
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Rare Earth Magnesium Technology Group Holdings Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



稀鎂科技
REMT

稀鎂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: 00601)

**PROPOSALS FOR (1) GENERAL MANDATES TO
REPURCHASE SHARES AND
TO ISSUE NEW SHARES
(2) RE-ELECTION OF DIRECTORS
(3) THE FINAL DIVIDEND FOR THE YEAR ENDED 31 DECEMBER 2019
AND (4) NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the annual general meeting of Rare Earth Magnesium Technology Group Holdings Limited (“**Company**”) for the year ended 31 December 2019 to be held at Suite 1105, 11th Floor, Tower 6, The Gateway, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 26 June 2020 at 4 p.m. is set out on pages 14 to 17 of this circular.

Whether or not you are able to attend and vote at the annual general meeting, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon to the Hong Kong branch share registrar and transfer office of the Company, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish. In such event, the instrument appointing a proxy shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR THE AGM

Please see page 1 of this circular for measures to be implemented at the AGM to safeguard the health and safety of Shareholders and prevent the spread of the coronavirus (COVID-19) pandemic, including:

- **mandatory body temperature checks and health declarations**
- **wearing of surgical face masks**
- **no distribution of refreshments or corporate gifts**

Any person who does not comply with the precautionary measures may be denied entry into the AGM venue or be required to leave the AGM venue. The Company reminds all Shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising voting rights and would like to encourage Shareholders to appoint the chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM, instead of attending the AGM in person.

CONTENTS

	<i>Page</i>
EXPECTED TIMETABLE	ii
PRECAUTIONARY MEASURES FOR THE AGM	1
DEFINITIONS	2
LETTER FROM THE BOARD	4
APPENDIX I — EXPLANATORY STATEMENT	8
APPENDIX II — BRIEF BIOGRAPHICAL DETAILS OF DIRECTORS	11
APPENDIX III — NOTICE OF ANNUAL GENERAL MEETING	14

EXPECTED TIMETABLE

The expected timetable for the declaration of Final Dividend is set out below:

2020

(Hong Kong time)

Latest time for lodging transfer of Shares in order to be
entitled to attend and vote at AGM 4:30 p.m., Friday, 19 June

Closure of register of members of the Company for the
entitlement to attend and vote at the AGM Monday, 22 June to Friday, 26 June
(both days inclusive)

Latest time for lodging forms of proxy for the AGM..... 4 p.m., Wednesday, 24 June

Record date for determining entitlement to attend and
vote at the AGM Friday, 26 June

AGM 4 p.m., Friday, 26 June

Announcement of the results of the AGM..... Friday, 26 June

Last day of dealings in Shares cum-entitlement to the
Final Dividend Monday, 29 June

First day of dealings in Shares ex-entitlement to the
Final Dividend Tuesday, 30 June

Latest time for lodging transfer of Shares in order to be
entitled to the Final Dividend 4:30 p.m., Thursday, 2 July

Closure of register of members of the Company for the
entitlement to the Final Dividend Friday, 3 July to Monday, 6 July

Record Date for determining entitlement to the
Final Dividend Monday, 6 July

Re-open of register of members of the Company Tuesday, 7 July

Despatch of the dividend warrants
and the Final Dividend payment date Wednesday, 15 July

Dates or deadlines specified in this circular are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be announced or notified to the Shareholders as and when appropriate.

PRECAUTIONARY MEASURES FOR THE AGM

To safeguard the health and safety of Shareholders and prevent the spread of the coronavirus (COVID-19) pandemic, the following measures will be implemented at the AGM:

- Each attendee will be required to undergo a mandatory body temperature check and sign a health declaration form before entering the AGM venue. Any person with a body temperature above 37.4 degrees Celsius, or is exhibiting flu-like symptoms, may be denied entry into the AGM venue or be required to leave the AGM venue.
- Shareholders, proxies and other attendees are required to wear surgical face masks inside the AGM venue at all times, and maintain a safe distance between seats. Any person who does not comply with this requirement will be required to leave the AGM venue.
- No refreshments will be served at the AGM, and there will be no corporate gifts.

The Company reminds all Shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising voting rights and would like to encourage Shareholders to appoint the chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM, instead of attending the AGM in person.

If Shareholders choosing not to attend the AGM in person have any questions about the relevant resolution, or about the Company or any matters for communication with the Board, they are welcome to contact the Company via the investor relations manager of the Company as follows:

Suite 1105, 11th Floor, Tower 6, The Gateway
9 Canton Road
Tsim Sha Tsui
Kowloon
Hong Kong
Fax: (852) 2802 2697
E-mail: ir@remt.com.hk

If Shareholders have any questions relating to the AGM, please contact Tricor Secretaries Limited, the Company's Hong Kong branch share registrar, as follows:

Tricor Secretaries Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong
Fax: (852) 2810 8185
E-mail: is-enquiries@hk.tricorglobal.com

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be convened at Suite 1105, 11th Floor, Tower 6, The Gateway, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 26 June 2020 at 4 p.m., notice of which is set out on pages 14 to 17 of this circular
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Century Sunshine”	Century Sunshine Group Holdings Limited (世紀陽光集團控股有限公司), the holding company of the Company which is 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 (stock code:509)
“close associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Company”	Rare Earth Magnesium Technology Group Holdings Limited (稀鎂科技集團控股有限公司), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 601)
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“core connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Final Dividend”	the final dividend of HK\$0.006 per Share for the year ended 31 December 2019 proposed to be approved by Shareholders at the AGM
“Group”	the Company and its Subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“inside information”	has the meaning defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time

DEFINITIONS

“Issue Mandate”	the proposed general mandate to be granted to the Directors to allot, issue and deal with new Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the ordinary resolution granting such mandate
“Latest Practicable Date”	22 May 2020, being the latest practicable date prior to the date of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Repurchase Mandate”	the proposed general mandate to be granted to the Directors to permit the repurchase of fully paid up Shares of up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the ordinary resolution granting such mandate
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	any company which is for the time being and from time to time a subsidiary (within the meaning ascribed thereto in the Listing Rules) of the Company, whether incorporated in Hong Kong or elsewhere and “Subsidiaries” shall be construed accordingly
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



稀鎂科技
REMT

稀鎂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: 00601)

Executive Directors:

Shum Sai Chit (*Chairman and Chief Executive Officer*)
Chi Jing Chao

Non-executive Directors:

Professor Meng Jian
Tam Wai Ho, Samson, *JP*

Independent Non-executive Directors:

Kwong Ping Man
Cheung Sound Poon
Kwan Ngai Kit

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Office:

Suite 1105, 11th Floor, Tower 6,
The Gateway, 9 Canton Road,
Tsim Sha Tsui,
Kowloon,
Hong Kong

To the shareholders

Dear Sir or Madam,

**PROPOSALS FOR (1) GENERAL MANDATES TO
REPURCHASE SHARES AND
TO ISSUE NEW SHARES
(2) RE-ELECTION OF DIRECTORS
(3) THE FINAL DIVIDEND FOR THE YEAR ENDED 31 DECEMBER 2019
AND (4) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM to be held on Friday, 26 June 2020 at 4 p.m., which include, inter alia, (i) granting the Directors general mandates to issue and repurchase Shares; (ii) proposed declaration of the Final Dividend; and (iii) the re-election of the retiring Directors.

LETTER FROM THE BOARD

GENERAL MANDATES TO REPURCHASE SHARES AND ISSUE NEW SHARES

At the AGM, relevant resolutions will be proposed by the Company to grant the Directors the general mandates (i) to repurchase up to 10% of the aggregate nominal amount of share capital of the Company in issue as at the date of passing of the relevant resolution; (ii) to allot and issue Shares up to 20% of the aggregate nominal amount of share capital of the Company in issue as at the date of passing the relevant resolution and (iii) to extend the Issue Mandate by adding any Shares repurchased by the Company pursuant to the Repurchase Mandate.

As at the Latest Practical Date, a total of 6,584,390,058 Shares were in issue. Subject to the passing of the proposed resolutions granting the Repurchase Mandate and the Issue Mandate to the Directors and on the basis that no Share will be issued and/or repurchased by the Company prior to the AGM, the Company will be allowed to repurchase up to 658,439,005 Shares and to issue up to 1,316,878,011 Shares under the Repurchase Mandate and the Issue Mandate respectively. Similar mandates previously granted to the Directors at the annual general meeting of the Company held on 26 June 2019 will be expired at the close of this AGM. Therefore, it is proposed to seek approval from the Shareholders by way of ordinary resolutions to be put at the AGM to approve the grant of the Repurchase Mandate and the Issue Mandate.

An explanatory statement, as required by Rule 10.06(1)(b) of the Listing Rules on Stock Exchange, containing the requisite information to enable the Shareholders to make an informed decision on whether to vote for or against the Repurchase Mandate is set out in Appendix I to this circular.

With reference to such new proposed general mandates, the Directors wish to state that they have no immediate plans to issue any new Shares or repurchase any Shares pursuant to the relevant mandates.

RE-ELECTION OF DIRECTORS

Pursuant to Bye-Law 86(2) of the Bye-Laws, Mr. Chi Jing Chao will hold office until the forthcoming AGM of the Company and, being eligible, offer themselves for re-election at the AGM.

Pursuant to Bye-law 87 of the Bye-laws, Mr. Shum Sai Chit, Mr. Tam Wai Ho, Samson and Mr. Kwan Ngai Kit will retire by rotation. Except for Mr. Tam Wai Ho, Samson who has informed the Company that he will retire as non-executive Director of the Company after the conclusion of the 2020 AGM and will not offer himself for re-election at the 2020 AGM, all other retiring Directors, being eligible, offer themselves for re-election at the AGM.

Brief biographical details of the aforesaid Directors who are proposed to be re-elected at the 2020 AGM, which are required to be disclosed by the Listing Rules, are set out in Appendix II to this circular.

LETTER FROM THE BOARD

PROPOSED DECLARATION OF THE FINAL DIVIDEND

As stated in the announcement of the annual results for the year ended 31 December 2019 of the Company dated 31 March 2020, the Directors had resolved to recommend the payment of a final dividend of HK\$0.006 per Share for the year ended 31 December 2019 to the Shareholders whose names appear on the register of members of the Company on the Record Date, subject to the approval of the Shareholders on the declaration of the Final Dividend at the AGM.

Record Date and Closure of Register of Members

Subject to the Shareholders' approval on the declaration of the Final Dividend at the AGM, the last day for dealing in Shares cum entitlements to the Final Dividend will be on Monday, 29 June 2020. Shareholders are reminded that in order to qualify for the Final Dividend, all transfers of Shares accompanied by the relevant share certificate and transfer forms must be lodged with the Company's Hong Kong branch share registrar, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 2 July 2020. The register of members of the Company will be closed from Friday, 3 July 2020 to Monday, 6 July 2020, during which no transfer of Shares will be effected, in order to ascertain and determine the entitlement of the Shareholders to the Final Dividend.

Dispatch of Dividend Warrants

It is expected that the dividend warrants for cash entitlements, will be posted to the Shareholders at the risk of those entitled thereto on Wednesday, 15 July 2020.

ANNUAL GENERAL MEETING

A notice convening the AGM to be held at Suite 1105, 11th Floor, Tower 6, The Gateway, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 26 June 2020 at 4 p.m. is set out in Appendix III to this circular.

Whether or not you are able to attend the AGM, you are requested to complete and return the enclosed proxy form for the AGM in accordance with the instructions printed thereon to the Hong Kong branch share registrar and transfer office of the Company, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the Company will procure that the chairman of the AGM shall demand voting on all resolutions set out in the notice of the AGM be taken by way of poll.

On a poll, every Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorized representative) or by proxy shall have one vote for every fully paid Share held. A Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorized representative) or by proxy who is entitled to more than one vote need not use all his votes or cast all his votes in the same way.

After the conclusion of the AGM, the poll results will be published on the websites of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk> and of the Company at <http://www.remt.com.hk>.

RECOMMENDATION

The Board considers that the ordinary resolutions, inter alia, (i) granting the Directors general mandates to issue and repurchase Shares; (ii) proposed declaration of the Final Dividend; and (iii) the re-election of the retiring Directors as set out in the notice of AGM are all in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend you to vote in favour of such resolutions at the AGM.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular. In case of any inconsistency between the English and Chinese versions of this circular, the English version shall prevail.

Yours faithfully,
For and on behalf of the Board of
Rare Earth Magnesium Technology Group Holdings Limited
Shum Sai Chit
Chairman

26 May 2020

This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) of the Listing Rules.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 6,584,390,058 Shares of HK\$0.10 each. Subject to the passing of the relevant ordinary resolution and on the basis that no Share is issued prior to the AGM on Friday, 26 June 2020, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 658,439,005 Shares.

2. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as it provides flexibility for the Directors to repurchase the Shares from the market whenever it is necessary to do so. Such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net value of the Company's shares and assets and/or its earnings per share and will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purposes in accordance with its Memorandum of Association and Bye-laws and the applicable laws of Bermuda. Bermuda law provides that the amount of capital repaid in connection with a Share repurchase may only be paid out of either the capital paid up on the relevant Shares, or the funds of the Company that would otherwise be available for dividend or distribution or the proceeds of a fresh issue of Shares made for repurchase purpose. The amount of premium payable on repurchase may be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or the Share premium account of the Company.

There may be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2019) in the event that the Repurchase Mandate is exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. INTENTION AND UNDERTAKING

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates has any present intention, if the Repurchase Mandate is approved, to sell any Shares to the Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

No connected person (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Company is authorised to make repurchase of Shares.

5. SHARE REPURCHASE BY THE COMPANY

In the six months immediately preceding the Latest Practicable Date, the Company had not repurchased any Shares on the Stock Exchange or otherwise.

6. EFFECT OF THE TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Ming Xin Developments Limited ("**Mingxin**") was the registered holder of 4,761,117,434 Shares, representing approximately 72.31% of the total issued share capital of the Company. Assuming no change in Mingxin's shareholdings, in the event that the Directors exercise in full the power to repurchase the Shares, the shareholding of Mingxin would be increased from approximately 72.31% to approximately 80.34% and exercise of the Repurchase Mandate in whole would result in an insufficient public float of less than 25%, of the total number of Shares in issue, assuming Mingxin do not participate in such Repurchase. Save as disclosed above, the Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchased made under the Repurchase Mandate. The Directors have no present intention to repurchase the Shares to the extent that (i) an obligation under the Takeovers Code to make a mandatory offer will be triggered or (ii) the number of Shares in the hands of the public will fall below the prescribed minimum level of 25%.

7. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2019	0.270	0.203
May 2019	0.380	0.209
June 2019	0.315	0.246
July 2019	0.315	0.250
August 2019	0.345	0.260
September 2019	0.335	0.275
October 2019	0.320	0.275
November 2019	0.330	0.280
December 2019	0.340	0.280
January 2020	0.315	0.260
February 2020	0.290	0.280
March 2020	0.255	0.250
April 2020	0.208	0.184
May 2020 (From 1 May to the Latest Practicable Date)	0.230	0.194

The following are the brief biographical details of the Directors who are proposed to be re-elected at the AGM:

Mr. SHUM Sai Chit, age 62, was appointed as an executive Director on 5 March 2015. Mr. Shum is also the Chairman of the Group and a director of certain subsidiaries of the Company. Prior to joining the Group, Mr. Shum was the Managing Director of Go Modern Limited which was principally engaged in manufacturing of textile products and trading activities. In 1984, Mr. Shum joined Fujian Textiles Import and Export Corporation as a Manager to oversee importing and exporting of textile products. Mr. Shum is a graduate of Consumer Product Pricing and Statistics. Mr. Shum is currently an executive director of Century Sunshine.

Century Sunshine has entered into a service agreement with Mr. Shum in relation to the appointment of Mr. Shum as an executive Director of the Company for a fixed term of 3 years commencing from 1 February 2018 provided that either Mr. Shum or Century Sunshine may terminate this appointment by giving at least three months' prior notice in writing, subject to the provisions of retirement and rotation of Directors under the Articles. Mr. Shum is currently entitled to a director fee of HK\$600,000 plus RMB360,000 per annum. In addition, Mr. Shum is also entitled to a discretionary management bonus calculated as a percentage of the audited consolidated net profit of the Group attributable to the owners of Century Sunshine (after tax and non-controlling interests and the payment of such management bonuses but before extraordinary and exceptional items), which percentage shall be determined by the Board provided that the aggregate amount of the bonuses payable to all executive Directors in respect of each financial year shall not exceed 5% of such profit. The remuneration of Mr. Shum is subject to the annual review of the Board with reference to his contribution in terms of time, effort and his expertise. Under the service agreement, Mr. Shum will be reimbursed for all reasonable expenses incurred in connection with the performance of his duties. Mr. Shum will also be eligible to be granted share options to subscribe for Shares under the Share Option Scheme.

Save as disclosed above, Mr. Shum does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, Mr. Shum has personal interest in 14,666,305 Shares in Century Sunshine and was interested in share options granted by Century Sunshine pursuant to the share option scheme of Century Sunshine entitling him to subscribe for 20,000,000 shares of Century Sunshine at HK\$0.30 per share. Mr. Shum was also interested in share options granted by the Company pursuant to the share option scheme entitling him to subscribe for 30,000,000 shares of the Company at HK\$0.40 per share. Save as disclosed above, Mr. Shum did not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save as disclosed above, Mr. Shum did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last 3 years. Save as disclosed above, there are no matters concerning Mr. Shum that needs to be brought to the attention of the shareholders of the Company nor is there any other information regarding Mr. Shum required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

Mr. CHI Jing Chao, aged 37, was appointed as an executive director of the Company on 27 June 2019. Prior to his appointment, he is the chief corporate affairs officer of Century Sunshine. He is responsible for the overall corporate activities. Mr. Chi has more than 10 years of experience in corporate affairs. Mr. Chi is a graduate of Financial and Administrative Management. Mr. Chi has joined Century Sunshine since August 2004. Mr. Chi is the nephew of Mr. Chi Wen Fu, the substantial shareholders of the Company. He is currently an executive director of Century Sunshine.

Century Sunshine has entered into a service agreement with Mr. Chi in relation to the appointment of Mr. Chi as an executive Director of the Company for a fixed term of 3 years commencing from 27 June 2019 provided that either Mr. Chi or Century Sunshine may terminate this appointment by giving at least three months' prior notice in writing. Pursuant to the director service contract, Mr. Chi is entitled to a director fee of RMB200,000 per annum. Mr. Chi is also entitled to a discretionary management bonus calculated as a percentage of the audited consolidated net profit of the Group attributable to the owners of Century Sunshine (after tax and non-controlling interests and the payment of such management bonuses but before extraordinary and exceptional items), which percentage shall be determined by the Board of Century Sunshine provided that the aggregate amount of the bonuses payable to all executive Directors of Century Sunshine in respect of each financial year of the Company shall not exceed 5% of such net profit. The remuneration of Mr. Chi has been determined with reference to his duties and responsibilities in the Company, the prevailing market rate and the remuneration policy of the Company and has been reviewed and approved by the remuneration committee of the Board. The remuneration of Mr. Chi is subject to the annual review of the remuneration committee of the Board with reference to his contribution in terms of time, effort and his expertise. He will also be reimbursed for all reasonable expenses incurred in connection with the performance of his duties to the Company.

Save as disclosed above, Mr. Chi does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, Mr. Chi has personal interest in 1,633,998 Shares in Century Sunshine and was interested in share options granted by Century Sunshine pursuant to the share option scheme of Century Sunshine entitling him to subscribe for 8,000,000 shares of Century Sunshine at HK\$0.30 per share. Mr. Chi was also interested in share options granted by the Company pursuant to the share option scheme entitling him to subscribe for 3,000,000 shares of the Company at HK\$0.40 per share. Save as disclosed above, Mr. Chi did not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save as disclosed above, Mr. Chi did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last 3 years. Save as disclosed above, there are no matters concerning Mr. Chi that needs to be brought to the attention of the shareholders of the Company nor is there any other information regarding Mr. Chi required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

Mr. Kwan Ngai Kit, age 40, was appointed as an independent non-executive Director on 6 June 2016. Mr. Kwan is currently the chief financial officer and the company secretary of Modern Dental Group Limited (Stock Code: 3600). Mr. Kwan has over 10 years' experience in auditing. He was a senior manager in assurance department of Ernst & Young. He is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Kwan holds a MBA degree from The Chinese University of Hong Kong and a Bachelor's degree in Accountancy from The Hong Kong Polytechnic University. Mr. Kwan is currently an independent non-executive director of A & S Group (Holdings) Limited (Stock Code: 1737), Lai Group Holding Company Limited (Stock Code: 8455) and Leyou Technologies Holdings Limited (Stock Code: 1089).

The Company has entered into a service agreement with Mr. Kwan in relation to the appointment of Mr. Kwan as an independent non-executive Director for a fixed term of 2 years commencing from 6 June 2018 provided that either Mr. Kwan or the Company may terminate this appointment by giving at least three months' prior notice in writing, subject to the provisions of retirement and rotation of Directors under the Articles. Mr. Kwan is currently entitled to a director fee of HK\$30,000 per annum. The remuneration of Mr. Kwan is subject to the annual review of the Board with reference to his contribution in terms of time, effort and his expertise. Under the service agreement, Mr. Kwan will be reimbursed for all reasonable expenses incurred in connection with the performance of his duties to the Company.

Ms. Lee Man Ching ("Ms. Lee"), being the spouse of Mr. Kwan, is the Assistant to Chairman of Century Sunshine, and is responsible for the human resources and administrative management of Century Sunshine. Ms. Lee is not a director, the chief executive or a substantial shareholder of either Century Sunshine or the Company. Save as disclosed above, Mr. Kwan did not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, Ms. Lee was interested in share options granted by Century Sunshine pursuant to the share option scheme entitling her to subscribe for 4,000,000 shares of Century Sunshine at HK\$0.30 per share and was interested in share options granted by the Company pursuant to the share option scheme entitling her to subscribe for 4,000,000 shares of the Company at HK\$0.40 per share. Mr. Kwan, as the spouse of Ms. Lee, is deemed to be interested in the personal interest and share options owned by Ms. Lee pursuant to Part XV of the SFO. Mr. Kwan was also interested in share options granted by the Company pursuant to the share option scheme entitling him to subscribe for 5,000,000 shares of the Company at HK\$0.40 per share. Save as disclosed above, Mr. Kwan did not have any interest in the shares or underlying shares of the Company and its associated corporations within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save as disclosed above, Mr. Kwan did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last 3 years. Save as disclosed above, there are no matters concerning Mr. Kwan that needs to be brought to the attention of the shareholders of the Company nor is there any other information regarding Mr. Kwan required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.



稀鎂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: 00601)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of Rare Earth Magnesium Technology Group Holdings Limited (“**Company**”) will be held at Suite 1105, 11th Floor, Tower 6, The Gateway, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 26 June 2020 at 4 p.m. for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the audited financial statements and the reports of the directors of the Company (“**Directors**”) and independent auditors for the year ended 31 December 2019;
2. To declare a final dividend of HK\$0.006 per share for the year ended 31 December 2019 (“**Final Dividend**”)
3. To re-elect Directors and to authorise the Board to fix their remuneration; and
4. To re-appoint auditors and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS

5. As special business, to consider and, if thought fit, to pass each of the following resolutions as an ordinary resolution:

(A) “**THAT**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time) or of any other stock exchange, be and is hereby generally and unconditionally approved and authorised;
- (b) the aggregate nominal amount of the Shares to be purchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal value of the share capital of the Company in issue at the date of passing of this resolution and the authority pursuant to paragraph (a) shall be limited accordingly; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company; or
 - (ii) the expiry of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company (“**Bye-laws**”) or any applicable law to be held; or
 - (iii) the date of passing of an ordinary resolution by shareholders of the Company (“**Shareholders**”) in general meeting revoking or varying the approval and authority given to the Directors by this resolution.”

(B) “THAT

- (a) a general mandate be and is hereby unconditionally granted to the Directors to exercise all the powers of the Company during the Relevant Period (as hereinafter defined) to issue, allot and deal with additional Shares in the capital of the Company (including making and granting offers, agreements and options which would or might require Shares to be issued, allotted or dealt with, whether during the continuance of such mandate or thereafter), otherwise than pursuant to:
 - (i) a rights issue where Shares are offered to Shareholders on a fixed record date in proportion to their then holdings of Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard, as appropriate, to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or stock exchange in, or in any territory outside, Hong Kong); or
 - (ii) any share option scheme or similar arrangement established by the Company and approved by the Stock Exchange; or
 - (iii) any issue of Shares upon the exercise of subscription rights attaching to any warrants of the Company; or
 - (iv) any scrip dividend scheme or similar arrangement implemented in accordance with the Bye-laws.
- (b) the aggregate nominal value of the share capital to be issued, allotted or dealt with pursuant to the authority granted under paragraph (a) of this resolution shall not in aggregate exceed 20% of the aggregate nominal value of the share capital of the Company in issue at the date of passing of this resolution; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company; or
 - (ii) the expiry of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable law to be held; or
 - (iii) the date of passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the approval and authority given to the Directors by this resolution.”

- (C) “**THAT** conditional upon the passing of the Resolution Nos. 5(A) and 5(B) above, the aggregate nominal amount of the Shares which shall have been repurchased by the Company pursuant to Resolution No. 5(A) above shall be added to the aggregate nominal amount of the Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to Resolution No. 5(B) above, provided that such additional amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution.”

By Order of the Board

Rare Earth Magnesium Technology Group Holdings Limited

Shum Sai Chit

Chairman

Hong Kong, 26 May 2020

Notes:

- (1) A member entitled to attend and vote at the meeting convened by this notice is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong together with any power of attorney or other authority under which it is signed or a certified copy of that power or authority, not less than 48 hours before the time for holding of the meeting or adjourned meeting.
- (2) Members are advised to read the circular to the Shareholders dated 26 May 2020 which contains an Explanatory Statement in relation to Resolution No. 5 above.
- (3) The Register of Members of the Company will be closed from Monday, 22 June 2020 to Friday, 26 June 2020, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for attending the meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 19 June 2020.