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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: 6680)

ANNOUNCEMENT

PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTORS AND PROPOSED APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTORS

The board (the “**Board**”) of directors (the “**Directors**”) of JL MAG RARE-EARTH CO., LTD. (the “**Company**”) hereby announces that it approved that Mr. Liang Minhui, Mr. Xue Naichuan and Mr. Li Xiaoguang (collectively referred to as “**Non-executive Directors Candidates**”) were nominated as candidates for non-executive director on 30 March 2023. The proposed appointment of the above Non-executive Directors Candidates is subject to the approval of the shareholders of the Company by ordinary resolution at a general meeting of the Company (the “**GM**”).

Those who are ultimately appointed as non-executive directors of the Company are the two having highest net votes received for each resolution to appoint non-executive directors of the Company in GM, and their terms of office shall commence from the effective date of election at the GM of the Company and end on the date of expiry of the third session of the Board. They are eligible for re-election upon expiry of their terms of office.

The Company will enter into a service contract with the non-executive directors appointed, pursuant to which the fees of each of the non-executive directors appointed will be fixed at RMB150,000 (before tax) per annum, which is determined with reference to their duties and responsibilities with the Company, the Company’s remuneration policy and the prevailing market conditions respectively.

Set forth below is the biographic details of the Non-executive Directors Candidates:

Mr. Liang Minhui (梁敏輝), aged 50. He has served as teacher of the Economics and Law Department, teacher of Business Administration Department, and director of the Employment Guidance Center for Graduates of Students' Work Office of Gannan Normal University, chief economist, member of party committee, and deputy director of State-owned Assets Supervision and Administration Commission of Ganzhou City, Jiangxi Province, since October 2021, he has been deputy secretary of the party committee and general manager of Ganzhou Development Investment Holding Group Co., Ltd. Mr. Liang Minhui graduated from Jiangxi University of Finance and Economics with a master's degree in management.

Mr. Xue Naichuan (薛乃川), aged 50. From 1996 to 2007, he served as accountant of Urumqi Wulabo Sub-branch of ICBC, an accountant of Urumqi Minzhu Road Sub-branch of ICBC, engineer of Information Technology Department and economist of Investment Banking Department of ICBC Xinjiang Branch, from 2007 to 2022, he successively served as director of the Investment Development Department, director of the International Business Department and the Investment Development Department, deputy general manager, executive deputy general manager, general manager, and chairman of Beijing Tianrun New Energy Investment Co., Ltd., from July 2019 to July 2022, he served as vice president of business of Xinjiang Goldwind Technology Co., Ltd. (a company listed on Shenzhen Stock Exchange, stock code: 002202, and listed on Hong Kong Stock Exchange, stock code: 2202), since July 2022, he has been vice president of Xinjiang Goldwind Technology Co., Ltd. Mr. Xue Naichuan graduated from Xinjiang University with a doctorate in economics.

Mr. Li Xiaoguang (李曉光), aged 48. From 1994 to 1999, he was manager of the Information Department of the Chang'an Road Business Department of Shaanxi Securities, from 1999 to 2000, he served as manager of the Investment Banking Department of CITIC Securities Xi'an Business Department, from 2000 to 2014, he served as assistant to the general manager of Western Securities Chang'an Central Road and general manager of the Marketing Department of Western Securities, from 2014 to 2018, he served as deputy manager of the Securities Department of Shaanxi Coal Industry Co., Ltd. (a company listed on Shanghai Stock Exchange, stock code: 601225), since December 2018, he has been manager of the Securities Department of Shaanxi Coal Industry Co., Ltd. Mr. Li Xiaoguang graduated from Shaanxi Institute of Finance & Economics (陝西財經學院) with a bachelor's degree in accounting.

Each of Non-executive Directors Candidates confirmed that, save as disclosed above, as of the date of this announcement: (1) he does not hold any other positions in the Company or any of its subsidiaries, nor has he held any directorships in the last three years in any other public companies where the securities of which are listed on any securities market in Hong Kong or overseas; (2) he does not have any relationship with any other directors, supervisors, senior management, substantial shareholders or controlling shareholders of the Company or any of its subsidiaries; (3) he does not hold any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and (4) he does not have any matters regarding the proposed appointment that shall be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), nor is there any other issue regarding the proposed appointment that shall be brought to the attention of the shareholders of the Company.

PROPOSED APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

In view of the fact that Mr. You Jianxin and Mr. Yuan Taifang, both independent non-executive directors of the Company, have served as independent non-executive directors of the Company for six consecutive years, the Company will re-elect two independent non-executive directors in accordance with the Company Law of the People's Republic of China and the Rules for Independent Directors of Listed Companies and other relevant requirements, which stipulate that an independent non-executive director shall not serve in a listed company for more than six consecutive years. The expiration of tenure of Mr. You Jianxin and Mr. Yuan Taifang will result in the number of independent non-executive directors on the Board of the Company being less than statutory requirements. Accordingly, Mr. You Jianxin and Mr. Yuan Taifang will continue to perform their duties as independent non-executive directors and members of the relevant special committees of the Board until new independent non-executive directors are elected at the GM. They have confirmed that they have no disagreement with the Board and there are no matters relating to the expiration of their terms of office that need to be brought to the attention of the Shareholders and the creditors of the Company.

The Board further announces that the Board approved the nomination of Mr. Zhu Yuhua and Ms. Cao Ying as candidates for the third session of the Board as independent non-executive directors of the Company on 30 March 2023. The proposed appointments of Mr. Zhu Yuhua and Ms. Cao Ying are subject to the approval of the shareholders of the Company by way of ordinary resolution at the GM.

The term of office of Mr. Zhu Yuhua and Ms. Cao Ying as independent non-executive directors of the Company shall commence from the effective date of the election at the GM and end on the date of expiry of the term of office of the third session of the Board. A director may serve consecutive terms if re-elected upon the expiration of his/her term. Mr. You Jianxin and Mr. Yuan Taifang, who have served as independent non-executive directors of the Company for consecutive six years, will continue to serve until Mr. Mr. Zhu Yuhua and Ms. Cao Ying are formally appointed as independent non-executive directors of the Company.

Subject to the approval of the respective appointments of Mr. Zhu Yuhua and Ms. Cao Ying at the GM, the Company will enter into a service agreement with each of them. The Board proposes to fix the remuneration of Mr. Zhu Yuhua and Ms. Cao Ying as directors at RMB150,000 (before tax) per annum respectively, which is determined with reference to their duties, responsibilities and prevailing market conditions.

Set forth below is biographic details of Mr. Zhu Yuhua and Ms. Cao Ying.

Mr. Zhu Yuhua (朱玉華), aged 60. Since March 1988, he has worked in the China Nonferrous Metals Techno-Economic Research Institute (有色金屬技術經濟研究院). He has served as deputy director and director of the Standards Center, assistant to the president and vice president. He is currently chief member of the National Non-ferrous Metals Standardization Technical Committee (全國有色金屬標準化技術委員會), member of the National Expert Advisory Committee on New Material Industry Development (國家新材料產業發展專家諮詢委員會), and member of the China Standardization Expert Committee (中國標準化專家委員會). Mr. Zhu Yuhua has served as an independent director of Yonz Technology Co., Ltd. (永臻科技股份有限公司) since October 2021, an independent director of Jiangsu Jiuwu High-Tech Company Limited (江蘇久吾高科技股份有限公司) (a company listed on Shenzhen Stock Exchange, stock code:300631) since June 2022, an independent director of Jiangxi Special Electric Motor Co., Ltd.(江西特種電機股份有限公司) (a company listed on Shenzhen Stock Exchange, stock code:002176) since June 2022. Mr. Zhu Yuhua graduated from Central South University with a master's degree in non-ferrous metallurgy.

Ms. Cao Ying (曹穎), aged 50. From 1996 to 1999, she served as auditor of Deloitte & Touche LLP (Beijing), from 2000 to 2001, as accounting director of Hawaiian Power Beijing Representative Office, from 2007 to 2014, as assistant professor of the School of Accountancy of the Chinese University of Hong Kong, and since 2014, as associate professor of the School of Accountancy of the Chinese University of Hong Kong. Ms. Cao Ying obtained a doctor degree in accountancy from the Texas A&M University, United States of America.

Mr. Zhu Yuhua has many years of experience in the non-ferrous metals and standardization industry and Ms. Cao Ying has profound experience in corporate governance and financial expertise. The appointment of Mr. Zhu Yuhua and Ms. Cao Ying as independent non-executive directors of the Company will help enhance the diversity of the Board, contributing extensive financial expertise, corporate governance expertise and in-depth industry insights to the Board. Based on the Company's diversity policy and nomination policy as well as the recommendations of the Nomination Committee, the Board, having comprehensively considered the educational background, knowledge, skills and experience of Mr. Zhu Yuhua and Ms. Cao Ying and contributions they can make to the Board, proposed the appointment of Mr. Zhu Yuhua and Ms. Cao Ying as independent non-executive directors of the Company. In addition, the Board has assessed the independence of Mr. Zhu Yuhua and Ms. Cao Ying, being the candidates as independent non-executive directors, by reference to the independence guidelines as set out in Rule 3.13 of the Listing Rules and considered they are independent.

Each of Mr. Zhu Yuhua and Ms. Cao Ying confirmed that, save as disclosed above, as of the date of this announcement: (1) he/she does not hold any other positions in the Company or any of its subsidiaries, nor has he/she held any directorships in the last three years in any other public companies where the securities of which are listed on any securities market in Hong Kong or overseas; (2) he/she does not have any relationship with any other directors, supervisors, senior management, substantial shareholders or controlling shareholders of the Company or any of its subsidiaries; (3) he/she does not hold any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and (4) he/she does not have any matters regarding his/her proposed appointment that shall be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules, nor is there any other issue regarding his/her proposed appointment that shall be brought to the attention of the shareholders of the Company.

A circular containing, among other things, details of the proposed appointment of the non-executive directors and the independent non-executive directors and a notice of GM will be despatched to the shareholders of the Company as soon as practicable.

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

Jiangxi, March 30, 2023

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