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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: 6680)

ANNOUNCEMENT

PLEDGE OF CERTAIN SHARES BY CONTROLLING SHAREHOLDER

On March 8, 2022, JL MAG RARE-EARTH CO., LTD. (the “**Company**”) received a notice from Ganzhou Geshuo Investment Management Center (limited partnership) (“**Ganzhou Geshuo**”), a shareholder, informing that certain shares of the Company held by Ganzhou Geshuo have been pledged. Details are as follows:

I. BASIC INFORMATION OF THE PLEDGE OF SHARES BY THE SHAREHOLDER

Name of shareholder	Number of pledged shares (in 10 thousand)	Proportion to the number of shares held	Proportion to the total share capital of the Company	Whether its shares are restricted shares	Whether supplemental pledge is adopted	Commencement date of the pledge	Expiry date of the pledge	Pledgee	Purpose of the pledge
Ganzhou Geshuo	205.00	9.27%	0.25%	No	No	March 7, 2022	Until the procedure for release the pledge is completed	GF Securities Co., Ltd.	Business operations of itself
Total	205.00	9.27%	0.25%	-	-	-	-	-	-

Note: The pledged shares do not involve performance commitments and share compensation obligations such as major assets restructuring.

II. ACCUMULATED PLEDGED SHARES OF THE SHAREHOLDER

As at the date of this announcement, details of the pledged shares held by Ganzhou Geshuo are as follows:

Name of shareholder	Number of shares held (in 10 thousand)	Percentage of shareholding in the total share capital of the Company	Number of pledged shares before the pledge (in 10 thousand)	Number of pledged shares after the pledge (in 10 thousand)	Proportion of the pledged shares to its shares held	Proportion of the pledged shares to the total share capital of the Company	Pledged shares		Unpledged shares	
							Number of restricted and frozen shares among pledged shares (in 10 thousand)	Proportion to the pledged shares	Number of restricted and frozen shares among unpledged shares (in 10 thousand)	Proportion to the unpledged shares
Ganzhou Geshuo	2,210.5584	2.64%	0	205.00	9.27%	0.25%	0	0%	0	0%
Total	2,210.5584	2.64%	0	205.00	9.27%	0.25%	0	0%	0	0%

Ganzhou Geshuo was a partner of Ganzhou Qianchang Enterprise Consulting Management Centre (limited partnership) (“**Ganzhou Qianchang**”), the original shareholder holding more than 5% of the shares of the Company. Mr. Li Xinnong, one of the de facto controllers of the Company, is the managing partner of Ganzhou Geshuo. As the partnership of Ganzhou Qianchang expired and was cancelled on August 9, 2021, the shares held by Ganzhou Qianchang were transferred to each partner by means of non-transaction transfer in proportion to their capital contribution. The transfer date is October 15, 2021, and Ganzhou Geshuo as the transferee shall continue to comply with relevant disclosure requirements for shareholders holding more than 5% of the shares within six months. As of the date of this announcement, the shares held by Ganzhou Geshuo are not frozen or auctioned, and there is no risk of liquidation of the shares pledged by Ganzhou Geshuo. The above-mentioned pledge will not lead to any change in the de facto control of the Company and will not have a significant impact on the operation and management and corporate governance of the Company.

As at the date hereof, 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., Ganzhou Geshuo and Ganzhou Xinsheng Investment Management Center (limited partnership), are collectively entitled to exercise voting rights of approximately 33.52% of the issued share capital of the Company. Accordingly, they constitute a group of controlling shareholders of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”). The pledge of shares will not in itself affect Ganzhou Geshuo’s status as a controlling shareholder of the Company or the normal operations of the Company.

The above pledge of shares does not fall within the scope of Rule 13.17 of the Hong Kong Listing Rules.

The Company will continue to follow the subsequent progress of the pledge of shares by the shareholder and fulfill its information disclosure obligations in a timely manner as required. Investors are advised to pay attention to the investment risks.

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

Jiangxi, March 9, 2022

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