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金力永磁
JLMAG

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)

**ANNOUNCEMENT ON PRELIMINARY ANNUAL RESULTS
FOR THE YEAR 2023**

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

The key financial data of the Group for the year ended December 31, 2023 (the “**Reporting Period**”) set out in this announcement are preliminary accounting data, which have not been audited by the accounting firm. The final figures shall be subject to those to be disclosed in the 2023 annual report of the Company. Investors are advised to pay attention to the investment risks involved.

I. KEY FINANCIAL DATA FOR THE YEAR 2023

Unit: RMB

Item	During the Reporting Period	For the period of last year	Increase/Decrease (%)
Total revenue	6,687,864,421.33	7,165,186,899.53	-6.66%
Operating profit	618,803,687.94	768,809,833.75	-19.51%
Total profit	616,953,695.20	766,694,041.43	-19.53%
Net profit attributable to shareholders of the Company	563,692,826.17	702,686,729.14	-19.78%
Net profit attributable to shareholders of the Company after deducting non-recurring gains or losses	493,403,386.86	682,270,758.24	-27.68%
Basic earnings per share	0.52	0.84	-38.10%
Weighted average return on net assets	8.11%	11.35%	Decrease by 3.24 percentage points

	At the end of the Reporting Period	At the beginning of the Reporting Period	Increase/Decrease (%)
Total assets	11,825,954,292.65	11,220,455,751.51	5.40%
Owner's equity attributable to shareholders of the Company	7,021,484,732.38	6,784,850,326.07	3.49%
Share capital (<i>shares</i>)	1,344,771,235.00	837,956,198.00	60.48%
Net assets per share attributable to shareholders of the Company	5.22	8.10	-35.56%

Note: The above data are presented on a consolidated basis of the Company.

II. EXPLANATION ON OPERATING RESULTS AND FINANCIAL POSITION

(1) Operating results

In 2023, the price of rare earth experienced significant fluctuation, leading to intensified market competition. The Company's management responded promptly by implementing strategies to stabilize operations. In 2023, the total sales volume of high-performance rare earth permanent magnets (REPMs) was 15,122 tonnes, representing a year-on-year increase of 25.60%.

(2) Financial position

In 2023, the Company recorded revenue of RMB6,687.8644 million, representing a year-on-year decrease of 6.66%, and achieved profit attributable to shareholders of the Company of RMB563.6928 million, representing a year-on-year decrease of 19.78%. In the fourth quarter of 2023, the REPMs industry was still affected by external adverse factors such as fluctuations in the prices of rare earth raw material and intensified industry competition. The profit for the fourth quarter was lower than the average level for the first three quarters due to the combined effect of factors such as the provision of year-end bonus for employees, increased investment in research and development (R&D), and higher expenses incurred prior to the Ningbo production base going into production. Excluding the impact of factors such as the foreign exchange gains on the proceeds from the listing of H shares in Hong Kong dollars in 2022 and additional investment in R&D in 2023, the Company's profit level in 2023 remained stable as compared with 2022.

In 2023, the net cash flow from operating activities of the Company increased significantly as compared with the same period of last year, amounting to approximately RMB1.518 billion.

III. OTHER EXPLANATIONS

This preliminary results announcement is based on the preliminary accounting results of the Company's Finance Department, which have not been audited by the accounting firm and may be different from the final data disclosed in the 2023 annual report. The final financial data will be disclosed in detail in the 2023 annual report. Investors are advised to make cautious decision and pay attention to the investment risks involved.

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

Jiangxi, March 14, 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.