

香港中央結算有限公司
(香港交易及結算所有限公司全資附屬公司)

HONG KONG SECURITIES CLEARING COMPANY LIMITED
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

通告 CIRCULAR

Subject: Rare Earth Magnesium Technology Group Holdings Limited (Stock Code: 601)
- Proposal of Capital Reorganisation

Enquiry: Hotline: 2979 7111 / E-mail: clearingps@hkex.com.hk

Pursuant to the capital reorganisation proposal of Rare Earth Magnesium Technology Group Holdings Limited ("REMT"), every 20 existing shares of HK\$0.10 each ("Existing Share") will be consolidated into 1 consolidated share of HK\$2.00 ("Consolidated Share"). The issued share capital of the Company be reduced by cancelling the paid-up capital to the extent of HK\$1.99 on each Consolidated Share that the par value of the Consolidated shares will be reduced from HK\$2.00 to HK\$0.01 ("New Share"). Dealings in the New Shares are expected to commence on 4 July 2022.

For the convenience of CCASS Participants, HKSCC will carry out the conversions of actual holdings, transactions (including Settlement Instruction Transaction ("SI Transaction"), Investor Settlement Instruction Transaction ("ISI Transaction") and Compulsory Stock Borrowing Transaction ("CSB Transaction")) and/or unsettled stock positions (including Continuous Net Settlement Position ("CNS Position") and Isolated Trade Position ("IT Position")) of participants in CCASS to facilitate settlement of both New and Existing Shares in REMT. A stock conversion schedule is attached herewith as per Appendix I.

The aforesaid conversion process would be carried out in the Central Clearing and Settlement System automatically on the scheduled dates. However, for stock positions that remain unsettled between 19 July 2022 and 16 August 2022, the CCASS Participants concerned who need to effect the relevant conversion of their holdings for the purpose of settling their short positions should submit the Parallel Trading Conversion Instruction through CCASS Terminals during the above-mentioned period.

CCASS Participants who wish to deposit shares to or withdraw shares from the CCASS Depository are requested to note the following: -

(A) Deposit Arrangement

1. From 6 July 2022 until 16 August 2022, Existing Share certificates representing shares of HK\$0.10 each (pink in colour) will be accepted for deposit under stock code: 2943 (Temp). Effective from 17 August 2022, Existing Share certificates representing shares of HK\$0.10 each will only be accepted for deposit for custody purpose under stock code: 601 (New).

Effective from 18 July 2022, the CCASS Depository will accept deposit of New Share certificates representing shares of HK\$0.01 each (green in colour) under stock code: 601 (New).

2. For deposits of both Existing and New Share certificates of REMT under the same stock code, CCASS Participants are requested to use separate Transfer Deeds and Stock Deposit Forms to cover the Existing and New Share certificates respectively.
3. An example on how to complete the Stock Deposit Form in respect of deposits of Existing Shares is given as per Appendix III.

(B) Withdrawal Arrangement

1. With effect from 6 July 2022 until 19 July 2022, the CCASS Depository will only accept withdrawal of shares under the temporary stock code: 2943. If participants' holdings are recorded under stock code: 601, they should apply in writing to the CCASS Depository to convert their holdings to the temporary stock code: 2943 for the purpose of withdrawal.

Upon acceptance of the withdrawal order, the CCASS Depository will effect delivery of either Existing Share certificates representing shares of HK\$0.10 each or New Share certificates representing shares of HK\$0.01 each subject to availability of the two types of share certificates.

2. With effect from 20 July 2022, the CCASS Depository will only accept withdrawal of New Shares under the new stock code: 601. If participants' holdings are recorded under temporary stock code: 2943, they should submit the Parallel Trading Conversion Instruction through CCASS Terminals to convert their holdings to the new stock code: 601 for the purpose of withdrawal.

Detailed schedule for accepting deposits and withdrawals under stock code: 601 or the temporary stock code: 2943 is given as per Appendix II.

Wil Tang
Vice President
Depository and Nominee Services

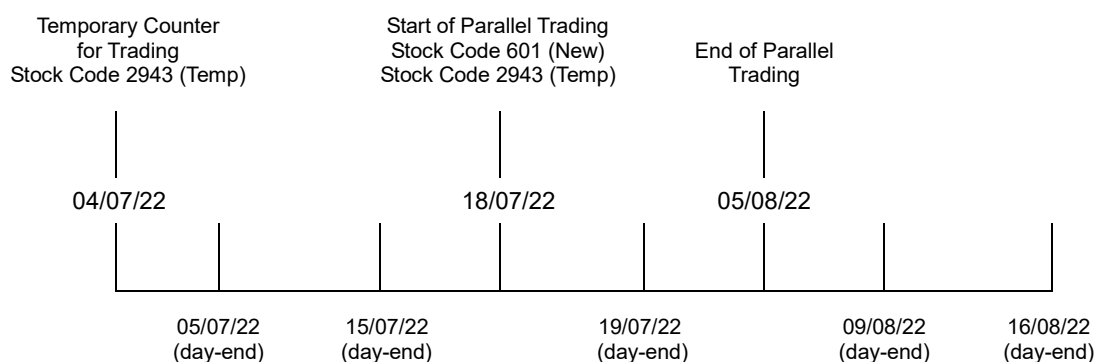
This circular has been issued in the English language with a separate Chinese language translation. If there is any conflict in the circulars between the meaning of Chinese words or terms in the Chinese language version and English words in the English language version, the meaning of the English words shall prevail.

APPENDIX I

RARE EARTH MAGNESIUM TECHNOLOGY GROUP HOLDINGS LIMITED

Corporate Events

Schedule of Stock Conversion



| Conversion Cycle | 1 st CA | 2 nd CA | 3 rd CA | 4 th CA | 5 th CA |
|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Stock Conversion | 601 (Old) → 2943 | 601 (Old) → 2943 | 2943 → 601 (New) | 2943 → 601 (New) | 2943 → 601 (New) |
| Holding | Yes | Yes | Yes | Yes | Yes |
| Position | No | Yes (CNS and IT) | No | No | No |
| Transaction | Yes (SI, ISI & CSB) | Yes (SI, ISI & CSB) | Yes (SI, ISI & CSB) | Yes (SI, ISI & CSB) | Yes (SI, ISI & CSB) |
| Conversion Ratio | 20 → 1 | 20 → 1 | 1 → 1 | 1 → 1 | 1 → 1 |

- Note:
- 601 (Old) - Existing Shares of HK\$0.10 each trading in board lots of 10,000 shares
 - 2943 (Temp) - Temporary counter for trading in board lots of 500 New Shares
 - 601 (New) - New Shares of HK\$0.01 each trading in board lots of 10,000 shares
 - CA - Corporate Action
 - CNS - CNS Position
 - IT - IT Position
 - SI - SI Transaction
 - ISI - ISI Transaction
 - CSB - CSB Transaction

APPENDIX II

RARE EARTH MAGNESIUM TECHNOLOGY GROUP HOLDINGS LIMITED

Schedule for accepting deposit and withdrawal under stock codes 601 or 2943 during the conversion cycle

| Acceptance period for | 04/07/22 to 05/07/22 | 06/07/22 to 15/07/22 | 18/07/22 to 19/07/22 | 20/07/22 to 09/08/22 | 10/08/22 to 16/08/22 | From 17/08/22 Onwards |
|----------------------------------|----------------------------------|----------------------|---|---|---|-----------------------|
| Deposit under stock code 601 | Yes (Existing Share quantity) | No | Yes (New Share certificate representing shares of HK\$0.01 each) | Yes (New Share certificate representing shares of HK\$0.01 each) | Yes (New Share certificate representing shares of HK\$0.01 each) | Yes |
| Deposit under stock code 2943 | No | Yes | Yes | Yes | Yes | No |
| Withdrawal under stock code 601 | Yes | No | No | Yes | Yes | Yes |
| Withdrawal under stock code 2943 | No | Yes | Yes | No | No | No |

APPENDIX III

Example on how to complete a Stock Deposit Form in respect of deposits of Existing Shares of HK\$0.10 each of Rare Earth Magnesium Technology Group Holdings Limited on and after the effective date of capital reorganisation:

A CCASS Participant presents the following Existing Shares of HK\$0.10 each of Rare Earth Magnesium Technology Group Holdings Limited to the CCASS Depository for deposit on or after 6 July 2022.

| <u>Certificate Number</u> | <u>Existing Share quantity printed on each certificate</u> | <u>Existing Share quantity (HK\$0.10 each)</u> | <u>New Share quantity (HK\$0.01 each)</u> |
|---------------------------|--|--|---|
| 1101 - 1102 | 10,000 | 20,000 | 1,000 |
| 1141 | 100,000 | 100,000 | 5,000 |
| 1142 - 1143 | 159 | 318 | 14 # |
| Difference | | | 1 * |
| | TOTAL: | 120,318 | 6,015 |

Each Existing Share certificate of 159 shares of HK\$0.10 each represents 7 New Shares of HK\$0.01 each, which adds up to 14 New Shares of HK\$0.01 each.

* The add up total of the Existing Share quantity of 120,318 shares of HK\$0.10 each divided by 20 amounts to 6,015 New Shares of HK\$0.01 each. The sum of individual certificate ranges added up to 6,014 New Shares (1,000 + 5,000 + 14). The CCASS Participant is requested to insert the difference of 1 share on the "No. of Shares" column to make up the total New Share quantity from 6,014 to 6,015 for processing by the CCASS Depository.

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SAMPLE

STOCK DEPOSIT FORM

CCASS Depository Services

| | | | | | | | | | | | | |
|---|---------------------|---|----------------|----------------|---|---|----------------------|---------------------|----------------------|---|---|------------------------|
| Participant ID B99999 | | Name of Participant ABC & CO | | | | | Stock Account Number | | | | | |
| Stock Code #601/2943 | | Stock Name Rare Earth Magnesium Technology Group Holdings Limited | | | | | For Office Use Only | | | | | |
| Certificate Number <i>(Please group only consecutively numbered certificates with the same share denominations.)</i> | | Number of Shares/Warrants | | Date of Issue | | | | Counter H | Deposit Order Number | | | |
| Prefix | From | To | | D | D | M | M | | Y | Y | Y | Y |
| | 1 1 0 1 | 1 1 0 2 | 1 0 0 0 | | | | | | | | | Override By |
| | 1 1 4 1 | | 5 0 0 0 | | | | | | | | | Checked By |
| | 1 1 4 2 | 1 1 4 3 | 1 4 | | | | | | | | | Certificate Processing |
| | * DIFFERENCE | | 1 | | | | | | | | | Certificates Checked |
| | | | | | | | | | | | | Certificates Posted |
| | | | | | | | | | | | | Transfer |
| | | | | | | | | | | | | T/D Prepared By |
| | | | | | | | | | | | | Checked By |
| | | | | | | | | | | | | Vault |
| | | | | | | | | | | | | Filed By |
| | | | Total ▶ | 6 0 1 5 | | | | | | | | |
| Remarks: | | | | | <p><i>NOTES:</i></p> <p>1. Pursuant to the CCASS Rules and Operational Procedures, Hong Kong Securities Clearing Company Limited (HKSCC) reserves the right to reject a deposit and/or reverse deposit entries if the above required information is incomplete or incorrect, or if registration of any or all of the shares are subsequently rejected by the relevant share registrar(s).</p> <p>2. Activities under CCASS are subject to the CCASS Rules and Operational Procedures in effect.</p> | | | | | | | |
| <p>The above printed validation represents descriptions of stock as presented by the CCASS participant under this form and shall in no event constitute or be treated as an official Receipt for deposit of said stock.</p> | | | | | | | | | | | | |

| | |
|--|----------------|
| To be completed if stock deposited in batch <i>(i.e. stock deposited with more than one deposit form)</i> | |
| Total No. of Share in Batch | Deposit Form: |
| | |
| | _____ of _____ |

 Authorised Signature of CCASS Participant (with Company Chop)

CD-IF-02-07
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#Note: Existing Share certificate representing shares of HK\$0.10 each will only be accepted for deposit for custody purpose under stock code: 601 (New) with effect from 17 August 2022.