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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)

**ANNOUNCEMENT
RECEIPT OF THE CONTROLLING SHAREHOLDER'S PROPOSAL
FOR THE 2023 PROFIT DISTRIBUTION**

This announcement is made by JL MAG RARE-EARTH CO., LTD. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rules 13.09 and 13.10B of the Listing Rules.

On March 14, 2024, the board of directors (the “**Board**”) of the Company received a proposal from its controlling shareholder, Jiangxi Ruide Venture Investment Co., Ltd. (“**Ruide Venture**”), on the 2023 profit distribution plan. The relevant information is as follows:

1. PROPOSED PROFIT DISTRIBUTION PLAN

Based on the Company's current stable operation and good development prospects, on the premise of complying with the principle of profit distribution and ensuring the Company's normal operation and long-term development, Ruide Venture proposed the Company the 2023 profit distribution plan as below, in order to actively reward shareholders and respond to the Company's action plan of promoting “quality and return improvement”:

Based on the share capital of A Shares and H Shares as at the date of the equity registration date which shall be determined in the 2023 Equity Distribution Implementation Announcement deducts the number of shares held in the Company's Designated A Share Repurchase Account, a cash dividend of RMB2.6 (tax inclusive) for every 10 Shares will be distributed to all shareholders, without any capitalization of capital reserves or bonus shares. During the period from the disclosure date of the profit distribution plan to the equity registration distribution date, if the Company's

share capital changes due to the exercise of equity incentive grants, the listing of new shares, and share repurchase, the Company will adjust the total distribution amount in accordance with the principle that the distribution ratio will remain unchanged, i.e. to maintain a cash dividend of RMB2.6 (tax inclusive) for every 10 shares, and the total cash dividend distribution amount will be changed accordingly.

Ruide Venture undertakes to vote in favor of the above 2023 profit distribution plan when it is considered at the 2023 annual general meeting of the Company.

2. OTHER RELEVANT EXPLANATION

1. The profit distribution plan only represents the opinion of the proposer, Ruide Venture, and is not Board resolution. The specific profit distribution plan shall be implemented after being considered and approved by the Board and the shareholders' general meeting.
2. If the total share capital of the Company as at December 31, 2023 deduct the number of shares held by the Designated A Share Repurchase Account in which the share capital of A Shares and H Shares amounted to 1,336,755,451 shares is taken as the base, and based on the calculation of the proposed profit distribution plan, the Company is expected to pay out a cash dividend of RMB347,556,417.26 (tax inclusive) as a result of the 2023 equity distribution. The Board believes that the proposed profit distribution plan will not affect the normal operation and long-term development of the Company, and will not have a significant impact on the Company's earnings per share and operating cash flow, and is in line with the provisions of the Regulatory Guidelines for Listed Companies No. 3 – Distribution of Cash Dividends of Listed Companies (2023 Revision) and other laws and regulations and the Articles of Association, and is in the interests of all shareholders and feasible.
3. After receiving the proposal from Ruide Venture, the Board will take into account the Company's business development plan and actual operation, formulate the 2023 profit distribution plan in accordance with relevant laws and regulations, and submit it to the Board and the shareholders' general meeting for consideration together with the 2023 annual report.
4. The profit distribution plan in this announcement is only proposed, and there are still uncertainties. Investors are advised to pay attention to investment risks.

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

Jiangxi, March 14, 2024

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. 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.