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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: 6680)

**ESTABLISHMENT OF THE ENVIRONMENT, SOCIAL AND
GOVERNANCE COMMITTEE, APPOINTMENT OF COMMITTEE
MEMBERS AND FORMULATION OF TERMS OF REFERENCE
AND
AMENDMENTS TO TERMS OF REFERENCE OF
THE STRATEGY COMMITTEE**

JL MAG RARE-EARTH CO., LTD. (the “**Company**”) convened a meeting of the board of directors (the “**Board**”) on October 25, 2023 to consider and approve (1) the establishment of the Environmental, Social and Governance (“**ESG**”) Committee, the appointment of committee members and the formulation of the Terms of Reference of The Environment, Social and Governance (ESG) Committee of JL MAG RARE-EARTH CO., LTD. (the “**Terms of Reference of the ESG Committee**”); and (2) the amendments to The Terms of Reference of the Strategy Committee of the Board of Directors of JL MAG RARE-EARTH CO., LTD. (the “**Terms of Reference of the Strategy Committee**”).

Establishment of the Environmental, Social and Governance Committee, Appointment of Committee Members and Formulation of Terms of Reference

The Board hereby announces that, in order to further promote the Company’s various ESG work and strengthen the execution ability of various ESG objectives, the Board intends to establish an ESG committee to coordinate the Company’s various ESG work and resources, comprehensively supervise the Company’s ESG-related matters, perform ESG-related management and control responsibilities, determine the Company’s major ESG improvement plans, review important ESG issues and investment recommendation reports, and review the Company’s ESG annual report to improve the consistency of the Company’s ESG information disclosure.

The ESG Committee shall report its work to the Board, and the Board has elected Mr. Cai Baogui, the chairman and general manager, as the chairman of the ESG Committee, and Ms. Cao Ying, Mr. Yu Han, Mr. Yi Pengpeng and Mr. Su Quan as members of the ESG Committee. The term of office of the ESG Committee is the same as the term of office of the third session of the Board.

In view of the establishment of the ESG Committee, in accordance with the Company Law of the People's Republic of China, the Rules for Corporate Governance of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant laws, regulations and rules as well as the Articles of Association and other relevant requirements, the Board of the Company formulated the Terms of Reference of the ESG Committee.

Amendments to Terms of Reference of the Strategy Committee of the Board

In view of the establishment of the ESG Committee and the formulation of the Terms of Reference of the ESG Committee and in order to ensure better performance of the functions of each professional committee, the Company intends to adjust the ESG-related contents in the Terms of Reference of the Strategy Committee of the Board and makes revision therein.

The Terms of Reference of the ESG Committee will be posted on the websites of The Stock Exchange of Hong Kong Limited and the Company. Please refer to Appendix I to this announcement for details of the amendments to the Terms of Reference of the Strategy Committee.

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

Jiangxi, October 25, 2023

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, Mr. Liang Minhui and Mr. Li Xiaoguang as non-executive Directors; and Mr. Zhu Yuhua, Mr. Xu Feng and Ms. Cao Ying as independent non-executive Directors.

Appendix I

Details of the amendments to the Terms of Reference of the Strategy Committee are as follows:

No.	Before Amendment	After Amendment
1	<p>Article 1 In order to meet the strategic and sustainable development needs of the Company, enhance the core competitiveness of the Company, determine the development plans of the Company, build sound investment decision-making procedures, strengthen the scientific nature of decision-making, improve the effectiveness of major investment decisions and the quality of decision-making, enhance the governance structure of the Company, <u>and standardize the environmental, social and corporate governance (“ESG”) of the Company to continuously improve its ESG performance and achieve its sustainable development goals</u>, the Company hereby established the Strategy Committee of the Board of Directors and formulated the Terms of Reference in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange, No. 2 Self-Regulatory Guidelines of Shenzhen Stock Exchange for Listed Companies – the Guidelines of the Shenzhen Stock Exchange for the Standardized Operation of Companies Listed on the ChiNext Board, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), the Articles of Association of JL MAG RARE-EARTH CO., LTD. (the “Articles of Association”) and the other relevant regulations.</p>	<p>Article 1 In order to meet the strategic and sustainable development needs of the Company, enhance the core competitiveness of the Company, determine the development plans of the Company, build sound investment decision-making procedures, strengthen the scientific nature of decision-making, improve the effectiveness of major investment decisions and the quality of decision-making, and enhance the governance structure of the Company, the Company hereby established the Strategy Committee of the Board of Directors and formulated the Terms of Reference in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange, No. 2 Self-Regulatory Guidelines of Shenzhen Stock Exchange for Listed Companies – the Guidelines of the Shenzhen Stock Exchange for the Standardized Operation of Companies Listed on the ChiNext Board, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), the Articles of Association of JL MAG RARE-EARTH CO., LTD. (the “Articles of Association”) and the other relevant regulations.</p>

2	<p>Article 2 The Strategy Committee of the Board of Directors is a specific body established by the Board of Directors and shall be accountable to the Board of Directors, which is primarily responsible for studying and making recommendations on the long-term development strategies, major investment decisions, <u>sustainable development and ESG work of the Company. The ESG work means assessing the impact of the Company's operations and management on its stakeholders on a regular or irregular basis, exploring the risks and opportunities presented by sustainable development, and taking appropriate management actions.</u></p>	<p>Article 2 The Strategy Committee of the Board of Directors is a specific body established by the Board of Directors and shall be accountable to the Board of Directors, which is primarily responsible for studying and making recommendations on the Company's long-term development strategies, major investment decisions and so forth.</p>
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<p>3</p>	<p>Article 8 The main duties and authorities of the Strategy Committee are:</p> <p>(1) to research and make recommendations on strategic planning for long-term development of the Company;</p> <p>(2) to research and make recommendations on major investment decisions and financing plans that are required to be approved by the Board of Directors as stipulated in the Articles of Association;</p> <p>(3) to research and make recommendations on major strategic investments, major capital operation or M&A projects that are required to be approved by the Board of Directors as stipulated in the Articles of Association;</p> <p><u>(4) to research and make recommendations on matters related to the sustainable development of the Company and environmental, social and corporate governance (ESG);</u></p> <p>(5) to conduct research and make recommendations on the Company’s <u>ESG</u> development strategy and material issues which are of interest to stakeholders;</p> <p><u>(6) to follow up and check the implementation and improvement of ESG work to ensure that the management and decision-making mechanism of important sustainable development issues, including but not limited to, environment, clean technology R&D and innovation, anti-corruption and integrity, occupational safety and health, and community relations, meet the requirements of relevant laws and regulations;</u></p> <p><u>(7) to review reports related to sustainable development and ESG matters of the Company and report to the Board of Directors;</u></p> <p>(8) to research and make recommendations on other major matters affecting the development of the Company;</p> <p>(9) to organize expert panel(s) to review the implementation of the above matters;</p> <p>(10) other matters authorized by the Board of Directors.</p>	<p>Article 8 The main duties and authorities of the Strategy Committee are:</p> <p>(1) to research and make recommendations on strategic planning for long-term development of the Company;</p> <p>(2) to research and make recommendations on major investment decisions and financing plans that are required to be approved by the Board of Directors as stipulated in the Articles of Association;</p> <p>(3) to research and make recommendations on major strategic investments, major capital operation or M&A projects that are required to be approved by the Board of Directors as stipulated in the Articles of Association;</p> <p>(4) to conduct research and make recommendations on the Company’s development strategy and material issues which are of interest to stakeholders;</p> <p>(5) to research and make recommendations on other major matters affecting the development of the Company;</p> <p>(6) to organize expert panel(s) to review the implementation of the above matters;</p> <p>(7) other matters authorized by the Board of Directors.</p>
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<p>4</p>	<p>Article 10 The work team is responsible for making preliminary preparations for decision making by the Strategy Committee and provide relevant information of the Company:</p> <p>(1) Collecting the intentions, preliminary feasibility reports, basic information of the partners in relation to major investment and capital operation submitted by the relevant departments or holding enterprises (with a controlling or minority interest) of the Company, and reports related to <u>sustainable development and environmental, social and corporate governance (ESG) matters of the Company</u>; the work team will conduct preliminary review and submit the review results to the Strategy Committee;</p> <p>(2) Participating in the negotiation regarding agreements, contracts, articles of association, feasibility reports between relevant departments or subsidiaries (associated companies) of the Company and external parties, and reports related to <u>sustainable development and environmental, social and corporate governance (ESG) matters of the Company</u>, which shall be proposed to the Strategy Committee after review by the work team.</p>	<p>Article 10 The work team is responsible for making preliminary preparations for decision making by the Strategy Committee and provide relevant information of the Company:</p> <p>(1) Collecting information on major investment, intention of capital operation, preliminary feasibility report, basic information of partners and related matters reports submitted by relevant departments of the Company or subsidiaries (invested companies) of the Company. The work team will conduct preliminary review and submit the review results to the Strategy Committee;</p> <p>(2) Participating in the negotiation regarding agreements, contracts, articles of association, feasibility reports and related matters reports by relevant departments of subsidiaries (invested companies) of the Company and external parties, which shall be proposed to the Strategy Committee after review by the work team.</p>
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5	<p>Article 11 (i) Convener of the Strategy Committee shall designate relevant departments of the Company to be responsible for making preliminary preparation for the meetings of the Strategy Committee, including organizing and coordinating with relevant departments or intermediaries to prepare documents in relation to the meetings, and ensure the truthfulness, accuracy and completeness of such documents. Such documents for meetings shall include but not limited to:</p> <ol style="list-style-type: none"> 1. the Company’s strategic development plan; 2. the detailed analysis of the Company’s development strategic plan; 3. the advice on the adjustment of the Company’s development strategic plan; 4. the feasibility study reports on the Company’s significant investment projects; 5. the evaluation reports on the implementation of the Company’s strategic plans; 6. <u>the reports related to sustainable development and environmental, social and corporate governance (ESG) matters of the Company.</u> 	<p>Article 11 (i) Convener of the Strategy Committee shall designate relevant departments of the Company to be responsible for making preliminary preparation for the meetings of the Strategy Committee, including organizing and coordinating with relevant departments or intermediaries to prepare documents in relation to the meetings, and ensure the truthfulness, accuracy and completeness of such documents. Such documents for meetings shall include but not limited to:</p> <ol style="list-style-type: none"> 1. the Company’s strategic development plan; 2. the detailed analysis of the Company’s development strategic plan; 3. the advice on the adjustment of the Company’s development strategic plan; 4. the feasibility study reports on the Company’s significant investment projects; 5. the evaluation reports on the implementation of the Company’s strategic plans.
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Note: Due to the aforesaid amendments, the numbering of the clauses of the amended terms of reference of the Strategy Committee of the Board of Directors will be renumbered and the numbering of the other clauses of the document referenced therein in the clauses will be amended accordingly.