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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)

2024 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 2024 first quarterly report of the Company. The financial data contained in the 2024 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, 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.

JL MAG RARE-EARTH CO., LTD.

2024 FIRST QUARTERLY REPORT

The Company and all members of the Board of Directors warrant that the information disclosed herein are 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 the truthfulness, accuracy and completeness of the content of the quarterly report and that there are no any false information, misleading statements or material omissions in the report, and shall assume joint and several 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 or make restatements of the accounting data of the previous years

Yes No

Reasons for retrospective adjustments or restatements

- Accounting policy changes Correction of accounting errors
 Business combinations under common control Other reasons

On July 11, 2023, under the resolution of profit distribution plan for 2022, the Company issued capitalization share on the basis of 6 capitalization shares for every 10 shares out of share premium. The earnings per share is adjusted accordingly for all periods presented.

	This reporting period	Same period of last year		Increase/decrease of this reporting period compared with the corresponding period of last year(%) After the adjustment
		Before the adjustment	After the adjustment	
Revenue (RMB)	1,536,247,143.43	1,650,586,918.86	1,650,586,918.86	-6.93%
Profit for the year attributable to owners of the parent (RMB)	101,692,621.31	178,203,776.63	178,203,776.63	-42.93%
Profit for the year attributable to owners of the parent after deducting non-recurring gains or losses (RMB)	24,559,682.72	123,509,476.39	123,509,476.39	-80.12%
Net cash flows from operating activities (RMB)	-615,182,046.97	417,064,697.86	417,064,697.86	-247.50%
Basic earnings per share (RMB/share)	0.08	0.21	0.13	-38.46%
Diluted earnings per share (RMB/share)	0.08	0.21	0.13	-38.46%
Weighted average return on net assets(%)	1.42%	2.59%	2.59%	Decrease by 1.17 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(%) After the adjustment
		Before the adjustment	After the adjustment	
Total assets (RMB)	11,604,351,019.75	11,825,954,292.65	11,825,954,292.65	-1.87%
Equity attributable to owners of the parent (RMB)	7,132,276,381.23	7,021,484,732.38	7,021,484,732.38	1.58%

(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)	256,970.86	
Government's grants through profit or loss in the reporting period (excluding grants that are closely related to the normal operations of the Company, comply with the national policies and regulations, are enjoyed in accordance with the established standards, and have a continuous impact on the profit or loss of the Company)	89,002,222.59	
Gains or losses from entrusted investments or assets management	1,477,809.67	
Other non-operating income and expenses excluding the above-mentioned items	7,630.52	
Less: Impact of income tax	13,611,168.39	
Impact on minority interests (after tax)	526.66	
Total	<u>77,132,938.59</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	57,319,928.20	151,782,888.23	-62.24%	Mainly due to the decrease of commercial acceptance bills held at the end of the reporting period
Accounts receivable financing	521,416,288.55	212,488,638.22	145.39%	Mainly due to the increase of bank acceptance bills held at the end of the reporting period
Prepayments	127,717,002.00	66,395,071.94	92.36%	Mainly due to the increase in the advance payments for materials procurement at the end of the reporting period
Other receivables	83,825,092.46	45,634,946.09	83.69%	Mainly due to the increase in government grants receivable at the end of the reporting period
Other current assets	93,124,356.35	70,964,729.72	31.23%	Mainly due to the increase in input VAT to be deducted at the end of the reporting period
Right-of-use assets	5,696,149.79	14,920,181.14	-61.82%	Mainly due to the reduction or expiration of leases for office and residential accommodations during the reporting period
Deferred income tax assets	2,324,333.88	560,601.41	314.61%	Mainly due to the increase in provision for impairment at the end of the reporting period
Other non-current assets	400,387,967.83	260,398,777.38	53.76%	Mainly due to the increase in prepayments for purchase of equipment at the end of the reporting period
Short-term borrowings	201,013,134.35	400,881,981.59	-49.86%	Mainly due to the repayment of short-term borrowings due during the reporting period

Balance Sheet Items	Balance at the end of the period	Balance at the beginning of the period	Percentage of changes	Reasons for changes
Staff salaries payable	45,896,600.06	78,342,080.46	-41.42%	Mainly due to the payment of the accrued year-end bonus of the previous year during the reporting period
Other payables	184,386,682.50	274,267,454.76	-32.77%	Mainly due to the payment of project payables during the reporting period
Non-current liabilities due within one year	2,441,383.75	7,472,376.64	-67.33%	Mainly due to the repayment of long-term borrowings due during the reporting period
Other current liabilities	31,225,359.35	5,972,808.37	422.79%	Mainly due to the increase in the amount of tax to be written off at the end of the reporting period
Long-term borrowings	718,978,165.84	544,211,924.24	32.11%	Mainly due to the increase in the use of project loans during the reporting period
Lease liabilities	3,134,469.41	9,054,113.45	-65.38%	Mainly due to the reduction or expiration of leases for office and residential accommodations during the reporting period
Other comprehensive income	2,981,405.21	5,490,496.91	-45.70%	Mainly due to the decrease in the translation difference of foreign currency financial statements during the reporting period

Income statement items	Amount for the current period	Amount for the previous period	Percentage of changes	Reasons for changes
Tax and surcharge	4,317,007.73	6,572,077.10	-34.31%	Mainly due to the year-on-year decrease in value-added tax payable during the reporting period
Administrative expenses	40,527,102.94	22,785,264.11	77.87%	Mainly due to the increase in administrative expenses of subsidiaries during the reporting period
Finance expenses	-14,607,448.87	7,479,234.28	-295.31%	Mainly due to the increase in exchange gains during the reporting period
Other income	89,002,222.59	58,729,750.24	51.55%	Mainly due to the increase in government grants during the reporting period
Investment income	1,413,501.64	3,529,748.18	-59.95%	Mainly due to the decrease in wealth management income during the reporting period
Gains from changes in fair value	0.00	2,247,000.00	-100.00%	Mainly due to the absence of forward lock-up gains during the reporting period
Impairment loss on credit	-4,443,429.95	945,646.13	-569.88%	Mainly due to the increase in provision for bad debts during the reporting period
Impairment loss on assets	-10,384,618.69	-7,204,082.47	44.15%	Mainly due to the increase in the provision for inventory impairment during the reporting period
Gains from disposal of assets	256,970.86	37,193.61	590.90%	Mainly due to the increase of gain from disposal of fixed assets during the reporting period
Non-operating income	808,245.90	28,423.15	2743.62%	Mainly due to the compensation received during the reporting period
Cash flow statement items	Amount for the current period	Amount for the previous period	Percentage of changes	Reasons for changes
Net cash flows from operating activities	-615,182,046.97	417,064,697.86	-247.50%	Mainly due to the increase in material procurement expenditure and the decrease in cash received from the sale of goods in the reporting period
Net cash flows from investing activities	-248,411,162.25	-96,278,102.47	-158.01%	Mainly due to the increase in investment in the purchase and construction of fixed assets during the reporting period
Net cash flows from financing activities	55,280,366.64	-46,165,642.62	219.74%	Mainly due to the increase in project loans obtained by subsidiaries 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	52,730	Total number of shareholders of preferred shares with recovered voting rights at the end of the reporting period (if any)	0			
Shareholding of top 10 shareholders (excluding shares lent through refinancing)						
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. (江西瑞德創業投資有限公司)	Domestic non-state owned legal person	28.79%	387,100,160	0	Pledged	16,000,000
HKSCC NOMINEES LIMITED	Overseas legal person	14.93%	200,745,600	0	Not applicable	0
Ganzhou Industrial Investment Holding Group Co., Ltd. (贛州工業投資控股集團有限公司)	State-owned legal person	5.14%	69,120,000	0	Not applicable	0
Goldwind Investment Holding Co., Ltd. (金風投資控股有限公司)	Domestic non-state owned legal person	4.98%	67,036,352	0	Not applicable	0
Shaanxi Coal Industry Co. Ltd. (陝西煤業股份有限公司)	State-owned legal person	3.99%	53,631,950	0	Not applicable	0
Ganzhou Xinsheng Investment Management Center (limited partnership) (贛州欣盛投資管理中心 (有限合夥))	Domestic non-state owned legal person	1.75%	23,536,435	0	Not applicable	0
Industrial and Commercial Bank of China Limited-E Fund GEM Trading Open-end Index Securities Investment Fund (中國工商銀行股份有限公司—易方達創業板交易型開放式指數證券投資基金)	Others	0.92%	12,316,192	0	Not applicable	0
Hong Kong Securities Clearing Company Limited	Overseas legal person	0.83%	11,174,469	0	Not applicable	0
Ganzhou Geshuo Investment Management Center (limited partnership) (贛州格碩投資管理中心 (有限合夥))	Domestic non-state owned legal person	0.64%	8,603,174	0	Pledged	5,014,000
National Social Security Fund Portfolio 104	Others	0.56%	7,535,457	0	Not applicable	0

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

Name	Number of shares held not subject to lock-up	Share type	Share type	Number
Jiangxi Ruide Venture Investment Co., Ltd. (江西瑞德創業投資有限公司)	387,100,160	RMB ordinary shares		387,100,160
HKSCC NOMINEES LIMITED	200,745,600	Overseas listed foreign shares		200,745,600
Ganzhou Industrial Investment Holding Group Co., Ltd. (贛州工業投資控股集團有限公司)	69,120,000	RMB ordinary shares		69,120,000
Goldwind Investment Holding Co., Ltd. (金風投資控股有限公司)	67,036,352	RMB ordinary shares		67,036,352
Shaanxi Coal Industry Co. Ltd. (陝西煤業股份有限公司)	53,631,950	RMB ordinary shares		53,631,950
Ganzhou Xincheng Investment Management Center (limited partnership) (贛州欣盛投資管理中心(有限合夥))	23,536,435	RMB ordinary shares		23,536,435
Industrial and Commercial Bank of China Limited-E Fund GEM Trading Open-end Index Securities Investment Fund (中國工商銀行股份有限公司－易方達創業板交易型開放式指數證券投資基金)	12,316,192	RMB ordinary shares		12,316,192
Hong Kong Securities Clearing Company Limited	11,174,469	RMB ordinary shares		11,174,469
Ganzhou Geshuo Investment Management Center (limited partnership) (贛州格碩投資管理中心(有限合夥))	8,603,174	RMB ordinary shares		8,603,174
National Social Security Fund Portfolio 104	7,535,457	RMB ordinary shares		7,535,457

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 Xincheng Investment Management Center (limited partnership) (hereinafter referred to as “**Ganzhou Xincheng**”) 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 Xincheng 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.

Description of top 10 shareholders None participating in margin financing and securities lending business (if any)

Other Description As at the end of the reporting period, the number of shares held in the Company's designated account for securities repurchase was 8,015,784 shares, representing 0.60% of the total share capital of the Company. Pursuant to the relevant regulations, the repurchase designated account was excluded from the presentation of the top ten shareholders and the top ten shareholders who are not subject to selling restrictions.

Lending shares by shareholders holding more than 5% of the shares, the top 10 shareholders and the top 10 shareholders of unrestricted tradable shares through participating in the refinancing business

Applicable Not applicable

Unit: share

Name of shareholder (in full name)	Lending shares by shareholders holding more than 5% of the shares, the top 10 shareholders and the top 10 shareholders of unrestricted tradable shares through participating in the refinancing business							
	Number of shares held through ordinary account and credit account as at the beginning of the period				Number of shares held through ordinary account and credit account as at the end of the period			
	Shares lent by way of refinancing and outstanding at the beginning of the period		Shares lent by way of refinancing and outstanding at the end of the period		Shares lent by way of refinancing and outstanding at the beginning of the period		Shares lent by way of refinancing and outstanding at the end of the period	
	Total number	Proportion to total share capital	Total number	Proportion to total share capital	Total number	Proportion to total share capital	Total number	Proportion to total share capital
Industrial and Commercial Bank of China Limited-E Fund GEM Trading Open-end Index Securities Investment Fund (中國工商銀行股份有限公司－易方達創業板交易型開放式指數證券投資基金)	7,992,417	0.59%	929,900	0.07%	12,316,192	0.92%	232,000	0.02%

Changes in the top 10 shareholders and the top 10 shareholders of unrestricted tradable shares due to refinancing lending and returns compared to the previous period

Applicable Not applicable

Unit: share

Changes in the top 10 shareholders and the top 10 shareholders of unrestricted tradable shares due to refinancing lending and returns compared to the previous period

Name of shareholder (full name)	Additions/ withdrawals during the reporting period	Number of outstanding shares lent through refinancing at the end of the period		Number of shares held in ordinary account and credit account of shareholders and the number of outstanding shares lent through refinancing at the end of the period	
		Total	Proportion to total	Total	Proportion to total
		number	share capital	number	share capital
Industrial and Commercial Bank of China Limited-E Fund GEM Trading Open-end Index Securities Investment Fund (中國工商銀行股份有限公司 －易方達創業板交易型開放式 指數證券投資基金)	Additions	232,000	0.02%	12,548,192	0.93%

(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

III. OTHER MAJOR ISSUES

Applicable Not applicable

In the first quarter of 2024, the Company strived to overcome the adverse factors of declining prices for rare earth raw material and intensified industry competition. The Company had sufficient orders on hand, new projects gradually commenced, and production capacity steadily increased. The Company made efforts to accelerate the informatization and automation of production management, strengthen ESG initiatives, and actively expand into emerging sectors such as humanoid robotics. In the first quarter of 2024, the Company achieved revenue of RMB1.536 billion, a decrease of 6.93% as compared to the same period of last year.

For the first quarter of 2024, the Company's new production capacity was gradually released, and the capacity utilisation rate exceeded 90%. The Company's orders and demand from major customers in the field of new energy vehicles (NEVs) and automotive parts sectors remained stable. The Company grasped the trend of the era by actively collaborating with worldrenowned customers in the research and development of magnetic components for humanoid robots.

In the first quarter of 2024, the gross profit margin of the Company was 10.04%, which was 5.2 percentage points lower than the gross profit margin of 15.24% in the same period of 2023. The main reasons are as follows:

1. In the first quarter of 2024, the prices of major rare earth raw material showed a downward trend. Taking the price of metal Praseodymium-neodymium (tax inclusive) as an example, according to data published by Asian Metal Net and the Association Of China Rare Earth Industry, the average price from January to March 2024 was RMB473,700 per tonne, approximately 42.03% lower than the average price of RMB817,100 per tonne in the same period of 2023. Additionally, the average price in January 2024 was RMB504,500 per tonne, which decreased to RMB431,900 per tonne by March 2024. The significant fluctuations in rare earth raw material prices since the beginning of the year have had a downward impact on the gross profit margin due to the short-term transmission differences between costs and selling prices.
2. The Company purchased the rare earth raw material with a production-on-demand strategy, and used the weighted average method for inventory delivery pricing. In the first quarter of 2024, in addition to the rare earth raw materials purchased by production-on-demand strategy, the Company was also affected by the purchase of the following two types of rare earth raw materials, resulting in a decline in gross profit margin due to the high cost of raw materials calculated by the weighted average method.
 - (1) Customer A made a prepayment in 2023 for the purchase of specified rare earth raw material (reflected in the contract liabilities at the end of 2023). The Company carried out special procurement in accordance with the contract. The price-lock contract has not been executed in the first quarter of 2024.
 - (2) Customer B, who had initially planned to purchase a certain quantity of rare earth raw materials from the Company, has now requested a change in the delivery schedule for a portion of the order. This change affects approximately 600 tones of rare earth metals that have already been procured by the Company. The fixed-price contract for this order has not yet been executed as of the first quarter of 2024.

The above two factors have an impact of approximately 4 percentage points on the gross profit margin in the first quarter of 2024. Furthermore, as there are orders covering these rare earth raw materials, no provision for impairment loss was required, and the corresponding profits will be realized after the execution of the contracts.

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Financial Statements

1. Consolidated balance sheet

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

March 31, 2024

	<i>Unit: RMB</i>	
Item	Closing balance	Opening balance
Current assets:		
Monetary funds	2,932,336,657.18	3,885,757,157.90
Settlement reserve		
Lending funds		
Held for trading financial assets	209,766,179.50	209,512,799.50
Derivative financial assets		
Bills receivable	57,319,928.20	151,782,888.23
Accounts receivable	2,007,242,329.63	1,980,547,960.73
Receivables financing	521,416,288.55	212,488,638.22
Prepayments	127,717,002.00	66,395,071.94
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserve receivable		
Other receivables	83,825,092.46	45,634,946.09
Including: Interests receivable		
Dividend receivable		
Financial assets acquired for resale		
Inventories	2,391,811,663.89	2,213,180,081.23
Including: data resource		
Contractual assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	93,124,356.35	70,964,729.72
Total current assets	8,424,559,497.76	8,836,264,273.56

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	6,436,216.21	6,500,524.24
Other equity instrument investments	13,261,919.05	13,261,919.05
Other non-current financial assets		
Investment properties		
Fixed assets	1,718,443,717.79	1,709,515,814.69
Construction in progress	814,851,638.76	764,430,030.92
Productive biological assets		
Oil and gas assets		
Right-of-use assets	5,696,149.79	14,920,181.14
Intangible assets	215,996,977.88	217,119,754.56
Including: data resource		
Development expenses		
Including: data resource		
Goodwill		
Long-term deferred expenses	2,392,600.80	2,982,415.70
Deferred income tax assets	2,324,333.88	560,601.41
Other non-current assets	400,387,967.83	260,398,777.38
	<hr/>	<hr/>
Total non-current assets	3,179,791,521.99	2,989,690,019.09
	<hr/>	<hr/>
Total assets	11,604,351,019.75	11,825,954,292.65
	<hr/>	<hr/>

Item	Closing balance	Opening balance
Current liabilities:		
Short-term borrowings	201,013,134.35	400,881,981.59
Borrowings from the central bank		
Borrowing funds		
Trading financial liabilities		
Derivative financial liabilities		
Bills payable	2,224,050,411.37	2,358,559,328.30
Accounts Payable	518,394,038.37	551,030,662.37
Receipts in advance		
Contract liabilities	258,873,601.04	287,707,202.61
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	45,896,600.06	78,342,080.46
Taxes payable	20,699,216.07	19,260,861.91
Other payables	184,386,682.50	274,267,454.76
Including: Interest payables	2,406,228.80	
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	2,441,383.75	7,472,376.64
Other current liabilities	31,225,359.35	5,972,808.37
Total current liabilities	<u>3,486,980,426.86</u>	<u>3,983,494,757.01</u>

Item	Closing balance	Opening balance
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	718,978,165.84	544,211,924.24
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	3,134,469.41	9,054,113.45
Long-term payables		
Long-term employee benefits payable		
Accrued liabilities		
Deferred income	200,652,133.43	201,898,765.35
Deferred income tax liabilities	46,384,046.29	50,142,476.13
Other non-current liabilities		
	<hr/>	<hr/>
Total non-current liabilities	<u>969,148,814.97</u>	<u>805,307,279.17</u>
Total liabilities	<u>4,456,129,241.83</u>	<u>4,788,802,036.18</u>

Item	Closing balance	Opening balance
Owners' equity:		
Share capital	1,344,771,235.00	1,344,771,235.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	4,003,042,860.21	4,003,042,860.21
Less: Treasury shares	160,799,613.58	160,799,613.58
Other comprehensive income	2,981,405.21	5,490,496.91
Special reserve		
Surplus reserve	237,169,803.37	237,169,803.37
General risk reserve		
Undistributed profit	1,705,110,691.02	1,591,809,950.47
Total equity attributable to the owners of the parent	7,132,276,381.23	7,021,484,732.38
Minority interests	<u>15,945,396.69</u>	<u>15,667,524.09</u>
Total owners' equity	<u>7,148,221,777.92</u>	<u>7,037,152,256.47</u>
Total liabilities and owners' equity	<u>11,604,351,019.75</u>	<u>11,825,954,292.65</u>

Legal
representative:
Cai Baogui

Person in charge
of accounting:
Xie Hui

Head of accounting
department:
Wan Wei

2. Consolidated income statements

		<i>Unit: RMB</i>	
Item	Amount for the current period	Amount for the previous period	
I. Total revenue	1,536,247,143.43	1,650,586,918.86	
Including: Revenue	1,536,247,143.43	1,650,586,918.86	
Interest income			
Premium earned			
Handling charges and commission income			
II. Total operating cost	1,497,437,075.56	1,517,945,511.74	
Including: Operating costs	1,382,024,045.02	1,399,091,910.92	
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	4,317,007.73	6,572,077.10	
Selling expenses	10,587,771.30	10,189,910.26	
Administrative expenses	40,527,102.94	22,785,264.11	
Research and development expenses	74,588,597.44	71,827,115.07	
Finance expenses	-14,607,448.87	7,479,234.28	
Including: Interest expense	6,480,506.24	13,354,462.58	
Interest income	-17,065,831.99	-13,581,388.71	
Add: Other income	89,002,222.59	58,729,750.24	
Investment income (loss is represented by “-”)	1,413,501.64	3,529,748.18	
Including: Gains from investment in associates and joint ventures	-64,308.03	-288,852.05	
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	
Impairment loss of credit (loss is represented by “-”)	-4,443,429.95	945,646.13	
Impairment loss of assets (loss is represented by “-”)	-10,384,618.69	-7,204,082.47	
Gains from disposal of assets (loss is represented by “-”)	256,970.86	37,193.61	

Item	Amount for the current period	Amount for the previous period
III. Operating profit (loss is represented by “-”)	114,654,714.32	190,926,662.81
Add: Non-operating income	808,245.90	28,423.15
Less: Non-operating expenses	800,615.38	911,261.06
IV. Total profit (total loss is represented by “-”)	114,662,344.84	190,043,824.90
Less: Income tax expenses	12,468,967.21	11,209,704.75
V. Net profit (net loss is represented by “-”)	102,193,377.63	178,834,120.15
(I) Classified by continuity of operations		
1. Net profit from continuing operations (net loss is represented by “-”)	102,193,377.63	178,834,120.15
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	101,692,621.31	178,203,776.63
2. Profit or loss attributable to minority shareholders	500,756.32	630,343.52
VI. Net amount of other comprehensive income after tax	-2,743,773.82	469,667.79
Net amount of other comprehensive income after tax attributable to the owners of the parent	-2,709,351.23	444,650.80
(I) Other comprehensive income that cannot be reclassified to profit or loss		
1. Changes in remeasurement of defined benefit plans		
2. Other comprehensive income that cannot be reclassified to profit or loss under equity method		
3. Changes in fair value 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	-2,709,351.23	444,650.80
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	-2,709,351.23	444,650.80
7. Others		
Net amount of other comprehensive income after tax attributable to minority shareholders	-34,422.59	25,016.99

Item	Amount for the current period	Amount for the previous period
VII. Total comprehensive income	99,449,603.81	179,303,787.94
Total comprehensive income attributable to the owners of the parent	98,983,270.08	178,648,427.43
Total comprehensive income attributable to minority shareholders	466,333.73	655,360.51
VIII. Earnings per share:		
(I) Basic earnings per share	0.08	0.13
(II) Diluted earnings per share	0.08	0.13

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

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

3. Consolidated Statement of Cash Flows

Items	<i>Unit: RMB</i>	
	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 labor services	1,348,795,410.16	1,808,687,864.61
Net increase in customer and inter-bank deposits		
Net increase in borrowings from central bank		
Net increase in borrowing funds 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, handling charges and commission		
Net increase in capital borrowed		
Net increase in capital of repurchase business		
Net cash received from vicariously traded securities		
Tax refunds received	33,120,333.00	31,825,736.06
Cash received relating to other operating activities	56,698,717.64	40,351,212.38
	<hr/>	<hr/>
Sub-total of cash inflows from operating activities	1,438,614,460.80	1,880,864,813.05
	<hr/>	<hr/>
Cash paid for purchase of goods and engagement of labor services	1,763,519,572.34	1,256,102,745.05
Net increase in loans and advances to customers		
Net increase in central bank and inter-bank 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 insurance policy dividend		
Cash paid to and for employees	177,523,230.45	154,533,295.69
Payments of all types of taxes	21,705,097.00	24,441,471.58
Cash paid relating to other operating activities	91,048,607.98	28,722,602.87
	<hr/>	<hr/>
Sub-total of cash outflows from operating activities	2,053,796,507.77	1,463,800,115.19
	<hr/>	<hr/>
Net cash flows from operating activities	-615,182,046.97	417,064,697.86
	<hr/>	<hr/>

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
Cash received from return on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	281,408.00	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	281,408.00	1,339,477.08
	<hr/>	<hr/>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	231,579,077.28	97,273,619.55
Cash paid for investments	17,113,492.97	
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	248,692,570.25	97,617,579.55
	<hr/>	<hr/>
Net cash flows from investing activities	<u>-248,411,162.25</u>	<u>-96,278,102.47</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
Including: Cash received from accepting minority shareholders' investment by subsidiaries		
Cash received from borrowings	173,766,241.60	
Cash received relating to other financing activities	5,242,349.32	
	<hr/>	<hr/>
Sub-total of cash inflows from financing activities	179,008,590.92	2,111,895.33
	<hr/>	<hr/>
Cash paid for repayment of debts	118,283,296.16	37,815,000.00
Cash payments for distribution of dividends, profits or interest repayment	5,399,181.03	10,278,402.75
Including: Dividends or profits paid to minority shareholders by subsidiaries		
Cash paid relating to other financing activities	45,747.09	184,135.20
	<hr/>	<hr/>
Sub-total of cash outflows from financing activities	123,728,224.28	48,277,537.95
	<hr/>	<hr/>
Net cash flows from financing activities	55,280,366.64	-46,165,642.62
	<hr/>	<hr/>
IV. Effect of changes of exchange rate on cash and cash equivalents	-1,331,125.79	-11,753,175.87
	<hr/>	<hr/>
V. Net increase in cash and cash equivalents	-809,643,968.37	262,867,776.90
Add: Balance of cash and cash equivalent at the beginning of the period	3,156,726,124.84	3,400,384,455.94
	<hr/>	<hr/>
VI. Balance of cash and cash equivalent at the end of the period	2,347,082,156.47	3,663,252,232.84
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(II) Adjustments to relevant items in the financial statements at the beginning of the year upon initial application of new accounting standards since 2024

Applicable Not applicable

(III) 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, 2024