around HK\$103 million (1H 2022: HK\$239 million), representing a decrease of approximately 57% year-on-year. The Group expects to record a net loss ranging from approximately HK\$110 million to HK\$120 million for 1H 2023, while the net loss for the same period last year was approximately HK\$96 million.

We focus on the production and sale of magnesium ingot products in China. During the period, due to the unfavorable external economic environment, weak overall market demand led to a significant year-on-year decrease in the price of magnesium tablets. In addition, the relatively weak RMB this year has led to a decrease in our average selling price compared to last year by about 49%. Moreover, in order to ensure product quality and improve production efficiency, our production plant underwent necessary downtime maintenance work in April this year, resulting in a temporary reduction in production capacity and negatively impacting the Group’s profit margin during the period.

Although we faced some challenges in the short term, we firmly believe that these factors are only temporary and will not affect our long-term development strategy. Our fundamentals remain strong, and we are confident in dealing with these short-term market changes, continuing to optimize our production process, seeking new market opportunities, and achieving sustainable business growth. We appreciate the understanding and support of all shareholders and potential investors.

Since the results for 1H 2023 have not been finalized, the information contained in this announcement is only for reference based on the Unaudited Financial Information as of the date of this announcement and has not been reviewed by the Company's Audit Committee. The Company will fully comply with the provisions of the Listing Rules and expects to publish its interim results announcement for 1H 2023 by the end of August 2023.

Shareholders and potential investors are advised to exercise caution 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 August 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.