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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 CONNECTED TRANSACTION IN RELATION TO PROPOSED ALTERATION OF CONDITIONS OF THE CONVERTIBLE BONDS AND TERMINATION OF THE SUPPLEMENTAL DEED

References are made to (i) the announcement of Rare Earth Magnesium Technology Group Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") dated 30 November 2017 in relation to, among others, the Convertible Bonds in the principal amount of HK$420,000,000 issued by the Company to Ming Xin Developments Limited ("**Ming Xin**"), a substantial shareholder of the Company and an indirect wholly-owned subsidiary of Century Sunshine Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange of Hong Kong Limited (Stock Code: 509); (ii) the announcement and the circular (the "**Circular**") of Company dated 15 January 2020 and 18 February 2020 respectively in relation to, among others, the Supplemental Deed to alternate the conditions of the Convertible Bonds; (iii) the poll results announcement of the Company dated 11 March 2020 regarding the Supplemental Deed; and (iii) the announcements of the Company dated 3 July 2020, 9 July 2020 and 17 July 2020 in relation to, among other things, the Company's application (the "**JPL Application**") for the appointment of "light touch" joint provisional liquidators (the "**JPLs**") at the Supreme Court of Bermuda and the appointment of the JPLs.

Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as defined in the Circular.

On 30 October 2020, the Company received from Ming Xin a default redemption notice (the "**Notice**") pursuant to the instrument (the "**Instrument**") constituting the Convertible Bonds dated 30 November 2017 that the JPL Application constitutes an event of default thereunder and outstanding principal amount of the Convertible Bonds of HK$426,996,164 has become immediately due and payable at the redemption amount thereof (being the principal amount together with accrued and unpaid interest thereon).

Ming Xin also declared that the Supplemental Deed, which has not become unconditional, ceases to have any substantive effect immediately upon the issuance of the Notice.

The board (the "**Board**") of directors (the "**Directors**") of the Company concurs that with the acceleration of the Convertible Bonds in the above circumstances, the transactions contemplated under Supplemental Deed can no longer proceed or have any effect. Given that the Company is in provisional liquidation for restructuring purposes, the Board considers that this development has no material impact on the business operations and financial position of the Group as a whole.

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

Hong Kong, 30 October 2020

As at the date of this announcement, the executive Directors are Mr. Shum Sai Chit and Mr. Chi Jing Chao; non-executive Director is Professor Meng Jian, independent non-executive Directors are Mr. Kwong Ping Man, Mr. Cheung Sound Poon and Mr. Kwan Ngai Kit.