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**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)**

**PROPOSED ISSUE OF U.S.\$117.5 MILLION 1.75 PER CENT.  
GUARANTEED CONVERTIBLE BONDS DUE 2030**

***Sole Global Coordinator, Sole Bookrunner and Joint Lead Manager***



***Joint Lead Manager***



This announcement is made by the Company pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

On July 23, 2025 (after trading hours), the Issuer, the Company and the Managers entered into the Subscription Agreement, pursuant to which and subject to certain conditions contained therein, the Issuer has agreed to issue, and each Manager has agreed severally (and not jointly or jointly and severally) to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds in a principal amount of U.S.\$117.5 million. The Company will, in accordance with the terms of the Deed of Guarantee, unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Bonds and the Trust Deed.

The Bonds are convertible in the circumstances set out in the Terms and Conditions into H Shares at an initial Conversion Price of HK\$21.38 per H Share (subject to adjustments).

The initial Conversion Price is HK\$21.38 per H Share, which represents (i) a premium of approximately 10.0% over the last closing price of HK\$19.44 per H Share as quoted on the Hong Kong Stock Exchange on July 23, 2025 (being the trading day on which the Subscription Agreement was signed) and (ii) a premium of approximately 7.5% over the average closing price of HK\$19.88 as quoted on the Hong Kong Stock Exchange for the five consecutive trading days up to and including July 23, 2025.

Assuming full conversion of the Bonds at the initial Conversion Price of HK\$21.38 per H Share, the Bonds will be convertible into approximately 43,141,406 H Shares, representing approximately 18.95% of the total issued H share capital of the Company and approximately 3.14% of the total issued share capital of the Company as at the date of this announcement and approximately 15.93% of the enlarged total issued H share capital of the Company and approximately 3.05% of the enlarged total issued share capital of the Company resulting from the full conversion of the Bonds. The Conversion Shares will be fully-paid and rank *pari passu* in all respects with the H Shares then in issue on the relevant registration date.

The net issue price per Conversion Share is based on the estimated net proceeds from the Subscription of approximately U.S.\$115 million, and 43,141,406 Conversion Shares resulting from the full conversion of the Bonds is estimated to be approximately HK\$20.97.

Subject to completion of the issue of the Bonds, the net proceeds from the Subscription of the Bonds, after deducting the Managers' commissions and other estimated expenses payable in connection with this offering, will be approximately U.S.\$115 million. The Company intends to use the proceeds from the Subscription in the manner detailed in the paragraph headed "Use of Proceeds".

The Conversion Shares will be allotted and issued by the Company pursuant to the general mandate granted to the Board by the Shareholders at the annual general meeting of the Company held on May 28, 2025. The Subscription of the Bonds and the issue of the Conversion Shares by the Company are not subject to further Shareholders' approval.

The Issuer and the Company will apply to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds and the Conversion Shares to be allotted and issued upon conversion of the Bonds.

**Completion under the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated in certain circumstances.**

**As the transactions envisaged under the Subscription Agreement may or may not be completed, the Bonds may or may not be issued or listed and/or the Conversion Shares may or may not be issued or listed, Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.**

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On July 23, 2025 (after trading hours), the Issuer, the Company and the Managers entered into the Subscription Agreement, pursuant to which and subject to certain conditions contained therein, the Issuer has agreed to issue, and each Manager has agreed severally (and not jointly or jointly and severally) to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds in a principal amount of U.S.\$117.5 million. The Company will, in accordance with the terms of the Deed of Guarantee, unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Bonds and the Trust Deed.

## **SUBSCRIPTION AGREEMENT**

### **Date**

July 23, 2025

### **Parties**

1. The Issuer as issuer;
2. The Company as guarantor; and
3. The Managers.

## Subscription

Subject to the satisfaction of the conditions set out below in the section headed “Conditions precedent”, each Manager has agreed severally (and not jointly or jointly and severally) to subscribe and pay for, or procure subscribers to subscribe and pay for, the Bonds in a principal amount of U.S.\$117.5 million. To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, each of the Managers and their respective ultimate beneficial owner(s) is an Independent Third Party.

## Subscribers

The Managers have informed the Company that the Bonds will be offered to no less than six independent placees (each being independent individual, corporate and/or institutional investor). To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, each of the placees (and their respective ultimate beneficial owners) is an Independent Third Party.

## Conditions precedent

The obligations of the Managers to subscribe and pay for the Bonds are conditional on, amongst others:

1. **Due diligence and Offering Circular:** the Managers being satisfied with the results of their due diligence investigations with respect to the Issuer, the Company and their respective subsidiaries and the Offering Circular shall have been prepared in form and content satisfactory to the Managers;
2. **Other Contracts:** the execution and delivery (on or before the Closing Date) of the Contracts, each in a form reasonably satisfactory to the Managers, by the respective parties;
3. **Lock-up:** each of the Substantial Shareholders shall have executed a lock-up agreement on or before the date of the Subscription Agreement in the form set out in the Subscription Agreement;
4. **Auditors’ Letters:** upon the Publication Date and on the Closing Date, there having been delivered to the Managers comfort letters, in form and substance satisfactory to the Managers, dated the Publication Date in the case of the first letter and dated the Closing Date in the case of the subsequent letter, and addressed to the Managers from Ernst & Young, the certified public accountants to the Company;

5. **Compliance:** as at the Closing Date:
- (i) the representations and warranties of the Issuer and the Company in the Subscription Agreement being true, accurate and correct subject to the qualifications set forth in such representations and warranties (as applicable) at, and as if made on such date;
  - (ii) the Issuer and the Company having performed all of their respective obligations under the Subscription Agreement to be performed on or before such date; and
  - (iii) there having been delivered to the Managers a certificate in the form attached to the Subscription Agreement dated as of such date, of a duly authorized officer of the Issuer and the Company to such effect;
6. **Material Adverse Change:** after the date of the Subscription Agreement or, if earlier, the dates as of which information is given in the Offering Circular up to and at the Closing Date, there shall not have occurred any change (nor any development or event involving a prospective change), in the financial condition, prospects, results of operations or general affairs of the Issuer, the Company or of the consolidated Group as a whole, which, in the opinion of the Managers, is material and adverse in the context of the issue and offering of the Bonds and the giving of the guarantee;
7. **Other Consents:** on or prior to the Closing Date there shall have been delivered to the Managers (i) copies of resolutions of the board of directors of the Issuer and resolutions of the Board and Shareholders authorizing the issue of the Bonds and the performance of the Issuer's and the Company's obligations under the Contracts and the Bonds; (ii) copies of all filings, registrations, consents and approvals required in relation to the issue of the Bonds and the performance of the Issuer's and the Company's obligations under the Contracts and the Bonds (including the consents and approvals (if any) required from all lenders, and the NDRC certificate);
8. **Certificate Confirming No Default:** on the Closing Date, there having been delivered to the Managers a certificate of no default in the form attached to the Subscription Agreement as of such date, of a duly authorized officer of the Issuer and the Company;

9. **Listing:** on or prior to the Closing Date there shall have been delivered to the Managers confirmations that the Hong Kong Stock Exchange has agreed to list the Conversion Shares upon conversion of the Bonds and, subject to any conditions reasonably satisfactory to the Managers, to list the Bonds (or, in each case, the Managers being reasonably satisfied that such listing will be granted);
10. **Officer's Certificates:** on the Publication Date and the Closing Date, there having been delivered to the Managers a certificate substantially in the form attached to the Subscription Agreement as of such date and signed by the board secretary of the Company;
11. **Legal Opinions:** on or before the Closing Date, there having been delivered to the Managers opinions, in form and substance satisfactory to the Managers as to Hong Kong law, PRC law and English law; and
12. **CSRC Filing:** on or prior to the Closing Date, the agreed and final or substantially complete drafts of the following documents in relation to the CSRC Filings, in form and substance satisfactory to the Managers, having been delivered to the Managers:
  - (i) the CSRC Filing Report (including the letter of undertaking from the Company);
  - (ii) legal opinions of the legal advisers to the Issuer and the Company as to PRC law, to be submitted to the CSRC (including the letter of undertaking from the legal advisers to the Issuer and the Company);
  - (iii) the verification memorandum in relation to the CSRC Filing Report prepared by the legal advisers to the Managers as to PRC law;
  - (iv) confirmation letter of the legal advisers to the Managers as to PRC law, to confirm in all material respects with the contents, conclusions and opinions contained in legal opinions of the legal advisers to the Issuer and the Company;
  - (v) the memorandum to the Managers in relation to the CSRC Filing Report prepared by the legal advisers to the Managers as to PRC law; and
  - (vi) any other documents relating to the CSRC Filings required by the CSRC.

The Managers may, at their discretion and upon such terms as they think fit, waive compliance with the whole or any part of the conditions precedent (other than condition 2 above) set out in the Subscription Agreement.

As at the date of this announcement, certain of the above conditions precedent to the completion of the Subscription Agreement are yet to be satisfied and/or waived (as the case may be). It is the intention of the Issuer and the Company to satisfy or procure the satisfaction of the conditions precedent under the Subscription Agreement before the Issue Date.

## Termination

Notwithstanding anything contained in the Subscription Agreement, the Managers may, by notice to the Issuer and the Company given at any time prior to payment of the net subscription monies for the Bonds to the Issuer, terminate the Subscription Agreement in any of the following circumstances:

1. if there shall have come to the notice of the Managers any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Subscription Agreement or any failure to perform any of the Issuer's or the Company's undertakings or agreements in the Subscription Agreement;
2. if any of the conditions precedent set out in the Subscription Agreement has not been satisfied or waived by the Managers on or prior to the Closing Date;
3. if in the opinion of the Managers, there shall have been, since the date of the Subscription Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Company on any stock exchange or in any over-the-counter market) or currency exchange rates or foreign exchange controls such as would in its view, be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market;
4. if, in the opinion of the Managers, there shall have occurred any of the following events:  
(i) a suspension or a material limitation in trading in securities generally on the Shenzhen Stock Exchange, the Shanghai Stock Exchange, the New York Stock Exchange, the London Stock Exchange plc, the Hong Kong Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (ii) a suspension or a material limitation in trading in the Company's securities on the Hong Kong Stock Exchange, the Shenzhen Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (iii) a general moratorium on commercial banking activities in the United States, the PRC, Hong Kong and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, the PRC, Hong Kong or the United Kingdom; or (iv) a change or development involving a prospective change in taxation affecting the Issuer, the Company, the Bonds and the H Shares to be issued upon conversion of the Bonds or the transfer thereof; or
5. if, in the opinion of the Managers, there shall have occurred any event or series of events (including the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic) as would in their view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market.



## **The Issuer and the Company's lock-up**

Neither the Issuer, the Company nor any person acting on their behalf will (a) issue, offer, sell, pledge, encumber, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Managers between the date of the Subscription Agreement and the date which is 90 days after the Closing Date (both dates inclusive); except for (i) the Bonds and the Conversion Shares issued on conversion of the Bonds, (ii) any Shares or other securities (including rights or options) which are issued, offered, exercised, allotted, appropriated, modified or granted to, or for the benefit of employees (including directors) of the Company or any of its subsidiaries pursuant to any employee share scheme or plan, or (iii) any pledge or other encumbrance of A Shares.

## **The Substantial Shareholders' lock-up**

Each of the Substantial Shareholders, jointly and severally, undertakes that neither he nor any person acting on behalf of him (be it through any acting-in-concert agreement or any voting proxy arrangement) will (a) offer, sell, pledge, encumber, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Relevant Shares or securities of the same class as the Bonds or the Relevant Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Relevant Shares or securities of the same class as the Bonds, the Relevant Shares or other instruments representing interests in the Bonds, the Relevant Shares or other securities of the same class as them; (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Relevant Shares; (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Relevant Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Managers between the date of the Subscription Agreement and the date which is 90 days after the Closing Date (both dates inclusive), except for (i) the 10,085,700 Relevant Shares which are subject to the Stock Borrowing and Lending Agreement or (ii) any pledge or other encumbrance of Relevant A Shares. For the avoidance of doubt, "securities of the same class" referred to in this paragraph does not include any Relevant Shares.



## PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds are summarized as follows:

Issuer:	JL MAG Green Tech (Hong Kong) Company Limited 金力永磁綠色科技(香港)有限公司
Company:	JL MAG Rare-Earth Co., Ltd. (江西金力永磁科技股份有限公司)
Maturity Date:	August 4, 2030
Issue Price:	100% of the principal amount of the Bonds
Bonds:	U.S.\$117.5 million guaranteed convertible bonds due 2030 convertible at the option of the holder thereof into fully paid ordinary H shares of the Company of a nominal value of RMB1.00 each at the initial Conversion Price of HK\$21.38 per H Share.
Interest:	The Bonds will bear interest on their outstanding principal amount from and including the Issue Date, at the rate of 1.75 per cent. per annum, payable semi-annually in arrear.
Status:	<p>The Bonds will constitute direct, unsubordinated, unconditional and (subject to the negative pledge provision) unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to the negative pledge provision, at all times rank at least equally with all of its other present and future direct, unsubordinated, unconditional and unsecured obligations.</p> <p>The Company will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Bonds and the Trust Deed. The guarantee will constitute direct, unsubordinated, unconditional and (subject to the negative pledge provision) unsecured obligations of the Company.</p>

Form and denomination:	The Bonds will be issued in registered form in the specified denomination of U.S.\$200,000 each and integral multiples of U.S.\$100,000 in excess thereof.
Conversion period:	Subject to and upon compliance with the Terms and Conditions, the Conversion Right attaching to any Bond may be exercised, at the option of the Bondholder, at any time on or after the 41st day after the Issue Date up to the close of business (at the place where the certificate evidencing such Bond is deposited for conversion) on the date falling 10 working days prior to the Maturity Date (both days inclusive), or if such Bond shall have been called for redemption by the Issuer before the Maturity Date, then up to and including the close of business (at the place aforesaid) on a date no later than 10 working days (at the place aforesaid) prior to the date fixed for redemption thereof; provided that no Conversion Right may be exercised in respect of a Bond where the holder shall have exercised its right to require the Issuer to redeem or repurchase such Bond pursuant to the Terms and Conditions or during a Restricted Conversion Period (both dates inclusive); provided further that the Conversion Right is exercised subject to any applicable fiscal or other laws or regulations or as provided in the Terms and Conditions.
Conversion Price:	The price at which H Shares will be issued upon conversion will initially be HK\$21.38 per H Share but will be subject to adjustments for, among other things, consolidation, subdivision or re-classification of H Shares, capitalization of profits or reserves, capital distributions to the holders of H Shares, rights issues of Shares or options over Shares at a consideration less than 95% of the current market price per H Share, rights issues of other securities, issues at less than 95% of the current market price per H Share, other issues of convertible or exchangeable securities at less than 95% of the current market price per H Share, modification of rights of conversion etc. at less than 95% of the current market price per H Share, other offers to holders of H Shares, other events as the Company otherwise determines that an adjustment should be made to the Conversion Price or Change of Control, as further described in the Terms and Conditions.

Adjustment upon Change of Control:

If a Change of Control shall have occurred, the Issuer shall give notice of that fact to the Bondholders (the “**Change of Control Notice**”) in accordance with the Terms and Conditions and to the Trustee and the agents appointed under the Agency Agreement in writing within seven days after it becomes aware of such Change of Control. Following the giving of a Change of Control Notice, upon any exercise of Conversion Rights such that the relevant conversion date in respect of a Bond (the “**Conversion Date**”) falls within the period of 30 days following the later of (i) the occurrence of the relevant Change of Control and (ii) the date on which the Change of Control Notice is given to Bondholders (such period, the “**Change of Control Conversion Period**”), the Conversion Price shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} / (1 + (\text{CP} \times \text{c} / \text{t}))$$

Where:

“**NCP**” = the Conversion Price after such adjustment;

“**OCP**” = the Conversion Price before such adjustment. For the avoidance of doubt, OCP shall be the Conversion Price applicable on the relevant Conversion Date;

Conversion Premium (“**CP**”) = 10.00 per cent. expressed as a fraction;

“**c**” = the number of days from and including the first day of the Change of Control Conversion Period to but excluding the Maturity Date; and

“**t**” = the number of days from and including the Issue Date to but excluding the Maturity Date,

provided that the Conversion Price shall not be reduced below the level permitted by applicable laws and regulations from time to time (if any).

Ranking of Conversion Shares:

The H Shares issued upon exercise of the Conversion Rights will be fully paid up and will in all respects rank *pari passu* with, and within the same class as, the H Shares in issue on the relevant registration date except for any right excluded by mandatory provisions of applicable law.

- Redemption at maturity: Unless previously redeemed, converted or purchased and cancelled as provided in the Terms and Conditions, the Issuer will redeem each Bond at its principal amount, together with accrued and unpaid interest thereon on the Maturity Date.
- Redemption for taxation reasons: The Bonds may be redeemed, at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Trustee, the Principal Agent and the Bondholders (which notice shall be irrevocable), at their principal amount, together with accrued and unpaid interest thereon to but excluding the date fixed for redemption, if the Issuer satisfies the Trustee immediately prior to the giving of such notice that (i) the Issuer (or if the guarantee was called, the Company) has or will become obliged to pay additional tax amounts as provided or referred to in the Terms and Conditions as a result of any change in, or amendment to, the laws or regulations of the PRC or Hong Kong or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after July 23, 2025, and (ii) such obligation cannot be avoided by the Issuer (or, as the case may be, the Company) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or, as the case may be, the Company) would be obliged to pay such additional tax amounts were a payment in respect of the Bonds then due. If the Issuer exercises its tax redemption right, each Bondholder will have the right to elect that his Bond(s) shall not be redeemed. Upon a Bondholder electing not to have his Bonds redeemed in such circumstances, any payments due after the relevant date of redemption shall be made subject to any deduction or withholding of any taxation required to be deducted or withheld.
- Redemption at the option of the Bondholders: The holder of each Bond will have the right at such holder's option, to require the Issuer to redeem all or some only of that holder's Bonds on August 4, 2028 (the "**Put Option Date**") at their principal amount together with accrued and unpaid interest thereon to but excluding the Put Option Date, as specified in the Terms and Conditions.

Redemption at the option of the Issuer:

On giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice will be irrevocable), the Trustee and the Principal Agent, the Bonds may be redeemed by the Issuer in whole, but not in part, at their principal amount, together with accrued and unpaid interest thereon to but excluding the date fixed for redemption, if at any time (i) on or after August 25, 2028 but prior to the Maturity Date, provided that no such redemption may be made unless the closing price of an H Share translated into USD at the prevailing rate applicable to each business day of the Hong Kong Stock Exchange, for any 20 business days of the Hong Kong Stock Exchange within a period of 30 consecutive business days of the Hong Kong Stock Exchange, the last of such business day of the Hong Kong Stock Exchange shall occur not more than 10 days prior to the date upon which notice of such redemption is given, was, for each such 20 business days of the Hong Kong Stock Exchange, at least 130 per cent. of the Conversion Price (translated into USD at the fixed exchange rate) then in effect. If there shall occur an event giving rise to a change in the Conversion Price during any such 30 consecutive business days of the Hong Kong Stock Exchange period, appropriate adjustments for the relevant days approved by an independent financial advisor shall be made for the purpose of calculating the Closing Price of the H Shares for such days; or (ii) the aggregate principal amount of the Bonds outstanding is less than 10 per cent. of the aggregate principal amount originally issued (including any Bonds further issued pursuant to the Terms and Conditions).

Redemption for Relevant Events: Following the occurrence of a Relevant Event (as defined below), the holder of each Bond will have the right at such holder's option, to require the Issuer to redeem all or some only of such holder's Bonds on the relevant event put date at their principal amount, together with accrued and unpaid interest thereon to but excluding the relevant event put date.

**“Relevant Event”** means the occurrence of either:

- (i) a Change of Control;
- (ii) a Delisting;
- (iii) a H Share Suspension in Trading; or
- (iv) a No Registration Event.

Negative Pledge:

So long as any Bond remains outstanding, neither the Issuer nor the Company will, and the Issuer and the Company shall procure that none of their respective subsidiaries will, create or permit to subsist any security interest upon the whole or any part of its undertaking, assets or revenues (including any uncalled capital), present or future, to secure any investment securities or to secure any guarantee or indemnity in respect of any investment securities unless, at the same time or prior thereto according to the Bonds the same security as is created or subsisting to secure any such investment securities, guarantee or indemnity or such other security as shall be approved by an extraordinary resolution of the Bondholders.

## SECURITIES LENDING ARRANGEMENT

In connection with the proposed issue of the Bonds, UBS AG London Branch (the “**Borrower**”), as borrower and custodian, has entered into the Stock Borrowing and Lending Agreement with Rui De (Hong Kong) Limited, a Shareholder of the Company, as lender (the “**Lender**”), to allow the Lender to provide stock lending, for hedging purposes, to the Borrower in respect of 10,085,700 H Shares upon and subject to the terms and conditions stated in the Stock Borrowing and Lending Agreement. As at the date of this announcement, the Lender, being one of the Controlling Shareholders of the Company, holds 20,171,400 H Shares, representing approximately 1.47% of the total issued share capital of the Company. For the avoidance of doubt, the aforesaid H Shares lent by the Lender will only be offered to third parties independent of the Company and its connected persons (within the meaning of the Listing Rules).

## CONVERSION PRICE AND CONVERSION SHARES

The initial Conversion Price is HK\$21.38 per H Share, which represents (i) a premium of approximately 10.0% over the last closing price of HK\$19.44 per H Share as quoted on the Hong Kong Stock Exchange on July 23, 2025 (being the trading day on which the Subscription Agreement was signed); and (ii) a premium of approximately 7.5% over the average closing price of HK\$19.88 as quoted on the Hong Kong Stock Exchange for the five consecutive trading days up to and including July 23, 2025.

The Conversion Price was determined with reference to the prevailing market price of the H Shares and the Terms and Conditions (including the redemption options) and was negotiated on an arm’s length basis between the Issuer, the Company and the Managers. The Directors consider that the Conversion Price is fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole. There are no treasury shares in respect of H Shares held by the Company as at the date of this announcement and the Company has no intention to transfer treasury shares in respect of H Shares upon exercise of the Conversion Rights.



Assuming full conversion of the Bonds at the initial Conversion Price of HK\$21.38 per H Share, the Bonds will be convertible into approximately 43,141,406 H Shares, representing approximately 18.95% of the total issued H share capital of the Company and approximately 3.14% of the total issued share capital of the Company as at the date of this announcement and approximately 15.93% of the enlarged total issued H share capital of the Company and approximately 3.05% of the enlarged total issued share capital of the Company resulting from the full conversion of the Bonds. The Conversion Shares will be fully-paid and rank *pari passu* in all respects with the H Shares then in issue on the relevant registration date.

The aggregate nominal amount of the Conversion Shares is RMB43,141,406. The net issue price per Conversion Share based on the estimated net proceeds from the Subscription of approximately U.S.\$115 million, and 43,141,406 Conversion Shares resulting from the full conversion of the Bonds is estimated to be approximately HK\$20.97.

## EFFECT ON SHAREHOLDINGS

The table below sets out a summary of the shareholdings in the Company (i) as at the date of this announcement and (ii) upon the exercise in full of the Conversion Rights attached to the Bonds:

Class of share	As at the date of this announcement		Upon full conversion of the Bonds at the initial Conversion Price of HK\$21.38 per H Share	
	Number of Shares	Approximate percentage of the total issued Shares (%)	Number of Shares	Approximate percentage of the total issued Shares (%)
<b>A Shares</b>				
Controlling Shareholders <sup>1</sup>	421,799,769	30.74%	421,799,769	29.80%
Other core connected persons of the Company <sup>2</sup>	2,292,968	0.17%	2,292,968	0.16%
Public A Shareholders	720,398,386	52.50%	720,398,386	50.90%
<b>Total A Shares</b>	<b>1,144,491,123</b>	<b>83.41%</b>	<b>1,144,491,123</b>	<b>80.87%</b>
<b>H Shares</b>				
Controlling Shareholders <sup>1</sup>	20,171,400	1.47%	20,171,400	1.43%
Public H Shareholders	207,469,400	15.12%	207,469,400	14.66%
Bondholders	–	–	43,141,406	3.05%
<b>Total H Shares</b>	<b>227,640,800</b>	<b>16.59%</b>	<b>270,782,206</b>	<b>19.13%</b>
<b>Total</b>	<b>1,372,131,923</b>	<b>100%</b>	<b>1,415,273,329</b>	<b>100%</b>

*Notes:*

1. As at the date of this announcement, Mr. Cai Baogui, Mr. Hu Zhibin and Mr. Li Xinnong, and the investment holding entities controlled by them, namely Jiangxi Ruide Venture Investment Co., Ltd., Rui De (Hong Kong) Limited, Ningbo Ruide Equity Investment Co., Ltd., Ganzhou Geshuo Investment Management Center (limited partnership) and Ganzhou Xinsheng Investment Management Center (limited partnership), are collectively entitled to exercise voting rights of approximately 32.21% of the total issued share capital of the Company. Accordingly, they constitute a group of controlling shareholders of the Company under the Hong Kong Listing Rules.
2. As at the date of this announcement, apart from Controlling Shareholders, the aggregate holding of 2,292,968 A Shares by Mr. Lyu Feng and Ms. Liu Qiujun will not be considered as part of the public float as they will be considered as core connected persons (as defined under the Listing Rules) of the Company.
3. Any discrepancy between the total and the sum of the individual percentages in the above table is due to rounding.

## **USE OF PROCEEDS**

Subject to completion of the issue of the Bonds, the net proceeds from the Subscription of the Bonds, after deducting the Managers' commissions and other estimated expenses payable in connection with this offering, will be approximately U.S.\$115 million. Such net proceeds are currently intended to be applied towards the following purposes, namely: (i) repayment of debts; (ii) repurchase of H Shares; (iii) general working capital; and (iv) payment of the Issuer's operating expenses, details of which are set forth below:

### **(i) Repayment of debts:**

It is intended that 9% (i.e. approximately U.S.\$10 million) of the net proceeds be applied for the repayment of outstanding principals of and interests payables on the Group's bank loans. The Company believes that the utilisation of net proceeds towards repayment of debts can help alleviate the Group's repayment pressure, strengthen its capital structure and retain cashflow for future business development.

### **(ii) Repurchase of H Shares:**

It is intended that 66% (i.e. approximately U.S.\$76 million) of the net proceeds be applied for the repurchase of H Shares. Such plan for repurchase forms part of the Company's treasury management initiative, which involves the repurchase of both A Shares and H Shares. The repurchased H Shares may either be cancelled to reduce its registered capital or held in treasury for, inter alia, the funding of the Group's H Share incentive schemes. As the Company's cash is mainly held in RMB in PRC bank accounts, the Company believes that the utilisation of net proceeds, in USD, towards the planned repurchase of H Shares is a more cost-and-time efficient means of internal resource allocation as the Company can apply the funds directly towards such purpose and avoid paying the high cross-border remittance fees and timely apply such funds shall any repurchase opportunity arise by simplifying the payment procedures. The Company is also of the view that the repurchase of H Shares will help enhance investor confidence, improve Shareholders' returns by increasing the net asset value per share and/or earnings

per share, optimise the Company's governance structure, and preserve the Group's working capital and liquidity to ensure the achievement of the Group's long-term business objectives. For the avoidance of doubt, the repurchase of H Shares will not be implemented until after the completion of the issue of the Bonds. Any repurchase of H Shares is subject to market conditions and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

**(iii) General working capital:**

It is intended that 22% (i.e. approximately U.S.\$25 million) of the net proceeds be applied towards general working capital needs, primarily applied towards procurement of raw materials and equipment in order to ensure the implementation of the Company's strategy of shoring up its main business, and expanding emerging businesses, a breakdown of which is as follows:

- (a) 50% (i.e. approximately U.S.\$12.5 million) be used for the purchase of equipment to support capacity expansion. In order to meet the strong demand and support order growth in fields such as new energy vehicles, variable frequency air conditioners, motor rotors for embodied robots, the Company plans to invest in a 20,000-ton rare earth permanent magnet material capacity project in Baotou Phase III, and hence production equipment needs be purchased to meet the capacity target.
- (b) 50% (i.e. approximately U.S.\$12.5 million) be used for raw material procurement to meet future mass production requirements from customers, with a focus on the development of motor rotors for embodied robots, Embodied robots represent the future trend of technological advancement and are one of the key growth areas for high-performance neodymium-iron-boron magnetic materials. The Company is actively collaborating with world-renowned technology companies on the research, development, and production capacity expansion of motor rotors for embodied robots, with small-scale deliveries already underway.

The Company believes that the utilisation of net proceeds towards general working capital needs will help support the Group's operations, as well as provide more resources for the Company to conduct further business expansion and enhance its overall financial position and liquidity.

**(iv) Payment of the Issuer's operating expenses:**

It is intended that 3% (i.e. approximately U.S.\$4 million) of the net proceeds be applied towards payment of the Issuer's operating expenses, including without limitation, payment of legal and compliance expenses, rental expenses, salaries and remuneration, administrative costs and other sundry expenses. The Company believes that the utilisation of net proceeds towards payment of the Issuer's operating expenses can help sustain its daily operations and ensure that it can continue to serve its purpose for the benefit of the stakeholders.

**REASONS FOR AND BENEFITS OF THE ISSUE OF THE BONDS**

The Board considers that the issue of the Bonds represents an opportunity to obtain a pool of readily available funds that can better support global expansion and refinancing indebtedness of the Company in the long run. The Board currently intends to use the funds as mentioned above and considers it will facilitate the overall development and expansion of the Group.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Subscription Agreement and the issue of the Bonds are made on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

**GENERAL MANDATE FOR THE ISSUE OF THE BONDS AND THE CONVERSION SHARES**

At the 2024 annual general meeting of the Company held on May 28, 2025, a special resolution was passed to grant a general mandate (the “**General Mandate**”) to the Directors to issue, allot, or deal with additional H Shares not exceeding 45,528,160 H Shares, equivalent to 20% of the aggregate nominal amount of H Shares of the Company in issue as at the date of the 2024 annual general meeting, which amounted to 227,640,800 H Shares. As at the date of this announcement and immediately prior to the entering into of the Subscription Agreement, the Company has not issued any H Shares under the General Mandate. The Conversion Shares to be issued upon the conversion of the Bonds will be allotted and issued pursuant to the General Mandate. The Subscription of the Bonds and the issue of the Conversion Shares by the Company are not subject to further Shareholders' approval.

In the event that there is any adjustment to the Conversion Price such that the number of Conversion Shares to be allotted and issued by the Company upon full conversion of the Bonds exceeds the limit under the General Mandate, the Company will comply with all applicable requirements under the Listing Rules as and when necessary, including but not limited to, seeking specific mandate from the Shareholders approving the allotment and issue of the Conversion Shares pursuant to the terms and conditions of the Bonds.

## FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has conducted the following equity fund raising activities in the past 12 months immediately before the date of this announcement:

Equity fund raising activity	Net proceeds	Intended use of proceeds	Actual use of proceeds	Date of announcement(s) and/or circular(s)
Allotment and issue of 20,171,400 new H Shares, at the subscription price of HK\$7.82 per H Share, to Rui De (Hong Kong) Limited pursuant to a share subscription agreement dated January 26, 2024 under the Specific Mandate; and placing of 6,723,800 new H Shares, at the placing price of HK\$7.82 per H Share, pursuant to the placing agreement entered into between the Company and DBS Asia Capital Limited (as placing agent) dated December 19, 2024 under the Specific Mandate.	HK\$206.6 million	The net proceeds were intended to be utilized for purchasing of raw materials, repayment of the Company's debts and other day-to-day uses.	As at the date of this announcement, the net proceeds were fully utilized as intended.	For further details, please refer to the announcements of the Company dated January 28, 2024, June 5, 2024, December 19, 2024 and December 30, 2024 and the circular of the Company dated May 14, 2024.

Save for the aforesaid, the Company has not conducted any equity fund raising activities during the past 12 months immediately preceding the date of this announcement.

## CSRC FILINGS

The Company shall complete the CSRC Filings in connection with the offering.

## GENERAL INFORMATION

The Company is a high-tech enterprise integrating the research and development, production and sales of high-performance NdFeB PMs, magnetic components, motor rotors for embodied robots, and the recycling and comprehensive utilization of REPMs. It is a leading global supplier of core application materials in the fields of new energy and energy conservation and environmental protection. The Company's products are widely used in new energy vehicles and automotive components, energy-saving variable-frequency air conditioners, wind power generation, 3C products (computers, communications and consumer electronics), robots and industrial servo motors, low-altitude aircraft, energy-saving elevators, rail transit and other sectors, and it has established long-term and stable cooperative relationships with leading enterprises in various industries both domestically and internationally.

## APPLICATION FOR LISTING

A formal application will be made by the Issuer and the Company to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds by way of debt issue to professional investors only, on the Hong Kong Stock Exchange and an application will be made by the Company to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the H Shares to be issued upon the exercise of the conversion rights attaching to the Bonds on the Hong Kong Stock Exchange.

**Completion under the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated in certain circumstances.**

**As the transactions envisaged under the Subscription Agreement may or may not be completed, the Bonds may or may not be issued or listed and/or the Conversion Shares may or may not be issued or listed, Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

*In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:*

“A Shareholder(s)”	holder(s) of A Shares
“A Shares”	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
“Agency Agreement”	the paying, conversion and transfer agency agreement in respect of the Bonds to be entered into between the Issuer, the Company, the Trustee, the Principal Agent and China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as registrar, and the other paying agents, transfer agents and conversion agents appointed thereunder on Issue Date
“Board”	the board of Directors of the Company
“Bond(s)”	U.S.\$117.5 million 1.75 per cent. guaranteed convertible bonds due 2030 convertible at the option of the holder thereof into fully paid ordinary H Shares of the Company of par value of RMB1.00 each at the initial Conversion Price of HK\$21.38 per H Share



“Bondholder(s)”	holder(s) of the Bond(s) from time to time
“Change of Control”	<p>(a) in the case of the Issuer, the Company ceases to directly or indirectly hold or own 100 per cent. of the issued share capital of the Issuer; or</p> <p>(b) in the case of the Company: (A) the Permitted Holders, in aggregate, cease to be the single largest holder of the issued share capital of the Company; or (B) any person or persons acting together acquires control of the Company provided that such person or persons does not or do not have, and would not be deemed to have, control of the Company on the Issue Date</p>
“Closing Date”	the date on or around August 4, 2025 or such later date, not being later than 14 days after the Issue Date, as the Issuer, the Company and the Managers may agree
“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 August 19, 2008
“connected person(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Contracts”	the Subscription Agreement, the Trust Deed, the Deed of Guarantee and the Agency Agreement
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules, and, unless the context requires otherwise, means, a group of controlling shareholders of our Company consisting of Mr. Cai Baogui (蔡報貴), Mr. Hu Zhibin (胡志濱), Mr. Li Xinnong (李忻農), Jiangxi Ruide Venture Investment Co., Ltd. (江西瑞德創業投資有限公司), Rui De (Hong Kong) Limited (香港銳德有限公司), Ningbo Ruide Equity Investment Co., Ltd. (寧波銳德股權投資有限公司), Ganzhou Geshuo Investment Management Center (limited partnership) (贛州格碩投資管理中心(有限合夥)) and Ganzhou Xinsheng Investment Management Center (limited partnership) (贛州欣盛投資管理中心(有限合夥))
“Conversion Price”	the price per Conversion Share (subject to adjustments) at which the Bonds may be converted into the H Shares

“Conversion Right”	the right of a Bondholder to convert any Bond into H Shares
“Conversion Share(s)”	the H Share(s) to be issued upon conversion of the Bonds pursuant to the Trust Deed and the Terms and Conditions
“core connected person”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“CSRC”	China Securities Regulatory Commission
“CSRC Filing(s)”	any and all letters, filings, correspondences, communications, documents, responses, undertakings and submissions in writing, orally or in any form, including any amendments, supplements and/or modifications thereof, made or to be made to the CSRC, relating to or in connection with the transaction pursuant to the CSRC Filing Rules and other applicable laws of the CSRC (including, without limitation, the CSRC Filing Report)
“CSRC Filing Report”	the filing report of the Company in relation to the issuance of the Bonds which will be submitted to the CSRC within three Registration Business Days after the Issue Date pursuant to Articles 13 and 16 of the CSRC Filing Rules
“CSRC Filing Rules”	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) and supporting guidelines issued by the CSRC on February 17, 2023 and became effective on March 31, 2023, as amended, supplemented or otherwise modified from time to time
“Deed of Guarantee”	the deed of guarantee in relation to the guarantee of all sums expressed to be payable by the Issuer under the Bonds and the Trust Deed to be entered into between the Company and the Trustee on the Issue Date
“Delisting”	when the H Shares cease to be listed or admitted to trading on the Hong Kong Stock Exchange
“Director(s)”	the director(s) of the Company or any one of them
“Group”	the Company and its subsidiaries

“H Share Stock Exchange Business Day”	any day (other than a Saturday or Sunday) on which the Hong Kong Stock Exchange or the alternative stock exchange (as the case may be) is open for the business of dealing in securities
“H Share Suspension in Trading”	the suspension in trading of the H Shares for a period of 30 consecutive H Share Stock Exchange Business Days
“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”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules” or “Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Third Party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are not the Company’s connected persons and their associates (as defined under the Hong Kong Listing Rules)
“Issue Date”	August 4, 2025
“Issuer”	JL MAG Green Tech (Hong Kong) Co., Ltd. 金力永磁綠色科技(香港)有限公司, a company incorporated in Hong Kong on July 19, 2022 and a wholly-owned subsidiary of the Company
“Managers”	UBS AG Hong Kong Branch and DBS Bank Ltd.
“Maturity Date”	August 4, 2030
“New Shares”	the H Shares to be issued on conversion of the Bonds

“No Registration Event”	when the SAFE registration documents are not provided to the Trustee by the day falling six months after the Issue Date
“Offering Circular”	the offering circular to be prepared by the Issuer and the Company in connection with the issue of the Bonds and the listing of the Bonds on the Hong Kong Stock Exchange
“Permitted Holders”	<p>the following persons as a collective, which may include any person or person(s) in substitution thereof (as the case may be):</p> <ul style="list-style-type: none"> <li>(i) Mr. Cai Baogui (蔡報貴), Mr. Hu Zhibin (胡志濱) and Mr. Li Xinnong (李忻農) and any heir, estate, lineal descendant (or spouse thereof), spouse or parent of Mr. Cai Baogui (蔡報貴), Mr. Hu Zhibin (胡志濱) and Mr. Li Xinnong (李忻農);</li> <li>(ii) any trust of which the direct or indirect beneficiaries are any of such persons referred to in sub-paragraph (i) of this definition; and</li> <li>(iii) any person or persons controlled by any person specified in sub-paragraphs (i) and (ii) of this definition</li> </ul>
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region and Taiwan Region
“Principal Agent”	China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司)
“Publication Date”	the publication date of the Offering Circular, which is dated no later than three business days prior to the Issue Date or such other date as may be agreed between the Issuer, the Company and the Managers
“Registration Business Day”	means a day, other than a Saturday, Sunday or public holiday, on which commercial banks are generally open for business in Beijing
“Relevant A Shares”	the A Shares controlled by the Substantial Shareholders through acting-in-concert agreements among themselves and with other shareholders of the Company as well as a voting proxy arrangement, as at the date of this announcement

“Relevant H Shares”	the H Shares controlled by the Substantial Shareholders through acting-in-concert agreements among themselves and with other shareholders of the Company as well as a voting proxy arrangement, as at the date of this announcement
“Relevant Shares”	Relevant A Shares and Relevant H Shares
“Restricted Conversion Period”	the period (i) commencing on the date falling 30 days prior to a Shareholders’ meeting and ending on the date of that meeting; or (ii) commencing the date falling five working days prior to the record date set by the Company for the purpose of distribution of any dividend and ending on such record date; or (iii) commencing on such date and for such period as determined by applicable law from time to time that the Company is required to close its register
“RMB”	Renminbi, the lawful currency of PRC
“SAFE”	the State Administration of Foreign Exchange of the PRC or its local branch
“Securities Act”	the United States Securities Act of 1933 (as amended)
“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
“Specific Mandate”	the Specific Mandate granted to the Directors by the Shareholders at the 2023 annual general meeting of the Company to allot and issue up to 26,895,424 H Shares
“Stock Borrowing and Lending Agreement”	the stock borrowing and lending agreement entered into between UBS AG London Branch as borrower and custodian and Rui De (Hong Kong) Limited as lender dated July 23, 2025
“Subscription”	the issue and subscription of the Bonds pursuant to the Subscription Agreement

“Subscription Agreement”	the subscription agreement dated July 23, 2025 entered into between the Issuer, the Company and the Managers in connection with the issue and subscription of the Bonds
“Substantial Shareholders”	Mr. Cai Baogui (蔡報貴), Mr. Hu Zhibin (胡志濱) and Mr. Li Xinnong (李忻農)
“Terms and Conditions”	the terms and conditions of the Bonds
“Trust Deed”	the trust deed constituting the Bonds to be entered into between the Issuer, the Company and the Trustee on or around the Issue Date
“Trustee”	China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司)
“United States”	the United States of America
“U.S.\$” or “USD”	US dollar(s), the lawful currency of the United States
“%”	per cent

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

Jiangxi, July 24, 2025

*As of the date of this announcement, the Board comprises Mr. Cai Baogui and Mr. LyFeng 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.*