



Weifu High-Technology Group Co., Ltd. Text of First Quarterly Report 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) | 0 | | | |
|--|--------------------------|---|-----------------------|----------------------------------|--------------------------------|--------|
| 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 - tradition - general insurance products-005L-CT00 1 SHEN | Other | 1.47% | 14,881,834 | | | |
|--|---|-----------------------------------|-------------|------|--------|--|
| 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 INVMT 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 | |
| | | Type | Amount | | | |
| WUXI INDUSTRY DEVELOPMENT GROUP 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-CT00 1 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 INVMT 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 Group 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 | | | | 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.

Board of Director of
Weifu High-Technology Group Co., Ltd
29 April 2019