

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

金力永磁
JL MAG

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)

2022 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 2022 first quarterly report of the Company. The financial data contained in the 2022 first quarterly report are prepared in accordance with the China Accounting Standards for Business Enterprises and are unaudited.

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

Jiangxi, April 26, 2022

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 and Mr. Li Fei 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 2022 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 that the truthfulness, accuracy and completeness of the content of the quarterly report and 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 to or restatements of the accounting data of the previous years

Yes No

Reasons for adjusting or reclassifying retrospectively

Other reasons

	This reporting period	Same period last year		Increase/decrease of this reporting period compared with the corresponding period of last year
		Before the adjustment	After the adjustment	After the adjustment
Revenue (<i>RMB</i>)	1,508,713,746.90	793,345,464.15	793,345,464.15	90.17%
Net profit attributable to shareholders of the Company (<i>RMB</i>)	163,829,220.36	101,399,456.93	101,399,456.93	61.57%
Net profit attributable to shareholders of the Company after deducting non-recurring gains and losses (<i>RMB</i>)	152,478,943.42	91,217,169.65	91,217,169.65	67.16%
Net cash flows from operating activities (<i>RMB</i>)	-423,579,602.19	-30,336,430.75	-30,336,430.75	-1,296.27%
Basic earnings per share (<i>RMB/share</i>)	0.21	0.24	0.15	40.00%
Diluted earnings per share (<i>RMB/share</i>)	0.21	0.24	0.15	40.00%
Weighted average return on net assets	3.13%	6.26%	6.26%	A decrease of 3.13 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
		Before the adjustment	After the adjustment	After the adjustment
Total assets (<i>RMB</i>)	9,664,485,442.22	6,050,783,652.80	6,050,783,652.80	59.72%
Net assets attributable to shareholders of the Company (<i>RMB</i>)	6,408,732,462.02	2,965,400,071.66	2,965,400,071.66	116.12%

(II) Non-recurring gains and 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 provisions for asset impairment write-offs)	223,799.92	–
Government’s grants accounted in the profit and loss of 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 fixed amounts under certain standards)	6,505,092.27	–
Gains or losses from entrusted investments or assets management	3,010,227.42	–
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	3,325,590.00	–
Other non-operating income and expenses excluding the above-mentioned items	-298,311.44	–
Less: Impact of income tax	1,416,121.23	–
Total	<u>11,350,276.94</u>	–

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

Applicable Not applicable

There was no other profit or loss item of the Company that falls within the meaning of non-recurring gain or loss.

Please explain the reasons for defining the non-recurring gain or loss items stated in the “Explanatory Announcement No. 1 for Information Disclosure by Public Issuers of Securities – Non-recurring Gain or Loss 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 gain or loss item as stated under the “Explanatory Announcement No. 1 for Information Disclosure by Public Issuers of Securities – Non-recurring Gain or Loss Items” as the recurring gain or loss item.

(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
Monetary funds	4,296,257,742.10	1,499,506,654.14	186.51%	Mainly due to the listing of the Company's H shares and obtaining the proceeds raised within the reporting period
Financial assets held for trading	141,324,110.00	7,225,600.00	1,855.88%	Mainly due to the purchases of bank financial products within the reporting period
Trade receivables	1,630,759,725.61	1,231,485,347.28	32.42%	Mainly due to the increase in business within the reporting period
Accounts receivable financing	63,470,815.23	15,750,416.83	302.98%	Mainly due to the increase in the balance of bank acceptance bills at the end of the reporting period
Prepayments	59,591,723.61	34,994,657.33	70.29%	Mainly due to the increase in the advance payments for material procurement within the reporting period
Other receivables	6,515,619.71	2,838,047.21	129.58%	Mainly due to the increase in transactions of the outsourcing processing plant and bank interest receivables within the reporting period
Other current assets	18,260,414.15	65,548,647.18	-72.14%	Mainly due to the write-off of the prepaid listing expenses and the decrease in retained tax credits at the end of the reporting period
Staff salaries payable	34,066,580.65	50,220,660.61	-32.17%	Mainly due to the payment of year-end bonus accrued at the end of last year during this reporting period
Taxes payable	52,793,409.87	13,526,279.04	290.30%	Mainly due to the increase in value-added tax and corporate income tax payable at the end of the reporting period
Non-current liabilities due within one year	124,296,260.24	226,004,720.70	-45.00%	Mainly due to the repayment of long-term borrowings within the reporting period
Long-term borrowings	734,260,000.00	411,810,000.00	78.30%	Mainly due to the increase in long-term borrowings within the reporting period
Deferred income tax liabilities	10,697,760.00	7,677,992.30	39.33%	Mainly due to the increase in the accelerated depreciation of fixed assets within the reporting period
Capital reserve	4,445,499,508.77	1,291,955,175.85	244.09%	Mainly due to the listing of the Company's H shares and obtaining the proceeds raised within the reporting period

Income statement items	Amount for the current period	Amount for the previous period	Percentage of changes	Reasons for changes
Operating revenue	1,508,713,746.90	793,345,464.15	90.17%	Mainly due to the increase in sales in NEVs, automotive parts and wind power within the reporting period
Operating cost	1,216,480,414.17	589,286,749.93	106.43%	Mainly due to the increase in business during the reporting period
Tax and surcharges	7,703,215.75	3,016,673.79	155.35%	Mainly due to the increase in tax paid within the reporting period
Selling expenses	6,176,782.94	8,988,198.78	-31.28%	Mainly due to the decrease in activities such as exhibition and traveling as a result of the COVID-19 pandemic within the reporting period
Administrative expenses	36,327,933.16	38,255,256.49	-5.04%	Mainly due to the decrease in share incentive expenses within the reporting period. The share incentive expenses during the reporting period were RMB7.36 million, compared to RMB16.71 million in the same period last year
Research and development expenses	58,826,903.24	32,402,781.20	81.55%	Mainly due to the continuous increase of R&D investment within the reporting period. In addition, the share incentive expenses during the reporting period were RMB2.13 million, compared to RMB6.01 million in the same period last year
Finance costs	6,102,954.55	20,652,179.64	-70.45%	Mainly due to that the interest on convertible bonds in the same period last year was RMB6.12 million, compared to no such expenses and the increase in gains from exchanges during this reporting period
Investment income	2,862,684.66	1,535,542.05	86.43%	Mainly due to the increase in investment income from the closing of forward foreign exchange settlement and sales contracts within the reporting period
Impairment losses on credit	-3,996,011.13	602,677.49	763.04%	Mainly due to the increase in provision for bad debts during the reporting period
Impairment loss on assets	-2,894,507.01	-582,165.84	397.20%	Mainly due to the increase in the provision for inventory impairment during the reporting period
Non-operating income	1,688.56	268,452.23	-99.37%	Mainly due to compensation received last year
Non-operating expense	325,054.17	665,896.05	-51.19%	Mainly due to the decrease in donation outlay as compared with the same period of last year within the reporting period
Income tax expenses	18,814,302.79	9,813,456.06	91.72%	Mainly due to the increase in profit within 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	56,444	Total number of shareholders of preferred shares with recovered voting rights at the end of the reporting period (if any)	0
--	--------	---	---

Shareholdings of top 10 shareholders

Name	Nature	Shareholding percentage	Number of shares held	Number of shares held subject to trading moratorium	Shares pledged, marked or frozen Status	Number
Jiangxi Ruide Venture Investment Co., Ltd.	Domestic non-state owned legal person	28.93%	241,937,600	-	Pledged	4,800,000
HKSCC NOMINEES LIMITED	Oversea legal person	15.00%	125,466,000	-	-	-
Goldwind Investment Holding Co., Ltd.	Domestic non-state owned legal person	7.02%	58,736,320	-	-	-
Ganzhou Rare Earth Group Co., Ltd.	State-owned legal person	5.16%	43,200,000	-	-	-
Hong Kong Securities Clearing Company Limited	Oversea legal person	3.60%	30,137,775	-	-	-
Ganzhou Geshuo Investment Management Center (limited partnership)	Domestic non-state owned legal person	2.64%	22,105,584	-	Pledged	2,050,000
Ganzhou Xinsheng Investment Management Center (limited partnership)	Domestic non-state owned legal person	1.76%	14,710,272	-	-	-
BILL & MELINDA GATES FOUNDATION TRUST	Oversea legal person	0.77%	6,425,217	-	-	-
Ping An Life Insurance Company of China, Ltd. - Investment Link - Personal insurance investment link	Others	0.72%	5,999,928	-	-	-
CDPQ or la Caisse	Oversea legal person	0.62%	5,147,393	-	-	-

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.	241,937,600	RMB denominated ordinary shares		241,937,600
HKSCC NOMINEES LIMITED	125,466,000	Overseas listed foreign shares		125,466,000
Goldwind Investment Holding Co., Ltd.	58,736,320	RMB denominated ordinary shares		58,736,320
Ganzhou Rare Earth Group Co., Ltd.	43,200,000	RMB denominated ordinary shares		43,200,000
Hong Kong Securities Clearing Company Limited	30,137,775	RMB denominated ordinary shares		30,137,775
Ganzhou Geshuo Investment Management Center (limited partnership)	22,105,584	RMB denominated ordinary shares		22,105,584
Ganzhou Xinsheng Investment Management Center (limited partnership)	14,710,272	RMB denominated ordinary shares		14,710,272
BILL & MELINDA GATES FOUNDATION TRUST	6,425,217	RMB denominated ordinary shares		6,425,217
Ping An Life Insurance Company of China, Ltd. - Investment Link - Personal insurance investment link	5,999,928	RMB denominated ordinary shares		5,999,928
CDPQ or la Caisse	5,147,393	RMB denominated ordinary shares		5,147,393

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 and persons acting in concert. In particular, Ganzhou Xinsheng Investment Management Center (limited partnership) was held as to 89.12% and 10.88% by Cai Baogui and Hu Zhibin, respectively; and Ganzhou Geshuo Investment Management Center (limited partnership) was held as to 61.00% and 39.00% by Hu Zhibin and Li Xinnong, respectively; 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	0	–	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	0	–	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	1,869,600	429,000	–	1,440,600	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
Lyu Feng	1,239,600	271,440	–	968,160	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	789,600	159,000	–	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	783,600	157,440	–	626,160	Restricted senior management shares	25% of shares can be listed and traded every year during the term of office
Yu Han	912,000	189,000	–	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	793,200	169,440	–	623,760	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	0	–	153,600	Restricted senior management shares	25% of shares can be listed and traded every year during the term of office
Other 211 incentive participants	1,041,920	0	0	1,041,920	Restricted shares under share incentive scheme and restricted shares formed by 2020 Equity Distribution	The shares can be unlocked upon fulfilling the unlocking conditions of share incentive
Total	8,783,120	1,375,320	0	7,407,800	–	–

III. OTHER MAJOR ISSUES

Applicable Not Applicable

In the First Quarter of 2022, the Company fully seizes advantageous market opportunities brought by the increasing demand in the fields of new energy and energy conservation and environmental protection, and has been continuing to maintain its rapid growth in the results of operation. During the reporting period, the Company had adequate orders in hand and the production capacity was fully utilized, with gradual release of production capacity in Baotou Production Base. The Company produced 1,845 tonnes of high-performance REPM by applying GBD technology, representing a year-on-year growth of 42.74%, and accounting for 66.98% of the Company's total product output in the same period, representing an increase of 16 percentage points compared to the same period in the previous year. Leveraging our strong production capacity, outstanding R&D capabilities, constant breakthroughs in core technologies, and rapid product delivery capability with high quality, the Company has become a leading supplier of high-performance REPM in the fields of new energy and energy conservation and environmental protection.

In the First Quarter of 2022, the Company's revenue from the NEVs and automotive parts sector reached RMB450 million, representing an increase of 256.88% as compared with the same period last year, and the sales volume of the Company's magnetic steel products for NEV drive motors can assemble approximately 487 thousand passenger NEVs. The revenue of the Company generated from the energy-saving VFACs sector reached RMB403 million, representing a year-on-year increase of 12.72%. The revenue of the Company generated from the wind power sector reached RMB282 million, representing a year-on-year increase of 46.14% as compared with the same period last year. At the same time, the Company increased the scale of mass production in the 3C sector, and its revenue from industrial energy-saving motors and energy-saving elevators also had a significant growth.

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Financial Statements

1. Consolidated balance sheet

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

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	4,296,257,742.10	1,499,506,654.14
Settlement reserve		
Lending to banks and other financial institutions		
Held for trading financial assets	141,324,110.00	7,225,600.00
Derivative financial assets		
Bills receivable	420,523,019.95	383,410,645.99
Accounts receivable	1,630,759,725.61	1,231,485,347.28
Receivables financing	63,470,815.23	15,750,416.83
Prepayments	59,591,723.61	34,994,657.33
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserve receivable		
Other receivables	6,515,619.71	2,838,047.21
Including: Interests receivable	1,549,193.45	290,937.25
Dividend receivable		
Financial assets acquired for resale		
Inventories	1,387,580,621.02	1,324,200,456.58
Contractual assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	18,260,414.15	65,548,647.18
Total current assets	<u>8,024,283,791.38</u>	<u>4,564,960,472.54</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	4,077,879.93	3,498,778.69
Other equity instrument investments		
Other non-current financial assets		
Investment properties		
Fixed assets	710,253,458.46	683,502,559.96
Construction in progress	434,583,623.95	354,620,979.28
Productive biological assets		
Oil and gas assets		
Right-of-use assets	5,446,821.87	6,752,157.22
Intangible assets	195,967,758.11	197,234,627.62
Development expenses		
Goodwill		
Long-term deferred expenses	25,570,647.01	25,742,243.41
Deferred income tax assets	5,001,927.79	5,001,927.79
Other non-current assets	259,299,533.72	209,469,906.29
	<hr/>	<hr/>
Total non-current assets	<u>1,640,201,650.84</u>	<u>1,485,823,180.26</u>
	<hr/>	<hr/>
Total assets	<u>9,664,485,442.22</u>	<u>6,050,783,652.80</u>

Item	Closing balance	Opening balance
Current liabilities:		
Short-term borrowings	976,387,756.40	1,128,345,388.93
Borrowings from the central bank		
Borrowings from banks and other financial institutions		
Trading financial liabilities		
Derivative financial liabilities		
Bills payable	487,500,904.28	391,544,856.09
Accounts Payable	622,602,699.10	626,116,315.57
Receipts in advance		
Contract liabilities	28,090,174.29	29,593,835.54
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	34,066,580.65	50,220,660.61
Taxes payable	52,793,409.87	13,526,279.04
Other payables	76,359,891.41	98,018,404.71
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	124,296,260.24	226,004,720.70
Other current liabilities	4,407,736.62	4,652,766.50
	<hr/>	<hr/>
Total current liabilities	<u>2,406,505,412.86</u>	<u>2,568,023,227.69</u>

Item	Closing balance	Opening balance
Non-Current Liabilities:		
Insurance contract reserve		
Long-term borrowings	734,260,000.00	411,810,000.00
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	5,720,539.76	4,627,984.08
Long-term payables		
Long-term employee benefits payable		
Accrued liabilities		
Deferred income	97,447,011.04	92,293,403.26
Deferred income tax liabilities	10,697,760.00	7,677,992.30
Other non-current liabilities		
	<hr/>	<hr/>
Total non-current liabilities	848,125,310.80	516,409,379.64
	<hr/> <hr/>	<hr/> <hr/>
Total Liabilities	3,254,630,723.66	3,084,432,607.33
	<hr/> <hr/>	<hr/> <hr/>

Item	Closing balance	Opening balance
Owners' equity:		
Share capital	836,430,630.00	710,973,590.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	4,445,499,508.77	1,291,955,175.85
Less: Treasury shares	32,896,992.00	33,018,064.00
Other comprehensive income	5,999,415.54	5,618,690.46
Special reserve		
Surplus reserve	138,185,391.03	138,185,391.03
General risk reserve		
Undistributed profit	1,015,514,508.68	851,685,288.32
Total equity attributable to the owners of the parent company	6,408,732,462.02	2,965,400,071.66
Minority interests	1,122,256.54	950,973.81
	<hr/>	<hr/>
Total owners' equity	<u>6,409,854,718.56</u>	<u>2,966,351,045.47</u>
	<hr/>	<hr/>
Total liabilities and owner's equity	<u>9,664,485,442.22</u>	<u>6,050,783,652.80</u>

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

2. Consolidated income statements

Unit: RMB

Item	Amount for the current period	Amount for the previous period
I. Total operating revenue	1,508,713,746.90	793,345,464.15
Including: Operating revenue	1,508,713,746.90	793,345,464.15
Interest income		
Premium earned		
Commission income		
II. Total operating cost	1,331,618,203.81	692,601,839.83
Including: Operating costs	1,216,480,414.17	589,286,749.93
Interest expenses		
Commission expenses		
Surrender payment		
Net expenditure for compensation payments		
Net provision for insurance liabilities		
Expenditures for insurance policy dividend		
Reinsurance expenses		
Tax and surcharge	7,703,215.75	3,016,673.79
Selling expenses	6,176,782.94	8,988,198.78
Administrative expenses	36,327,933.16	38,255,256.49
Research and development expenses	58,826,903.24	32,402,781.20
Finance expenses	6,102,954.55	20,652,179.64
Including: Interest expense	15,231,446.75	16,480,054.09
Interest income	5,767,077.71	3,100,860.33
Add: Other income	6,505,092.27	5,102,995.34
Investment income (loss is represented by “-”)	2,862,684.66	1,535,542.05
Including: Gains from investment in associates and joint ventures	-147,542.76	-430,318.53
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 “-”)	3,325,590.00	4,511,587.00
Impairment loss of credit (loss is represented by “-”)	-3,996,011.13	602,677.49
Impairment loss of assets (loss is represented by “-”)	-2,894,507.01	-582,165.84
Gains from disposal of assets (loss is represented by “-”)	248,854.09	

Item	Amount for the current period	Amount for the previous period
III. Operating profit (loss is represented by “-”)	183,147,245.97	111,914,260.36
Add: Non-operating income	1,688.56	268,452.23
Less: Non-operating expenses	325,054.17	665,896.05
IV. Total profit (total loss is represented by “-”)	182,823,880.36	111,516,816.54
Less: Income tax expenses	18,814,302.79	9,813,456.06
V. Net profit (net loss is represented by “-”)	164,009,577.57	101,703,360.48
(I) Classified by continuity of operations		
1. Net profit from continuing operations (net loss is represented by “-”)	164,009,577.57	101,703,360.48
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	163,829,220.36	101,399,456.93
2. Net profit attributable to minority shareholders	180,357.21	303,903.55
VI. Other comprehensive income	371,650.60	2,405,222.93
Other comprehensive income attributable to the owners of the parent	380,725.08	2,371,980.45
(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	380,725.08	2,371,980.45
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	380,725.08	2,371,980.45
7. Others		

Item	Amount for the current period	Amount for the previous period
Other comprehensive income attributable to minority shareholders	-9,074.48	33,242.48
VII. Total comprehensive income	164,381,228.17	104,108,583.41
Total comprehensive income attributable to the owners of the parent company	164,209,945.44	103,771,437.38
Total comprehensive income attributable to minority shareholders	171,282.73	337,146.03
VIII. Earnings per share:		
(I) Basic earnings per share	0.21	0.15
(II) Diluted earnings per share	0.21	0.15

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

Unit: RMB

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	1,476,334,318.48	647,500,549.77
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		
Cash received relating to other operating activities	<u>40,212,217.01</u>	<u>21,135,320.83</u>
Sub-total of cash inflows from operating activities	<u>1,516,546,535.49</u>	<u>668,635,870.60</u>
Cash paid for purchase of goods and engagement of labor services	1,788,505,311.21	520,254,168.92
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	119,213,815.52	94,674,922.65
Payments of all types of taxes	12,749,698.83	28,888,217.73
Cash paid for other operating activities	<u>19,657,312.12</u>	<u>55,154,992.05</u>
Sub-total of cash outflows from operating activities	<u>1,940,126,137.68</u>	<u>698,972,301.35</u>
Net cash flows from operating activities	<u><u>-423,579,602.19</u></u>	<u><u>-30,336,430.75</u></u>

Items	Amount for the current period	Amount for the previous period
II. Cash flows from investing activities:		
Cash received from recovery of investments	6,788,631.77	133,000,000.00
Cash received from return on investments	2,879,990.10	1,965,860.58
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		300,000.00
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities	_____	_____
Sub-total of cash inflows from investing activities	<u>9,668,621.87</u>	<u>135,265,860.58</u>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	182,515,598.72	179,715,725.85
Cash paid for investments	146,800,285.77	133,000,000.00
Net increase of pledged loans		
Net cash paid for acquisition of subsidiaries and other business units		
Cash paid relating to other investing activities	_____	_____
Sub-total of cash outflows from investing activities	<u>329,315,884.49</u>	<u>312,715,725.85</u>
Net cash flows from investing activities	<u><u>-319,647,262.62</u></u>	<u><u>-177,449,865.27</u></u>

Items	Amount for the current period	Amount for the previous period
III. Cash flows from financing activities:		
Cash received from accepting investments	3,385,714,914.08	514,226,798.51
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from borrowings	485,023,021.83	114,850,274.95
Cash received relating to other financing activities		
	<hr/>	<hr/>
Sub-total of cash inflows from financial activities	3,870,737,935.91	629,077,073.46
	<hr/>	<hr/>
Cash paid for repayment of debts	274,344,954.95	4,970,000.00
Cash payments of distribution of dividends, profits or interest repayment	12,709,647.74	8,715,891.44
Including: Dividends or profits paid to minority shareholders by subsidiaries		
Cash paid relating to other financing activities	59,032,998.31	2,217,105.76
	<hr/>	<hr/>
Sub-total of cash outflows from financial activities	346,087,601.00	15,902,997.20
	<hr/>	<hr/>
Net cash flows from financing activities	<u>3,524,650,334.91</u>	<u>613,174,076.26</u>
IV. Effect of changes of exchange rate on cash and cash equivalents	<u>-28,788,356.65</u>	<u>-1,638,417.21</u>
V. Net increase in cash and cash equivalents	2,752,635,113.45	403,749,363.03
Add: Balance of cash and cash equivalent at the beginning of the period	<u>1,255,466,907.60</u>	<u>593,011,661.50</u>
VI. Balance of cash and cash equivalent at the end of the period	<u>4,008,102,021.05</u>	<u>996,761,024.53</u>

(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, 2022