

2026 Interim Results Presentation

300748.SZ / 06680.HK

August 2026



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Company Overview



JL MAG at a Glance

JL MAG develops and produces **high-performance NdFeB Permanent Magnets (PMs)** and magnetic components, and recycles rare-earth materials. Its magnets are used in new energy and energy-saving applications

Global Industry Leader in REPMs



- ✓ Production Capacity: **40,000 t/yr¹**
- ✓ Finished Products Sales: **Global #1¹**
- ✓ **30%+** Share in Global NEV Drive Motors¹

Strategic Importance & Supportive Policy

Rising Strategic Importance

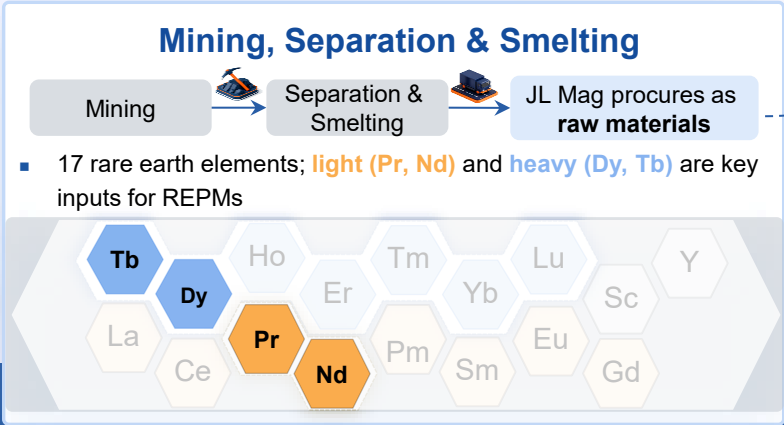


+ Higher Regulatory Standards

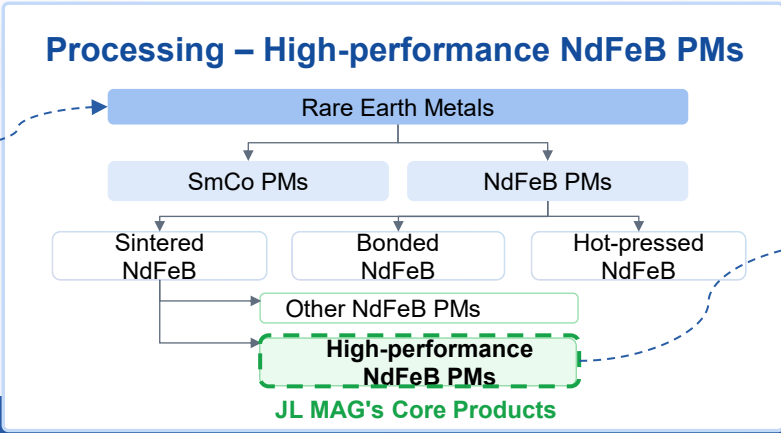


- In 2024, China produced **~90%** of the world's rare earth permanent magnets, leading the global supply chain²
- JL MAG is positioned in the **midstream**, with long-term partnerships worldwide

Upstream



Midstream



Downstream



Note: 1. Company's FY25 AR and 2026 Interim Report; 2. International Energy Agency (IEA)

Accolades & Recognition

Vice Chair
of the Association of China
Rare Earth Industry (ACREI)



Metals, Mining & Other Materials
Most Honored Company
Best Investor Relations Team

胡润中国 **500强**
@China

Hurun China 500
No. 361



6 Consecutive Years **A**
Ratings for SZSE
Information Disclosure

Advanced Collective in
the National Industry and
Information Tech System



Top 100
Enterprises in Jiangxi



恒生指數
HANG SENG INDEXES
Hang Seng Stock Connect
China AH (A+H) Index
Constituent

FTSE
RUSSELL
FTSE All-World Index
Constituent

中证指数
CHINA SECURITIES INDEX
CSI A500 Index
Constituent


ChiNext 50 / SZSE
Component Index
Constituent

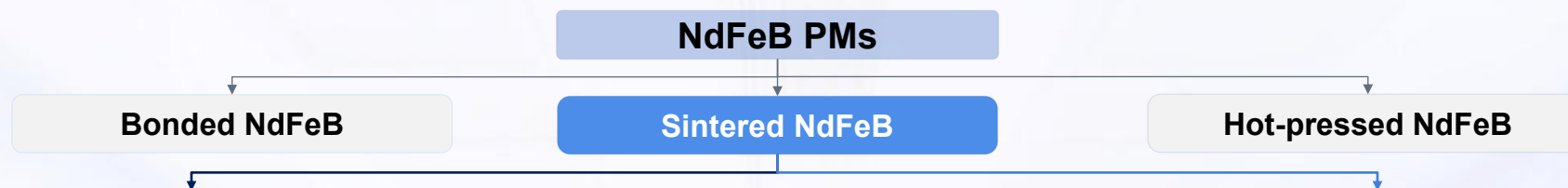
MSCI 
MSCI ESG: A

S&P Global
CSA Score: **59**

 **CDP Global**
Environmental Disclosure
Climate Change - **B**
Water Security - **B**
Forests - **B**

LSEG ESG: A-

Production Workflow & Core Technologies



Production Workflow

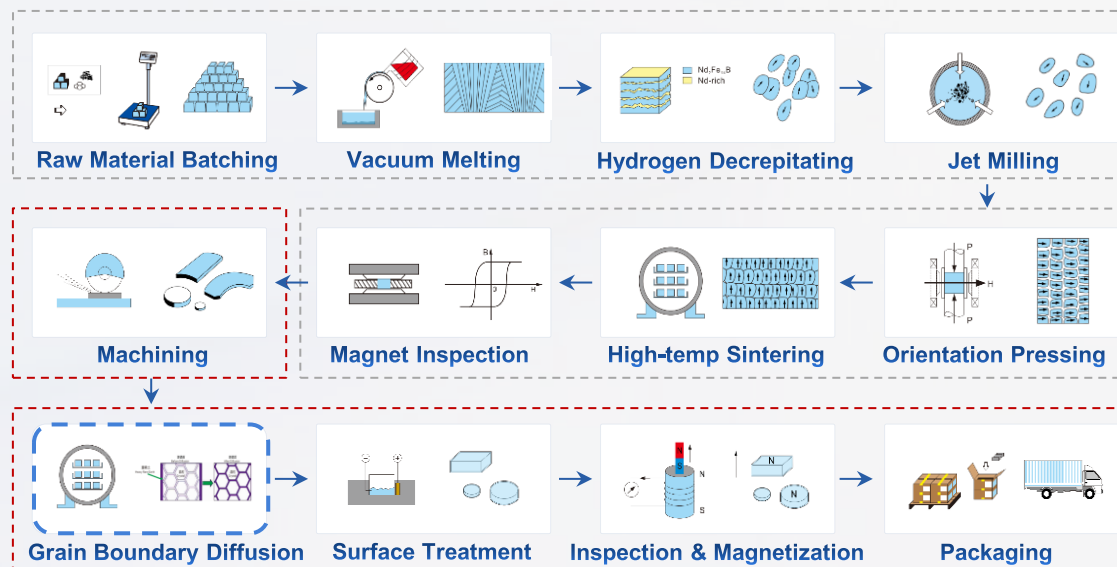
Sintered NdFeB:

The “**King of Magnets**”, highest overall performance in mass production

- **Blank production:** Raw materials including NdPr, Fe, B and other RE metals are vacuum-melted and cooled to form ingots. The ingots are crushed via hydrogen decrepitation, ground into powder using jet milling, and then pressed into custom molds. The reshaped ingots are sintered into dense blocks, followed by magnet property inspections
- **Fine processing:** Dense blocks are cut (machined) according to customers' product designs. Medium and heavy rare earths are then added to the permanent magnet material via **Grain Boundary Diffusion** technology, followed by surface treatment, testing and magnetization

Production Workflow

Blank Production Fine Processing



Grain Boundary Diffusion (GBD)

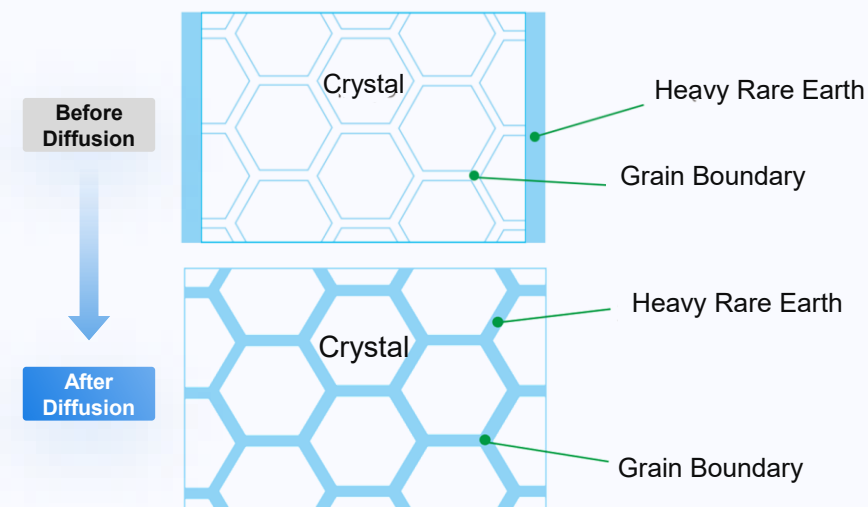
What it is:

The **most efficient and cost-effective way** to produce high-performance NdFeB PMs

- **Why it matters:** NdFeB magnets used in high-temperature applications must maintain strong magnetic performance and thermal stability. Without sufficient heavy rare earth elements, their coercivity can decline significantly at elevated temperatures. Traditional solutions rely on greater use of heavy rare earths, which increases production costs
- **JL MAG's approach:** precisely enhance the coercivity of NdFeB magnets for high-temperature applications, while significantly reducing heavy rare earth consumption

How JL MAG's GBD Works

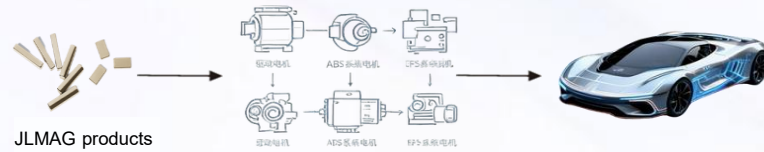
Heavy REs (Dy/Tb) are deposited on the magnet surface. During high-temperature diffusion, these elements penetrate the grain boundaries, thereby enhancing the magnet's coercivity



Product Matrix

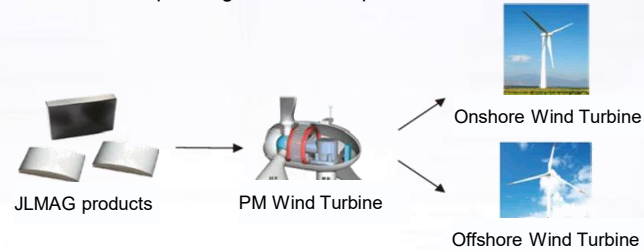
NEVs & Auto Parts

Widely used in NEVs drivetrains, ABS (Anti-lock Braking Systems) and EPS (Electronic Power Steering) applications, as they can improve motor power density and therefore have a higher operating efficiency



Wind Power

Used in the permanent magnet direct drive wind turbine, which has the benefits of simple structure, low costs of operation and maintenance, long life, good grid-connected performance, high power generation efficiency, and more suitable for operating in low wind speed environment



Energy-Saving VFACs

Used in variable frequency compressors, which can make it run at different speeds, improve efficiency, reliability and stability, so that the cost of use is reduced



Energy-Saving Elevator

NdFeB permanent magnets are used in PM synchronous gearless elevator traction machines, enabling higher efficiency, a more compact design, lower noise and reduced operating costs



Humanoid Robot

NdFeB permanent magnet material is used in the servo motor of humanoid robots



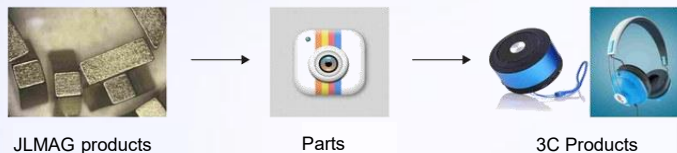
Industrial Energy-Saving Motor

Used in servo motors; it can improve the power density, reduce the motor volume and improve component performance



3C

Used for the haptics motor, acoustic components and magnetic cache in computers, communications and consumer equipment. They are small, large in power and high in performance



Low-altitude Aircraft

Permanent magnet motors offer the advantage of high-power density, making them the preferred choice for low-altitude aircraft designs



Rail Transit

Trains driven by permanent magnet motors have the advantage of being light weight and energy saving



Group Synergies & Capacity Expansion

- In H1 2026, the Company completed its transition to a group-wide operating model, with the listed company serving as the holding platform and production subsidiaries operating under an integrated structure. It currently operates four magnet plants across Ganzhou, Baotou and Ningbo, with total high-performance NdFeB PM capacity of 40,000 t/yr, alongside its 51%-owned rare earth recycling subsidiary Yin Hai New Materials. Capacity utilization remained high, with steady growth in finished magnet product sales volume
- **Baotou Phase III Project Update:** Construction commenced in mid-2025. Main structural works are now substantially complete, production equipment will be installed in batches as planned, and capacity will ramp up in phases, bringing total capacity to 60,000 t/yr by the end of 2027



Key Milestones

2008.08

Founded in Ganzhou, Jiangxi, China

2010.03

Became a supplier to Goldwind Sci & Tech, and entered the wind power field

2012.07

Became a supplier to Bosch, and entered the automobile field

2013.10

Awarded "Key High-tech Enterprise of the National Torch Program" by China's Ministry of Science and Technology

2016.11

Awarded "Best Collaboration Award" by Mitsubishi Electric

2017.02

Rated as "AAAAA Quality Credit Supplier" of 2016 by Goldwind Sci & Tech

2025.11

Donated HK\$1mn to the Support Fund for Wang Fuk Court in Tai Po to support emergency relief and post-disaster recovery efforts

2025.10

Established HK R&D Hub for humanoid robot rotors, and became a HK Gov't key enterprise partner

2024.11

Selected into the Jiangxi Top 100 & Top 50 Emerging Enterprises

2022.11

Awarded the "2022 Asia-Pacific Innovative Supplier Award" by BOSCH

2019.05.20

President Xi Jinping visited JL Mag in Ganzhou, and learned about the company's operation and industry development

2018.03

Awarded "2017 Supplier of the Best Technology Innovation Award" by UAES

2026.07

Recognized by the Ningbo Science and Technology Bureau as a Key Enterprise Research Institute for high-performance, low-heavy-rare-earth PMs and components

Financial Review

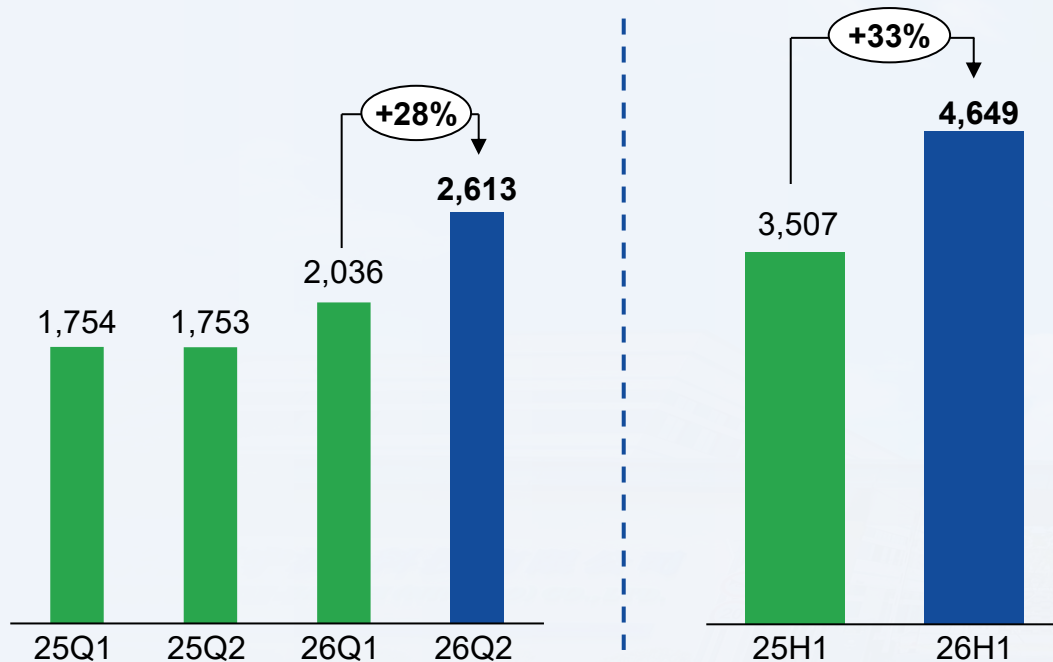


Solid Revenue Growth with Improving Operating Quality

- In H1 2026, total revenue reached **RMB 4,649mn (+32.57% YoY)**, a record first-half high, and core business revenue was **RMB 3,981mn (+23.42% YoY)**
- Q2 revenue reached **RMB 2,613mn (+28.37% QoQ)**, with core business revenue up **27.53% QoQ**, sustaining steady revenue growth
- By region, domestic sales reached **RMB 3,934mn (+31.42% YoY)** and overseas sales **RMB 715mn (+39.28% YoY)**
- The Company plans to acquire a 9.24% stake in the Baotou Rare Earth Products Exchange from China Northern Rare Earth. Upon completion, JL MAG would become its second-largest shareholder, further strengthening its access to rare earth raw material
- The Company continues to advance automation, digitalization and intelligent manufacturing, upgrading key equipment and processes to improve production efficiency, product consistency and manufacturing flexibility; R&D spending reached **RMB 248mn (+46.16% YoY)** in H1 2026, around 5.34% of revenue

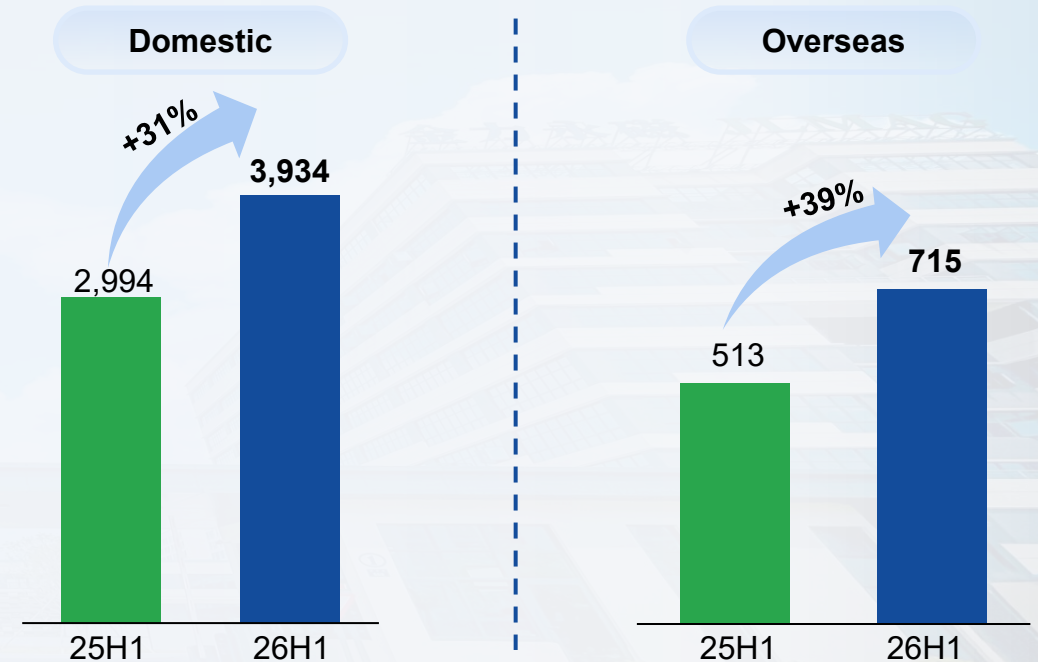
Revenue

(RMB Million)



Domestic & Overseas Revenue

(RMB Million)



Core Leadership, New Growth Drivers

- Proprietary core tech & patent system spanning GBD, formulation, grain refinement, primary molding and production automation; customer-driven breakthroughs in heavy-rare-earth-free and new-generation segmented magnet bonding **secured design wins and volume orders from international customers**
- In H1 2026, the Company maintained its leading positions in NEVs, energy-saving VFACs and wind power, while accelerating expansion into emerging applications including robots and industrial servo motors
- Robots and industrial servo motor revenue reached **RMB 261mn (+96.40% YoY)**. Strong demand from robotics, high-efficiency motors and semiconductor equipment continued to broaden application coverage and diversify the customer base

Leading in Core Segments, Expanding in Emerging Applications

Applications



NEVs & Auto Parts



Energy-saving VFACs



Robots & Industrial Servo Motors



Wind Power

Sales Revenue

RMB 2,228mn
up ~33% YoY

RMB 956mn

RMB 261mn
up ~96% YoY

RMB 250mn

Customer Coverage

Top 10 global NEV manufacturers

8 of the world's top 10 VFAC compressor manufacturers

Design wins from world-renowned tech companies for humanoid robot motor rotors; mass-production preparation underway

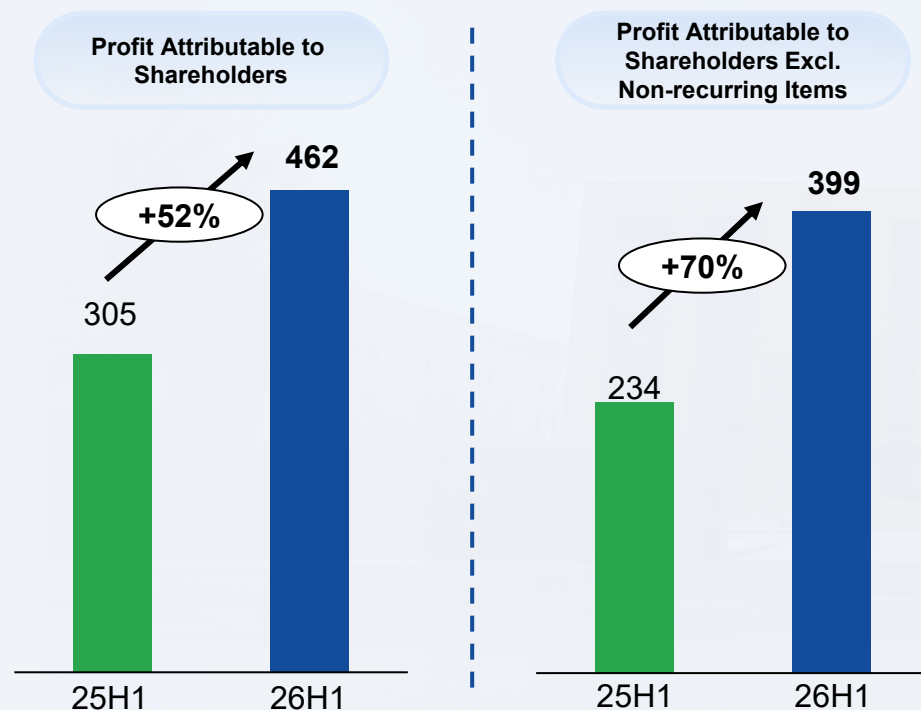
Broad coverage of leading global wind turbine OEMs

Steady Improvement in Profitability

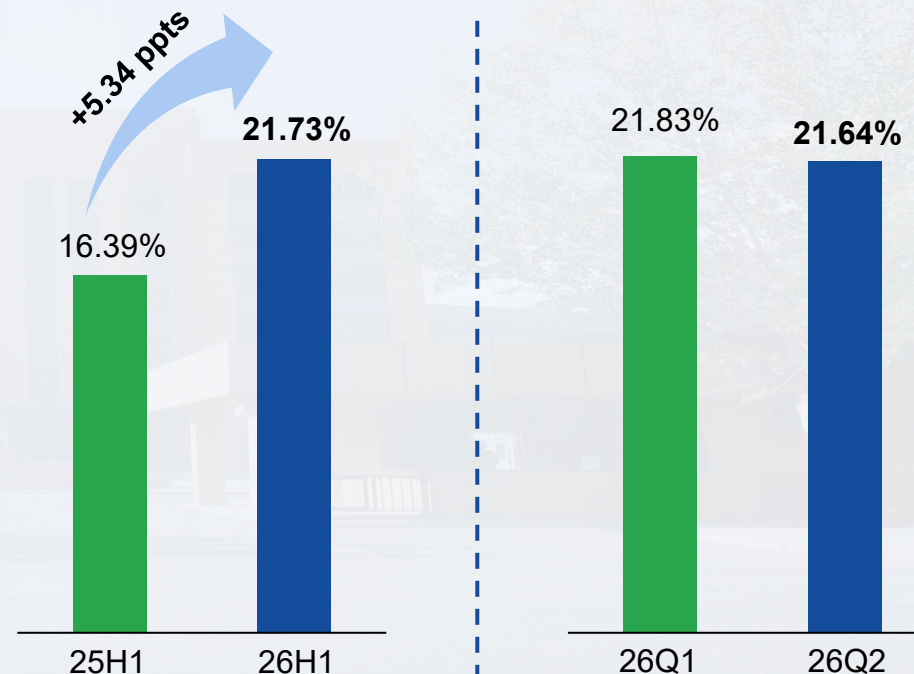
- In H1 2026, net profit attributable to shareholders reached **RMB 462mn (+51.58% YoY)** and net profit excl. non-recurring items reached **RMB 399mn (+70.31% YoY)**; gross margin improved to **21.73% (+5.34 pts YoY)**
- P&L included c.RMB128mn in aggregate of share-based payment expenses and convertible bond finance costs recognized under the effective interest method. Separately, net profit excluding the impact of share-based payments was **RMB 549mn (+76.46% YoY)**
- Net cash from operating activities was **RMB 1,206mn**, up RMB 1,755mn YoY. Period-end cash and equivalents stood at RMB 3,282mn, with RMB 913mn of CDs maturing within one year and RMB 614mn thereafter, reflecting a strong liquidity position

Net Profit

(RMB Million)



Gross Margin



Business Updates



Humanoid Robot Business Development

Robots & Industrial Servo Motors

Sales Revenue

RMB 261mn

YoY Growth

96.40%

of Core Business Revenue

6.6%

- ✓ Strong revenue growth, emerging as a key growth driver
- ✓ Humanoid robots to drive future demand for high-performance NdFeB magnets and motor rotors

Motor Rotor R&D & Capacity Buildout



Joint R&D



Small-Batch Deliveries



Design Wins



Mass Production Prep

- Secured **design wins** from world-renowned tech companies for humanoid robot motor rotors, and is advancing mass-production preparation in line with customers' project plans
- Invested a cumulative **~RMB 200mn¹** in dedicated facilities, equipment and teams for humanoid robotics; built an automated rotor production line with **micron-level machining precision**

Strategic Investments

Invested in **semiconductor and humanoid-AI** companies via industry funds

Fair Value of Equity Holdings¹

~RMB 326mn

Fair Value Gains in H1 2026

~RMB 41.19mn

Strategic investments help align the Company's products with emerging REPM demand and evolving market needs

Shareholder Returns: Dividends & Buybacks

Consistent Cash Returns

Since its 2018 IPO, the Company has paid cash dividends every year, with cumulative distributions > **RMB 1,700mn** and a cumulative payout ratio > **50%**

2026 Interim Dividend Proposal

Dividend per 10 Shares

RMB 2.50 (incl. tax)

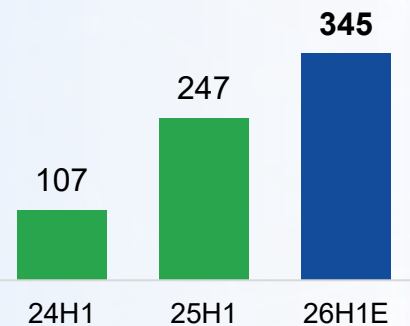
Total Proposed Dividend

RMB 345mn

Payout Ratio: ~75%

Interim Dividends

(RMB Million)



H-Share Buyback

Reflecting **confidence in its long-term prospects**, the Company repurchased 2,723,200 H shares in July 2026, all of which have been cancelled. Further buybacks may be conducted as appropriate, subject to applicable laws and regulations.



Shares Repurchased

2,723,200



Amount

~HKD 44.31mn



Avg. Price

~HKD 16.27/share

金力永磁
JLMAG
用稀土创造美好生活

Q&A

