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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)

2023 FIRST QUARTERLY REPORT

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

The following is the 2023 first quarterly report of the Company. The financial data contained in the 2023 first quarterly report is prepared in accordance with the China Accounting Standards for Business Enterprises and is unaudited.

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

Jiangxi, April 26, 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.

JL MAG RARE-EARTH CO., LTD.

The 2023 First Quarterly Report

The Company and all members of the Board of Directors warrant that the information disclosed herein is true, accurate and complete, and that there is no false representation or misleading statement contained in or material omission from this quarterly report.

IMPORTANT NOTE:

1. The Board, the board of Supervisors and the directors, supervisors and senior management of the Company warrant that the content of the quarterly report is true, accurate and complete and there are no any false information, misleading statements or material omissions in the report, and shall assume several and joint legal liabilities.
2. The person-in-charge of the Company, the officer-in-charge of accounting affairs, and the head of the accounting firm (accounting head) warrant the truthfulness, accuracy and completeness of the financial information in this quarterly report.
3. Whether the first quarterly report has been audited
 Yes No

I. KEY FINANCIAL DATA

(I) Principal accounting data and financial indicators

Whether the Company is required to make retrospective adjustments to or restatements of the accounting data of the previous years

Yes No

	This reporting period	Same period last year	Increase/decrease of this reporting period compared with the corresponding period of last year (%)
Revenue (RMB)	1,650,586,918.86	1,508,713,746.90	9.40%
Net profit attributable to shareholders of the Company (RMB)	178,203,776.63	163,829,220.36	8.77%
Net profit attributable to shareholders of the Company after deducting non-recurring gains or losses (RMB)	123,509,476.39	152,478,943.42	-19.00%
Net cash flows from operating activities (RMB)	417,064,697.86	-423,579,602.19	198.46%
Basic earnings per share (RMB/share)	0.21	0.21	0.00%
Diluted earnings per share (RMB/share)	0.21	0.21	0.00%
Weighted average return on net assets	2.59%	3.13%	A decrease of 0.54 percentage points
	As at the end of the reporting period	End of last year	Increase/decrease at the end of this reporting period compared with the end of last year (%)
Total assets (RMB)	11,647,364,692.27	11,220,455,751.51	3.80%
Owners' equity attributable to shareholders of the Company (RMB)	6,966,528,319.97	6,784,850,326.07	2.68%

Whether the share capital of the Company has changed due to issuance of new shares, additional issuance, placement of shares, exercise of share option rights, repurchase and other reasons from the end of the reporting period until the date of publication of this quarterly report, which have an impact on the amount of owners' equity

Yes No

	This Reporting Period
Preference shares dividend paid (<i>RMB</i>)	0.00
Interest of perpetual bonds paid (<i>RMB</i>)	0.00
Fully diluted earnings per share calculated based on the latest share capital (<i>RMB/share</i>)	0.2126

(II) Non-recurring gains or losses items and amounts

Applicable Not applicable

Unit: RMB

Items	Amount for the reporting period	Notes
Gains or losses from disposal of non-current assets (including write-off of the provisions for asset impairment)	-874,067.45	–
Government's grants through profit or loss in the reporting period (excluding grants that are closely related to the normal operations of the Company, and grants in compliance with national policies or subject to constant fixed amounts under certain standards)	58,729,750.24	–
Gains or losses from entrusted investments or assets management	3,818,600.23	–
Gains or losses from changes in fair value arising from the holding of trading financial assets and trading financial liabilities, and investment gains from disposal of trading financial assets, trading financial liabilities and available-for-sale financial assets, excluding the effective hedging business related to the Company's normal business operations	2,247,000.00	–
Other non-operating income and expenses excluding the above-mentioned items	28,423.15	–
Less: Impact of income tax	9,254,872.08	–
Impact of minority interests (after tax)	533.85	–
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Total	<u>54,694,300.24</u>	–

Details of other profit or loss items within the definition of non-recurring gains or losses:

Applicable Not applicable

There was no other profit or loss items of the Company that fall within the meaning of non-recurring gains or losses.

Please explain the reasons for defining the non-recurring gains or losses items stated in the “Explanatory Announcement No. 1 for Information Disclosure by Public Issuers of Securities – Non-recurring Gains or Losses Items” by the Company as the recurring gains or losses items.

Applicable Not applicable

There was no circumstance that the Company defined the non-recurring gains or losses items as stated under the “Explanatory Announcement No. 1 for Information Disclosure by Public Issuers of Securities – Non-recurring Gains or Losses Items” as the recurring gains or losses items.

(III) Circumstances for changes in major accounting data and financial indicators and the reasons therefor

√ Applicable □ Not applicable

Unit: RMB

Balance Sheet Items	Balance at the end of the period	Balance at the beginning of the period	Percentage of changes	Reasons for changes
Notes receivable	262,331,033.30	548,735,528.96	-52.19%	Mainly due to the decrease of commercial acceptance bills held at the end of the reporting period
Accounts receivable financing	397,110,201.46	97,088,156.37	309.02%	Mainly due to the increase of bank acceptance bills held at the end of the reporting period
Prepayments	69,340,617.23	36,721,034.81	88.83%	Mainly due to the increase in the advance payments for materials procurement at the end of the reporting period
Construction in progress	514,857,093.10	394,763,067.34	30.42%	Mainly due to the investment of proceeds raised project during the reporting period
Trading financial liabilities	972,800.00	3,219,800.00	-69.79%	Mainly due to the decrease of floating loss arising from lock-in forward foreign exchange during the reporting period
Contract liabilities	31,996,969.61	23,895,384.93	33.90%	Mainly due to the increase of receipts in advance from customers during the reporting period
Staff salaries payable	39,326,795.32	70,165,733.81	-43.95%	Mainly due to the payment of year-end bonus during the reporting period
Taxes payable	20,837,858.33	9,223,910.53	125.91%	Mainly due to the increase in value-added tax and corporate income tax payable at the end of the reporting period
Other current liabilities	4,912,825.35	2,713,158.29	81.07%	Mainly due to the increase in the amount of tax to be written off at the end of the reporting period

Income statement items	Amount for the current period	Amount for the previous period	Percentage of changes	Reasons for changes
Selling expenses	10,189,910.26	6,176,782.94	64.97%	Mainly due to the increase of business expenses during the reporting period
Other income	58,729,750.24	6,505,092.27	802.83%	Mainly due to the increase of government's grants during the reporting period
Gains from changes in fair value	2,247,000.00	3,325,590.00	-32.43%	Mainly due to the decrease in gain on lock-in forward exchange during the reporting period
Impairment loss on credit	945,646.13	-3,996,011.13	-123.66%	Mainly due to the decrease in provision for bad debts during the reporting period
Impairment loss on assets	-7,204,082.47	-2,894,507.01	148.89%	Mainly due to the increase in the provision for inventory impairment during the reporting period
Gains from disposal of assets	37,193.61	248,854.09	-85.05%	Mainly due to the decrease of gain from disposal of fixed assets during the reporting period
Non-operating expenses	911,261.06	325,054.17	180.34%	Mainly due to the increase of loss from disposal of fixed assets during the reporting period

II. INFORMATION OF SHAREHOLDERS

(I) Table of total number of ordinary shareholders, the number of shareholders of preferred shares with recovered voting rights and shareholding of top 10 shareholders

Unit: Share

Total number of ordinary shareholders at the end of the reporting period	61,208	Total number of shareholders of preferred shares with recovered voting rights at the end of the reporting period (if any)	0
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Shareholding of top 10 shareholders

Name	Nature	Shareholding percentage (%)	Number of shares held	Number of shares held subject to lock-up	Shares pledged, marked or frozen Status	Number
Jiangxi Ruide Venture Investment Co., Ltd.	Domestic non-state owned legal person	28.87%	241,937,600	-	Pledged	6,800,000
HKSCC NOMINEES LIMITED	Overseas legal person	14.97%	125,466,000	-	-	-
Ganzhou Industrial Investment Holding Group Co., Ltd.	State-owned legal person	5.16%	43,200,000	-	-	-
Goldwind Investment Holding Co., Ltd.	Domestic non-state owned legal person	5.00%	41,897,720	-	-	-
Shaanxi Coal Industry Co. Ltd.	State-owned legal person	4.00%	33,519,969	-	-	-
Hong Kong Securities Clearing Company Limited	Overseas legal person	2.36%	19,774,884	-	-	-
Ganzhou Xinsheng Investment Management Center (limited partnership)	Domestic non-state owned legal person	1.76%	14,710,272	-	-	-
Bank of Communications Co., Ltd. – Chuangjin Hexin Digital Economy Stock-type Initiating Securities Investment Fund	Others	0.80%	6,687,302	-	-	-
Tian'an Life Insurance Co., Ltd. – participating products	Others	0.72%	6,000,000	-	-	-
China Universal Asset Management Co., Ltd.– social insurance fund 17022 combination	Others	0.67%	5,623,300	-	-	-

Shareholdings of the top 10 shareholders not subject to lock-up

Name	Number of shares held not subject to lock-up	Share type	Number
Jiangxi Ruide Venture Investment Co., Ltd.	241,937,600	RMB ordinary shares	241,937,600
HKSCC NOMINEES LIMITED	125,466,000	Overseas listed foreign shares	125,466,000
Ganzhou Industrial Investment Holding Group Co., Ltd.	43,200,000	RMB ordinary shares	43,200,000
Goldwind Investment Holding Co., Ltd.	41,897,720	RMB ordinary shares	41,897,720
Shaanxi Coal Industry Co. Ltd.	33,519,969	RMB ordinary shares	33,519,969
Hong Kong Securities Clearing Company Limited	19,774,884	RMB ordinary shares	19,774,884
Ganzhou Xinsheng Investment Management Center (limited partnership)	14,710,272	RMB ordinary shares	14,710,272
Bank of Communications Co., Ltd. – Chuangjin Hexin Digital Economy Stock-type Initiating Securities Investment Fund	6,687,302	RMB ordinary shares	6,687,302
Tian'an Life Insurance Co., Ltd. – participating products	6,000,000	RMB ordinary shares	6,000,000
China Universal Asset Management Co., Ltd. – social insurance fund 17022 combination	5,623,300	RMB ordinary shares	5,623,300

Description on the affiliated or acting-in-concert relationships among the above shareholders (1) Jiangxi Ruide Venture Investment Co., Ltd. (“**Ruide Venture**”) was the controlling shareholder of the Company, which was held as to 40%, 30% and 30%, respectively, by Cai Baogui(蔡報貴), Hu Zhibin(胡志濱) and Li Xinnong(李忻農) who were the de facto controllers of the Company. In addition, Ganzhou Xinsheng Investment Management Center (limited partnership) (hereinafter referred to as “**Ganzhou Xinsheng**”) was held as to 89.12% and 10.88% by Cai Baogui and Hu Zhibin, respectively; and Ganzhou Geshuo Investment Management Center (limited partnership) (hereinafter referred to as “**Ganzhou Geshuo**”) was held as to 61.00% and 39.00% by Hu Zhibin and Li Xinnong, respectively. Cai Baogui, Hu Zhibin, Li Xinnong, Ruide Venture, Ganzhou Xinsheng and Ganzhou Geshuo are persons acting in concert; and (2) apart from the above shareholders, the Company was not aware of any affiliated or acting-in-concert relationships among other shareholders.

(II) Total Number of Shareholders of preferred shares of the Company and the Shareholding of Top 10 Shareholders of preferred shares

Applicable Not Applicable

(III) Changes in restricted shares

√ Applicable □ Not Applicable

Unit: share

Name	Number of restricted shares at the beginning of the period	Number of restricted shares unlocked during the period	Number of restricted shares increased during the period	Number of restricted shares at the end of the period	Reasons for the restriction	Proposed date of unlocking the restricted shares
Cai Baogui	480,000	-	-	480,000	Restricted senior management shares and Restricted shares under share incentive scheme	25% of shares can be listed and traded every year during the term of office, and the shares can be unlocked upon fulfilling the unlocking conditions of share incentive
Hu Zhibin	720,000	-	-	720,000	Restricted senior management shares and Restricted shares under share incentive scheme	25% of shares can be listed and traded every year during the term of office, and the shares can be unlocked upon fulfilling the unlocking conditions of share incentive
Mao Huayun	1,440,600	360,150	-	1,080,450	Restricted senior management shares and Restricted shares under share incentive scheme	25% of shares can be listed and traded every year during the term of office, and the shares can be unlocked upon fulfilling the unlocking conditions of share incentive
Lyu Feng	968,160	174,450	-	793,710	Restricted senior management shares and Restricted shares under share incentive scheme	25% of shares can be listed and traded every year during the term of office, and the shares can be unlocked upon fulfilling the unlocking conditions of share incentive
Huang Changyuan	630,600	-	-	630,600	Restricted senior management shares and Restricted shares under share incentive scheme	25% of shares can be listed and traded every year during the term of office, and the shares can be unlocked upon fulfilling the unlocking conditions of share incentive
Lu Ming	626,160	-	-	626,160	Restricted senior management shares	25% of shares can be listed and traded every year during the term of office
Yu Han	723,000	-	-	723,000	Restricted senior management shares and Restricted shares under share incentive scheme	25% of shares can be listed and traded every year during the term of office, and the shares can be unlocked upon fulfilling the unlocking conditions of share incentive
Xie Hui	623,760	107,175	-	516,585	Restricted senior management shares and Restricted shares under share incentive scheme	25% of shares can be listed and traded every year during the term of office, and the shares can be unlocked upon fulfilling the unlocking conditions of share incentive
Yi Pengpeng	153,600	19,200	-	134,400	Restricted senior management shares	25% of shares can be listed and traded every year during the term of office
Other incentive participants	523,488	-	-	523,488	Restricted shares under share incentive scheme	The shares can be unlocked upon fulfilling the unlocking conditions of share incentive
Total	6,889,368	660,975	0.00	6,228,393		-

III. OTHER MAJOR ISSUES

Applicable Not Applicable

In the first quarter of 2023, in face of adverse external factors such as fluctuations in the prices of rare earth raw materials, the Company relied on its strong production capacity, excellent research and development capabilities, leading core technology and rapid product delivery capabilities to achieve stable operation and sound development. During the reporting period, the Company achieved revenue of RMB1,651 million, representing an increase of 9.40% over the same period of the previous year, of which, the revenue from the main business was RMB1,426 million, representing an increase of 12.23% over the same period of the previous year, net profit attributable to shareholders of the Company was RMB178 million, representing an increase of 8.77% over the same period of the previous year; net cash flow from operating activities increased significantly over the same period of the previous year, reaching RMB417 million.

In the first quarter of 2023, the Company produced 2,719 tonnes of high-performance REPM by applying GBD technology, representing a year-on-year growth of 47.39%, and accounting for 86.82% of the Company's total product output in the same period, representing an increase of 19.83 percentage points compared to the same period of the previous year, of which, the output of ultra-high grade products was 1,554 tonnes. The Company's revenue from the NEVs and automotive parts sector reached RMB804 million, representing an increase of 78.56% as compared with the same period of the previous year. During the reporting period, the sales volume of the Company's magnetic steel products for NEV drive motors can assemble approximately 839 thousand passenger NEVs. The Company's revenue from the energy-saving VFACs sector was RMB355 million and the revenue from the wind power sector was RMB138 million. In addition, the revenue from the robots and industrial servomotors of the Company was RMB58.36 million, representing an increase of 34% as compared with the same period of the previous year, and maintained a rapid growth.

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Financial Statements

1. Consolidated balance sheet

Prepared by: JL MAG RARE-EARTH CO., LTD.

March 31, 2023

	<i>Unit: RMB</i>	
Item	Closing balance	Opening balance
Current assets:		
Monetary funds	4,401,728,376.54	4,130,247,580.42
Settlement reserve		
Lending to banks and other financial institutions		
Held for trading financial assets	141,557,020.00	143,470,760.00
Derivative financial assets		
Bills receivable	262,331,033.30	548,735,528.96
Accounts receivable	2,198,016,524.77	2,192,190,878.17
Receivables financing	397,110,201.46	97,088,156.37
Prepayments	69,340,617.23	36,721,034.81
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserve receivable		
Other receivables	67,955,766.16	10,182,239.39
Including: Interests receivable	10,826,754.49	3,940,865.05
Dividend receivable		
Financial assets acquired for resale		
Inventories	1,867,793,289.50	1,931,141,038.83
Contractual assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	38,580,134.24	37,187,500.60
Total current assets	<u>9,444,412,963.20</u>	<u>9,126,964,717.55</u>

Item	Closing balance	Opening balance
Non-current assets:		
Loans and advances to customers		
Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investments	5,184,979.13	5,135,261.18
Other equity instrument investments	13,305,785.12	13,305,785.12
Other non-current financial assets		
Investment properties		
Fixed assets	1,305,333,436.90	1,311,882,934.66
Construction in progress	514,857,093.10	394,763,067.34
Productive biological assets		
Oil and gas assets		
Right-of-use assets	9,589,662.17	10,247,852.00
Intangible assets	216,806,041.26	217,678,451.26
Development expenses		
Goodwill		
Long-term deferred expenses	5,106,674.09	6,000,882.50
Deferred income tax assets	1,868,280.28	1,738,314.70
Other non-current assets	130,899,777.02	132,738,485.20
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Total non-current assets	2,202,951,729.07	2,093,491,033.96
	<hr/>	<hr/>
Total assets	11,647,364,692.27	11,220,455,751.51
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Item	Closing balance	Opening balance
Current liabilities:		
Short-term borrowings	1,024,498,006.93	945,495,381.04
Borrowings from the central bank		
Borrowings from banks and other financial institutions		
Trading financial liabilities	972,800.00	3,219,800.00
Derivative financial liabilities		
Bills payable	2,325,339,653.66	2,174,064,333.07
Accounts Payable	495,064,231.52	429,421,903.15
Receipts in advance		
Contract liabilities	31,996,969.61	23,895,384.93
Financial assets sold under repurchase agreements		
Deposit taking and deposit in inter-bank market		
Receiving from vicariously traded securities		
Receiving from vicariously sold securities		
Employee benefits payable	39,326,795.32	70,165,733.81
Taxes payable	20,837,858.33	9,223,910.53
Other payables	105,159,674.31	148,420,899.83
Including: Interest payables		
Dividend payables	5,610.00	5,610.00
Handling charges and commission payable		
Reinsurance account payables		
Liabilities held for sale		
Non-current liabilities due within one year	302,527,162.70	304,675,370.52
Other current liabilities	4,912,825.35	2,713,158.29
	<hr/>	<hr/>
Total current liabilities	4,350,635,977.73	4,111,295,875.17

Item	Closing balance	Opening balance
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	200,000,000.00	200,000,000.00
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	8,294,485.87	7,069,243.39
Long-term payables		
Long-term employee benefits payable		
Accrued liabilities		
Deferred income	87,400,087.88	82,700,256.50
Deferred income tax liabilities	30,926,004.99	31,615,595.06
Other non-current liabilities		
	<hr/>	<hr/>
Total non-current liabilities	<u>326,620,578.74</u>	<u>321,385,094.95</u>
Total liabilities	<u>4,677,256,556.47</u>	<u>4,432,680,970.12</u>

Item	Closing balance	Opening balance
Owners' equity:		
Share capital	837,956,198.00	837,956,198.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	4,477,742,828.65	4,474,713,262.18
Less: Treasury shares	16,543,191.60	16,543,191.60
Other comprehensive income	5,718,957.30	5,274,306.50
Special reserve		
Surplus reserve	201,853,430.19	201,853,430.19
General risk reserve		
Undistributed profit	1,459,800,097.43	1,281,596,320.80
Total equity attributable to the owners of the parent company	6,966,528,319.97	6,784,850,326.07
Minority interests	3,579,815.83	2,924,455.32
Total owners' equity	<u>6,970,108,135.80</u>	<u>6,787,774,781.39</u>
Total liabilities and owners' equity	<u>11,647,364,692.27</u>	<u>11,220,455,751.51</u>

Legal representative: Cai Baogui Person in charge of accounting: Xie Hui Head of accounting department: Wan Wei

2. Consolidated income statements

Unit: RMB

Item	Amount for the current period	Amount for the previous period
I. Total operating revenue	1,650,586,918.86	1,508,713,746.90
Including: Operating revenue	1,650,586,918.86	1,508,713,746.90
Interest income		
Premium earned		
Handling charges and commission income		
II. Total operating cost	1,517,945,511.74	1,331,618,203.81
Including: Operating costs	1,399,091,910.92	1,216,480,414.17
Interest expenses		
Handling charges and commission expenses		
Surrender payment		
Net expenditure for compensation payments		
Net provision for insurance liabilities		
Expenditures for insurance policy dividend		
Reinsurance expenses		
Tax and surcharge	6,572,077.10	7,703,215.75
Selling expenses	10,189,910.26	6,176,782.94
Administrative expenses	22,785,264.11	36,327,933.16
Research and development expenses	71,827,115.07	58,826,903.24
Finance expenses	7,479,234.28	6,102,954.55
Including: Interest expense	13,354,462.58	15,231,446.75
Interest income	13,581,388.71	5,767,077.71
Add: Other income	58,729,750.24	6,505,092.27
Investment income (loss is represented by “-”)	3,529,748.18	2,862,684.66
Including: Gains from investment in associates and joint ventures	-288,852.05	-147,542.76
Gains from derecognition of financial asset at amortized cost		
Foreign exchange gain (loss is represented by “-”)		
Gains from net exposure hedging (loss is represented by “-”)		
Gains from changes in fair value (loss is represented by “-”)	2,247,000.00	3,325,590.00
Impairment loss of credit (loss is represented by “-”)	945,646.13	-3,996,011.13
Impairment loss of assets (loss is represented by “-”)	-7,204,082.47	-2,894,507.01
Gains from disposal of assets (loss is represented by “-”)	37,193.61	248,854.09

Item	Amount for the current period	Amount for the previous period
III. Operating profit (loss is represented by “-”)	190,926,662.81	183,147,245.97
Add: Non-operating income	28,423.15	1,688.56
Less: Non-operating expenses	911,261.06	325,054.17
IV. Total profit (total loss is represented by “-”)	190,043,824.90	182,823,880.36
Less: Income tax expenses	11,209,704.75	18,814,302.79
V. Net profit (net loss is represented by “-”)	178,834,120.15	164,009,577.57
(I) Classified by continuity of operations		
1. Net profit from continuing operations (net loss is represented by “-”)	178,834,120.15	164,009,577.57
2. Net profit from discontinued operations (net loss is represented by “-”)		
(II) Classified by ownership of equity		
1. Net profit attributable to the owners of the parent company	178,203,776.63	163,829,220.36
2. Net profit attributable to minority shareholders	630,343.52	180,357.21
VI. Other comprehensive income	469,667.79	371,650.60
Other comprehensive income attributable to the owners of the parent	444,650.80	380,725.08
(I) Other comprehensive income that cannot be reclassified to profit or loss		
1. Remeasurement of defined benefit plans		
2. Other comprehensive income that cannot be reclassified to profit or loss under equity method		
3. Gains or losses from fair value changes of other equity instrument investments		
4. Changes in fair value of credit risk of the Company		
5. Others		
(II) Other comprehensive income that will be reclassified to profit or loss	444,650.80	380,725.08
1. Other comprehensive income that can be transferred to profit or loss under equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment provisions for other debt investment		
5. Cash flow hedging reserve		
6. Exchange differences on translation of foreign financial statements	444,650.80	380,725.08
7. Others		
Other comprehensive income attributable to minority shareholders, net of tax	25,016.99	-9,074.48

Item	Amount for the current period	Amount for the previous period
VII. Total comprehensive income	179,303,787.94	164,381,228.17
Total comprehensive income attributable to the owners of the parent company	178,648,427.43	164,209,945.44
Total comprehensive income attributable to minority shareholders	655,360.51	171,282.73
VIII. Earnings per share:		
(I) Basic earnings per share	0.21	0.21
(II) Diluted earnings per share	0.21	0.21

For the business combination under common control effected in the current period, the net profit recognized by the consolidated party before the consolidation was RMB0, and the net profit recognized by the consolidated party in the previous period was RMB0.

Legal representative:	Person in charge of accounting:	Head of accounting department:
Cai Baogui	Xie Hui	Wan Wei

3. Consolidated Statement of Cash Flows

	<i>Unit: RMB</i>	
Items	Amount for the current period	Amount for the previous period
I. Cash flows generated from operating activities:		
Cash received from sales of goods or provision of services	1,808,687,864.61	1,476,334,318.48
Net increase in customer bank deposits and due to banks and other financial institutions		
Net increase in borrowings from central bank		
Net increase in borrowings from other financial institutions		
Cash received from premiums of original insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits from insurance policy holders and investment		
Cash received from interest, fee and commission		
Net increase in capital borrowed		
Net increase in capital of repurchase business		
Net cash received from securities trading brokerage services		
Tax refunds received	31,825,736.06	
Cash received relating to other operating activities	40,351,212.38	40,212,217.01
Sub-total of cash inflows from operating activities	1,880,864,813.05	1,516,546,535.49
Cash paid for purchase of goods and engagement of labor services	1,256,102,745.05	1,788,505,311.21
Net increase in loans and advances to customers		
Net increase in central bank and interbank deposits		
Cash paid for claims from original insurance contracts		
Net increase in placements with banks and other financial institutions		
Cash paid for interest, handling charges and commission		
Cash paid for dividends of insurance policies		
Cash paid to and for employees	154,533,295.69	119,213,815.52
Payments of all types of taxes	24,441,471.58	12,749,698.83
Cash paid for other operating activities	28,722,602.87	19,657,312.12
Sub-total of cash outflows from operating activities	1,463,800,115.19	1,940,126,137.68
Net cash flows from operating activities	417,064,697.86	-423,579,602.19

Items	Amount for the current period	Amount for the previous period
II. Cash flows from investing activities:		
Cash received from recovery of investments	342,479.38	6,788,631.77
Cash received from return on investments		2,879,990.10
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	995,021.18	
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities	1,976.52	
	<hr/>	<hr/>
Sub-total of cash inflows from investing activities	1,339,477.08	9,668,621.87
	<hr/>	<hr/>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	97,273,619.55	182,515,598.72
Cash paid for investments		146,800,285.77
Net increase of pledged loans		
Net cash paid for acquisition of subsidiaries and other business units	343,960.00	
Cash paid relating to other investing activities		
	<hr/>	<hr/>
Sub-total of cash outflows from investing activities	97,617,579.55	329,315,884.49
	<hr/>	<hr/>
Net cash flows from investing activities	<u>-96,278,102.47</u>	<u>-319,647,262.62</u>

Items	Amount for the current period	Amount for the previous period
III. Cash flows from financing activities:		
Cash received from accepting investments	2,111,895.33	3,385,714,914.08
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from borrowings		485,023,021.83
Cash received relating to other financing activities		
	<hr/>	<hr/>
Sub-total of cash inflows from financial activities	2,111,895.33	3,870,737,935.91
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Cash paid for repayment of debts	37,815,000.00	274,344,954.95
Cash payments of distribution of dividends, profits or interest repayment	10,278,402.75	12,709,647.74
Including: Dividends or profits paid to minority shareholders by subsidiaries		
Cash paid relating to other financing activities	184,135.20	59,032,998.31
	<hr/>	<hr/>
Sub-total of cash outflows from financial activities	48,277,537.95	346,087,601.00
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Net cash flows from financing activities	-46,165,642.62	3,524,650,334.91
	<hr/>	<hr/>
IV. Effect of changes of exchange rate on cash and cash equivalents	-11,753,175.87	-28,788,356.65
	<hr/>	<hr/>
V. Net increase in cash and cash equivalents	262,867,776.90	2,752,635,113.45
Add: Balance of cash and cash equivalent at the beginning of the period	3,400,384,455.94	1,255,466,907.60
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VI. Balance of cash and cash equivalent at the end of the period	3,663,252,232.84	4,008,102,021.05
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(II) Audit Report

Whether the first quarterly report has been audited

Yes No

The first quarterly report of the Company is unaudited.

Board of Directors of JL MAG RARE-EARTH CO., LTD.
April 27, 2023