



WEIFU HIGH-TECHNOLOGY GROUP CO., LTD.

THE THIRD QUARTERLY REPORT 2018

October 2018

Section I. Important Notes

Board of Directors and the Supervisory Committee of Weifu High-Technology Group Co., Ltd. (hereinafter referred to as the Company) and its directors, supervisors and senior executives hereby confirm that there are no any fictitious statements, misleading statements, or important omissions carried in this report, and shall take all responsibilities, individual and/or joint, for the reality, accuracy and completion of the whole contents.

All directors of the Company are attended the Meeting for quarterly report deliberation.

Chen Xuejun, Principal of the Company; Ou Jianbin, Person in Charge of Accounting Work; Ou Jianbin, Person in Charge of Accounting Organization (Accounting Officer) hereby confirm that the Financial Report of the Third Quarterly Report is authentic, accurate and complete.

Section II. Basic information of Company

I. Main accounting data and index

Whether it has retroactive adjustment or re-statement on previous accounting data or not

Yes No

	Current period-end	Period-end of last year	Increase/decrease	
Total assets(RMB)	20,773,232,822.40	20,231,006,224.36	2.68%	
Net assets attributable to shareholders of listed company (RMB)	15,595,739,954.18	14,835,673,669.75	5.12%	
	Current period	Increase/decrease in comparison with same period of last year	Year-begin to end of the Period	Increase/decrease in comparison with year-begin to Period-end of last year
Operating revenue (RMB)	1,898,914,219.62	3.60%	6,859,716,110.61	4.55%
Net profit attributable to shareholders of the listed company (RMB)	510,387,493.91	-3.29%	2,055,630,198.83	10.89%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	452,953,425.86	-5.90%	1,831,818,927.43	8.42%
Net cash flow arising from operating activities(RMB)	--	--	506,069,810.46	11.06%
Basic earnings per share (RMB/Share)	0.51	-3.77%	2.04	10.87%
Diluted earnings per share (RMB/Share)	0.51	-3.77%	2.04	10.87%
Weighted average ROE	3.41%	-0.40%	13.33%	-0.34%

Items and amount of extraordinary profit (gains)/losses

Applicable Not applicable

In RMB

Item	Amount from year-begin to end of the Period	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	-5,470,321.32	
Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to	30,811,684.32	

enterprise's business)		
Gains/losses from entrusted investment or assets management	239,529,818.37	
Restoring of receivable impairment provision that tested individually	512,580.00	
Other non-operating income and expenditure except for the aforementioned items	357,642.14	
Less: impact on income tax	40,267,115.83	
Impact on minority shareholders' equity (post-tax)	1,663,016.28	
Total	223,811,271.40	--

Concerning the extraordinary profit (gain)/loss defined by *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, and the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, explain reasons

Applicable Not applicable

In reporting period, the Company has no particular about items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*.

II. Statement of the total shareholders and shares-held of top ten shareholders at end of the Period

1. Common and preferred stockholders with voting rights recover and the top ten share-holding

In Share

Total common shareholders at the end of report period	63,367	Total preferred stockholders with voting rights recover at the end of report period (if applicable)	0			
Top ten shareholders						
Shareholders	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of restricted shares held	Number of share pledged/frozen	
					State of share	Amount
WUXI INDUSTRY DEVELOPMENT GROUP CO., LTD.	State-owned corporate	20.22%	204,059,398			
ROBERT BOSCH GMBH	Foreign corporate	14.16%	142,841,400			
Hong Kong Securities Clearing Company Ltd. (HKSCC)	Foreign corporate	2.68%	27,062,534			
Bank of Communication – HSBC Jixin Double Core Strategy Mixed Securities Investment Fund	Other	2.45%	24,749,432			
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	Foreign corporate	1.75%	17,705,754			
Central Huijin Investment Ltd.	State-owned	1.27%	12,811,200			

	corporate					
FIDELITY INVMT TRT FIDELITY INTL SMALL CAP FUND	Foreign corporate	0.55%	5,568,804			
Huatai Securities Co., Ltd.	State-owned corporate	0.54%	5,481,598			
Agricultural Bank of China – CIC 500 ETF	Other	0.52%	5,294,649			
RBC EMERGING MARKETS EQUITY FUND	Foreign corporate	0.47%	4,760,065			
Particular about top ten shareholders with un-restrict shares held						
Shareholders	Amount of un-restrict common shares held	Type of shares				
		Type	Amount			
WUXI INDUSTRY DEVELOPMENT GROUP CO., LTD.	204,059,398	RMB common shares	204,059,398			
ROBERT BOSCH GMBH	142,841,400	RMB common shares	115,260,600			
		Domestically listed foreign shares	27,580,800			
Hong Kong Securities Clearing Company Ltd. (HKSCC)	27,062,534	RMB common shares	27,062,534			
Bank of Communication – HSBC Jixin Double Core Strategy Mixed Securities Investment Fund	24,749,432	RMB common shares	24,749,432			
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	17,705,754	Domestically listed foreign shares	17,705,754			
Central Huijin Investment Ltd.	12,811,200	RMB common shares	12,811,200			
FIDELITY INVMT TRT FIDELITY INTL SMALL CAP FUND	5,568,804	Domestically listed foreign shares	5,568,804			
Huatai Securities Co., Ltd.	5,481,598	RMB common shares	5,481,598			
Agricultural Bank of China – CIC 500 ETF	5,294,649	RMB common shares	5,294,649			
RBC EMERGING MARKETS EQUITY FUND	4,760,065	Domestically listed foreign shares	4,760,065			
Explanation on related relationship or concerted action among the abovementioned shareholders	Among the top ten shareholders, there has no associated relationship between Wuxi Industry Development Group Co., Ltd. and other shareholders, the first largest shareholder of the Company; and they do not belong to the consistent actionist regulated by the Management Measure of Information Disclosure on Change of Shareholding for Listed Company.					
Explanation on top 10 shareholders involving margin business (if applicable) (see note 4)	Not applicable					

Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period

Yes No

The top ten common shareholders or top ten common shareholders with un-restrict shares held of the Company have no buy-back agreement dealing in reporting period.

2. Total of shareholders with preferred stock held and the top ten shareholdings

Applicable Not applicable

Section III. Important events

I. Particular about major changes from items of main accounting statements and financial indexes as well as reasons

√Applicable □Not applicable

(I) Changes of items of balance sheet and cause analysis:

1. Other account receivable: increased 13.9407 million Yuan over that of beginning of the year with 185.96% up, mainly due to the increase of intercourse funds between units;
2. Construction in progress: increased 81.4001 million Yuan over that of beginning of the year with 81.12% up, mainly because equipment for technical improvement increased;
3. Short-term loans: increased 104.7551 million Yuan over that of beginning of the year with 43.11% up, mainly because loans from subsidiary increased;
4. Taxes payable: decreased 36.9732 million Yuan over that of beginning of the year with 39.39% down, mainly because income tax payables declined;
5. Deferred income tax liability: decreased 14.9778 million Yuan over that of beginning of the year with 86.05% down, mainly due to the sales of financial assets available for sale and decline of fair value;
6. Other comprehensive income: decreased 84.4024 million Yuan over that of beginning of the year with 96.83% down, mainly because the fair value of financial assets available for sale declined

(II) Changes of items of income statement and cause analysis:

1. Sales expenses: increased 39.08 million Yuan from last period, mainly because guarantee fee and salary for sales increased on a y-o-y basis;
2. Financial expenses: decreased 16.03 million Yuan from last period, mainly because exchange earnings and interest income increased on a y-o-y basis

(III) Changes of items of cash flow statement and cause analysis:

1. Net cash flow arising from investment activity: 2400.72 million Yuan declined as out-flow compared with same period of last year, mainly because recovery of financial products due increased on a y-o-y basis;
2. Net cash flow arising from financing activity: 556.93 million Yuan increased as out-flow compared with same period of last year, mainly because dividend distribution increased on a y-o-y basis.

II. Progress of significant events, their influences, and analysis and explanation of their solutions

√Applicable □Not applicable

(I) Proposed application for listing in the national middle and small enterprises stock transfer system by the controlling subsidiary Weifu Tianli

On 25 October 2016, the 8th board of directors of the Company held the 9th meeting to consider and approve the proposal relating to proposed application for listing in the national middle and small enterprises stock transfer

system by the controlling subsidiary Ningbo Weifu Tianli Supercharging Technique Co., Ltd. on 30 December 2016, Weifu Tianli was served with the notice of acceptance from the National Middle and Small Enterprise Stock Transfer System Company Limited (GP2016120120). The relevant announcements (No.: 2016-020, No.: 2016-023 and 2017-001) were published on *China Securities Journal*, *Securities Times*, *Hong Kong Commercial Daily* and Juchao Information Website (<http://www.cninfo.com.cn>). At the current stage, this matter is in the progress of consideration and approval.

(II) Parts of the joint-stock enterprise's equity held by the Company freeze

1. On 6 March 2017, the Company received litigation documents mailed by Shenzhen Intermediate People's Court of Guangdong Province (hereinafter referred to as Shenzhen Intermediate People's Court). The documents were concerning about the dispute case that the plaintiff applicant China Cinda Asset Management Co., Ltd. Shenzhen Branch appealed the respondent Weifu High Technology and other seven respondents and the third party Shenzhen Hejun Venture Holding Co., Ltd. (hereinafter referred to as Hejun Company) damaged the interests of corporate creditors, two cases are included in total. After civil ruling as No.(2016)Y03MC2490 and No.(2016)Y03MC2492 from Shenzhen Intermediate People's Court, the assets under the name of above said eight defendants 217 million Yuan in total are being seal up, seized or freeze. Ended as the reporting period, the 4.71 million shares of Miracle Logistics and 11,739,102 shares of SDEC Stock held by the Company has been freeze. The first trial open dated 24 September 2017, and further courts will give until further notice.

2. The Company has applied to the Futian Court for compulsory liquidation of Hejun Company. Futian Court has made a civil ruling ((2017) Yue 0304 QS No. 5) which ruled to execute compulsory liquidation to Hejun Company. The Company will actively cooperate with the court to do the relevant liquidation work and safeguard the legitimate rights and interests of the Company.

(III) In accordance with the 15th session of 8th BOD held on 26 March 2018, the Company plans to invest on the E-round preferred stock issued by Protean Holdings Corp. and a Sino-foreign joint venture will establishes by the two parties in China. According to the investment cooperation agreement, the company paid the initial investment of 24 million US dollars on May 21, 2018. The company obtained the equity certificate of subscribing 10,212,765 shares of E-round preferred stock issued by Protean and became a shareholder of the Protean E-round preferred stock with the equity certificate number of Number E-1, which certified that the Company was the stock holder of 10,212,765 shares under the name of Protean Company. Relevant works with joint venture concerned are still in smooth process.

Overview	Disclosure date	Query index for interim notice
Proposed application for listing in the national middle and small enterprises stock transfer system by the controlling subsidiary Weifu Tianli	2016-10-27	(Notice No. 2016-023) Published on Juchao Website (www.cninfo.com.cn)
	2017-01-07	(Notice No. 2017-001) Published on Juchao Website (www.cninfo.com.cn)
Parts of the joint-stock enterprise's equity held by the Company freeze	2017-03-08	(Notice No. 2017-002) Published on Juchao Website (www.cninfo.com.cn)
	2017-12-06	(Notice No. 2017-023) Published on Juchao Website (www.cninfo.com.cn)
The Company invest on the E-round preferred stock issued by Protean Holdings Corp. and a Sino-foreign	2018-03-28	(Notice No. 2018-003) Published on Juchao Website (www.cninfo.com.cn)
	2018-05-30	(Notice No. 2018-014) Published on Juchao Website (www.cninfo.com.cn)

joint venture will establishes by the two parties in China		
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III. Commitments that the company, shareholders, actual controller, offeror, directors, supervisors, senior management or other related parties have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period

Applicable Not applicable

There are no commitments that the company, shareholders, actual controller, offeror, directors, supervisors, senior management or other related parties have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period.

IV. Estimation of operation performance for year of 2018

Estimation of accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation of reason

Applicable Not applicable

V. Particular about security investment

Applicable Not applicable

In RMB

Variety of securities	Code of securities	Short form of securities	Initial investment cost	Accounting measurement model	Book value at the beginning of the period	Changes in fair value of the current profit and loss	Cumulative fair value changes in equity	Current purchase amount	Current sales amount	Profit and loss in the Reporting Period	Book value at the end of the period	Accounting subject	Source of stock
Domestic and foreign stocks	600841	SDEC	199,208,000.00	Measured by fair value	186,966,000.00	-52,859,532.00	-2,897,858.24		37,880,000.00	-52,805,846.59	105,848,940.00	Financial assets available for sales	Own funds
Domestic and foreign stocks	002009	Miracle Logistics	69,331,500.00	Measured by fair value	79,410,600.00	-37,632,900.00	5,664,952.50			-37,397,400.00	41,777,700.00	Financial assets available for sales	Own funds
Total			268,539,500.00	--	266,376,600.00	-90,492,432.00	2,767,094.26	0.00	37,880,000.00	-90,203,246.59	147,626,640.00	--	--
Disclosure date of securities investment approval from the Board			2012-03-24										
			2013-06-04										

VI. Trust financing

√Applicable □Not applicable

In 10 thousand Yuan

Type	Capital resources	Amount for entrust	Balance un-expired	Overdue amount
Bank financing product	Own funds	348,000	257,000.00	0
Trust financing products	Own funds	112,790	97,808.00	0
Other	Own funds	166,150	101,546.87	0
Total		626,940	456,354.87	0

Details of the single major amount, or high-risk trust investment with low security, poor fluidity and non-guaranteed:

√Applicable □Not applicable

In 10 thousand Yuan

Trustee institution name	Trustee type	Type	Amount	Source of funds	Start date	End date	Capital investment purpose	Criteria for fixing reward	Reference annual rate of return	Anticipated income (if applicable)	Actual gains/losses in period	Actual collected gains/losses in period	Amount of reserve for devaluation of withdrawal (if applicable)	Whether approved by legal procedure (Y/N)	Whether has entrust finance plan in the future	Summary of the items and related query index (if applicable)
Bank	Bank financial products	non-guaranteed floating income	581,000	Own funds	2018-01-03	2019-04-08	Bank financial products	Reference annualized yield by agreement	5.00%	10,012.62	10,012.62	Collected by agreement		Y	Y	
Trust	Trust financing products	Non-guaranteed floating income	143,000	Own funds	2018-01-04	2019-01-28	Collective trust scheme	Reference annualized yield by agreement	6.00%	4,465.24	4,465.24	Collected by agreement		Y	Y	
Others	Other	Non-guaranteed	92,000	Own funds	2018-	2019-	Fund	Reference	7.00%	7,738.	7,738.	Collected		Y	Y	

(funds, etc.)	arantee floatin g income	n fun ds	01-04	09-09	produc ts with fixed incom e	nce annual ized yield by agree ment		04	04	ted by agree ment					
Total		816,000	--	--	--	--	--	22,215	22,215	--		--	--	--	

Entrust financial expected to be unable to recover the principal or impairment might be occurred

Applicable Not applicable

VII. Particulars about derivatives investment

Applicable Not applicable

The Company had no derivatives investment in Period.

VIII. Registration form of receiving research, communication and interview in the report period

Applicable Not applicable

Date	Method	Type of investors	Index for the interview and research
Form 1 July to 30 September 2018	Written inquiry	Other	The Company answered 36 questions for investors online through the investor relations interactive platform(http://irm.p5w.net/dqhd/sichuan/)
Form 1 July to 30 September 2018	Telephone communication	Other	Basic condition of the Company and views on market in 2017, communication with investors by telephone more than 50

IX. External security against the rules

Applicable Not applicable

The Company has no external security against the rules in the Period

X. Controlling shareholders' and its related party's non-business capital occupying of the listed company

Applicable Not applicable

There are no controlling shareholders' and its related party's non-business capital occupying of the listed company.

Section IV. Financial Statement

I. Financial statement

1. Consolidate balance sheet

Prepared by Weifu High-Technology Group Co., Ltd.

2018-09-30

In RMB

Item	Balance at period-end	Balance at period-begin
Current assets:		
Monetary funds	2,509,463,828.77	3,118,709,412.83
Settlement provisions		
Capital lent		
Financial assets measured by fair value and with variation reckoned into current gains/losses		
Derivative financial assets		
Notes receivable and accounts receivable	3,539,607,235.77	3,459,834,765.73
Including: Notes receivable	1,569,185,307.75	1,464,256,934.83
Accounts receivable	1,970,421,928.02	1,995,577,830.90
Accounts paid in advance	99,162,409.47	97,576,197.88
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other receivables	21,437,325.55	7,496,602.58
Purchase restituted finance asset		
Inventories	1,289,076,968.97	1,478,939,040.70
Assets held for sale		
Non-current asset due within one year		
Other current assets	4,600,307,214.44	3,887,997,290.53
Total current assets	12,059,054,982.97	12,050,553,310.25
Non-current assets:		
Loans and payments on behalf		
Finance asset available for sales	428,529,437.51	588,142,869.00
Held-to-maturity investment		

Long-term account receivable		
Long-term equity investment	4,640,313,641.90	4,140,064,825.58
Investment property	22,370,181.62	23,544,830.78
Fixed assets	2,653,580,303.49	2,584,872,628.54
Construction in progress	181,745,584.39	100,345,461.28
Productive biological asset		
Oil and gas asset		
Intangible assets	328,989,308.23	340,632,143.36
Expense on Research and Development		
Goodwill	1,784,086.79	1,784,086.79
Long-term expenses to be apportioned	9,815,220.20	2,969,770.81
Deferred income tax asset	206,472,036.61	203,007,622.23
Other non-current asset	240,578,038.69	195,088,675.74
Total non-current asset	8,714,177,839.43	8,180,452,914.11
Total assets	20,773,232,822.40	20,231,006,224.36
Current liabilities:		
Short-term loans	347,755,051.21	243,000,000.00
Loan from central bank		
Absorbing deposit and interbank deposit		
Capital borrowed		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable and accounts payable	3,293,500,158.26	3,518,932,964.93
Accounts received in advance	42,149,495.18	42,820,236.07
Selling financial asset of repurchase		
Commission charge and commission payable		
Wage payable	288,697,738.73	327,778,677.29
Taxes payable	56,896,451.30	93,869,690.36
Other accounts payable	62,168,218.94	63,339,869.33
Reinsurance payables		
Insurance contract reserve		
Security trading of agency		
Security sales of agency		

Liability held for sale		
Non-current liabilities due within 1 year	5,000,000.00	10,000,000.00
Other current liabilities		
Total current liabilities	4,096,167,113.62	4,299,741,437.98
Non-current liabilities:		
Long-term loans	45,000,000.00	45,000,000.00
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable	37,672,354.11	35,761,445.11
Long-term wages payable	30,448,132.88	30,448,132.88
Projected liabilities		
Deferred income	438,509,203.17	451,281,721.77
Deferred income tax liabilities	2,428,813.42	17,406,622.39
Other non-current liabilities		
Total non-current liabilities	554,058,503.58	579,897,922.15
Total liabilities	4,650,225,617.20	4,879,639,360.13
Owner's equity:		
Share capital	1,008,950,570.00	1,008,950,570.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	3,416,016,805.42	3,417,841,402.89
Less: Inventory shares		
Other comprehensive income	2,767,094.26	87,169,455.01
Reasonable reserve	1,406,334.75	2,606.93
Surplus public reserve	510,100,496.00	510,100,496.00
Provision of general risk		
Retained profit	10,656,498,653.75	9,811,609,138.92
Total owner's equity attributable to parent company	15,595,739,954.18	14,835,673,669.75
Minority interests	527,267,251.02	515,693,194.48
Total owner's equity	16,123,007,205.20	15,351,366,864.23
Total liabilities and owner's equity	20,773,232,822.40	20,231,006,224.36

Legal Representative: Chen Xuejun

Person in charge of accounting works: Ou Jianbin

Person in charge of accounting institute: Ou Jianbin

2. Balance Sheet of Parent Company

In RMB

Item	Balance at period-end	Balance at period-begin
Current assets:		
Monetary funds	2,082,079,625.40	2,460,413,190.84
Financial assets measured by fair value and with variation reckoned into current gains/losses		
Derivative financial assets		
Notes receivable and accounts receivable	1,097,272,196.00	1,496,222,212.94
Including: Notes receivable	337,835,074.44	449,209,323.02
Accounts receivable	759,437,121.56	1,047,012,889.92
Account paid in advance	60,085,649.54	52,269,971.38
Other receivables	179,049,321.92	50,272,280.93
Inventories	412,355,583.48	425,577,163.53
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	4,409,479,383.64	3,876,370,675.52
Total current assets	8,240,321,759.98	8,361,125,495.14
Non-current assets:		
Available-for-sale financial assets	352,589,437.51	512,202,869.00
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	5,399,944,284.61	4,962,522,689.49
Investment property		
Fixed assets	1,555,233,246.69	1,567,315,925.73
Construction in progress	58,605,571.07	29,152,398.74
Productive biological assets		
Oil and natural gas assets		
Intangible assets	190,321,429.05	196,726,670.75
Research and development costs		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	118,450,304.77	114,706,976.54

Other non-current assets	151,277,872.15	80,866,308.04
Total non-current assets	7,826,422,145.85	7,463,493,838.29
Total assets	16,066,743,905.83	15,824,619,333.43
Current liabilities:		
Short-term borrowings	180,000,000.00	78,000,000.00
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable and accounts payable	1,143,436,609.26	1,541,969,832.85
Accounts received in advance	11,308,413.07	12,242,442.51
Wage payable	197,216,976.02	216,598,203.73
Taxes payable	42,714,113.69	71,370,793.35
Other accounts payable	17,018,808.07	10,076,446.33
Liability held for sale		
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	1,591,694,920.11	1,930,257,718.77
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable		
Long-term wages payable	16,665,236.81	16,665,236.81
Projected liabilities		
Deferred income	389,427,693.80	407,070,636.08
Deferred income tax liabilities	488,310.74	15,382,844.99
Other non-current liabilities		
Total non-current liabilities	406,581,241.35	439,118,717.88
Total liabilities	1,998,276,161.46	2,369,376,436.65
Owners' equity:		
Share capita	1,008,950,570.00	1,008,950,570.00
Other equity instrument		
Including: preferred stock		

Perpetual capital securities		
Capital public reserve	3,488,221,286.39	3,488,221,286.39
Less: Inventory shares		
Other comprehensive income	2,767,094.26	87,169,455.01
Reasonable reserve		
Surplus reserve	510,100,496.00	510,100,496.00
Retained profit	9,058,428,297.72	8,360,801,089.38
Total owner's equity	14,068,467,744.37	13,455,242,896.78
Total liabilities and owner's equity	16,066,743,905.83	15,824,619,333.43

3. Consolidated Profit Statement (the period)

In RMB

Item	Current Period	Last Period
I. Total operating income	1,898,914,219.62	1,832,997,683.30
Including: Operating income	1,898,914,219.62	1,832,997,683.30
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	1,798,429,518.74	1,676,428,752.48
Including: Operating cost	1,500,174,561.45	1,361,927,902.42
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Operating tax and extras	12,088,931.79	15,034,754.03
Sales expenses	51,306,210.48	47,008,081.61
Administration expenses	149,721,042.18	112,931,116.54
R&D expenses	89,957,375.51	124,336,900.21
Financial expenses	-8,727,891.01	3,837,009.05
Including: Interest expenses	3,519,363.80	2,641,134.46
Interest income	-11,924,507.72	-5,091,610.15

Losses of devaluation of asset	3,909,288.35	11,352,988.62
Add: other income	11,432,760.47	6,821,209.19
Investment income (Loss is listed with “-”)	432,468,507.12	424,259,662.16
Including: Investment income on affiliated company and joint venture	370,057,450.82	376,259,036.41
Changing income of fair value(Loss is listed with “-”)		
Exchange income (Loss is listed with “-”)		
Income from assets disposal (Loss is listed with “-”)	-783,051.95	-571,016.72
III. Operating profit (Loss is listed with “-”)	543,602,916.52	587,078,785.45
Add: Non-operating income	2,062,006.74	5,457,757.73
Less: Non-operating expense	6,368,628.96	1,405,109.15
IV. Total Profit (Loss is listed with “-”)	539,296,294.30	591,131,434.03
Less: Income tax expense	21,775,897.49	46,584,408.67
V. Net profit (Net loss is listed with “-”)	517,520,396.81	544,547,025.36
(i) net profit from continuous operation (Net loss is listed with “-”)	517,520,396.81	544,547,025.36
(ii) net profit from discontinued operation (Net loss is listed with “-”)		
Net profit attributable to owner’s of parent company	510,387,493.91	527,771,783.49
Minority shareholders’ gains and losses	7,132,902.90	16,775,241.87
VI. Net after-tax of other comprehensive income	-26,099,780.40	-8,274,495.00
Net after-tax of other comprehensive income attributable to owners of parent company	-26,099,780.40	-8,274,495.00
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss	-26,099,780.40	-8,274,495.00
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets	-26,099,780.40	-8,274,495.00

3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	491,420,616.41	536,272,530.36
Total comprehensive income attributable to owners of parent Company	484,287,713.51	519,497,288.49
Total comprehensive income attributable to minority shareholders	7,132,902.90	16,775,241.87
VIII. Earnings per share:		
(i) Basic earnings per share	0.51	0.53
(ii) Diluted earnings per share	0.51	0.53

As for the enterprise combined under the same control, net profit achieved by combined party before merger counted as Yuan, while achieved Yuan by combined party last period

Legal Representative: Chen Xuejun

Person in charge of accounting works: Ou Jianbin

Person in charge of accounting institute: Ou Jianbin

4. Profit Statement of Parent Company (the period)

In RMB

Item	Current Period	Last Period
I. Operating income	848,388,482.53	712,342,649.17
Less: Operating cost	621,196,194.58	613,286,795.67
Operating tax and extras	6,354,222.41	6,066,825.07
Sales expenses	8,715,558.72	8,369,245.05
Administration expenses	99,355,100.44	61,651,439.24
R&D expenses	39,239,700.36	24,455,899.11
Financial expenses	-10,370,818.41	1,185,230.22
Including: Interest expenses	1,939,344.45	862,755.55
Interest income	-10,645,854.58	-3,216,281.80
Losses of devaluation of asset	314,165.39	-2,272,399.92
Add: other income	9,993,445.81	6,100,208.89

Investment income (Loss is listed with “-”)	405,801,333.02	421,416,072.18
Including: Investment income on affiliated company and joint venture	347,419,208.23	347,381,158.90
Changing income of fair value(Loss is listed with “-”)		
Income from assets disposal (Loss is listed with “-”)	58,612.89	-1,957,723.27
II. Operating profit (Loss is listed with “-”)	499,437,750.76	425,158,172.53
Add: Non-operating income	2,907.94	1,431,105.32
Less: Non-operating expense	6,157,201.14	-1,006,852.11
III. Total Profit (Loss is listed with “-”)	493,283,457.56	427,596,129.96
Less: Income tax expense	18,406,615.68	6,904,928.63
IV. Net profit (Net loss is listed with “-”)	474,876,841.88	420,691,201.33
(i) net profit from continuous operation (Net loss is listed with “-”)	474,876,841.88	420,691,201.33
(ii) net profit from discontinued operation (Net loss is listed with “-”)		
V. Net after-tax of other comprehensive income	-26,099,780.40	-8,274,495.00
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss	-26,099,780.40	-8,274,495.00
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets	-26,099,780.40	-8,274,495.00
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
VI. Total comprehensive income	448,777,061.48	412,416,706.33

VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

5. Consolidated Profit Statement (form the year-begin to the period-end)

In RMB

Item	Current Period	Last Period
I. Total operating income	6,859,716,110.61	6,561,123,282.32
Including: Operating income	6,859,716,110.61	6,561,123,282.32
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	6,244,564,103.71	5,912,101,548.97
Including: Operating cost	5,389,764,851.14	5,098,218,841.28
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Operating tax and extras	50,089,284.19	52,897,036.51
Sales expenses	157,653,770.33	118,567,344.27
Administration expenses	386,260,452.81	344,475,412.43
R&D expenses	267,401,343.65	292,361,339.05
Financial expenses	-10,504,799.38	5,525,060.37
Including: Interest expenses	12,595,318.85	7,123,820.97
Interest income	-23,608,605.34	-15,010,235.43
Losses of devaluation of asset	3,899,200.97	56,515.06
Add: other income	25,465,220.18	22,429,216.47
Investment income (Loss is listed with "-")	1,581,501,675.51	1,379,697,577.52
Including: Investment income on affiliated company and joint venture	1,338,697,596.73	1,209,824,557.05
Changing income of fair value(Loss is listed with "-")		

Exchange income (Loss is listed with “-”)		
Income from assets disposal (Loss is listed with “-”)	805,133.41	-696,797.32
III. Operating profit (Loss is listed with “-”)	2,222,924,036.00	2,050,451,730.02
Add: Non-operating income	5,943,135.61	8,242,337.21
Less: Non-operating expense	8,696,501.34	5,169,333.81
IV. Total Profit (Loss is listed with “-”)	2,220,170,670.27	2,053,524,733.42
Less: Income tax expense	124,703,195.45	140,610,342.03
V. Net profit (Net loss is listed with “-”)	2,095,467,474.82	1,912,914,391.39
(i) net profit from continuous operation (Net loss is listed with “-”)	2,095,467,474.82	1,912,914,391.39
(ii) net profit from discontinued operation (Net loss is listed with “-”)		
Net profit attributable to owner’s of parent company	2,055,630,198.83	1,853,693,813.05
Minority shareholders’ gains and losses	39,837,275.99	59,220,578.34
VI. Net after-tax of other comprehensive income	-84,402,360.75	-48,071,707.50
Net after-tax of other comprehensive income attributable to owners of parent company	-84,402,360.75	-48,071,707.50
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss	-84,402,360.75	-48,071,707.50
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets	-84,402,360.75	-48,071,707.50
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		

Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	2,011,065,114.07	1,864,842,683.89
Total comprehensive income attributable to owners of parent Company	1,971,227,838.08	1,805,622,105.55
Total comprehensive income attributable to minority shareholders	39,837,275.99	59,220,578.34
VIII. Earnings per share:		
(i) Basic earnings per share	2.04	1.84
(ii) Diluted earnings per share	2.04	1.84

As for the enterprise combined under the same control, net profit achieved by combined party before merger counted as Yuan, while achieved Yuan by combined party last period

6. Profit Statement of Parent Company (form the year-begin to the period-end)

In RMB

Item	Current Period	Last Period
I. Operating income	3,163,531,137.66	2,338,823,064.88
Less: Operating cost	2,319,712,717.48	1,881,909,457.25
Operating tax and extras	27,115,075.05	20,893,583.83
Sales expenses	25,746,366.68	22,160,338.44
Administration expenses	245,339,078.79	186,943,516.96
R&D expenses	109,515,485.12	83,321,557.84
Financial expenses	-15,700,898.36	838,252.35
Including: Interest expenses	5,529,002.77	2,495,355.54
Interest income	-19,693,248.44	-9,279,254.27
Losses of devaluation of asset	782,787.78	-2,224,005.22
Add: other income	21,807,229.20	20,015,538.77
Investment income (Loss is listed with “-”)	1,543,151,562.04	2,252,183,094.93
Including: Investment income on affiliated company and joint venture	1,242,207,334.77	1,114,690,924.54
Changing income of fair value(Loss is listed with “-”)		
Income from assets disposal (Loss is listed with “-”)	757,456.62	-2,100,813.52
II. Operating profit (Loss is listed with “-”)	2,016,736,772.98	2,415,078,183.61
Add: Non-operating income	29,458.29	1,675,364.97
Less: Non-operating expense	7,147,094.09	1,081,880.03
III. Total Profit (Loss is listed with “-”)	2,009,619,137.18	2,415,671,668.55

Less: Income tax expense	101,251,244.84	54,349,037.51
IV. Net profit (Net loss is listed with “-”)	1,908,367,892.34	2,361,322,631.04
(i) net profit from continuous operation (Net loss is listed with “-”)	1,908,367,892.34	2,361,322,631.04
(ii) net profit from discontinued operation (Net loss is listed with “-”)		
V. Net after-tax of other comprehensive income	-84,402,360.75	-48,071,707.50
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss	-84,402,360.75	-48,071,707.50
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets	-84,402,360.75	-48,071,707.50
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
VI. Total comprehensive income	1,823,965,531.59	2,313,250,923.54
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

7. Consolidated Cash Flow Statement (form the year-begin to the period-end)

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	6,420,868,275.01	5,415,498,593.27

Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Net increase of amount from disposal financial assets that measured by fair value and with variation reckoned into current gains/losses		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Write-back of tax received	48,634,147.48	33,394,041.93
Other cash received concerning operating activities	36,744,426.26	27,368,269.33
Subtotal of cash inflow arising from operating activities	6,506,246,848.75	5,476,260,904.53
Cash paid for purchasing commodities and receiving labor service	4,238,426,941.42	3,359,808,178.28
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	986,066,952.04	882,444,354.25
Taxes paid	470,637,881.75	486,146,192.25
Other cash paid concerning operating activities	305,045,263.08	292,199,484.05
Subtotal of cash outflow arising from operating activities	6,000,177,038.29	5,020,598,208.83
Net cash flows arising from operating activities	506,069,810.46	455,662,695.70
II. Cash flows arising from investing activities:		
Cash received from recovering investment	7,714,706,837.03	5,399,636,226.27
Cash received from investment income	1,134,719,735.92	1,004,170,730.84
Net cash received from disposal of fixed, intangible and other long-term assets	40,310,372.43	55,482,015.56
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	8,889,736,945.38	6,459,288,972.67
Cash paid for purchasing fixed, intangible and other long-term assets	455,493,121.66	318,317,189.06
Cash paid for investment	8,463,843,284.96	8,581,292,764.21

Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities	10,000,000.00	
Subtotal of cash outflow from investing activities	8,929,336,406.62	8,899,609,953.27
Net cash flows arising from investing activities	-39,599,461.24	-2,440,320,980.60
III. Cash flows arising from financing activities		
Cash received from absorbing investment		9,520,000.00
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		9,520,000.00
Cash received from loans	372,755,051.21	235,000,000.00
Cash received from issuing bonds		
Other cash received concerning financing activities	5,470,000.00	
Subtotal of cash inflow from financing activities	378,225,051.21	244,520,000.00
Cash paid for settling debts	273,000,000.00	152,500,000.00
Cash paid for dividend and profit distributing or interest paying	1,224,060,591.43	652,875,764.59
Including: Dividend and profit of minority shareholder paid by subsidiaries	174,600.00	39,650,290.00
Other cash paid concerning financing activities	339,091.00	1,388,802.28
Subtotal of cash outflow from financing activities	1,497,399,682.43	806,764,566.87
Net cash flows arising from financing activities	-1,119,174,631.22	-562,244,566.87
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	4,550,314.63	-6,474,769.99
V. Net increase of cash and cash equivalents	-648,153,967.37	-2,553,377,621.76
Add: Balance of cash and cash equivalents at the period -begin	2,948,439,354.22	3,795,223,678.11
VI. Balance of cash and cash equivalents at the period -end	2,300,285,386.85	1,241,846,056.35

8. Cash Flow Statement of Parent Company (form the year-begin to the period-end)

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	3,839,689,306.03	1,825,933,447.86
Write-back of tax received		
Other cash received concerning operating activities	19,693,248.44	528,137,019.77
Subtotal of cash inflow arising from operating activities	3,859,382,554.47	2,354,070,467.63
Cash paid for purchasing commodities and receiving labor service	2,396,479,395.04	965,168,241.07

Cash paid to/for staff and workers	527,189,432.25	398,847,473.24
Taxes paid	327,029,152.13	192,013,974.30
Other cash paid concerning operating activities	220,686,532.94	200,144,016.79
Subtotal of cash outflow arising from operating activities	3,471,384,512.36	1,756,173,705.40
Net cash flows arising from operating activities	387,998,042.11	597,896,762.23
II. Cash flows arising from investing activities:		
Cash received from recovering investment	7,450,776,671.49	5,144,601,492.00
Cash received from investment income	1,103,693,650.17	1,965,339,364.77
Net cash received from disposal of fixed, intangible and other long-term assets	38,606,710.25	52,380,871.19
Net cash received from disposal of subsidiaries and other units		2,410,502.57
Other cash received concerning investing activities	75,274,713.09	
Subtotal of cash inflow from investing activities	8,668,351,745.00	7,164,732,230.53
Cash paid for purchasing fixed, intangible and other long-term assets	209,627,425.25	125,206,789.75
Cash paid for investment	7,957,713,200.00	8,266,409,258.63
Net cash received from subsidiaries and other units		
Other cash paid concerning investing activities	179,000,000.00	
Subtotal of cash outflow from investing activities	8,346,340,625.25	8,391,616,048.38
Net cash flows arising from investing activities	322,011,119.75	-1,226,883,817.85
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans	180,000,000.00	80,000,000.00
Cash received from issuing bonds		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	180,000,000.00	80,000,000.00
Cash paid for settling debts	78,000,000.00	80,000,000.00
Cash paid for dividend and profit distributing or interest paying	1,216,155,809.00	607,870,230.87
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	1,294,155,809.00	687,870,230.87
Net cash flows arising from financing activities	-1,114,155,809.00	-607,870,230.87
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	3,695,159.21	-6,474,769.99
V. Net increase of cash and cash equivalents	-400,451,487.93	-1,243,332,056.48
Add: Balance of cash and cash equivalents at the period -begin	2,454,696,969.20	2,143,377,059.99
VI. Balance of cash and cash equivalents at the period -end	2,054,245,481.27	900,045,003.51

II. Audit report

Whether the 3rd quarterly report has been audited or not

Yes No

The 3rd quarterly report of the Company has not been audited.

Board of Directors of
Weifu High-Technology Group Co., Ltd.

Chairman: _____

Chen Xuejun

30 October 2018