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RARE EARTH MAGNESIUM TECHNOLOGY GROUP HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 601)

INSIDE INFORMATION
FINANCIAL AND BUSINESS UPDATE

This announcement is made by the board (the "**Board**") of directors (the "**Directors**") of Rare Earth Magnesium Technology Group Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Financial Update

Based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2026 ("**HY2026**"), the board of directors of the Company wishes to inform the shareholders (the "**Shareholders**") and potential investors of the Company that the Group is expected to record a net loss in the range of approximately HK$45.0 million to HK$65.0 million for HY2026, as compared to a net loss of approximately HK$65.3 million for the six months ended 30 June 2025 ("**HY2025**"). Accordingly, it is expected that the Group's net loss for HY2026 is expected to remain broadly comparable to that of HY2025.

The Group's revenue for HY2026 is expected to decrease by approximately 67.5% to approximately HK$30.5 million for HY2026 as compared with the corresponding period last year and such decline in revenue was primarily attributable to reduced sales volume of magnesium products amid a continued weak market environment, where supply persistently outpaced demand and magnesium prices remained under pressure. For HY2026, although the Group is expected to remain in a gross loss position, consistent with HY2025, the amount of gross loss is anticipated to narrow in line with reduced sales. As a result, the Group's net loss for HY2026 is expected to be largely in line with that of HY2025.

The Company is still in the process of finalising its condensed interim results of the Group for HY2026. The information contained in this announcement represents only a preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group for HY2026. Such information has not been reviewed by the Company's auditors or the Audit Committee of the Board and therefore may be subject to adjustment. The Group's interim results for HY2026 are expected to be published by the end of August 2026.

Business Update

The Group's subsidiary, Xinjiang Tengxiang Magnesium Products Co., Ltd. ("**Xinjiang Tengxiang**"), continues to face significant operational risks arising from environmental upgrade requirements, as disclosed in the Company's prior years' annual reports. In line with national policies mandating ultra low emissions in the coking industry, the local government has required Xinjiang Tengxiang to complete the upgrade of outdated production processes at its Semi-coke plant by the end of 2025. Given the substantial capital investment required and the Group's prevailing financial constraints, Xinjiang Tengxiang has applied for an extension of the compliance deadline.

Recently, Xinjiang Tengxiang received a rectification order from the Hami High Tech Industrial Development Zone Administrative Committee requiring full compliance with ecological and environmental protection directives. In response, Xinjiang Tengxiang intends to arrange a temporary suspension of production during the facility upgrade process to ensure adherence to regulatory requirements.

During the suspension period of the upgrade and renovation shutdown of Xinjiang Tengxiang's semi-coke production facilities, the Group will leverage its resource advantages and maintain business operations through the continued trading of magnesium products and entrusted processing arrangements, thereby ensuring customer demand is met. Given that the Group has been deeply engaged in the magnesium metal industry for more than a decade and has established long-term and sound partnership relationships with suppliers and customers, these arrangements will help sustain business operations during the suspension period. With magnesium ingot prices remaining at low levels and production costs exceeding market prices, the temporary suspension of operations is expected to significantly reduce fixed overheads, creating scope for cost savings and efficiency enhancement for the Group.

In relation to another principal operating subsidiary of the Group, Baishan City Tianan Magnesium Resources Company Limited has introduced new investors to fund the construction of a magnesium ore powder production line. The production line has formally commenced commercial operations. The commissioning of this new facility is expected to broaden the Group's business channels and contribute positively to revenue generation of the Group's magnesium business.

The Board reaffirms its commitment to maintaining operational stability and protecting Shareholder interests during this period of adjustment. The Company will continue to implement measures designed to strengthen the Group's financial resilience, enhance efficiency, and ensure compliance with all applicable regulatory requirement.

Shareholders and potential investors of the Company should 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 and executive Director

Hong Kong, 19 August 2026

As at the date of this announcement, the Board comprises the following members:

Executive Directors:	*Mr. Shum Sai Chit and Ms. Chi Sile*
Independent Non-executive Directors:	*Mr. Cheung Sound Poon, Mr. Sheng Hong and Mr. Shen Yimin*

Website: http://www.remt.com.hk