

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.



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 THIRD 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 third quarterly report of the Company. The financial data contained in the 2022 third 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, October 25, 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 Third 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 third 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 last years

Yes No

	This reporting period	Increase or decrease in the reporting period as compared with the same period of last year	From the beginning of the year to the end of the reporting period	From the beginning of the year to the end of the reporting period as compared with the same period of last year
Revenue (<i>RMB</i>)	1,909,642,860.44	72.15%	5,213,439,457.10	78.66%
Net profit attributable to shareholders of the Company (<i>RMB</i>)	222,899,929.70	70.04%	686,732,677.01	95.41%
Net profit attributable to shareholders of the Company after deducting nonrecurring gains and losses (<i>RMB</i>)	209,079,846.21	67.39%	670,515,993.31	103.22%
Net cash flows from operating activities (<i>RMB</i>)	–	–	-413,113,053.92	-378.86%
Basic earnings per share (<i>RMB/share</i>)	0.2665	41.68%	0.8349	64.19%
Diluted earnings per share (<i>RMB/share</i>)	0.2665	41.68%	0.8349	64.19%
Weighted average return on net assets	3.33%	A decrease of 2.15 percentage points	11.20%	A decrease of 4.49 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 (<i>RMB</i>)	10,738,233,316.69	6,050,783,652.80	77.47%	
Net assets attributable to shareholders of the Company (<i>RMB</i>)	6,733,564,230.23	2,965,400,071.66	127.07%	

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

Applicable Not applicable

Unit: RMB

Items	Amount for the reporting period	Amount from the beginning of the year to the end of the reporting period	Notes
Gains or losses from disposal of non-current assets (including provisions for asset impairment write-offs)	55,935.86	401,723.20	-
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)	13,987,408.59	31,969,563.41	-
Gains or losses from entrusted investments or assets management	-10,469,558.32	-10,469,558.32	-
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	12,123,226.73	-1,805,660.00	-
Other non-operating income and expenses excluding the above-mentioned items	-328,961.41	-698,971.00	-
Less: Impact of income tax	1,564,873.60	3,193,472.28	-
Impact on minority interests (after tax)	-16,905.64	-13,058.69	-
Total	<u>13,820,083.49</u>	<u>16,216,683.70</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 year	Percentage of changes	Reasons for changes
Monetary funds	3,743,761,516.50	1,499,506,654.14	149.67%	Mainly due to the completion of listing of the Company's H shares and obtaining the proceeds raised from the beginning of the year to the end of the reporting period
Financial assets held for trading	151,675,820.00	7,225,600.00	1999.14%	Mainly due to the purchases of bank financial products from the beginning of the year to the end of the reporting period
Notes receivable	509,634,762.89	383,410,645.99	32.92%	Mainly due to the increase in business from the beginning of the year to the end of the reporting period
Trade receivables	2,141,766,805.28	1,231,485,347.28	73.92%	Mainly due to the increase in business from the beginning of the year to the end of the reporting period, in line with the year-on-year growth of 78.66% in operating revenue
Accounts receivable financing	60,841,582.28	15,750,416.83	286.29%	Mainly due to the increase in reclassification of bills held for financing purposes at the end of the reporting period
Prepayments	192,234,464.32	34,994,657.33	449.33%	Mainly due to business growth from the beginning of the year to the end of the reporting period
Other receivables	8,808,626.39	2,838,047.21	210.38%	Mainly due to the increase in interest receivable from the beginning of the year to the end of the reporting period
Inventory	1,910,201,037.26	1,324,200,456.58	44.25%	Mainly due to business growth from the beginning of the year to the end of the reporting period
Other current assets	5,991,054.23	65,548,647.18	-90.86%	Mainly due to the write-off of listing expenses and the decrease in retained tax credits from the beginning of the year to the end of the reporting period
Long-term equity investments	54,346,322.28	3,498,778.69	1453.29%	Mainly due to the payment of part of the acquisition amount of Yin Hai New Materials from the beginning of the year to the end of the reporting period
Fixed assets	978,447,458.09	683,502,559.96	43.15%	Mainly due to the investment in fund-raising projects from the beginning of the year to the end of the reporting period
Construction in progress	550,573,741.30	354,620,979.28	55.26%	Mainly due to the investment in fund-raising projects from the beginning of the year to the end of the reporting period
Right-of-use assets	9,045,253.18	6,752,157.22	33.96%	Mainly due to the increase in leased properties due to business development from the beginning of the year to the end of the reporting period

Balance Sheet Items	Balance at the end of the period	Balance at the beginning of the year	Percentage of changes	Reasons for changes
Long-term deferred expenses	41,649,412.92	25,742,243.41	61.79%	Mainly due to the new workshop renovation project from the beginning of the year to the end of the reporting period
Deferred income tax assets	2,181,887.39	5,001,927.79	-56.38%	Mainly due to the decrease in deferred income at the end of the reporting period
Notes payable	1,250,592,831.04	391,544,856.09	219.40%	Mainly due to the increase in the use of bank acceptance bills for purchases from the beginning of the year to the end of the reporting period
Contract liabilities	40,897,114.16	29,593,835.54	38.19%	Mainly due to the receipt of advance payment from customers from the beginning of the year to the end of the reporting period
Salaries and wages payable	67,197,389.49	50,220,660.61	33.80%	Mainly due to business growth from the beginning of the year to the end of the reporting period
Taxes payable	37,045,742.95	13,526,279.04	173.88%	Mainly due to business growth from the beginning of the year to the end of the reporting period
Other payables	61,482,732.48	98,018,404.71	-37.27%	Mainly due to the decrease in supplier's warranty deposits from the beginning of the year to the end of the reporting period and the payment of accrued H-share listing expenses
Long-term non-current liabilities due within one year	300,226,922.88	226,004,720.70	32.84%	Mainly due to the reclassification of long-term loans due within one year at the end of the reporting period
Other current liabilities	6,391,240.79	4,652,766.50	37.36%	Mainly due to the increase in the amount of tax to be written off at the end of the reporting period
Long-term borrowings	200,000,000.00	411,810,000.00	-51.43%	Mainly due to the reclassification of long-term loans due within one year at the end of the reporting period
Lease liabilities	9,723,657.06	4,627,984.08	110.11%	Mainly due to the increase in leased properties due to business development from the beginning of the year to the end of the reporting period
Deferred income tax liabilities	12,417,792.74	7,677,992.30	61.73%	Mainly due to the increase in the accelerated depreciation of fixed assets from the beginning of the year to the end of the reporting period
Capital reserves	4,456,599,486.18	1,291,955,175.85	244.95%	Mainly due to the completion of the listing of H shares and obtaining the proceeds raised from the beginning of the year to the end of the reporting period and the receipt of proceeds
Unappropriated profits	1,329,310,307.83	851,685,288.32	56.08%	Mainly due to business growth from the beginning of the year to the end of the reporting period
Minority interests	2,064,660.49	950,973.81	117.11%	Mainly due to the profit of non-wholly owned subsidiaries from the beginning of the year to 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
Operating revenue	5,213,439,457.10	2,918,145,608.50	78.66%	Mainly due to the business growth in the fields of NEVs, auto parts, robotics and industrial energy-saving motors from the beginning of the year to the end of the reporting period
Operating cost	4,244,820,838.99	2,250,834,354.71	88.59%	Mainly due to business growth from the beginning of the year to the end of the reporting period
Tax and surcharges	18,473,778.67	11,177,099.08	65.28%	Mainly due to the increase in taxes payable as a result of business growth from the beginning of the year to the end of the reporting period
Selling expenses	26,124,387.26	16,979,060.65	53.86%	Mainly due to business growth from the beginning of the year to the end of the reporting period
Research and development expenses	221,078,951.52	102,013,311.76	116.72%	Mainly due to the increase in R&D investment from the beginning of the year to the end of the reporting period
Finance costs	-159,235,531.04	29,579,436.32	-638.33%	It was mainly due to the increase in foreign exchange gains and losses from the beginning of the year to the end of the reporting period, the Company's exchange gains and losses were mainly due to the appreciation of US dollar and Hong Kong dollar against RMB. The Company's exchange gains for the first three quarters was approximately RMB188 million. Of which: 1) the Company's the exchange gains in respect of the proceeds raised from H shares (in Hong Kong dollars) for the first three quarters was approximately RMB135 million; 2) the Company's exchange gains for the third quarter was approximately RMB53.85 million
Other income	31,969,563.41	11,581,263.72	176.05%	Mainly due to the increase in government grants received from the beginning of the year to the end of the reporting period
Investment income	-10,628,128.41	6,148,519.50	-272.86%	Mainly due to the loss arising from lock-in forward foreign exchange from the beginning of the year to the end of the reporting period
Gains from changes in fair value	-1,805,660.00	3,188,540.00	-156.63%	Mainly due to floating loss arising from lock-in forward foreign exchange from the beginning of the year to the end of the reporting period
Impairment losses on credit	-14,820,537.08	-1,206,708.13	1128.18%	Mainly due to business growth from the beginning of the year to the end of the reporting period
Impairment loss on assets	-6,896,747.21	-4,061,413.44	69.81%	Mainly due to business growth from the beginning of the year to the end of the reporting period
Non-operating income	47,330.99	2,325,957.34	-97.97%	Mainly due to compensation received in the same period last year
Non-operating expense	746,301.99	2,120,094.94	-64.80%	Mainly due to the decrease in donation outlay from the beginning of the year to the end of 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	41,991	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	Status	Shares pledged, marked or frozen Number
Jiangxi Ruide Venture Investment Co., Ltd.	Domestic non-state owned legal person	28.93%	241,937,600	-	Pledged	6,800,000
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	4.44%	37,137,297	-	-	-
Ganzhou Geshuo Investment Management Center (limited partnership)	Domestic non-state owned legal person	2.64%	22,105,584	-	Pledged	2,450,000
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	0.69%	5,782,717	-	-	-
China Universal Asset Management Company Limited-Social Security Fund Portfolio 17022	Others	0.55%	4,576,000	-	-	-
Tianan Life Insurance Company Limited of China-Traditional Products	Others	0.47%	3,945,789	-	-	-

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	37,137,297	RMB denominated ordinary shares		37,137,297
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	5,782,717	RMB denominated ordinary shares		5,782,717
China Universal Asset Management Company Limited-Social Security Fund Portfolio 17022	4,576,000	RMB denominated ordinary shares		4,576,000
Tianan Life Insurance Company Limited of China-Traditional Products	3,945,789	RMB denominated ordinary shares		3,945,789

(1) Description on the affiliated or acting-in-concert relationships among the above shareholders

Jiangxi Ruide Venture Investment Co., Ltd. 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

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
Lu Ming	783,600	157,440	–	626,160	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
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 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
Other incentive participants	1,041,920	8,960	–	1,032,960	Restricted shares under share incentive scheme	Some share incentive recipients repurchased and cancelled the corresponding shares after resignation; and the shares can be unlocked upon fulfilling the unlocking conditions of share incentive
Total	<u>8,783,120</u>	<u>1,384,280</u>	<u>0</u>	<u>7,398,840</u>		

III. OTHER MAJOR ISSUES

Applicable Not Applicable

In the first three quarters of 2022, the Company continued to focus on new energy and energy conservation and environmental protection, and focused on core application sectors such as NEVs and automotive parts, energy-saving VFACs, wind power, 3C, robotics and industrial energy-saving motors, energy-saving elevators and rail transportation, and the Company's operating revenue and net profit maintained substantial growth. During the reporting period, the Company achieved operating revenue of RMB5,213.4395 million, representing a year-on-year increase of 78.66%, including export revenue of RMB622.1335 million, representing a year-on-year increase of 102.46%; net profit attributable to the shareholders of the Company amounted to RMB686.7327 million, representing a year-on-year increase of 95.41%; the net profit attributable to shareholders of the Company after deducting non-recurring gains and losses amounted to RMB670.5160 million, representing a year-on-year increase of 103.22%.

In the first three quarters of 2022, the Company produced 6,875 tonnes of high-performance REPM by applying grain boundary diffusion (GBD) technology, representing a year-on-year growth of 58.56%, and accounting for 72.21% of the Company's total product output in the same period, representing an increase of 16.97 percentage points as compared with the same period last year. The production of ultra-high brand products was 4,233 tonnes (the sum of intrinsic coercivity (H_{cj}, kOe) and maximum magnetic energy product ((BH) max, MGOe) is greater than 75).

In the first three quarters of 2022, the Company's revenue from the NEVs and automotive parts sector reached RMB1,910 million, representing an increase of 189.75% as compared with the same period last year. The sales volume of the Company's magnetic steel products for NEV drive motors can be assembled with approximately 1,690 thousand passenger NEVs; the Company's revenue from energy-saving VFACs sector reached RMB1,427 million, representing an increase of 31.84% as compared with the same period last year, the sales volume of the Company's magnetic steel products for energy-saving VFACs can be assembled with approximately 37,620 thousand units of VFAC compressors; the Company's revenue from wind power sector reached RMB653 million, representing a decrease of 8.58% as compared with the same period last year, the sales volume of the Company's products in this sector can be assembled with wind turbines with an installed capacity of approximately 7.19GW; the Company's revenue from robotics and industrial energy-saving motors reached RMB187 million, representing an increase of 123.46% as compared with the same period last year; the Company's revenue from 3C sector reached RMB154 million, representing an increase of 46.67% as compared with the same period last year.

In September 2022, the Company passed a board resolution to invest in the construction of the “Project for Comprehensive Utilization of Waste NdFeB Magnet” in Mexico through a wholly-owned subsidiary, JL MAG Green Tech (Hong Kong) Company Limited, with a planned total investment of approximately US\$100 million. The project takes waste NdFeB magnet as its starting point to build a recycling industry system of “recycling-dismantling-regeneration-remanufacturing”, to promote large-scale and standardized processing and utilization of renewable resources, which is conducive to the green and sustainable development of rare earth resources, and a specific practice to implement the Company’s strategy in achieving carbon neutrality.

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Financial Statements

1. Consolidated balance sheet

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

September 30, 2022

Unit: RMB

Item	September 30, 2022	January 1, 2022
Current assets:		
Monetary funds	3,743,761,516.50	1,499,506,654.14
Settlement reserve		
Lending to banks and other financial institutions		
Held for trading financial assets	151,675,820.00	7,225,600.00
Derivative financial assets		
Bills receivable	509,634,762.89	383,410,645.99
Accounts receivable	2,141,766,805.28	1,231,485,347.28
Receivables financing	60,841,582.28	15,750,416.83
Prepayments	192,234,464.32	34,994,657.33
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserve receivable		
Other receivables	8,808,626.39	2,838,047.21
Including: Interests receivable		
Dividend receivable		
Financial assets acquired for resale		
Inventories	1,910,201,037.26	1,324,200,456.58
Contractual assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	5,991,054.23	65,548,647.18
Total current assets	8,724,915,669.15	4,564,960,472.54

Item	September 30, 2022	January 1, 2022
Non-current assets:		
Loans and advances to customers		
Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investments	54,346,322.28	3,498,778.69
Other equity instrument investments	13,271,315.44	
Other non-current financial assets		
Investment properties		
Fixed assets	978,447,458.09	683,502,559.96
Construction in progress	550,573,741.30	354,620,979.28
Productive biological assets		
Oil and gas assets		
Right-of-use assets	9,045,253.18	6,752,157.22
Intangible assets	200,635,535.47	197,234,627.62
Development expenses		
Goodwill		
Long-term deferred expenses	41,649,412.92	25,742,243.41
Deferred income tax assets	2,181,887.39	5,001,927.79
Other non-current assets	163,166,721.47	209,469,906.29
	<hr/>	<hr/>
Total non-current assets	2,013,317,647.54	1,485,823,180.26
	<hr/> <hr/>	<hr/> <hr/>
Total assets	10,738,233,316.69	6,050,783,652.80
	<hr/> <hr/>	<hr/> <hr/>

Item	September 30, 2022	January 1, 2022
Current liabilities:		
Short-term borrowings	1,149,082,420.97	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	1,250,592,831.04	391,544,856.09
Accounts Payable	779,865,087.01	626,116,315.57
Receipts in advance		
Contract liabilities	40,897,114.16	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	67,197,389.49	50,220,660.61
Taxes payable	37,045,742.95	13,526,279.04
Other payables	61,482,732.48	98,018,404.71
Including: Interest payables		
Dividend payables		
Handling charges and commission payable		
Reinsurance account payables		
Liabilities held for sale		
Non-current liabilities due within one year	300,226,922.88	226,004,720.70
Other current liabilities	6,391,240.79	4,652,766.50
Total current liabilities	3,692,781,481.77	2,568,023,227.69
Non-Current Liabilities:		
Insurance contract reserve		
Long-term borrowings	200,000,000.00	411,810,000.00
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	9,723,657.06	4,627,984.08
Long-term payables		
Long-term employee benefits payable		
Accrued liabilities		
Deferred income	87,681,494.40	92,293,403.26
Deferred income tax liabilities	12,417,792.74	7,677,992.30
Other non-current liabilities		
Total non-current liabilities	309,822,944.20	516,409,379.64
Total Liabilities	4,002,604,425.97	3,084,432,607.33

Item	September 30, 2022	January 1, 2022
Owners' equity:		
Share capital	836,430,630.00	710,973,590.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	4,456,599,486.18	1,291,955,175.85
Less: Treasury shares	32,896,992.00	33,018,064.00
Other comprehensive income	5,935,407.19	5,618,690.46
Special reserve		
Surplus reserve	138,185,391.03	138,185,391.03
General risk reserve		
Undistributed profit	1,329,310,307.83	851,685,288.32
Total equity attributable to the owners of the parent company	6,733,564,230.23	2,965,400,071.66
Minority interests	2,064,660.49	950,973.81
Total owners' equity	6,735,628,890.72	2,966,351,045.47
Total liabilities and owner's equity	10,738,233,316.69	6,050,783,652.80

Legal representative:
Cai Baogui

Person in charge of accounting:
Xie Hui

Head of accounting department:
Wan Wei

2. Consolidated Income Statements from the Beginning of the Year to the End of the Reporting Period

<i>Unit: RMB</i>		
Item	Amount for the current period	Amount for the previous period
I. Total operating revenue	5,213,439,457.10	2,918,145,608.50
Including: Operating revenue	5,213,439,457.10	2,918,145,608.50
Interest income		
Premium earned		
Handling charges and commission income		
II. Total operating cost	4,467,907,009.91	2,534,665,661.46
Including: Operating costs	4,244,820,838.99	2,250,834,354.71
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	18,473,778.67	11,177,099.08
Selling expenses	26,124,387.26	16,979,060.65
Administrative expenses	116,644,584.51	124,082,398.94
Research and development expenses	221,078,951.52	102,013,311.76
Finance expenses	-159,235,531.04	29,579,436.32
Including: Interest expense	52,625,079.95	30,732,018.94
Interest income	28,733,932.71	9,676,129.10
Add: Other income	31,969,563.41	11,581,263.72
Investment income (loss is represented by “-”)	-10,628,128.41	6,148,519.50
Including: Gains from investment in associates and joint ventures	-158,570.09	-3,072,137.52
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 “-”)	-1,805,660.00	3,188,540.00
Impairment loss of credit (loss is represented by “-”)	-14,820,537.08	-1,206,708.13
Impairment loss of assets (loss is represented by “-”)	-6,896,747.21	-4,061,413.44
Gains from disposal of assets (loss is represented by “-”)	401,723.20	519,079.74

Item	Amount for the current period	Amount for the previous period
III. Operating profit (loss is represented by “-”)	743,752,661.10	399,649,228.43
Add: Non-operating income	47,330.99	2,325,957.34
Less: Non-operating expenses	746,301.99	2,120,094.94
IV. Total profit (total loss is represented by “-”)	743,053,690.10	399,855,090.83
Less: Income tax expenses	55,191,156.04	47,910,713.64
V. Net profit (net loss is represented by “-”)	687,862,534.06	351,944,377.19
(I) Classified by continuity of operations		
1. Net profit from continuing operations (net loss is represented by “-”)	687,862,534.06	351,944,377.19
2. Net profit from discontinued operations (net loss is represented by “-”)		
(II) Classified by ownership of equity		
1. Net profit attributable to the shareholders of the parent company (net loss is represented by “-”)	686,732,677.01	351,427,480.42
2. Net profit attributable to minority shareholders (net loss is represented by “-”)	1,129,857.05	516,896.77
VI. Net amount of other comprehensive income after tax	300,546.36	1,748,110.11
Net amount of other comprehensive income after tax attributable to the owners of the parent company	316,716.73	1,713,014.45
(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	316,716.73	1,713,014.45
1. Other comprehensive income that can be reclassified 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	316,716.73	1,713,014.45
7. Others		

Item	Amount for the current period	Amount for the previous period
Net amount of other comprehensive income after tax attributable to minority shareholders	-16,170.37	35,095.66
VII. Total comprehensive income	688,163,080.42	353,692,487.30
(I) Total comprehensive income attributable to the owners of the parent company	687,049,393.74	353,140,494.87
(II) Total comprehensive income attributable to minority shareholders	1,113,686.68	551,992.43
VIII. Earnings per share:		
(I) Basic earnings per share	0.8349	0.5085
(II) Diluted earnings per share	0.8349	0.5085

For the business combination under common control effected 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:
Cai Baogui

Person in charge of accounting:
Xie Hui

Head of accounting department:
Wan Wei

3. Consolidated Statement of Cash Flows from the Beginning of the Year to the End of the Reporting Period

	<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	4,081,748,934.70	2,272,811,573.16
Net increase in customer and inter-bank deposits		
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, handling charges and commission		
Net increase in capital borrowed		
Net increase in capital of repurchase business		
Net cash received from securities trading agency services		
Tax refunds received	62,663,299.92	
Cash received relating to other operating activities	143,347,901.28	57,350,348.44
	<hr/>	<hr/>
Sub-total of cash inflows from operating activities	4,287,760,135.90	2,330,161,921.60
	<hr/>	<hr/>
Cash paid for purchase of goods and engagement of labor services	4,191,157,448.03	1,770,461,897.37
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	359,340,713.93	274,590,512.47
Payments of all types of taxes	82,415,036.50	68,670,125.50
Cash paid relating to other operating activities	67,959,991.36	68,296,308.88
	<hr/>	<hr/>
Sub-total of cash outflows from operating activities	4,700,873,189.82	2,182,018,844.22
	<hr/>	<hr/>
Net cash flows from operating activities	-413,113,053.92	148,143,077.38
	<hr/> <hr/>	<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	147,077,566.77	333,000,000.00
Cash received from return on investments	-11,591,582.64	9,220,657.02
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	175,687.04	1,010,500.00
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities		500,000.00
	<hr/>	<hr/>
Sub-total of cash inflows from investing activities	135,661,671.17	343,731,157.02
	<hr/>	<hr/>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	427,408,748.09	513,708,000.02
Cash paid for investments	294,596,850.89	333,000,000.00
Net increase of pledged loans		
Net cash paid for acquisition of subsidiaries and other business units	46,245,000.00	
Cash paid relating to other investing activities		
	<hr/>	<hr/>
Sub-total of cash outflows from investing activities	768,250,598.98	846,708,000.02
	<hr/>	<hr/>
Net cash flows from investing activities	-632,588,927.81	-502,976,843.00
	<hr/> <hr/>	<hr/> <hr/>
III. Cash flows from financing activities:		
Cash received from accepting investments	3,349,064,462.13	514,226,798.51
Including: Cash received from accepting minority shareholders' investment by subsidiaries		
Cash received from borrowings	912,179,308.31	816,054,340.40
Cash received relating to other financing activities		
	<hr/>	<hr/>
Sub-total of cash inflows from financial activities	4,261,243,770.44	1,330,281,138.91
	<hr/>	<hr/>
Cash paid for repayment of debts	1,149,532,001.20	302,560,621.69
Cash payments for distribution of dividends, profits or interest repayment	254,751,321.84	114,892,754.45
Including: Dividends or profits paid to minority shareholders by subsidiaries		
Cash paid relating to other financing activities	63,027,016.86	30,186,908.35
	<hr/>	<hr/>
Sub-total of cash outflows from financial activities	1,467,310,339.90	447,640,284.49
	<hr/>	<hr/>
Net cash flows from financing activities	2,793,933,430.54	882,640,854.42
	<hr/> <hr/>	<hr/> <hr/>

Items	Amount for the current period	Amount for the previous period
IV. Effect of changes of exchange rate on cash and cash equivalents	<u>161,926,774.99</u>	<u>-2,404,784.33</u>
V. Net increase in cash and cash equivalents	1,910,158,223.80	525,402,304.47
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><u>3,165,625,131.40</u></u>	<u><u>1,118,413,965.97</u></u>

(II) Audit Report

Whether the third quarterly report has been audited

Yes No

The third quarterly report of the Company is unaudited.

Board of Directors of JL MAG RARE-EARTH CO., LTD.
October 25, 2022