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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: 06680)

**VOLUNTARY ANNOUNCEMENT
INVESTMENT IN THE CONSTRUCTION OF
THE GREEN INTELLIGENT MANUFACTURING PROJECT
WITH 20,000 TONNES OF
HIGH-PERFORMANCE REPMS PER YEAR**

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

The board of directors of the Company (the “**Board**”) is pleased to announce that it has considered and approved the “Resolution on Investment in the Construction of the Green Intelligent Manufacturing Project with 20,000 Tonnes of High-Performance Rare-Earth Permanent Magnets (REPMs) Per Year in Baotou (《關於在包頭投資建設年產20000噸高性能稀土永磁材料綠色智造項目的議案》)” at the Fourth Meeting of the Fourth Session of the Board held on January 20, 2025.

I. OVERVIEW OF EXTERNAL INVESTMENT

To actively respond to the PRC building “Two Rare-Earth Bases” policy, the Board of the Company, adhering to the vision of “becoming a leader of REPM industry in the world”, and based on the market demand and its own business development needs, intends to invest in the construction of the “Green Intelligent Manufacturing Project with 20,000 Tonnes of High-Performance REPMS Per Year” (the “**Project**”) through its wholly-owned subsidiary, JL MAG (Baotou) Technology CO., Ltd. (金力永磁(包頭) 科技有限公司) (“**JL Baotou Company**”) under the premise of realizing 40,000 tonnes of high-performance REPMS capacity in 2025. The total planned investment for the Project is RMB1.05 billion, with a construction period of 2 years. Upon its completion, the annual production capacity of the Company will reach 60,000 tonnes of high-performance REPMS.

In accordance with relevant requirements such as the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange (《深圳證券交易所創業板股票上市規則》) and the Articles of Association of the Company, this external investment is within the authority of the Board to consider and is not required to be submitted to the meetings of shareholders for consideration. The investment agreement for the Project does not constitute a related-party transaction or a material asset restructuring stipulated under the “Administrative Measures on Material Asset Restructuring of Listed Companies” (《上市公司重大資產重組管理辦法》).

II. BASIC INFORMATION ON THE INVESTOR

Company name:	JL MAG (Baotou) Technology CO., Ltd.
Unified social credit code:	91150291MA13QUCA3Q
Type:	Limited liability company (sole proprietorship invested or controlled by a non-natural person)
Address:	No. 1, Zhaoyuan Road, Rare-Earth Road Street, Baotou Rare-Earth Hi-Tech Industrial Development Zone, Baotou City, Inner Mongolia Autonomous Region
Legal representative:	Su Quan
Registered capital:	RMB1.21 billion
Date of establishment:	August 18, 2020
Scope of business:	Technology services, technology development, technology consultation, technology exchange, technology transfer, technology promotion; electronic specialized material manufacturing; electronic component manufacturing; nonferrous metal alloy manufacturing; electronic specialized material sales; electronic component wholesale; rare-earth functional material sales; technology importation and exportation; goods importation and exportation; road goods transportation (excluding hazardous goods)
Relationship with the Company:	A wholly-owned subsidiary of the Company

III. BASIC INFORMATION ON INVESTMENT PROJECT

1. Project name: Green Intelligent Manufacturing Project with 20,000 Tonnes of High-Performance REPMs Per Year
2. Project implementation subject: JL MAG (Baotou) Technology CO., Ltd.
3. Project construction site: Rare-Earth Hi-Tech Zone, Baotou City, Inner Mongolia
4. Project construction items: The Company intends to build new magnetic material production workshop and other buildings and the corresponding public and auxiliary facilities including power, water and gas supply facilities as well as new equipment including magnetic material production equipment, packaging equipment, research and development and testing equipment. After completion of the Project, the capacity of producing 20,000 tonnes of high-performance REPMs per year will be developed.
5. Total project investment: The total planned investment of the Project is RMB1.05 billion.
6. Financing method: It will be financed from internal resources of and self-raised by JL Baotou Company.
7. Project construction period: The construction period of the Project is 2 years.

IV. INVESTMENT PURPOSE AND ITS IMPACT ON THE COMPANY

The construction of the Project as the material measure of the Company to further consolidate its collectivized production capacity, would help the Company to improve the industrial layout and expand its business scale while satisfying customers' demand for orders in the new energy and energy conservation and environmental protection fields including NEVs, VFACs and humanoid robots. It is in line with the relevant national industrial policies and the overall strategic development direction of the Company in the future and is beneficial to its higher industry position and risk resistance and enhancement of its comprehensive strength.

Upon its completion of the construction, the Project will assist the Company to realize energy expansion and enhance efficiency with full utilization of the Group's advantages in terms of its various production bases so as to further lower the production costs and better its product competitiveness.

V. EXISTING RISKS

In the construction of the Project, there are uncertainties in related plans, approval and construction progress, as well as adjustment of construction plans according to the actual situation. There may be risks that the Project may not progress as expected. There also could be implementation risks due to changes in project progress and investment costs or significant adverse changes in macro policies and market environment. Investors are advised to exercise caution and pay attention to investment risks.

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

Jiangxi, January 20, 2025

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.