

JL MAG RARE-EARTH CO., LTD.

Code of Conduct & Ethics

Introduction

JL MAG RARE-EARTH CO., LTD. (hereinafter referred to as "JL Mag," "the Company," or "we") is committed to maintaining high standards of business ethics and professional integrity in its operational activities. This Code of Conduct is designed to provide behavioral guidance for relevant personnel of JL Mag and its subsidiaries, including directors, senior management, and all employees, ensuring that the Company's operations comply with laws and regulations, social ethics, and the concept of sustainable development. We expect all employees to adhere to these guidelines and jointly safeguard the Company's interests and reputation.

Part 1: Anti-Corruption and Anti-Bribery

JL Mag strives to create a clean, honest, and transparent workplace environment, ensuring that corporate actions uphold business ethics. The Company strictly complies with laws and regulations such as the Criminal Law of the People's Republic of China, the Anti-Monopoly Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, and the Anti-Money Laundering Law of the People's Republic of China. It has established management systems including the Anti-Corruption and Anti-Bribery Management Procedures, Anti-Fraud Management System, Conflict of Interest Management System, Procurement Management System, and Company Whistleblowing Management System, continuously optimizing its anti-corruption management system to prevent any direct or indirect commercial illegal activities such as corruption, bribery, extortion, fraud, and money laundering.

JL Mag prohibits directors and all employees from engaging in any illegal or unethical economic activities for personal gain and advocates for all employees to adhere to professional ethics and personal integrity. We require key personnel, such as managers, sales staff, and procurement personnel, to sign the Business Ethics Commitment Letter and the Integrity and Self-Discipline Commitment Letter. A business ethics monitoring system has been established to supervise and assess employees' compliance with business ethics, fostering a clean and honest working environment. The Company continuously enhances employees' ability to handle related issues, raises awareness of anti-corruption and anti-bribery, and consistently builds and promotes a corporate culture of integrity.

JL Mag prohibits unauthorized provision of any form of benefit or advantage to individuals or organizations with direct or indirect relationships with the Company, strictly avoiding donations or sponsorships (including political donations and charitable contributions) for bribery purposes.

Part 2: Anti-Conflict of Interest

When there is a potential or actual conflict between an employee's personal interests and the interests of JL Mag, it may prevent the employee from making fair and objective decisions while performing duties. Employees should always prioritize the interests of JL Mag and avoid actions or relationships that may lead to conflicts of interest. They should proactively identify potential conflict of interest situations and promptly report them to their direct supervisor and/or the Company's audit department.

Part 3: Anti-Unfair Competition

JL Mag is committed to complying with anti-unfair competition/anti-monopoly laws and regulations in all operational locations, maintaining fair market order. The Company requires employees to strictly adhere to relevant laws and regulations in business activities, prohibiting the use of unfair means to gain competitive advantages or harm competitors. The Company emphasizes the management of publicity, requiring partners and other information publishers and operators to act in good faith, fulfill commitments, and participate in competition fairly, avoiding exaggerated, false, or misleading promotions.

Part 4: Anti-Money Laundering

JL Mag prohibits any form of legitimization of illegally obtained funds. The Company requires employees not to participate in money laundering activities and to promptly report suspicious transactions to the Company's audit department. When establishing business relationships with clients, measures to prevent money laundering should be taken.

Part 5: Anti-Insider Trading

JL Mag prohibits the use of non-public material information that may significantly affect the Company's securities prices for securities trading. We require directors, senior management, and all employees not to use insider information for securities trading in any direct or indirect manner or to seek benefits for themselves or others.

Part 6: Anti-Discrimination and Anti-Harassment

JL Mag provides equal employment opportunities for all individuals, prohibiting any form of employment discrimination, harassment, etc. Candidates are not treated differently based on ethnicity, race, gender, religious beliefs, etc. The Company fully respects employees' cultural backgrounds, political beliefs, religious beliefs, and ethnic customs. JL Mag firmly opposes and prohibits any form of discrimination, harassment, or inappropriate behavior, prohibits the dissemination of any form of rumors and other defamatory, discriminatory, or harassing information, and adopts a zero-tolerance attitude toward such behaviors.

We provide training for employees covering the Code of Conduct, anti-discrimination, workplace harassment prevention, etc., and offer reporting channels for the aforementioned violations. Employees can report through email, phone, face-to-face meetings, etc., to whistleblowing channels or relevant functional departments. After verification, corresponding penalties will be imposed on involved personnel.

Part 7: Information Confidentiality Principle

JL Mag requires employees to strictly protect the Company's confidential information during and after employment, prohibiting unauthorized disclosure of non-public or confidential information to external parties. JL Mag's confidential information includes, but is not limited to, non-public information related to JL Mag and non-public information provided by business partners, clients, consumers, etc. Employees must access such information only through secure devices and when there is a reasonable business need or legitimate need to know, fulfilling confidentiality obligations. Before sharing any confidential information, it should be confirmed that it complies with the Company's information confidentiality regulations, and a confidentiality agreement should be signed prior to sharing.

Part 8: Environmental, Health, and Safety Principles

JL Mag values the impact of its operational activities on the environment, health, and safety, focusing on environmental protection and ensuring employees' health and safety in its operations. We require employees to always comply with the Company's regulations at all levels regarding environment, health, and safety and to achieve relevant performance targets.

Part 9: Whistleblowing and Handling

The Company has established a comprehensive business ethics whistleblowing mechanism and channels, encouraging employees, suppliers, clients, and other informed individuals to report violations of laws, regulations, Company policies, and ethical standards through letters, email, phone, WeChat official account, face-to-face reporting, etc. The Company strictly follows the provisions of the Company Whistleblowing Management System to conduct registration, acceptance, investigation, and reporting of whistleblowing incidents. During the handling process, the whistleblower's personal information, such as name, unit, contact details, and the specific content of the report, are kept strictly confidential to ensure the whistleblower does not suffer any form of retaliation. Additionally, when there is a conflict of interest between the handling personnel and the whistleblower or the reported individual, the handling personnel will recuse themselves to ensure fair handling of the report. After verification, the Company will take appropriate measures based on the severity of the case.

During employee performance evaluations, we consider their behavioral compliance, adopting a zero-tolerance attitude toward employees who violate relevant codes of conduct, and impose warnings, demerits, or dismissal depending on the severity.

Part 10: Review and Revision

JL Mag regularly reviews this Code and revises it based on the latest laws and regulations, regulatory developments, business conditions, and other factors. Employees should stay updated on Code revisions to ensure their actions comply with the requirements of this Code.