

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



JL MAG RARE-EARTH CO., LTD.
江西金力永磁科技股份有限公司

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 06680)

VOLUNTARY ANNOUNCEMENT

THE RECEIVING OF THE PROJECT ASSIGNMENT NOTICES

This announcement is made by JL MAG RARE-EARTH CO., LTD. (the “**Company**”) on a voluntary basis.

I. Overview of the Assignment Notices

The Company is pleased to announce that it has recently received the project assignment notices from two internationally reputable vehicles and engine parts manufacturers, involving a total cumulative amount during the whole life cycle of approximately RMB2.84 billion. Details are set out below:

1. On November 7, 2022, the Company received the Assignment Notice for multiple new projects from the internationally reputable vehicles and engine parts manufacturer A (the Company is not in a position to disclose its name due to the Non-disclosure Agreement, hereinafter referred to as “**Customer A**”). The new projects are mainly related to the magnetic steel for NEV drive motors which can be used for a number of European high-end NEV brand models. According to the plan of Customer A, such new projects are expected to start mass production from the year of 2024, with an estimated total amount during the whole life cycle of approximately RMB1.17 billion. As at the date hereof, the amount during the whole life cycle for the new projects of Customer A which have not yet been mass-produced totaled approximately RMB2.0 billion.
2. On October 19, 2022, the Company received the Assignment Notice for multiple new projects from the internationally reputable vehicles and engine parts manufacturer B (the Company is not in a position to disclose its name due to the Non-disclosure Agreement, hereinafter referred to as “**Customer B**”). The new projects are mainly related to the magnetic steel for NEV drive motors, EPS and other application sectors. According to the plan of Customer B, new projects are expected to start mass production from the year of 2023, with an estimated total amount during the whole life cycle of approximately RMB840 million.

II. Impact on the Listed Company

Through obtaining such new designated projects, the Company will continue to provide customers with high-performance REPMs, which is in line with the business strategy of the Company and will have positive impact on the Company's further expansion to markets including new energy vehicle sector. The above projects are expected to start mass production in 2023 and 2024, and will not have any material impact on the operating results for the year and constitute no performance commitments to investors. Nonetheless, such designated projects will increase the Company's business income in the coming years and will have positive impact on the future operating results of the Company.

III. Caution on Risks

The Company will complete the development of the above-mentioned product series and enter mass production stage within the specified time frame according to the requirements of customers. These assignment notices do not reflect the final actual amount of purchases by customers and at the current stage, such amounts are estimations only. The subsequent actual progress is subject to uncertainty and the actual sales amount will be subject to the settlement amount of orders.

In addition, the whole project has a long life cycle of approximately 8-11 years, and there are uncertainties in the actual supply volume and amount as they may be affected by factors such as macro-economic situation, exchange rate fluctuation and actual demand from customers.

In light of the above risks, the Company will actively work on product development, production, supply, etc. Meanwhile, the Company will strengthen risk management and control to minimise the risks that may arise from market fluctuations. Investors are advised to be aware of investment risks.

By order of the Board
JL MAG RARE-EARTH CO., LTD.
Cai Baogui
Chairman

Jiangxi, November 7, 2022

As of the date of this announcement, the Board comprises Mr. Cai Baogui and Mr. Lyu Feng as executive Directors; Mr. Hu Zhibin, Mr. Li Xinnong and Mr. Li Fei as non-executive Directors; and Mr. You Jianxin, Mr. Xu Feng and Mr. Yuan Taifang as independent non-executive Directors.