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RARE EARTH MAGNESIUM TECHNOLOGY GROUP HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 601)

TERMINATION OF THE RIGHTS ISSUE AND THE UNDERWRITING AGREEMENT

References are made to the announcements of the Company dated 19 November 2024, 28 November 2024 and 10 December 2024 in relation to the Rights Issue (the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement should have the same meanings as those defined in the Announcements.

The Board announces that on 21 December 2024, the Company received from the Underwriter a notice of termination, pursuant to which the Underwriter has given its written notice to the Company to terminate the Underwriting Agreement with immediate effect (the “**Termination**”) in view of a significant drop in the trading price of the Shares from the Last Trading Day up to 19 December 2024, in which the closing price of the Shares on the Stock Exchange has decreased by approximately 50.5% from HK\$0.196 on 19 November 2024 to \$0.097 on 19 December 2024. The Underwriter considers that, to which the Company agrees, the success of the Rights Issue would be materially and adversely affected in light of the significant drop in the trading price of the Shares.

Accordingly, the Underwriting Agreement has been terminated in its entirety and is of no further force or effect. Upon the Termination, all obligations of the parties under the Underwriting Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement, save for any rights of any party in respect of any antecedent breaches. The Rights Issue will therefore not be proceeded and has been lapsed.

As at the date of this announcement, the Company has not yet despatched the Prospectus Documents and no Rights Shares have been issued by the Company under the Rights Issue.

The Board does not consider that the Termination will have any immediate material adverse effect on the business operation or financial position of the Group. The Company will continue to explore alternative means of financing as and when appropriate and formulate or revise its business plans which were originally proposed to be funded by the Rights Issue.

Shareholders and potential investors 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
Shum Sai Chit
Chairman

Hong Kong, 21 December 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. Cheung Sound Poon, Mr. Sheng Hong and Mr. Shen Yimin.