



Weifu High-Technology Group Co., Ltd.

First Quarterly Report 2019

April 2019

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 should guarantee the reality, accuracy and completion of the quarterly report, there are no any fictitious statements, misleading statements or important omissions carried in this report, and shall take legal responsibilities, individual and/or joint.

All Directors are attended the Board Meeting for Quarterly Report deliberation

Chen Xuejun, Principal of the Company; Ou Jianbin, Person in Charge of Accounting Works and Person in Charge of Accounting Organ (Accounting Supervisor) hereby confirm that the Financial Report of the First Quarterly Report is authentic, accurate and complete.

Section II. Company Profile

I. Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data

☐ Yes ☒ No

	Current Period	Same period of last year	Changes of this period over same period of last year
Operating income (RMB)	2,270,130,717.54	2,391,982,640.39	-5.09%
Net profit attributable to shareholders of the listed company (RMB)	689,179,364.60	784,228,178.43	-12.12%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	613,343,723.80	691,598,799.43	-11.32%
Net cash flow arising from operating activities (RMB)	145,409,651.46	86,416,705.11	68.27%
Basic earnings per share (RMB/Share)	0.68	0.78	-12.82%
Diluted earnings per share (RMB/Share)	0.68	0.78	-12.82%
Weighted average ROE	4.24%	5.15%	-0.91%
	End of this period	End of last period	Changes of this period-end over same period-end of last year
Total assets (RMB)	22,204,649,523.58	20,892,041,460.30	6.28%
Net assets attributable to shareholder of listed company (RMB)	16,603,398,152.41	15,913,828,778.82	4.33%

Items of non-recurring gains and losses

☒ Applicable ☐ Not applicable

In RMB

Item	Amount from year-begin to period-end	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	282,530.38	
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 enterprise's business)	6,930,045.15	
Gain or loss on the investment or management of assets	30,329,829.15	
Held transaction financial asset, gains/losses of changes of fair values from transaction financial liabilities, and investment gains from disposal of transaction financial asset,	51,489,477.13	

transaction financial liabilities and financial asset available for sales, exclude the effective hedging business relevant with normal operations of the Company		
Other non-operating income and expenditure except for the aforementioned items	872,909.01	
Less: impact on income tax	13,629,395.27	
Impact on minority shareholders' equity (post-tax)	439,754.75	
Total	75,835,640.80	--

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. Total number of shareholders at the end of this report period and top ten shareholders

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	54,791	Total preferred stockholders with voting rights recover at the end of report period (if applicable)				
Top ten shareholders						
Shareholder’s name	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 CROUP CO., LTD.	State-owned legal person	20.22%	204,059,398			
ROBERT BOSCH GMBH	Foreign legal person	14.16%	142,841,400			
HKSCC Nominees Limited	Foreign legal person	6.61%	66,672,353			
Bank of Communication – HSBC Jixin Double Core Strategy Mixed Securities Investment Fund	Other	1.91%	19,237,847			
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	Foreign legal person	1.84%	18,530,315			
China Life Insurance (Group) Company - bonus-personal bonus-005L-FH002 SHEN	Other	1.56%	15,714,926			
China Life Insurance (Group) Company -	Other	1.47%	14,881,834			

tradition - general insurance products-005L-CT001 SHEN						
Central Huijin Assets Management Co., Ltd.	State-owned legal person	1.27%	12,811,200			
Investec Asset Management - Investec Global Strategy Fund - All-China Equity Fund (Exchange)	Foreign legal person	0.87%	8,772,392			
FIDELITY INVM T TRT FIDELITY INTL SMALL CAP FUND	Foreign legal person	0.61%	6,122,887			
Top ten shareholders with unrestricted shares held						
Shareholder’s name		Amount of unrestricted shares held	Type of shares			
			Type		Amount	
WUXI INDUSTRY DEVELOPMENT CROUP CO., LTD.		204,059,398	RMB common share		204,059,398	
ROBERT BOSCH GMBH		142,841,400	RMB common share		115,260,600	
			Domestically listed foreign share		27,580,800	
HKSCC Nominees Limited		66,672,353	RMB common share		66,672,353	
Bank of Communication – HSBC Jixin Double Core Strategy Mixed Securities Investment Fund		19,237,847	RMB common share		19,237,847	
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD		18,530,315	Domestically listed foreign share		18,530,315	
China Life Insurance (Group) Company - bonus- personal bonus-005L-FH002 SHEN		15,714,926	RMB common share		15,714,926	
China Life Insurance (Group) Company - tradition - general insurance products-005L-CT001 SHEN		14,881,834	RMB common share		14,881,834	
Central Huijin Assets Management Co., Ltd.		12,811,200	RMB common share		12,811,200	
Investec Asset Management - Investec Global Strategy Fund - All-China Equity Fund (Exchange)		8,772,392	RMB common share		8,772,392	
FIDELITY INVM T TRT FIDELITY INTL SMALL CAP FUND		6,122,887	Domestically listed foreign share		6,122,887	
Note of related relationship among the above shareholders and concerted actors		Among the top ten shareholders, the Company knew there has no associated relationship between Wuxi Industry Development Croup Co., Ltd., the first largest shareholder of the Company, and other shareholders; and they do not belong to the consistent actionist regulated by the Management Measure of Information Disclosure on Change of Shareholding for Listed Company.				

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 shareholders with preferred stock held at Period-end and shares held by top ten shareholders with preferred stock held

☐ Applicable ☒ Not applicable

Section III. Significant Events

I. Particulars about material changes in items of main accounting statement and financial index and explanations of reasons

√ Applicable □ Not applicable

(I) Changes and reasons of items in balance sheet:

1. Ending balance of account receivable increased 696.2224 million yuan over that of last year with 36.27 percent up, mainly because sales in the period is higher than the previous period;
2. Other account receivable in the period decreased 39.0745 million yuan with 46.20 percent down compared with end of last year, mainly because of the assets disposal reimbursement from WFJN in the period.
3. Other current assets in the period has decreased 4592.244 million yuan compared with end of last year, financial assets available-for-sale in the period has decreased 255.9752 million yuan compared with end of last year, other equity instrument investment in the period has increased 87.0883 million yuan compared with end of last year, other non-current financial assets in the period has increased 138.8 million yuan compared with end of last year, mainly because the above mentioned items are re-classified due to the implementation of new accounting rules for financial instrument;
4. Construction in progress in the period increased 42.9539 million yuan by comparing with end of last year with 25.81 percent up, mainly due to the increase of technical improvement equipment;
5. Short-term loans in the period increased 126.988 million yuan by comparing with end of last year with 42.48 percent up, mainly due to the increase of bank loans in the period;
6. Taxes payable in the period increased 64.382 million yuan by comparing with end of last year with 86.68 percent up, mainly because payable for income tax, VAT, urban construction tax and education surcharge increased;
7. Deferred income tax liability in the period increased 7.6221 million yuan and 398.49 percent compared with end of last year, mainly due to the increase of fair value from financial assets held for trading;
8. Ending balance of other comprehensive income in the period is re-classified to “Retained profit” according to new accounting rules.

(II) Changes and reasons of items in profit and loss statement:

1. Taxes and surcharge in the period increased 4.898 million yuan from a year earlier with 30.38 percent up, mainly because payable for urban construction tax and education surcharge increased;
2. Financial expenses in the period decreased 19,531,700 yuan from a year earlier, mainly because interest income increase;
3. Investment income in the period decreased 162,091,550 yuan from a year earlier with 26.71 percent down, mainly because income from share-participated enterprise declined

(III) Changes and reasons of items in cash flow statement:

1. Net cash flow arising from operation activity in the period increased 58.9929 million yuan from a year earlier with 68.27 percent up, mainly because expenditure for purchasing declined on a y-o-y basis and the interest income increased from a year earlier;
2. Net cash flow arising from investment activity: decreased out-flow of 1824.5962 million yuan from a year earlier, mainly because financial products purchased in the period and collection of financial products on due declined on a y-o-y basis;
3. Net cash flow arising from financing activity: increased 41.0633 million yuan from a year earlier with 50.68 percent up, mainly because bank loans in the period increased and borrowing paid to the bank in the period declined

II. Analysis and explanation of significant events and their influence and solutions

√ Applicable □ Not applicable

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

1. On 6 March 2017, the Company received a legal documents mail from Shenzhen Intermediate people's Court in Guangdong Province (hereinafter referred to as Shenzhen Intermediate Court). Pursuit to the legal documents, the plaintiff- China Cinda Asset Management Co., Ltd. Shenzhen Branch bring a suit against eight defendants (the Company included) and the third party-Shenzhen Hejun Venture Holding Co., Ltd. ("Hejun Company" for short) for damaged the interests of corporate creditors, totally two cases for suits. Shenzhen Intermediate Court accepted the case and issued the Civil Order of (2016) Yue 03 MC No.2490 and (2016) Yue 03 MC No. 2492, that is, the property under the name of eight defendants are being seal up, detain or freeze-up, totally amounted as 217 million Yuan. Ended as the reporting period, the 4.71 million shares of Miracle and 11,739,102 shares of SDEC held by the Company are being freeze-up. First trial are carried on 24 September 2017, and further session to be advised from the Court.

2. The company has applied to Futian People's Court of Shenzhen for compulsory liquidation with Hejun Company. A Civil Ruling Paper is carried by Futian People's Court of Shenzhen (2017) Yue 0304 QS No.5, that is: implemented compulsory liquidation on Hejun Company. The Company will fully engage with the Court for relevant liquidation works completed, guarantee legitimate interest of the Company.

(ii) In accordance with the resolution of 4th session of 9th BOD held on 26 March 2019, the Company plans to establish a wholly-owned subsidiary SPV Company in Denmark. Acquired the 66.00% equity of IRD Fuel Cells A/S ("IRD" for short) in Denmark held by FCCT ApS. Company with EUR 7.26 million by conversion (value of assessment for IRD as EUR 11 million). Benefit from the controlling of IRD by equity procurement, the Company will enter the field of fuel cell core components quickly, and enhancing the competitiveness of Companies in emerging market; the evens are in line with the development strategy of the Company, lay a sound foundation for sustainable, rapid and healthy development of the Company, as well as transformation and upgrading. Relevant works are progressing smoothly.

Overview	Disclosure date	Query index for interim notice
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 plans to establish a wholly-owned subsidiary SPV Company in Denmark. Acquired the 66.00% equity of IRD Fuel Cells A/S ("IRD" for short) in Denmark held by FCCT ApS. Company	2019-03-28	(Notice No. 2019-003) Published on Juchao Website (www.cninfo.com.cn)

Implementation progress of shares buy-back

☐ Applicable ☒ Not applicable

Implementation progress of the reduction of repurchases shares by centralized bidding

☐ Applicable ☒ Not applicable

III. Commitments non-performance over due in reporting period from committed parties as actual controller, shareholders, related party, acquirer and the Company

☐ Applicable ☒ Not applicable

No the above mentioned commitment occurred in the period.

IV. Predict of the business performance from January to June 2019

Warnings and reasons of the predict that the cumulative net profit from the begin of the year to the end of next report period may be loss or have great changes comparing with the same period of last year

☐ Applicable ☒ Not applicable

V. Securities Investment

☒ Applicable ☐ Not applicable

Variety of securities	Code of securities	Short form of securities	Initial investment cost	Accounting measurement model	Book value at the beginning of the period	Current gain/loss of fair value changes	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	Capital Source
Domestic and foreign stocks	600841	SDEC	199,208,000.00	Measured by fair value	85,458,408.00	35,456,148.00				35,456,148.00	120,914,556.00	Transactional financial assets	Own funds

Domestic and foreign stocks	002009	Miracl e Logistics	69,331,500.00	Measured by fair value	35,607,600.00	15,543,000.00				15,543,000.00	51,150,600.00	Transactional financial assets	Own funds
Total			268,539,500.00	--	121,066,008.00	50,999,148.00		0.00	0.00	50,999,148.00	172,065,156.00	--	--
Disclosure date of securities investment approval by the Board		2012-03-24											
		2013-06-04											

VI. Derivative investment

☐ Applicable ☒ Not applicable

No derivative investment in the Period.

VII. Registration form for receiving research, communication and interview in the report period

☒ Applicable ☐ Not applicable

Date	Method	Type of investors	Index for the interview and research
1 Jan. 2019 to 31 Mar. 2019	Telephone communication	Other	The Company answered 35 questions for investors online through the investor relations interactive platform(http://irm.p5w.net/dqhd/sichuan/)
1 Jan. 2019 to 31 Mar. 2019	Written inquiries	Other	Basic condition of the Company and views on market, communication with investors by telephone more than 50

VIII. External security against the rules

☐ Applicable ☒ Not applicable

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

IX. 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

2019-03-31

In RMB

Items	2019-3-31	2018-12-31
Current assets:		
Monetary fund	2,819,804,525.07	2,616,321,740.73
Settlement provisions		
Capital lent		
Transactional financial assets	4,673,772,755.43	
Financial assets measured by fair value and with variation reckoned into current gains/losses		
Derivative financial assets		
Note receivable and account receivable	3,790,836,367.98	3,067,900,870.59
Including: Notes receivable	1,174,820,713.33	1,148,107,603.68
Accounts receivable	2,616,015,654.65	1,919,793,266.91
Account paid in advance	111,958,055.15	94,651,431.31
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	45,507,695.08	84,582,246.16
Including: Interest receivable	1,125,062.50	1,842,437.50
Dividends receivable		
Buying back the sale of financial assets		
Inventories	1,359,512,749.81	1,438,528,714.59
Contractual assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	39,893,615.34	4,632,137,600.26

Total current assets	12,841,285,763.86	11,934,122,603.64
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Available-for-sale financial assets		255,975,176.91
Other debt investment		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	5,391,190,657.28	4,976,773,946.74
Investment in other equity instrument	87,088,272.91	
Other non-current financial assets	138,800,000.00	
Investment real estate	21,518,950.44	21,906,134.52
Fixed assets	2,673,979,017.43	2,707,374,678.61
Construction in progress	209,368,449.48	166,414,542.18
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets		
Intangible assets	321,620,719.34	324,892,822.75
Research and development costs		
Goodwill	1,784,086.79	1,784,086.79
Long-term deferred expenses	16,199,658.08	16,637,652.31
Deferred income tax assets	229,799,755.01	234,697,139.58
Other non-current assets	272,014,192.96	251,462,676.27
Total non-current assets	9,363,363,759.72	8,957,918,856.66
Total assets	22,204,649,523.58	20,892,041,460.30
Current liabilities		
Short-term borrowings	425,916,205.33	298,928,213.94
Loan from central bank		
Capital borrowed		
Transactional financial liability		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		490,329.13
Notes payable & account payable	3,517,146,498.22	3,065,704,368.40

Accounts received in advance	37,143,511.92	41,329,857.80
Selling financial asset of repurchase		
Absorbing deposit and interbank deposits		
Agent buying and selling securities		
Acting underwriting securities		
Wage payable	275,428,214.03	312,113,178.24
Taxes payable	138,653,599.45	74,271,613.92
Other accounts payable	64,813,370.51	64,448,723.52
Including: Interest payable	650,630.20	517,469.08
Dividend payable		
Handling fees and commissions payable		
Reinsurance payable		
Contractual liability		
Liability held for sale		
Non-current liabilities due within one year	15,000,000.00	15,000,000.00
Other current liabilities		
Total current liabilities	4,474,101,399.46	3,872,286,284.95
Non-current liabilities:		
Insurance contract reserve		
Long-term loans	30,000,000.00	30,000,000.00
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable	110,101,529.47	110,101,529.47
Long term employee compensation payable		
Accrued liabilities		
Deferred income	428,705,365.98	425,769,854.13
Deferred income tax liabilities	9,534,858.36	1,912,744.40
Other non-current liabilities		
Total non-current liabilities	578,341,753.81	567,784,128.00
Total liabilities	5,052,443,153.27	4,440,070,412.95
Owners' 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	3,416,022,795.14	3,416,022,795.14
Less: Inventory shares		
Other comprehensive income		-19,809,442.95
Special reserve	2,008,499.49	1,618,490.50
Surplus reserve	510,100,496.00	510,100,496.00
Provision of general risk		
Retained profit	11,666,315,791.78	10,996,945,870.13
Total owner's equity attributable to parent Company	16,603,398,152.41	15,913,828,778.82
Minority interests	548,808,217.90	538,142,268.53
Total owner's equity	17,152,206,370.31	16,451,971,047.35
Total liabilities and owner's equity	22,204,649,523.58	20,892,041,460.30

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

Items	2019-3-31	2018-12-31
Current assets:		
Monetary fund	2,399,590,678.94	1,922,408,227.00
Transactional financial assets	4,373,772,755.43	
Financial assets measured by fair value and with variation reckoned into current gains/losses		
Derivative financial assets		
Note receivable and account receivable	1,261,431,368.90	1,006,511,198.29
Including: Notes receivable	204,814,248.31	264,264,207.30
Accounts receivable	1,056,617,120.59	742,246,990.99
Account paid in advance	72,185,672.93	59,028,927.25
Other account receivable	220,576,834.81	196,849,092.13
Including: Interest receivable	191,027.23	188,682.78
Dividends receivable		
Inventories	403,449,067.17	492,054,274.67

Contractual assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	9,248,001.45	4,576,688,553.49
Total current assets	8,740,254,379.63	8,253,540,272.83
Non-current assets:		
Debt investment		
Available-for-sale financial assets		180,035,176.91
Other debt investment		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	6,131,154,654.18	5,739,110,426.55
Investment in other equity instrument	11,148,272.91	
Other non-current financial assets	138,800,000.00	
Investment real estate		
Fixed assets	1,496,344,271.91	1,534,109,106.80
Construction in progress	145,592,804.37	78,673,300.59
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets		
Intangible assets	186,457,984.43	188,101,655.94
Research and development costs		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	135,371,042.80	140,286,756.70
Other non-current assets	176,109,042.29	184,208,090.40
Total non-current assets	8,420,978,072.89	8,044,524,513.89
Total assets	17,161,232,452.52	16,298,064,786.72
Current liabilities		
Short-term borrowings	212,000,000.00	112,000,000.00
Transactional financial liability		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		

Notes payable & account payable	1,221,543,050.15	1,154,238,521.88
Accounts received in advance	7,093,176.71	6,639,554.63
Contractual liability		
Wage payable	187,865,021.54	200,205,508.25
Taxes payable	80,444,276.77	39,193,425.15
Other accounts payable	34,440,483.03	12,142,596.68
Including: Interest payable	283,127.78	149,966.66
Dividend payable		
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	1,743,386,008.20	1,524,419,606.59
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable	63,962,762.93	63,962,762.93
Long term employee compensation payable		
Accrued liabilities		
Deferred income	375,938,170.55	381,609,056.40
Deferred income tax liabilities	7,649,872.20	
Other non-current liabilities		
Total non-current liabilities	447,550,805.68	445,571,819.33
Total liabilities	2,190,936,813.88	1,969,991,425.92
Owners' 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	3,488,221,286.39	3,488,221,286.39
Less: Inventory shares		
Other comprehensive income		-19,809,442.95

Special reserve		
Surplus reserve	510,100,496.00	510,100,496.00
Retained profit	9,963,023,286.25	9,340,610,451.36
Total owner's equity	14,970,295,638.64	14,328,073,360.80
Total liabilities and owner's equity	17,161,232,452.52	16,298,064,786.72

3. Consolidated Profit Statement

In RMB

Items	Current Period	Last Period
I. Total operating income	2,270,130,717.54	2,391,982,640.39
Including: Operating income	2,270,130,717.54	2,391,982,640.39
Interest income		
Insurance gained		
Handling fees and commissions income		
II. Total operating cost	2,020,627,883.33	2,151,266,982.24
Including: Operating cost	1,746,327,754.45	1,875,352,869.67
Interest expense		
Handling fees and commissions expenses		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Taxes and surcharge	21,018,470.72	16,120,507.10
Sales expenses	43,843,484.79	50,463,484.87
Administration expenses	128,655,184.37	121,047,812.20
R&D expenses	93,170,038.27	83,458,614.89
Financial expenses	-15,352,238.79	4,179,488.75
Including: interest expenses	5,031,995.88	3,915,165.94
Interest income	34,388,087.21	5,586,446.40
Losses of devaluation of asset	226,739.06	644,204.76
Loss of credit impairment	2,738,450.46	
Add: other income	6,930,045.15	5,921,558.08
Investment income (Loss is listed with "-")	444,746,539.69	606,842,043.19

Including: Investment income on affiliated Company and joint venture	414,416,710.54	503,834,064.46
Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Changing income of fair value(Loss is listed with “-”)	51,489,477.13	
Income on disposal of assets (Loss is listed with “-”)	322,246.23	118,457.72
III. Operating profit (Loss is listed with “-”)	752,991,142.41	853,597,717.14
Add: Non-operating income	890,398.10	256,470.01
Less: Non-operating expense	76,964.94	305,583.02
IV. Total Profit (Loss is listed with “-”)	753,804,575.57	853,548,604.13
Less: Income tax	54,077,711.23	49,820,490.98
V. Net profit (Net loss is listed with “-”)	699,726,864.34	803,728,113.15
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with “-”)	699,726,864.34	803,728,113.15
2.termination of net profit (net loss listed with “-”)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	689,179,364.60	784,228,178.43
2.Minority shareholders’ gains and losses	10,547,499.74	19,499,934.72
VI. Net after-tax of other comprehensive income		-2,823,615.00
Net after-tax of other comprehensive income attributable to owners of parent company		-2,823,615.00
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		-2,823,615.00
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.gain/loss of fair value changes for available-for-sale financial assets		-2,823,615.00

4.Amount of financial assets re-classify to other comprehensive income		
5.Gain/loss of held-to-maturity investments that re-classify to available-for-sale financial asset		
6.Credit impairment provision for other debt investment		
7.Cash flow hedging reserve		
8.Translation differences arising on translation of foreign currency financial statements		
9.Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	699,726,864.34	800,904,498.15
Total comprehensive income attributable to owners of parent Company	689,179,364.60	781,404,563.43
Total comprehensive income attributable to minority shareholders	10,547,499.74	19,499,934.72
VIII. Earnings per share:		
(i) Basic earnings per share	0.68	0.78
(ii) Diluted earnings per share	0.68	0.78

Enterprise combine under the same control in the Period, the combined party realized net profit of 0 Yuan before combination, and realized 0 Yuan at last period for combined party

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

In RMB

Items	Current Period	Last Period
I. Operating income	1,122,808,498.34	1,134,852,459.84
Less: Operating cost	793,922,520.33	844,533,166.42
Taxes and surcharge	11,619,619.40	9,752,319.83
Sales expenses	6,247,098.90	7,595,353.42
Administration expenses	80,788,693.43	76,744,563.98
R&D expenses	41,370,653.59	33,785,591.68
Financial expenses	-25,004,325.60	1,279,757.72
Including: interest expenses	2,304,661.14	1,448,269.43
Interest income	32,541,171.02	4,116,968.36
Losses of devaluation of asset		-112,041.54

Loss of credit impairment	799,513.06	
Add: other income	5,670,885.85	5,916,558.08
Investment income (Loss is listed with “-”)	422,374,056.78	568,184,522.70
Including: Investment income on affiliated Company and joint venture	392,044,227.63	465,176,543.97
Net exposure hedging income (Loss is listed with “-”)		
Changing income of fair value(Loss is listed with “-”)	50,999,148.00	
Income on disposal of assets (Loss is listed with “-”)	45,211.75	103,477.02
II. Operating profit (Loss is listed with “-”)	692,154,027.61	735,478,306.13
Add: Non-operating income	8,950.00	17,250.00
Less: Non-operating expense	8,439.26	204,017.14
III. Total Profit (Loss is listed with “-”)	692,154,538.35	735,291,538.99
Less: Income tax	49,932,260.51	40,018,156.02
IV. Net profit (Net loss is listed with “-”)	642,222,277.84	695,273,382.97
(i)continuous operating net profit (net loss listed with ‘-’)	642,222,277.84	695,273,382.97
(ii) termination of net profit (net loss listed with ‘-’)		
V. Net after-tax of other comprehensive income		-2,823,615.00
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		-2,823,615.00
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.gain/loss of fair value changes for available-for-sale financial assets		-2,823,615.00
4.Amount of financial assets re-classify to other comprehensive income		
5.Gain/loss of held-to-maturity investments that re-classify to available-for-sale financial asset		

6.Credit impairment provision for other debt investment		
7.Cash flow hedging reserve		
8.Translation differences arising on translation of foreign currency financial statements		
9.Other		
VI. Total comprehensive income	642,222,277.84	692,449,767.97
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

5. Consolidated Cash Flow Statement

In RMB

Items	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	1,753,285,131.27	2,229,870,777.53
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		
Net cash received by agents in sale and purchase of securities		
Write-back of tax received	12,709,755.40	15,624,865.23
Other cash received concerning operating activities	44,905,581.72	5,834,119.83
Subtotal of cash inflow arising from operating activities	1,810,900,468.39	2,251,329,762.59
Cash paid for purchasing commodities and receiving labor service	1,101,665,565.51	1,618,207,541.31

Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Net increase of financial assets held for transaction purposes		
Net increase of capital lent		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	336,754,911.79	344,325,314.81
Taxes paid	112,637,267.48	107,621,270.28
Other cash paid concerning operating activities	114,433,072.15	94,758,931.08
Subtotal of cash outflow arising from operating activities	1,665,490,816.93	2,164,913,057.48
Net cash flows arising from operating activities	145,409,651.46	86,416,705.11
II. Cash flows arising from investing activities:		
Cash received from recovering investment	1,483,000,000.00	2,845,527,612.00
Cash received from investment income	30,329,829.15	103,007,978.73
Net cash received from disposal of fixed, intangible and other long-term assets	68,596,607.33	452,562.97
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	1,581,926,436.48	2,948,988,153.70
Cash paid for purchasing fixed, intangible and other long-term assets	98,025,965.78	171,913,851.27
Cash paid for investment	1,378,800,000.00	4,520,570,000.00
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities	24,000,000.00	
Subtotal of cash outflow from investing activities	1,500,825,965.78	4,692,483,851.27
Net cash flows arising from investing activities	81,100,470.70	-1,743,495,697.57
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans	219,585,661.41	190,000,000.00
Cash received from issuing bonds		
Other cash received concerning financing activities		5,470,000.00

Subtotal of cash inflow from financing activities	219,585,661.41	195,470,000.00
Cash paid for settling debts	92,597,670.02	111,000,000.00
Cash paid for dividend and profit distributing or interest paying	4,896,490.31	3,441,771.85
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	97,494,160.33	114,441,771.85
Net cash flows arising from financing activities	122,091,501.08	81,028,228.15
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	6,786,854.68	-3,245,235.97
V. Net increase of cash and cash equivalents	355,388,477.92	-1,579,296,000.28
Add: Balance of cash and cash equivalents at the period -begin	2,404,674,139.49	2,948,439,354.22
VI. Balance of cash and cash equivalents at the period -end	2,760,062,617.41	1,369,143,353.94

6. Cash Flow Statement of Parent Company

In RMB

Items	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	1,000,075,407.06	1,528,777,082.09
Write-back of tax received		
Other cash received concerning operating activities	32,541,171.02	3,977,167.24
Subtotal of cash inflow arising from operating activities	1,032,616,578.08	1,532,754,249.33
Cash paid for purchasing commodities and receiving labor service	604,233,339.39	996,921,619.99
Cash paid to/for staff and workers	177,071,354.06	182,998,814.26
Taxes paid	79,403,936.58	64,131,520.72
Other cash paid concerning operating activities	35,012,504.04	99,593,806.29
Subtotal of cash outflow arising from operating activities	895,721,134.07	1,343,645,761.26
Net cash flows arising from operating activities	136,895,444.01	189,108,488.07
II. Cash flows arising from investing activities:		
Cash received from recovering investment	1,358,000,000.00	2,764,477,612.00
Cash received from investment income	30,329,829.15	103,007,978.73
Net cash received from disposal of fixed, intangible and other	336,346.85	183,880.00

long-term assets		
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	30,553,289.34	
Subtotal of cash inflow from investing activities	1,419,219,465.34	2,867,669,470.73
Cash paid for purchasing fixed, intangible and other long-term assets	54,361,369.31	61,844,819.06
Cash paid for investment	1,078,800,000.00	4,225,570,000.00
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities	50,880,372.33	130,000,000.00
Subtotal of cash outflow from investing activities	1,184,041,741.64	4,417,414,819.06
Net cash flows arising from investing activities	235,177,723.70	-1,549,745,348.33
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans	100,000,000.00	100,000,000.00
Cash received from issuing bonds		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	100,000,000.00	100,000,000.00
Cash paid for settling debts		5,000,000.00
Cash paid for dividend and profit distributing or interest paying	2,171,500.02	1,229,226.10
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	2,171,500.02	6,229,226.10
Net cash flows arising from financing activities	97,828,499.98	93,770,773.90
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	6,556,084.25	-3,245,235.97
V. Net increase of cash and cash equivalents	476,457,751.94	-1,270,111,322.33
Add: Balance of cash and cash equivalents at the period -begin	1,920,076,358.43	2,454,696,969.20
VI. Balance of cash and cash equivalents at the period -end	2,396,534,110.37	1,184,585,646.87

II. Explanation on financial statement adjustment

1. Financial statement adjustment at the beginning of the first year when implementation of new financial instrument rules, new revenue rules and new leasing rules

√ Applicable □ Not applicable

Consolidate balance sheet

In RMB

Items	2018-12-31	2019-1-1	Adjustment
Current assets:			
Monetary fund	2,616,321,740.73	2,616,321,740.73	
Transactional financial assets	Not applicable	4,740,773,607.43	4,740,773,607.43
Note receivable and account receivable	3,067,900,870.59	3,067,900,870.59	
Including: Notes receivable	1,148,107,603.68	1,148,107,603.68	
Accounts receivable	1,919,793,266.91	1,919,793,266.91	
Account paid in advance	94,651,431.31	94,651,431.31	
Other account receivable	84,582,246.16	84,582,246.16	
Including: Interest receivable	1,842,437.50	1,842,437.50	
Inventories	1,438,528,714.59	1,438,528,714.59	
Other current assets	4,632,137,600.26	60,250,896.83	-4,571,886,703.43
Total current assets	11,934,122,603.64	12,103,009,507.64	168,886,904.00
Non-current assets:			
Available-for-sale financial assets	255,975,176.91	Not applicable	-255,975,176.91
Long-term equity investments	4,976,773,946.74	4,976,773,946.74	
Other equity instruments investments	Not applicable	87,088,272.91	87,088,272.91
Investment real estate	21,906,134.52	21,906,134.52	
Fixed assets	2,707,374,678.61	2,707,374,678.61	
Construction in progress	166,414,542.18	166,414,542.18	
Intangible assets	324,892,822.75	324,892,822.75	
Goodwill	1,784,086.79	1,784,086.79	
Long-term deferred expenses	16,637,652.31	16,637,652.31	
Deferred income tax assets	234,697,139.58	234,697,139.58	
Other non-current assets	251,462,676.27	251,462,676.27	
Total non-current assets	8,957,918,856.66	8,789,031,952.66	-168,886,904.00
Total assets	20,892,041,460.30	20,892,041,460.30	
Current liabilities			
Short-term borrowings	298,928,213.94	298,928,213.94	

Transactional financial liability	490,329.13	490,329.13	
Notes payable & account payable	3,065,704,368.40	3,065,704,368.40	
Accounts received in advance	41,329,857.80	41,329,857.80	
Wage payable	312,113,178.24	312,113,178.24	
Taxes payable	74,271,613.92	74,271,613.92	
Other accounts payable	64,448,723.52	64,448,723.52	
Including: Interest payable	517,469.08	517,469.08	
Non-current liabilities due within one year	15,000,000.00	15,000,000.00	
Other current liabilities			
Total current liabilities	3,872,286,284.95	3,872,286,284.95	
Non-current liabilities:			
Long-term loans	30,000,000.00	30,000,000.00	
Long-term account payable	110,101,529.47	110,101,529.47	
Deferred income	425,769,854.13	425,769,854.13	
Deferred income tax liabilities	1,912,744.40	1,912,744.40	
Total non-current liabilities	567,784,128.00	567,784,128.00	
Total liabilities	4,440,070,412.95	4,440,070,412.95	
Owners' equity:			
Share capital	1,008,950,570.00	1,008,950,570.00	
Capital public reserve	3,416,022,795.14	3,416,022,795.14	
Special reserve	1,618,490.50	1,618,490.50	
Other comprehensive income	-19,809,442.95		19,809,442.95
Surplus public reserve	510,100,496.00	510,100,496.00	
Retained profit	10,996,945,870.13	10,977,136,427.18	-19,809,442.95
Total owner's equity attributable to parent company	15,913,828,778.82	15,913,828,778.82	
Minority interests	538,142,268.53	538,142,268.53	
Total owner's equity	16,451,971,047.35	16,451,971,047.35	
Total liabilities and owner's equity	20,892,041,460.30	20,892,041,460.30	

Statement of adjustment

In 2017, the Ministry of Finance revised and issued the "Accounting Standard for Business Enterprise No.22- Recognition of financial instrument and measurement", "Accounting Standard for Business Enterprise No.23- Transfer of Financial assets", "Accounting Standard for Business Enterprise No.24- Hedge Accounting" and "Accounting Standard for Business Enterprise No.37- Presentation of financial instruments", and the enterprises listed in China are required to implementing relevant accounting rules of new financial instruments since 1 Jan. 2019. In accordance with the requirement, the Company will carry out above mentioned four accounting rules since 1 Jan. 2019.

(1) Add item of "Transactional financial assets", parts of the original "Other current assets" and "Financial assets available for sale"

are re-classified for presenting.

(2) Add item of “Other instrument equity investment”, parts of the original “Financial assets available for sale” are re-classified for presenting.

(3) Re-classified ‘Other comprehensive income’ to “Retained profit”

Balance Sheet of Parent Company

In RMB

Item	2018-12-31	2019-1-1	Adjustment
Current assets:			
Monetary fund	1,922,408,227.00	1,922,408,227.00	
Transactional financial assets	Not applicable	4,740,773,607.43	4,740,773,607.43
Note receivable and account receivable	1,006,511,198.29	1,006,511,198.29	
Including: Notes receivable	264,264,207.30	264,264,207.30	
Accounts receivable	742,246,990.99	742,246,990.99	
Account paid in advance	59,028,927.25	59,028,927.25	
Other account receivable	196,849,092.13	196,849,092.13	
Including: Interest receivable	188,682.78	188,682.78	
Inventories	492,054,274.67	492,054,274.67	
Other current assets	4,576,688,553.49	4,801,850.06	-4,571,886,703.43
Total current assets	8,253,540,272.83	8,422,427,176.83	168,886,904.00
Non-current assets:			
Available-for-sale financial assets	180,035,176.91	Not applicable	-180,035,176.91
Long-term equity investments	5,739,110,426.55	5,739,110,426.55	
Other equity instruments investments	Not applicable	11,148,272.91	11,148,272.91
Fixed assets	1,534,109,106.80	1,534,109,106.80	
Construction in progress	78,673,300.59	78,673,300.59	
Intangible assets	188,101,655.94	188,101,655.94	
Deferred income tax assets	140,286,756.70	140,286,756.70	
other non-current assets	184,208,090.40	184,208,090.40	
Total non-current assets	8,044,524,513.89	7,875,637,609.89	-168,886,904.00
Total assets	16,298,064,786.72	16,298,064,786.72	
Current liabilities			
Short-term borrowings	112,000,000.00	112,000,000.00	
Notes payable & account payable	1,154,238,521.88	1,154,238,521.88	
Accounts received in advance	6,639,554.63	6,639,554.63	
Wage payable	200,205,508.25	200,205,508.25	

Taxes payable	39,193,425.15	39,193,425.15	
Other accounts payable	12,142,596.68	12,142,596.68	
Including: Interest payable	149,966.66	149,966.66	
Total current liabilities	1,524,419,606.59	1,524,419,606.59	
Non-current liabilities:			
Long-term accounts payable	63,962,762.93	63,962,762.93	
Deferred income	381,609,056.40	381,609,056.40	
Total non-current liabilities	445,571,819.33	445,571,819.33	
Total liabilities	1,969,991,425.92	1,969,991,425.92	
Owners' equity:			
Share capital	1,008,950,570.00	1,008,950,570.00	
Capital public reserve	3,488,221,286.39	3,488,221,286.39	
Other comprehensive income	-19,809,442.95		19,809,442.95
Surplus reserve	510,100,496.00	510,100,496.00	
Retained profit	9,340,610,451.36	9,320,801,008.41	-19,809,442.95
Total owner's equity	14,328,073,360.80	14,328,073,360.80	
Total liabilities and owner's equity	16,298,064,786.72	16,298,064,786.72	

Statement of adjustment

In 2017, the Ministry of Finance revised and issued the "Accounting Standard for Business Enterprise No.22- Recognition of financial instrument and measurement", "Accounting Standard for Business Enterprise No.23- Transfer of Financial assets", "Accounting Standard for Business Enterprise No.24- Hedge Accounting" and "Accounting Standard for Business Enterprise No.37- Presentation of financial instruments", and the enterprises listed in China are required to implementing relevant accounting rules of new financial instruments since 1 Jan. 2019. In accordance with the requirement, the Company will carry out above mentioned four accounting rules since 1 Jan. 2019.

(1) Add item of "Transactional financial assets", parts of the original "Other current assets" and 'Financial assets available for sale' are re-classified for presenting.

(2) Add item of "Other instrument equity investment", parts of the original "Financial assets available for sale" are re-classified for presenting.

(3) Re-classified 'Other comprehensive income' to "Retained profit"

2. Retrospective adjustment of the comparative data for initial implementation of new financial instrument rules and new leasing rules

☐Applicable ☒Not applicable

III. Audit report

Whether the 1st quarterly report has been audited or not

☐ Yes ☒ No

The 1st quarterly report of the Company was unaudited

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

Chairman: _____

Chen Xuejun

29 April 2019