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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in JL MAG RARE-EARTH CO., LTD., you should at once hand this circular and the accompanying form(s) of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

金力永磁
JLMAG

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)

(1) PLAN FOR 2024 INTERIM PROFIT DISTRIBUTION
AND
(2) NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING
OF 2024

The notice convening the first extraordinary general meeting of 2024 of the Company (the "EGM") to be held at the conference room of JL MAG RARE-EARTH CO., LTD., 81 West Jinling Road, Economic and Technological Development Zone, Ganzhou City, Jiangxi Province, the PRC on Thursday, September 19, 2024 at 2:30 p.m. is set out in this circular.

Whether or not you are able to attend the EGM, please complete and sign the form of proxy for use at the EGM in accordance with the instructions printed thereon and return them to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the EGM (i.e. before 2:30 p.m. on Wednesday, September 18, 2024). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case maybe) if you so wish.

This circular together with the form of proxy are also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.jlmag.com.cn).

August 28, 2024

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DEFINITIONS

In this circular, the following expression shall have the meanings set out below unless the context requires otherwise:

“A Share(s)”	domestic share(s) of the Company with a nominal value of RMB1.00 each listed on the ChiNext Market of the Shenzhen Stock Exchange and traded in RMB
“Board” or “Board of Directors”	the board of Directors of the Company
“JL MAG”, “Company” or “Our Company”	JL MAG RARE-EARTH CO., LTD. (江西金力永磁科技股份有限公司), a joint stock company incorporated in the PRC with limited liability on 19 August 2008
“Director(s)”	the director(s) of the Company or any one of them
“EGM”	the first extraordinary general meeting of 2024 of the Company to be held at 2:30 p.m. on Thursday, September 19, 2024 at the conference room of JL MAG RARE-EARTH CO., LTD., 81 West Jinling Road, Economic and Technological Development Zone, Ganzhou City, Jiangxi Province, the PRC, the notice of which is set out on pages 3 to 7 of this circular
“H Share Registrar”	Computershare Hong Kong Investor Services Limited, the Company’s H Share registrar
“H Shareholder(s)”	holder(s) of H Shares
“H Shares”	overseas listed foreign shares of the Company with a nominal value of RMB1.00 each listed on the Stock Exchange and traded in HK\$
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Latest Practicable Date”	August 28, 2024, being the latest practicable date prior to the issuance of this circular for ascertaining certain information contained herein
“Listing Date”	Friday, January 14, 2022, being the date on which the H Shares were listed on the Stock Exchange and permitted to commence trading on the Stock Exchange

DEFINITIONS

“PRC” or “China”	the People’s Republic of China, which, for the purpose of this circular, shall exclude the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	Share(s) in the share capital of the Company with a nominal value of RMB1.00 each, including A Shares and H Shares
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percentage



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)

Executive Directors:

Mr. Cai Baogui

Mr. Lyu Feng

Non-executive Directors:

Mr. Hu Zhibin

Mr. Li Xinnong

Mr. Liang Minhui

Mr. Li Xiaoguang

Independent Non-executive Directors:

Mr. Zhu Yuhua

Mr. Xu Feng

Ms. Cao Ying

*Registered office and principal place
of business in the PRC:*

Industrial Area, Economic and
Technological Development Zone

Ganzhou City, Jiangxi Province

81 West Jinling Road, Economic and

Technological Development Zone

Ganzhou City, Jiangxi Province, the PRC

Place of business in Hong Kong:

40/F, Dah Sing Financial Centre

248 Queen's Road East

Wanchai, Hong Kong

Jiangxi, August 28, 2024

To the Shareholders

Dear Sir or Madam,

**(1) PLAN FOR 2024 INTERIM PROFIT DISTRIBUTION
AND
(2) NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING
OF 2024**

INTRODUCTION

The purpose of this circular is to provide Shareholders with further information in respect of the resolution to be proposed at the Company's EGM to be held on Thursday, September 19, 2024 at 2:30 p.m. to enable you to make an informed decision on whether to vote for or against the proposed resolution at the EGM. For the details of the proposed resolution at the EGM, please also refer to the interim results announcement of the Company dated August 28, 2024 in relation to, among other things, the proposed interim dividend.

LETTER FROM THE BOARD

MATTERS TO BE RESOLVED AT THE EGM

(1) Plan for 2024 Interim Profit Distribution

An ordinary resolution will be proposed at the EGM for shareholders to consider and approve the plan for 2024 interim profit distribution.

Proposed Interim Dividend

The Board of the Company has resolved and proposed to declare an interim dividend for the six months ended 30 June 2024 of RMB0.8 (inclusive of tax) per 10 shares as a cash dividend to all shareholders on the basis of the share capital of the Company in respect of the A Shares and H Shares as of the date of shareholding registration less the number of treasury A Shares of the Company as determined in the announcement of the implementation of the equity distribution, with no capitalisation by way of capitalisation of capital reserves and no bonus shares. Based on the issued share capital of the Company of 1,337,220,939 A shares and H shares as of 30 June 2024 (excluding 8,015,784 treasury A Shares), the total amount of the interim dividend is estimated to be RMB107 million (inclusive of tax). During the period between the date of disclosure of the proposed profit distribution and the date of registration of shareholdings for the implementation of the equity distribution, in the event of any changes in the share capital of the Company as a result of the exercise of share incentive grants, listing of new shares, share buybacks, etc., the Company will adjust the total amount of distribution in accordance with the principle of no change in the proportion of distribution, that is, to maintain the distribution of a cash dividend of RMB0.8 (inclusive of tax) per 10 shares with the corresponding change in the total amount of distribution of the cash dividend.

The interim dividend will be denominated and declared in RMB, payable in RMB to A shareholders and in HKD to H shareholders. The exchange rate calculated on the dividend distributed in HKD will be calculated on the basis of the average benchmark exchange rate of RMB to HKD as announced by the People's Bank of China in the week preceding the date of dividend declaration.

Taxation Arrangements

In accordance with the Enterprise Income Tax Law of the People's Republic of China and its implementation regulations which came into effect on 1 January 2008, the Company is obligated to withhold and pay enterprise income tax at the rate of 10% on behalf of the non-resident enterprise shareholders whose names appear on the register of members for H Shares of the Company when distributing the cash dividends or issuing bonus shares by way of capitalisation from retained earnings. Any H shares of the Company which is not registered under the name of an individual shareholder, including those registered under the name of HKSCC Nominees Limited, other nominees or trustees, or other organisations or groups, shall be deemed as shares held by non-resident enterprise shareholders. Therefore, enterprise income tax shall be withheld from dividends payable to such shareholders. If holders of H Shares intend to change their shareholding status,

LETTER FROM THE BOARD

please enquire about the relevant procedures with your agents or trustees. The Company will strictly comply with the laws or the requirements of the relevant government departments to withhold and pay enterprise income tax on behalf of the relevant shareholders based on the register of members for H Shares of the Company as of the record date. If the individual holders of H Shares are residents of Hong Kong, Macau or countries which had an agreed tax rate of 10% for cash dividends or bonus shares by way of capitalisation from retained earnings with China under the relevant tax agreement, the Company should withhold and pay individual income tax on behalf of the relevant shareholders at a rate of 10%. Should the individual holders of H Shares be residents of countries that had an agreed tax rate of less than 10% with China under relevant tax agreement, the Company should withhold and pay individual income tax on behalf of the relevant shareholders at a rate of 10%. In that case, if the relevant individual holders of H Shares wish to reclaim the extra amount withheld, the Company would apply for the relevant agreed preferential tax treatment under the tax agreement provided that the relevant shareholders submit the evidence required by the notice of the tax agreement to the H Share Registrar of the Company. The Company will assist with the tax refund after the approval of the competent tax authority. Should the individual holders of H Shares be residents of countries that had an agreed tax rate of over 10% but less than 20% with China under the tax agreement, the Company shall withhold and pay the individual income tax at the agreed actual rate in accordance with the relevant tax agreements. In the case that the individual holders of H Shares are residents of countries that had an agreed tax rate of 20% with China, or which had not entered into any tax agreement with China, or otherwise, the Company shall withhold and pay the individual income tax at the rate of 20%.

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) (Cai Shui [2014] No. 81) and Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》) (Cai Shui [2016] No.127). For dividend income received by mainland investors from investing in H Shares of the Company through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the Company shall withhold income tax at a rate of 20% for individual investors and securities investment funds, while the Company will not withhold income tax on dividend income for enterprise investors, and the tax payable shall be declared and paid by the enterprises themselves. With regard to dividend income received by Hong Kong market Investors (Including both enterprises and individuals) from investing in A Shares of the Company through Shenzhen-Hong Kong Stock Connect, the Company will withhold income tax at the rate of 10%, and file tax withholding returns with the competent tax authority. Where there is any tax resident of a foreign country out of the investors and the rate of income tax on dividends is less than 10%, as provided for in the tax treaty between the country and the PRC, the enterprise or individual may personally, or entrust a withholding agent to, file an application for the tax treatment under the tax treaty with the competent tax authority of the Company. Upon review, the competent tax authority will refund tax based on the difference between the amount of tax has been collected and the amount of tax payable calculated at the tax rate as set out in the tax treaty.

LETTER FROM THE BOARD

Closure of Register of Members

The dividend is expected to be paid within 2 months after the conclusion of EGM to shareholders whose names appear on the register of members of the Company after the close of business on Wednesday, 2 October 2024 if the proposed 2024 interim profit distribution is approved at the EGM. The register of members of the H Shares of the Company will be closed from Thursday, 26 September 2024 to Wednesday, 2 October 2024 (both days inclusive), during which no transfer of H Shares will be registered. H Shareholders of the Company who wished to be entitled to the interim dividend and have not registered their transfer documents should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's Hong Kong H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong at or before 4:30 p.m. on Wednesday, 25 September 2024.

EGM

The notice convening the EGM of the Company to be held at the conference room of JL MAG RARE-EARTH CO., LTD., 81 West Jinling Road, Economic and Technological Development Zone, Ganzhou City, Jiangxi Province, the PRC on Thursday, September 19, 2024 at 2:30 p.m. and the form of proxy for use at the EGM are enclosed. Whether or not you intend to attend the EGM, you are advised to complete, sign and return the proxy form in respect of the EGM in accordance with the instructions printed thereon as soon as possible to the Company's H Shares Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and, in any event, not less than 24 hours prior to the commencement of the EGM, (i.e. before 2:30 p.m. on Wednesday, September 18, 2024). Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

As at the date of this circular, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, there is no connected person of the Company, Shareholder and their respective associates with a material interest in the resolution to be proposed, considered and approved at the EGM required to be abstain from voting at the EGM.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the H Shareholders entitled to attend and vote at the EGM, the register of members of the H Shares of the Company has been closed from Friday, September 13, 2024 to Thursday, September 19, 2024 (both days inclusive), during which no transfer of H Shares will be registered. H Shareholders whose names appear on the register of members of the Company on Thursday, September 19, 2024 shall be entitled to attend and vote at the EGM. In order to attend the EGM, H Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's Hong Kong H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road

LETTER FROM THE BOARD

East, Wanchai, Hong Kong (for H Shareholders) at or before 4:30 p.m. on Thursday, September 12, 2024 to complete registration.

VOTING BY POLL

According to Rule 13.39(4) of the Hong Kong Listing Rules, apart from certain exceptions, any vote of Shareholders at a general meeting must be taken by poll. On a poll, every Shareholder present in person or by proxy (or being a corporation by its duly authorized representative) shall have one vote for each Share registered in his/her name in the register of members. A Shareholder entitled to more than one vote needs not use all his/her votes or cast all the votes he/she has in the same manner.

RECOMMENDATION

The Board considers that the resolution to be proposed at the EGM is in the interests of the Company and the Shareholders as a whole, and accordingly, recommends the Shareholders to vote in favor of the resolution to be proposed at the EGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2024

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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)

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2024

NOTICE IS HEREBY GIVEN THAT the first extraordinary general meeting of 2024 (the “EGM”) of JL MAG RARE-EARTH CO., LTD. (the “Company”) will be held at the conference room of JL MAG RARE-EARTH CO., LTD., 81 West Jinling Road, Economic and Technological Development Zone, Ganzhou City, Jiangxi Province, the PRC on Thursday, September 19, 2024 at 2:30 p.m. for the following purpose:

ORDINARY RESOLUTION

1. To consider and approve the plan for 2024 interim profit distribution

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

Jiangxi, August 28, 2024

As at the date of this notice, 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.

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2024

Notes:

- (1) The register of members of the Company has been closed for the purpose of determining Shareholders' entitlement to attend the EGM from Friday, September 13, 2024 to Thursday, September 19, 2024 (both days inclusive). In order to attend the EGM, H Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's Hong Kong H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders) at or before 4:30 p.m. on Thursday, September 12, 2024 to complete registration. The H shareholders listed on the register of the Company on Thursday, September 19, 2024 shall have the right to attend and vote at the EGM.
- (2) The EGM circular and the form of proxy for shareholders will be issued and published by the Company in due course.
- (3) Resolution at the EGM will be voted on by poll in accordance the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the voting results will be posted on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.jlmg.com.cn) in accordance with the Listing Rules.
- (4) Any shareholders entitled to attend and vote at the EGM can appoint one or more proxies to attend and vote at the EGM on his/her behalf. A proxy need not be a shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number and type of shares in respect of which each proxy is so appointed.
- (5) Shareholders shall appoint their proxies in writing. The form of proxy shall be signed by the shareholder or his/her/its attorney who has been authorized in writing. If the shareholder is a corporation, the form of proxy shall be affixed with the corporation's seal or signed by its director, or its attorney duly authorized in writing. If the form of proxy is signed by the attorney of the shareholder, the power of attorney or other authorization document shall be notarized. For H Shareholders, the aforementioned documents must be lodged with the Company's Hong Kong H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time appointed for the holding of the EGM (i.e. before 2:30 p.m. on Wednesday, September 18, 2024) in order for such documents to be valid. Completion and delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the EGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (6) Shareholders shall produce their identification documents when attending the EGM.
- (7) If a proxy attends the EGM on behalf of a shareholder, he/she should produce his/her identification document and the power of attorney or other documents signed by the appointer or his/her attorney, which specifies the date of its issuance. If a representative of a corporate shareholder attends the EGM, such representative shall produce his/her identification document and the notarized copy of the resolution passed by the board of directors or other authority or notarized copy of any authorization documents issued by such corporate shareholder.
- (8) The EGM is expected to last for half a day. Shareholders who attend the EGM (in person or by proxy) shall bear their own traveling, accommodation and other expenses.
- (9) The contact of the Company:

Address: Board Secretary Office of JL MAG RARE-EARTH CO., LTD., 81 West Jinling Road, Economic and Technological Development Zone, Ganzhou City, Jiangxi Province

Postal Code: 341000

Tel: 0797-8068059

Contact Person: Mr. Lai Xunlong

Mr. Liu Zhaolin

Fax: 0797-8068000