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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)

ANNOUNCEMENT

PROPOSED CHANGE OF REGISTERED CAPITAL AND PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION, RULES OF PROCEDURE FOR SHAREHOLDERS' GENERAL MEETING, RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS MEETINGS AND THE WORKING RULES FOR INDEPENDENT DIRECTORS

The meeting of the board of directors (the “**Board**”) of JL MAG RARE-EARTH CO., LTD. (the “**Company**”) was convened on March 30, 2023, to consider and approve (1) change of registered capital of the Company (“**Proposed Change of Registered Capital**”); and (2) amendments to the Articles of Association of JL MAG RARE-EARTH CO., LTD. (the “**Articles of Association**”), Rules of Procedure for Shareholders’ General Meeting of JL MAG RARE-EARTH CO., LTD. (“**Rules of Procedure for Shareholders’ General Meeting**”), Rules of Procedure for the Board of Directors Meetings of JL MAG RARE-EARTH CO., LTD. (“**Rules of Procedure for the Board of Directors Meetings**”) and the Working Rules for Independent Directors of JL MAG RARE-EARTH CO., LTD. (the “**Working Rules for Independent Directors**”) (the above amendments referred to as the “**Proposed Amendments**”).

PROPOSED CHANGE OF REGISTERED CAPITAL

In view of the completion of the subscription and share registration of a total of 1,525,568 Shares of the reserved portion of Class II Restricted Share in the first vesting period of 2020, the second vesting period for the first time, and part of the remaining reserved portion in the first vesting period of 2021 under the 2020 Restricted Share Incentive Plan, the total share capital of the Company increased by 1,525,568 Shares correspondingly. The total share capital of the Company has increased from 836,430,630 Shares to 837,956,198 Shares and the Company proposes to increase its registered capital to RMB837,956,198 from RMB836,430,630.

PROPOSED AMENDMENTS

Due to the above-mentioned change of the registered capital of the Company, the Company has approved of and proposed to make the Proposed Amendments in accordance with the latest provisions of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Guidelines for the Articles of Association of Listed Companies, 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 for Independent Directors of Listed Companies, No. 10 Self-Regulatory Guidelines of Shenzhen Stock Exchange for Listed Companies – Share Change Management and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant laws and regulations and regulatory documents, taking into account the actual situation of the Company.

For details of the Proposed Amendments to the Articles of Association, Rules of Procedure for Shareholders' General Meeting, Rules of Procedure for the Board of Directors Meetings and the Working Rules for Independent Directors, please refer to Appendix I, Appendix II, Appendix III and Appendix IV to this announcement, respectively.

The Proposed Change of Registered Capital and the Proposed Amendments are subject to the approval of the shareholders of the Company at the general meeting of the Company. The Board also requests the general meeting to authorize the management of the Company to handle the subsequent registration for industrial and commercial changes, filing of the Articles of Association and other related matters. The authorization is valid from the date of the consideration and approval at the general meeting to the date when the relevant industrial and commercial changes and filing of the Articles of Association are completed, of which, the specific content of change of the Articles of Association of the Company is subject to the industrial and commercial registration.

A circular containing, among other things, details of the Proposed Change of the Registered Capital and Proposed Amendments, together with a notice of the general meeting will be despatched to the shareholders of the Company as soon as practicable.

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

Jiangxi, March 30, 2023

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

APPENDIX I

The details of the proposed amendments to the Articles of Association are as follows:

No.	Before Amendments	After Amendments
1	Article 6 The registered capital of the Company is RMB <u>836,430,630</u> .	Article 6 The registered capital of the Company is RMB 837,956,198 .
2	Article 22 The total number of shares of the Company is <u>836,430,630</u> shares, all of which are ordinary shares, including <u>710,964,630</u> shares held by shareholders of domestic-listed domestic shares, accounting for approximately <u>85%</u> of the total share capital of the Company; 125,466,000 shares held by shareholders of H shares, accounting for approximately <u>15%</u> of the total share capital of the Company.	Article 22 The total number of shares of the Company is 837,956,198 , all of which are ordinary shares, including 712,490,198 shares, held by shareholders of domestic-listed domestic shares, accounting for approximately 85.03% of the total share capital of the Company; 125,466,000 shares held by shareholders of H shares, accounting for approximately 14.97% of the total share capital of the Company.
3	Article 51 <u>No change of the register of shareholders as a result of share transfer shall be made within 30 days before the shareholders' general meeting is convened or within five days prior to the base date on which the Company decides to pay dividends.</u> Where <u>relevant</u> laws, administrative regulations, departmental rules and regulatory documents and relevant stock exchanges or regulatory authorities of the places where the shares of the Company are listed stipulate the period of closure of the register of members prior to a shareholders' general meeting or the record date set by the Company for the purpose of distribution of dividends, such provisions shall prevail.	Article 51 Where any laws, administrative regulations, departmental rules and regulatory documents and relevant stock exchanges or regulatory authorities of the places where the shares of the Company are listed stipulate the period of closure of the register of members prior to a shareholders' general meeting or the record date set by the Company for the purpose of distribution of dividends, such provisions shall prevail.

No.	Before Amendments	After Amendments
4	Newly added	Article 70 Paragraph 1 Where a guarantee is provided by the Company, it shall be disclosed after considered and approved by the board of directors.
5	Article 70 Paragraph 3 When considering the guarantee in clause (V) of the preceding paragraph at the shareholders' general meeting, it shall be approved by more than two-thirds of the voting rights held by shareholders attending the meeting.	Article 70 Paragraph 3 When the Board of Directors considers guarantee matters, it must be approved by at least two-thirds of the directors present at the Board of Directors meeting. When considering the guarantee in clause (V) of the preceding paragraph at the shareholders' general meeting, it shall be approved by more than two-thirds of the voting rights held by shareholders attending the meeting.
6	Article 71 Paragraph 2 If the target of financial assistance is a controlling subsidiary included in the consolidated financial statements of the Company and owned as to over 50% by the Company, such financial assistance shall be exempted from the provisions mentioned above.	Article 71 Paragraph 2 If the target of financial assistance is a controlling subsidiary included in the consolidated financial statements of the Company and owned as to over 50% by the Company, and no any other shareholders of such holding subsidiary are the controlling shareholder, the actual controller and their associates of the Company, such financial assistance shall be exempted from the provisions mentioned above.

No.	Before Amendments	After Amendments
7	<p>Article 78 Paragraph 2 Where the Board of Directors agrees to convene an extraordinary general meeting, it should issue the notice of extraordinary general meeting within 5 days after the resolution has been made by the Board of Directors. Where the Board of Directors refuses to convene an extraordinary general meeting, <u>it should explain the reason and make an announcement thereof.</u></p>	<p>Article 78 Paragraph 2 Where the Board of Directors agrees to convene an extraordinary general meeting, it should issue the notice of extraordinary general meeting within 5 days after the resolution has been made by the Board of Directors. Where the Board of Directors refuses to convene an extraordinary general meeting, it should explain the reasons and make an announcement timely, and hire a law firm to issue a legal opinion on the relevant reasons and their legal compliance and make an announcement.</p>
8	<p>Article 79 Paragraph 3 Where the Board of Directors refuses to convene an extraordinary general meeting, or did not give any reply within 10 days after receiving the proposal, the Board of Directors is deemed to be unable or to have failed to fulfill its responsibility to convene general meetings, and, the Supervisory Committee is entitled to convene and preside over the general meeting on its own.</p>	<p>Article 79 Paragraph 3 Where the Board of Directors refuses to convene an extraordinary general meeting, or did not give any reply within 10 days after receiving the proposal, the Board of Directors is deemed to be unable or to have failed to fulfill its responsibility to convene general meetings, and, the Supervisory Committee is entitled to convene and preside over the general meeting on its own. Where the Board of Directors refuses to convene an extraordinary general meeting, it should explain the reasons and make an announcement timely, and hire a law firm to issue a legal opinion on the relevant reasons and their legal compliance and make an announcement; meanwhile, it shall support the Supervisory Committee in convening an extraordinary general meeting at its own, and not postpone or refuse to support in disclosure.</p>

No.	Before Amendments	After Amendments
9	Newly added	Article 10 Paragraph 5 (V) Where the Board of Directors and the Supervisory Committee refuse to convene an extraordinary general meeting, it should explain the reasons and make an announcement timely, and hire a law firm to issue a legal opinion on the relevant reasons and their legal compliance and make an announcement; meanwhile, it shall support shareholders in convening an extraordinary general meeting at its own, and not postpone or refuse to support in disclosure.
10	Article 88 Paragraph 2 Any notice and supplementary notice of shareholders' general meetings shall sufficiently and completely disclose all the details of all proposals. If any matter to be discussed requires opinions of the independent directors, the opinions and reasons of the independent directors shall be disclosed together with the issuance of such notice or supplementary notice.	Article 88 Paragraph 2 Any notice and supplementary notice of shareholders' general meetings shall sufficiently and completely disclose all the details of all proposals and all information or interpretations necessary to enable shareholders to make a reasonable judgment on the matters to be discussed. If any matter to be discussed requires opinions of the independent directors, the opinions and reasons of the independent directors shall be disclosed together with the issuance of such notice or supplementary notice.
11	Article 88 Paragraph 4 The interval between the equity registration date and the meeting date should be <u>no more than 7 working days</u> . Once the equity registration date is confirmed, it cannot be changed.	Article 88 Paragraph 4 The interval between the equity registration date and the meeting date should be no less than 2 working days but not more than 7 working days . Once the equity registration date is confirmed, it cannot be changed.

No.	Before Amendments	After Amendments
12	<p>Article 113 The following matters shall be resolved by way of special resolutions at a shareholders' general meeting:</p> <p>(I) Increase or reduction of the registered capital of the Company, and issuance of any types of shares, warranties and other similar securities by the Company;</p> <p>(II) Issuance of corporate bonds;</p> <p>(III) Division, merger, dissolution and liquidation of the Company;</p> <p>(IV) <u>Amendments to the Articles of Association;</u></p> <p>(V) Any purchase or disposal of substantial assets made by or guarantee provided by the Company within one year exceeding 30% of the latest total assets audited of the Company;</p> <p>(VI) Guarantee provided in Article 70 of the Articles of Association, except guarantee provided by the Company to its controlled subsidiary(ies);</p> <p>(VII) Share Incentive Plan;</p> <p>(VIII) Any other matters as required by the laws, administrative regulations, the listing rules of stock exchange where shares of the Company are listed or the Articles of Association and matters which, if resolved by way of an ordinary resolution at a shareholders' general meeting, will have a material impact on the Company and need be adopted by way of special resolutions.</p>	<p>Article 113 The following matters shall be resolved by way of special resolutions at a shareholders' general meeting:</p> <p>(I) Increase or reduction of the registered capital of the Company, and issuance of any types of shares, warranties and other similar securities by the Company;</p> <p>(II) Issuance of corporate bonds;</p> <p>(III) Division, merger, dissolution and liquidation of the Company;</p> <p>(IV) Amendments to the Articles of Association and its appendixes (including the Rules of Procedure of the Shareholders' General Meeting, the Rules of Procedure of the Board of Directors and the Rules of Procedure of the Supervisory Committee);</p> <p>(V) Any purchase or disposal of substantial assets made by or guarantee provided by the Company within one year exceeding 30% of the latest total assets audited of the Company;</p> <p>(VI) Guarantee provided in Article 70 of the Articles of Association, except guarantee provided by the Company to its controlled subsidiary(ies);</p> <p>(VII) Share Incentive Plan;</p> <p>(VIII) Spin-off & listing of subsidiaries;</p> <p>(IX) Major assets restructuring;</p>

No.	Before Amendments	After Amendments
		<p data-bbox="868 229 1428 566">(X) The shareholders general meeting of the listed company resolves to cancel the listing and trading of its shares on the stock exchange where they are listed and decides not to trade on the exchange or to apply for trading or transfer on other stock exchange instead;</p> <p data-bbox="868 608 1428 1051">(XI) Any other matters as required by the laws, administrative regulations, the listing rules of stock exchange where shares of the Company are listed or the Articles of Association and matters which, if resolved by way of an ordinary resolution at a shareholders' general meeting, will have a material impact on the Company and need be adopted by way of special resolutions.</p> <p data-bbox="868 1093 1428 1576">The proposals referred to in the eighth and tenth items of the preceding paragraph shall be approved by at least two-thirds of the votes held by the shareholders present at the general meeting, in addition to at least two-thirds of the votes held by the shareholders other than the directors, supervisors, senior management and shareholders holding individually or in aggregate more than 5% of the shares of the listed company present at the meeting.</p>

No.	Before Amendments	After Amendments
13	<p>Article 156 Paragraph 5 (V) The provision of financial assistance by the Company shall be approved by way of resolution by at least two-thirds of the directors present at the meeting of the Board of Directors, and the related information disclosure obligations shall be fulfilled in a timely manner. The provisions stated herein does not apply to financial assistance provided to subsidiaries controlled by the Company with its accounts consolidated into the Company's consolidated statements and more than 50% of its share interests held by the Company.</p>	<p>Article 156 Paragraph 5 (V) The provision of financial assistance by the Company shall be approved by way of resolution by at least two-thirds of the directors present at the meeting of the Board of Directors, and the related information disclosure obligations shall be fulfilled in a timely manner. The provisions stated herein does not apply to financial assistance provided to subsidiaries controlled by the Company with its accounts consolidated into the Company's consolidated statements and more than 50% of its share interests held by the Company, where no other shareholders of such holding subsidiary are the controlling shareholder, the actual controller and their associates of the Company.</p>
14	<p>Article 158 The chairman of the Board of Directors shall be a director of the Company and elected by a majority of all the directors of the Board of Directors.</p>	<p>Article 158 The chairman or deputy chairman of the Board of Directors shall be a director of the Company and elected by a majority of all the directors of the Board of Directors.</p>

No.	Before Amendments	After Amendments
15	<p>Article 179 The independent directors shall meet the following requirements:</p> <p>(I) To have the qualification of acting as a director of a Company according to the laws, administrative regulations and other relevant requirements specific to the place of listing of the Company;</p> <p>(II) <u>To have the independence feature as above required by the Guiding Opinion on the Establishing Independent Director System by Listed Companies;</u></p> <p>(III) To have the basic understanding of operation of the Company and be familiar with the relevant laws, administrative regulations, regulatory provisions and rules of the place of listing of the Company;</p> <p>(IV) To possess five or more years of experience in law, economics or other necessary duties as an independent director;</p>	<p>Article 179 The independent directors shall meet the following requirements:</p> <p>(I) To have the qualification of acting as a director of a Company according to the laws, administrative regulations and other relevant requirements specific to the place of listing of the Company;</p> <p>(II) have the independence required by the Rules for Independent Directors of Listed Companies, and independent directors should also meet the requirements on “independent non-executive directors” of the Hong Kong Listing Rules;</p> <p>(III) To have the basic understanding of operation of the Company and be familiar with the relevant laws, administrative regulations, regulatory provisions and rules of the place of listing of the Company;</p> <p>(IV) To possess five or more years of experience in law, economics or other necessary duties as an independent director;</p> <p>(V) Independent directors and individuals who intend to act as independent directors shall participate in the training organized by the CSRC and its authorized institutions in accordance with the provisions.</p>

No.	Before Amendments	After Amendments
16	<p>Article 183 For independent directors to exercise the above powers, at least half of all independent Director’s approval shall be obtained. In the event that the abovementioned proposals have not been adopted or the above powers cannot be exercised normally, the Company shall disclose such situations.</p>	<p>Article 183 For independent directors to exercise the above powers, at least half of all independent Director’s approval shall be obtained. The exercise of the powers and functions set forth in the sixth item of the preceding Article shall be approved by all independent directors. Matters in items 1 and 2 of the preceding Article shall be submitted to the Board of Directors for discussion only with the consent of at least one-half of the independent directors. In the event that the abovementioned proposals have not been adopted or the above powers cannot be exercised normally, the Company shall disclose such situations.</p>
17	<p>Article 184 Apart from the duties set forth above, independent directors shall also express their independent opinions on the following major matters:</p> <ol style="list-style-type: none"> 1. nomination or removal of directors; 2. appointment or removal of senior management; 3. remuneration of directors and senior management of the Company; 4. formulation of, adjustment to and implementation of decision-making procedures, and whether the profit distribution policy has damaged the legitimate interests of small and medium investors; 	<p>Article 184 Apart from the duties set forth above, independent directors shall also express their independent opinions on the following major matters:</p> <ol style="list-style-type: none"> 1. nomination or removal of directors; 2. appointment or removal of senior management; 3. remuneration of directors and senior management of the Company; 4. formulation of, adjustment to and implementation of decision-making procedures, and whether the profit distribution policy has damaged the legitimate interests of small and medium investors;

No.	Before Amendments	After Amendments
	<p>5. major matters that need disclosure such as connected transactions, provision of guarantees (excluding guarantees to subsidiaries within the scope of consolidation), entrustment of financial management, provision of external financial assistance, matters relating to use of proceeds, the Company's change in accounting policies as well as investments in shares and derivatives thereof;</p> <p>6. major asset restructuring proposals, equity incentive plans, employee share ownership plans, and share repurchase proposals;</p> <p>7. the Company's proposed decision that its shares will no longer be traded on the Shenzhen Stock Exchange, or instead application for trading or transfer at other trading venues;</p> <p>8. matters that the independent directors believe may harm the rights and interests of small and medium shareholders;</p> <p>9. other matters stipulated by relevant laws, administrative regulations, departmental rules, regulatory documents, business rules of the stock exchange where the shares of the Company are listed as well as the Articles of Association.</p>	<p>5. major matters that need disclosure such as connected transactions, provision of guarantees (excluding guarantees to subsidiaries within the scope of consolidation), entrustment of financial management, provision of external financial assistance, matters relating to use of proceeds, the Company's change in accounting policies as well as investments in shares and derivatives thereof;</p> <p>6. major asset restructuring proposals, equity incentive plans, employee share ownership plans, and share repurchase proposals;</p> <p>7. the Company's proposed decision that its shares will no longer be traded on the Shenzhen Stock Exchange, or instead application for trading or transfer at other trading venues;</p> <p>8. the employment and dismissal of accounting firms;</p> <p>9. making changes in accounting policies, accounting estimates or corrections of significant accounting errors for reasons other than changes in accounting standards;</p>

No.	Before Amendments	After Amendments
		<p>10. financial accounting reports and internal controls of listed companies issued by accounting firms with non-standard unqualified audit opinions;</p> <p>11. the internal control evaluation report;</p> <p>12. programs for changes in commitments by relevant parties;</p> <p>13. the impact of preferred share issuance on equity of all types of shareholders of the company;</p> <p>14. matters that the independent directors believe may harm the rights and interests of small and medium shareholders;</p> <p>15. other matters stipulated by relevant laws, administrative regulations, departmental rules, regulatory documents, business rules of the stock exchange where the shares of the Company are listed as well as the Articles of Association.</p>
18	<p>Article 187 <u>The Board of Directors may establish special committees for nomination, strategy, audit, remuneration and appraisal as needed.</u> All members of the special committees shall be composed of directors, and more than half of the directors in the nomination, audit, remuneration and appraisal committees shall be independent directors, while at least one independent director shall be an accounting professional.</p>	<p>Article 187 The Board of Directors shall set up an audit committee, and may establish special committees for nomination, strategy, audit, remuneration and appraisal as needed. All members of the special committees shall be composed of directors, and more than half of the directors in the nomination, audit, remuneration and appraisal committees shall be independent directors, while at least one independent director shall be an accounting professional, and the convener of the audit committee should be an accounting professional.</p>

No.	Before Amendments	After Amendments
19	Article 201 A person holding administrative position in the controlling shareholder and actual controlling unit of the Company other than as a Director shall not serve as a senior management personnel of the Company.	Article 201 A person holding administrative position in the controlling shareholder and actual controlling unit of the Company other than as a Director or Supervisor shall not serve as a senior management personnel of the Company.
20	Article 208 <u>Senior management shall be liable for compensation if they violate laws, administrative regulations, departmental rules or the provisions of this Articles of Association when performing their duties for and cause losses to the company.</u>	Article 208 All senior management personnel of the Company shall faithfully perform their duties to safeguard the best interests of the Company and all shareholders. Senior management personnel shall be liable for the compensation and losses caused to the Company and public shareholders as they fail to faithfully perform their duties.
21	Article 256 The Company shall engage accounting firms “ <u>qualified for securities related business</u> ” to audit its accounting statements, verify its net assets, or provide other relevant consulting services. The term of appointment shall be one year which commences on the date of conclusion of the current shareholders’ general meeting and ends on the date of conclusion of the subsequent shareholders’ general meeting. The term of office may be renewed.	Article 256 The Company shall engage an accounting firm that complies with the provisions of the Securities Law to audit its accounting statements, verify its net assets, or provide other relevant consulting services. The term of appointment shall be one year which commences on the date of conclusion of the current shareholders’ general meeting and ends on the date of conclusion of the subsequent shareholders’ general meeting. The term of office may be renewed.
22	Article 259 In the event that the position of accounting firm is vacant, the Board of Directors may appoint an accounting firm to fill such vacancy before convening the shareholders’ general meeting. Any other accounting firm which has been appointed by the Company may continue to act during the period of vacancy.	Article 259 In the event that the position of accounting firm is vacant, the Board of Directors may appoint an accounting firm to fill such vacancy before convening the shareholders’ general meeting, provided that it shall be confirmed by an ordinary resolution passed at the next shareholders’ general meeting. Any other accounting firm which has been appointed by the Company may continue to act during the period of vacancy.

No.	Before Amendments	After Amendments
23	Article 262 The remuneration of the accounting firm or the manner in which the firm is to be remunerated shall be determined by the shareholders' general meeting. The remuneration of the accounting firm appointed by the Board of Directors shall be determined by the Board of Directors.	Article 262 The remuneration of the accounting firm or the manner in which the firm is to be remunerated shall be determined by the shareholders' general meeting. The remuneration of the accounting firm appointed by the Board of Directors shall be determined by the Board of Directors, provided that it shall be confirmed by an ordinary resolution passed at the next shareholders' general meeting.

Note: As a result of the aforementioned amendments, the articles of the Articles of Association amended will be renumbered and other articles in the document referenced within the articles will be renumbered accordingly.

APPENDIX II

The details of the proposed amendments to Rules of Procedure for Shareholders' General Meeting are as follows:

No.	Before Amendments	After Amendments
1	<p>Article 1 This rules of procedure (hereinafter referred to “This Rule”) are formulated, subject to approval from the shareholders’ general meeting in accordance with the Company Law of the People’s Republic of China (hereafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereafter referred to as the “Securities Law”), the Rules of General Meeting of the Listed Companies, <u>the Guidelines on Compliant Operation of Listed Companies of the ChiNext Market of the Shenzhen Stock Exchange</u>, the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies, the Mandatory Provisions for Articles of Association of Companies Listing Overseas (hereafter referred to as the “Mandatory Provisions”), the Letter of Opinions on Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong (Zheng Jian Hai Han [1995] No.1), the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to the Overseas Listed Companies, and the Rules Governing the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereafter referred to as the “Hong Kong Listing Rules”), the laws, regulations, and normative documents of The Stock Exchange of Hong Kong Limited (hereinafter referred to as “Stock Exchange”) as well as the Articles of Association of JL MAG RARE-EARTH Co., Ltd. (hereinafter referred to as the “Articles of Association”) and other relevant provisions for the purposes of safeguarding the legitimate rights and interests of JL MAG RARE-EARTH CO., LTD.(hereafter referred to as the “Company”), its shareholders and creditors as well as regulating the organization and activities of the Company.</p>	<p>Article 1 This rules of procedure (hereinafter referred to “This Rule”) are formulated, subject to approval from the shareholders’ general meeting in accordance with the Company Law of the People’s Republic of China (hereafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereafter referred to as the “Securities Law”), the Rules of General Meeting of the Listed Companies, 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 Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies, the Mandatory Provisions for Articles of Association of Companies Listing Overseas (hereafter referred to as the “Mandatory Provisions”), the Letter of Opinions on Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong (Zheng Jian Hai Han [1995] No.1), the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to the Overseas Listed Companies, and the Rules Governing the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereafter referred to as the “Hong Kong Listing Rules”), the laws, regulations, and normative documents of The Stock Exchange of Hong Kong Limited (hereinafter referred to as “Stock Exchange”) as well as the Articles of Association of JL MAG RARE-EARTH Co., Ltd. (hereinafter referred to as the “Articles of Association”) and other relevant provisions for the purposes of safeguarding the legitimate rights and interests of JL MAG RARE-EARTH CO., LTD.(hereafter referred to as the “Company”), its shareholders and creditors as well as regulating the organization and activities of the Company.</p>

No.	Before Amendments	After Amendments
2	<p>Article 8 Paragraph 2 Where the Board of Directors agrees to convene an extraordinary general meeting, it should issue the notice of extraordinary general meeting within 5 days after the resolution has been made by the Board of Directors. Where the Board of Directors refuses to convene an extraordinary general meeting, <u>it should explain the reason to the independent non-executive directors and make an announcement thereof.</u></p>	<p>Article 8 Paragraph 2 Where the Board of Directors agrees to convene an extraordinary general meeting, it should issue the notice of extraordinary general meeting within 5 days after the resolution has been made by the Board of Directors. Where the Board of Directors refuses to convene an extraordinary general meeting, it should explain the reasons and make an announcement timely, and hire a law firm to issue a legal opinion on the relevant reasons and their legal compliance and make an announcement.</p>
3	<p>Article 9 Paragraph 3 Where the Board of Directors refuses to convene an extraordinary general meeting, or did not give any written reply within 10 days after receiving the proposal, the Board of Directors is deemed to be unable or to have failed to fulfill its responsibility to convene general meetings, and, the Supervisory Committee is entitled to convene and preside over the general meeting on its own.</p>	<p>Article 9 Paragraph 3 Where the Board of Directors refuses to convene an extraordinary general meeting, or did not give any written reply within 10 days after receiving the proposal, the Board of Directors is deemed to be unable or to have failed to fulfill its responsibility to convene general meetings, and, the Supervisory Committee is entitled to convene and preside over the general meeting on its own. Where the Board of Directors refuses to convene an extraordinary general meeting, it should explain the reasons and make an announcement timely, and hire a law firm to issue a legal opinion on the relevant reasons and their legal compliance and make an announcement; meanwhile, it shall support the Supervisory Committee in convening an extraordinary general meeting at its own, and not postpone or refuse to support in disclosure.</p>

No.	Before Amendments	After Amendments
4	Newly added	Article 10 Paragraph 5 (V) Where the Board of Directors and the Supervisory Committee refuse to convene an extraordinary general meeting, it should explain the reasons and make an announcement timely, and hire a law firm to issue a legal opinion on the relevant reasons and their legal compliance and make an announcement; meanwhile, it shall support shareholders in convening an extraordinary general meeting at its own, and not postpone or refuse to support in disclosure.
5	Article 17 Paragraph 2 Any notice and supplementary notice of shareholders' general meetings shall sufficiently and completely disclose all the details of all proposals. If any matter to be discussed requires opinions of the independent directors, the opinions and reasons of the independent directors shall be disclosed together with the issuance of such notice or supplementary notice.	Article 17 Paragraph 2 Any notice and supplementary notice of shareholders' general meetings shall sufficiently and completely disclose all the details of all proposals and all information or interpretations necessary to enable shareholders to make a reasonable judgment on the matters to be discussed. If any matter to be discussed requires opinions of the independent directors, the opinions and reasons of the independent directors shall be disclosed together with the issuance of such notice or supplementary notice.
6	Article 17 Paragraph 3 The interval between the equity registration date and the meeting date should be <u>no more than 7 working days</u> . Once the equity registration date is confirmed, it cannot be changed.	Article 17 Paragraph 3 The interval between the equity registration date and the meeting date should be no less than 2 working days but not more than 7 working days . Once the equity registration date is confirmed, it cannot be changed.

No.	Before Amendments	After Amendments
7	<p>Article 40 The following matters shall be resolved by way of special resolutions at a shareholders' general meeting:</p> <p>(I) Increase or reduction of the registered capital of the Company, and issuance of any types of shares, warranties and other similar securities by the Company;</p> <p>(II) Issuance of corporate bonds;</p> <p>(III) Division, merger, dissolution and liquidation of the Company;</p> <p>(IV) Amendments to the Articles of Association;</p> <p>(V) Any purchase or disposal of substantial assets made by or guarantee provided by the Company within one year exceeding 30% of the latest total assets audited of the Company;</p> <p>(VI) Guarantee provided in Article 70 of the Articles of Association, except guarantee provided by the Company to its controlled subsidiary(ies);</p> <p>(VII) Share Incentive Plan;</p>	<p>Article 40 The following matters shall be resolved by way of special resolutions at a shareholders' general meeting:</p> <p>(I) Increase or reduction of the registered capital of the Company, and issuance of any types of shares, warranties and other similar securities by the Company;</p> <p>(II) Issuance of corporate bonds;</p> <p>(III) Division, merger, dissolution and liquidation of the Company;</p> <p>(IV) Amendments to the Articles of Association and its appendixes (including the Rules of Procedure of the Shareholders General Meeting, the Rules of Procedure of the Board of Directors and the Rules of Procedure of the Supervisory Board);</p> <p>(V) Any purchase or disposal of substantial assets made by or guarantee provided by the Company within one year exceeding 30% of the latest total assets audited of the Company;</p> <p>(VI) Guarantee provided in Article 70 of the Articles of Association, except guarantee provided by the Company to its controlled subsidiary(ies);</p> <p>(VII) Share Incentive Plan;</p>

No.	Before Amendments	After Amendments
	<p>(VIII) Any other matters as required by the laws, administrative regulations, the listing rules of stock exchange where shares of the Company are listed or the Articles of Association and matters which, if resolved by way of an ordinary resolution at a shareholders' general meeting, will have a material impact on the Company and need be adopted by way of special resolutions.</p>	<p>(VIII) Spin-off & listing of subsidiaries;</p> <p>(IX) Major assets restructuring;</p> <p>(X) The shareholders general meeting of the listed company resolves to cancel the listing and trading of its shares on the stock exchange where they are listed and decides not to trade on the exchange or to apply for trading or transfer on other stock exchange instead;</p> <p>(XI) Any other matters as required by the laws, administrative regulations, the listing rules of stock exchange where shares of the Company are listed or the Articles of Association and matters which, if resolved by way of an ordinary resolution at a shareholders' general meeting, will have a material impact on the Company and need be adopted by way of special resolutions.</p> <p>The proposals referred to in the eighth and tenth items of the preceding paragraph shall be approved by at least two-thirds of the votes held by the shareholders present at the general meeting, in addition to at least two-thirds of the votes held by the shareholders other than the directors, supervisors, senior management and shareholders holding individually or in aggregate more than 5% of the shares of the listed company present at the meeting.</p>

APPENDIX III

The details of the proposed amendments to Rules of Procedure for the Board of Directors Meetings are as follows:

No.	Before Amendments	After Amendments
1	<p>Article 1 This rules of procedure (hereinafter referred to “This Rule”) are formulated, subject to approval from the shareholders’ general meeting in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, <u>the Guidelines on Compliant Operation of Listed Companies of the ChiNext Market of the Shenzhen Stock Exchange</u>, the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies, the Mandatory Provisions for Articles of Association of Companies Listing Overseas, the Letter of Opinions on Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong (Zheng Jian Hai Han [1995] No.1), and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereafter referred to as the “Hong Kong Listing Rules”), and the laws, regulations, and normative documents of The Stock Exchange of Hong Kong Limited (hereinafter referred to as “Stock Exchange”) as well as the Articles of Association of JL MAG RARE-EARTH Co., Ltd. (hereinafter referred to as the “Articles of Association”) and other relevant provisions for the purposes of standardizing the rules of procedure and the decision-making process of the board of directors of JL MAG RARE-EARTH CO., LTD.(hereafter referred to as the “Company”), enabling its directors and the board of directors to effectively perform their respective duties and improving the compliant operation and decision-making level of the board of directors of the Company.</p>	<p>Article 1 This rules of procedure (hereinafter referred to “This Rule”) are formulated, subject to approval from the shareholders’ general meeting in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, 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 Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies, the Mandatory Provisions for Articles of Association of Companies Listing Overseas, the Letter of Opinions on Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong (Zheng Jian Hai Han [1995] No.1), and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereafter referred to as the “Hong Kong Listing Rules”), and the laws, regulations, and normative documents of The Stock Exchange of Hong Kong Limited (hereinafter referred to as “Stock Exchange”) as well as the Articles of Association of JL MAG RARE-EARTH Co., Ltd. (hereinafter referred to as the “Articles of Association”) and other relevant provisions for the purposes of standardizing the rules of procedure and the decision-making process of the board of directors of JL MAG RARE-EARTH CO., LTD.(hereafter referred to as the “Company”), enabling its directors and the board of directors to effectively perform their respective duties and improving the compliant operation and decision-making level of the board of directors of the Company.</p>

No.	Before Amendments	After Amendments
2	<p>Article 9 Paragraph 5 (V) The provision of financial assistance by the Company shall be approved by way of resolution by at least two-thirds of the directors present at the meeting of the Board of Directors, and the related information disclosure obligations shall be fulfilled in a timely manner. The provisions stated herein does not apply to financial assistance provided to subsidiaries controlled by the Company with its accounts consolidated into the Company's consolidated statements and more than 50% of its share interests held by the Company.</p>	<p>Article 9 Paragraph 5 (V) The provision of financial assistance by the Company shall be approved by way of resolution by at least two-thirds of the directors present at the meeting of the Board of Directors, and the related information disclosure obligations shall be fulfilled in a timely manner. The provisions stated herein does not apply to financial assistance provided to subsidiaries controlled by the Company with its accounts consolidated into the Company's consolidated statements and more than 50% of its share interests held by the Company, where no other shareholders of such holding subsidiary are the controlling shareholder, the actual controller and their associates of the Company.</p>
3	<p>Article 11 Paragraph 1 The chairman of the Board of Directors shall be a director of the Company and elected by a majority of all the directors of the Board of Directors.</p>	<p>Article 11 Paragraph 1 The chairman or deputy chairman of the Board of Directors shall be a director of the Company and elected by a majority of all the directors of the Board of Directors.</p>

APPENDIX IV

The details of the proposed amendments to the Working Rules for Independent Directors are as follows:

No.	Before Amendments	After Amendments
1	<p>Article 1 This rule is formulated, with reference to the <u>“Guidance on Establishment of Independent Directors System by Listed Companies (hereafter referred to as the “Guidance”)</u> issued by CSRC, 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 Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange, and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereafter referred to as the “Hong Kong Listing Rules”), the laws, regulations, and normative documents of The Stock Exchange of Hong Kong Limited (hereinafter referred to as “Stock Exchange”) as well as the Articles of Association of JL MAG RARE-EARTH Co., Ltd. (hereinafter referred to as the “Articles of Association”) and other relevant provisions for the purposes of improving the corporate governance structure, strengthening the discipline and supervision system of the board of directors and management, better protecting the interests of small and medium shareholders, and promoting the standardized operation of the Company.</p>	<p>Article 1 This rule is formulated, with reference to the Rules for Independent Directors of Listed Companies issued by CSRC, 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 Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange, and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereafter referred to as the “Hong Kong Listing Rules”), the laws, regulations, and normative documents of The Stock Exchange of Hong Kong Limited (hereinafter referred to as “Stock Exchange”) as well as the Articles of Association of JL MAG RARE-EARTH Co., Ltd. (hereinafter referred to as the “Articles of Association”) and other relevant provisions for the purposes of improving the corporate governance structure, strengthening the discipline and supervision system of the board of directors and management, better protecting the interests of small and medium shareholders, and promoting the standardized operation of the Company.</p>

No.	Before Amendments	After Amendments
2	<p>Article 6 <u>Independent directors established by the Company shall include at least one accounting professional (who has the title of senior accountant or certified public accountant) and complies with the requirements of the Hong Kong Listing Rules.</u></p>	<p>Article 6 Independent directors established by the Company shall include at least one accounting professional (accounting professionals are those who have extensive professional knowledge and experience in accounting and meet at least one of the following requirements: (1) Certified Public Accountant qualification; (2) senior title, associate professor or above, doctorate degree in accounting, auditing or financial management; (3) senior title in economic management and more than five years of full-time work experience in professional positions in accounting, auditing or financial management) and complies with the requirements of the Hong Kong Listing Rules.</p>
3	<p>Article 9 The independent directors shall meet the following requirements:</p> <p>(I) To have the qualification of acting as an independent director of a Company according to the laws, administrative regulations and other relevant requirements specific to the place of listing of the Company;</p> <p>(II) To have the basic understanding of operation of the Company and be familiar with the relevant laws, administrative regulations, regulatory provisions and rules of the place of listing of the Company;</p> <p>(III) To possess five or more years of experience in law, economics or other necessary duties as an independent director;</p>	<p>Article 9 The independent directors shall meet the following requirements:</p> <p>(I) To have the qualification of acting as an independent director of a Company according to the laws, administrative regulations and other relevant requirements specific to the place of listing of the Company;</p> <p>(II) To have the basic understanding of operation of the Company and be familiar with the relevant laws, administrative regulations, regulatory provisions and rules of the place of listing of the Company;</p> <p>(III) To possess five or more years of experience in law, economics or other necessary duties as an independent director;</p>

No.	Before Amendments	After Amendments
	<p>(IV) To have the independence required by Article 8;</p> <p>(V) Other qualifications specified in the Articles of Association.</p>	<p>(IV) To have the independence required by Article 8;</p> <p>(V) Independent directors and individuals who intend to act as independent directors shall participate in the training organized by the CSRC and its authorized institutions in accordance with the provisions;</p> <p>(VI) Other qualifications specified in the Articles of Association.</p>
4	<p>Article 20 For independent directors to exercise the above powers set forth in Article 19, at least half of all independent Director's approval shall be obtained. In the event that the abovementioned proposals have not been adopted or the above powers cannot be exercised normally, the Company shall disclose such situations.</p>	<p>Article 20 For independent directors to exercise the above powers set forth in Article 19, at least half of all independent Director's approval shall be obtained. The exercise of the powers and functions set forth in the sixth item of the preceding Article shall be approved by all independent directors. Matters in items 1 and 2 of the preceding Article shall be submitted to the Board of Directors for discussion only with the consent of at least one-half of the independent directors. In the event that the abovementioned proposals have not been adopted or the above powers cannot be exercised normally, the Company shall disclose such situations.</p>

No.	Before Amendments	After Amendments
5	<p>Article 21 Apart from the duties set forth above, independent directors shall also express their independent opinions on the following major matters:</p> <ol style="list-style-type: none"> 1. nomination or removal of directors; 2. appointment or removal of senior management; 3. remuneration of directors and senior management of the Company; 4. formulation of, adjustment to and implementation of decision-making procedures, and whether the profit distribution policy has damaged the legitimate interests of small and medium investors; 5. major matters that need disclosure such as connected transactions, provision of guarantees (excluding guarantees to subsidiaries within the scope of consolidation), entrustment of financial management, provision of external financial assistance, matters relating to use of proceeds, the Company's change in accounting policies as well as investments in shares and derivatives thereof; 6. major asset restructuring proposals, equity incentive plans, employee share ownership plans, and share repurchase proposals; 7. the Company's proposed decision that its shares will no longer be traded on the Shenzhen Stock Exchange, or instead application for trading or transfer at other trading venues; 	<p>Article 21 Apart from the duties set forth above, independent directors shall also express their independent opinions on the following major matters:</p> <ol style="list-style-type: none"> 1. nomination or removal of directors; 2. appointment or removal of senior management; 3. remuneration of directors and senior management of the Company; 4. formulation of, adjustment to and implementation of decision-making procedures, and whether the profit distribution policy has damaged the legitimate interests of small and medium investors; 5. major matters that need disclosure such as connected transactions, provision of guarantees (excluding guarantees to subsidiaries within the scope of consolidation), entrustment of financial management, provision of external financial assistance, matters relating to use of proceeds, the Company's change in accounting policies as well as investments in shares and derivatives thereof; 6. major asset restructuring proposals, equity incentive plans, employee share ownership plans, and share repurchase proposals; 7. the Company's proposed decision that its shares will no longer be traded on the Shenzhen Stock Exchange, or instead application for trading or transfer at other trading venues;

No.	Before Amendments	After Amendments
	<p>8. matters that the independent directors believe may harm the rights and interests of small and medium shareholders;</p> <p>9. other matters stipulated by relevant laws, administrative regulations, departmental rules, regulatory documents, business rules of the stock exchange where the shares of the Company are listed as well as the Articles of Association.</p>	<p>8. the employment and dismissal of accounting firms;</p> <p>9. making changes in accounting policies, accounting estimates or corrections of significant accounting errors for reasons other than changes in accounting standards;</p> <p>10. financial accounting reports and internal controls of listed companies issued by accounting firms with non-standard unqualified audit opinions;</p> <p>11. the internal control evaluation report;</p> <p>12. programs for changes in commitments by relevant parties;</p> <p>13. the impact of preferred share issuance on equity of all types of shareholders of the Company;</p> <p>14. matters that the independent directors believe may harm the rights and interests of small and medium shareholders;</p> <p>15. other matters stipulated by relevant laws, administrative regulations, departmental rules, regulatory documents, business rules of the stock exchange where the shares of the Company are listed as well as the Articles of Association.</p>

No.	Before Amendments	After Amendments
6	Article 26 The Company shall provide the working conditions necessary for the independent directors to perform their duties. Where the independent opinions, proposals and written explanations made by the independent directors should be announced, the secretary of the board of directors shall handle the announcement timely.	Article 26 The Company shall provide the working conditions necessary for the independent directors to perform their duties. The secretary of the board of directors of a listed company shall actively provide assistance to the independent directors in performing their duties, such as introduction, providing information, regularly informing the operation of the Company, and organizing onsite visits for the independent directors when necessary. Where the independent opinions, proposals and written explanations made by the independent directors should be announced, the listing company shall assist to handle the announcement timely.
7	Article 29 The Company shall give the independent director an appropriate allowance. The standard of allowance will be determined by the Board and approved by the general meeting.	Article 29 The Company shall give the independent director an appropriate allowance. The standard of allowance will be determined by the Board and approved by the general meeting, and disclosed in the annual report of the Company.

Note: After the addition or deletion of the relevant articles, the serial numbers of original articles change accordingly.