

Short Form of the Stock: Weifu High-Tech, Su Weifu-B

Weifu High-Technology Group Co., Ltd.

Text of First Quarterly Report 2020



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)	2,772,108,717.43	2,270,130,717.54	22.11%
Net profit attributable to shareholders of the listed company (RMB)	549,996,717.72	689,179,364.60	-20.20%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	495,225,376.36	613,343,723.80	-19.26%
Net cash flow arising from operating activities (RMB)	319,204,809.86	145,409,651.46	119.52%
Basic earnings per share (RMB/Share)	0.55	0.68	-19.12%
Diluted earnings per share (RMB/Share)	0.55	0.68	-19.12%
Weighted average ROE	3.18%	4.24%	-1.06%
	End of this period	End of last period	Changes of this period-end over same period-end of last year
Total assets (RMB)	23,810,886,843.95	23,958,348,185.78	-0.62%
Net assets attributable to shareholder of listed company (RMB)	17,239,647,616.62	16,990,405,136.62	1.47%

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)	49,066.09	
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)	9,216,894.95	

Gain or loss on the investment or management of assets	61,115,193.84	
Gains/losses of fair value changes from holding the transaction financial asset, derivative financial assets, transaction financial liability and derivative financial liability and investment earnings obtained from disposing the transaction financial asset, derivative financial assets, transaction financial liability, derivative financial liability and other debt investment, except for the effective hedging business related to normal operation of the Company	-2,206,725.01	
Other non-operating income and expenditure except for the aforementioned items	-2,910,119.40	
Less: impact on income tax	9,886,879.87	
Impact on minority shareholders' equity (post-tax)	606,089.24	
Total	54,771,341.36	--

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	51,432	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	6.76%	68,203,004			
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	Foreign legal person	1.84%	18,530,315			
NSSF-107	Other	1.59%	15,998,673			
Central Huijin Assets Management Co., Ltd.	State-owned legal person	1.27%	12,811,200			

FIDELITY INVMT TRT FIDELITY INTL SMALL CAP FUND	Foreign legal person	0.78%	7,848,986			
Basic Pension Insurance Fund - 1003	Other	0.77%	7,764,588			
HKMA - own funds	Foreign legal person	0.67%	6,770,334			
NSSF - 403	Other	0.67%	6,740,200			
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	68,203,004	RMB common share	68,203,004			
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	18,530,315	Domestically listed foreign share	18,530,315			
NSSF-107	15,998,673	RMB common share	15,998,673			
Central Huijin Assets Management Co., Ltd.	12,811,200	RMB common share	12,811,200			
FIDELITY INVMT TRT FIDELITY INTL SMALL CAP FUND	7,848,986	Domestically listed foreign share	7,848,986			
Basic Pension Insurance Fund - 1003	7,764,588	RMB common share	7,764,588			
HKMA - own funds	6,770,334	RMB common share	6,770,334			
NSSF - 403	6,740,200	RMB common share	6,740,200			
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. Notes receivable in the period-end decreased 977.92 million yuan by comparing with end of last year with 53.96 percent down, mainly because a part of the bills that will be discounted or endorsed before the expiration, are listed in the receivable financing;
2. Receivable financing in the period-end increased 751.26 million yuan by comparing with end of last year, mainly because the bills used for discount or endorsement transfer increased.
3. Contract liabilities in the period-end increased 47.14 million yuan by comparing with end of last year, and other current liabilities in the period-end increased 147.66 million yuan by comparing with end of last year, all are reclassified resulted by implementing the new income standard;
4. Taxes payable in the period-end decreased 41.02 million yuan by comparing with end of last year, mainly due to the reduction of VAT payable;
5. Treasury stock in the period-end increased 300 million yuan by comparing with end of last year, mainly because the company implements buy back of A shares through centralized bidding.

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

1. Operating income in the period increased 501.98 million yuan from a year earlier with 22.11% up, mainly because the increase in sales revenue from the subsidiary Weifu Leader;
2. Taxes and surcharge in the period decreased 7.89 million yuan from a year earlier, mainly due to the reduction of VAT payable;
3. Investment income in the period decreased 82.06 million yuan from a year earlier with 18.45% down, mainly because income from share-participated enterprise declined;
4. Gains from changes in fair value in the period decreased 53.7 million yuan from a year earlier, mainly because the fair value of SDEC and Miracle Automation at the period-end decreased compared with the fair value of the same period of last year;
5. Credit impairment loss in the period decreased 10.22 million yuan from a year earlier, mainly due to the reversal of bad debt provision based on aging;
6. Asset impairment losses in the period increased 47.16 million yuan from a year earlier, mainly because inventory impairment provision increase;
7. Non-operating expenses in the period increased from a year earlier, mainly because the company donated 3 million yuan to the Wuxi City Charity Federation for the prevention and control of the pneumonia outbreak of COVID - 19.

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

1. Net cash flow arising from operation activity in the period increased 173.8 million yuan from a year earlier with 119.52% up, mainly because the increase in product sales return;
2. Net cash flow arising from investment activity increased 105.52 million yuan from a year earlier with 130.11% up, mainly because dividends received from associates during the reporting period;
3. Net cash flow arising from financing activity decreased 410.53 million yuan from a year earlier, mainly due to the payment for buy back of A-share through centralized bidding.

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

√ Applicable □ Not applicable

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.

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)

Implementation progress of shares buy-back

√ Applicable □ Not applicable

The 11th session of the 9th board of directors of the company held on February 13, 2020 reviewed and approved the Proposal on the Repurchase of Part of the Company's A Shares by Concentrated Bidding.

The company shall repurchase the company's A shares through centralized bidding transactions, the total amount of repurchase funds this time does not exceed RMB 600 million (inclusive) and not less than RMB 300 million (inclusive); the price of the repurchased shares (A shares) does not exceed RMB 24 yuan / share (inclusive), the repurchase period shall not exceed twelve months from the date on which the company's board of directors considers and approves the share repurchase program. The specific repurchase amount is based on the actual number of shares repurchased when the repurchase period expires. Found more in the *Buy-Back Report of Part of*

the A-Share Through Centralized Bidding (Notice No.: 2020-005) released on *China Securities Journal*, *Securities Times*, *Hong Kong Commercial Daily* and Juchao Website (www.cninfo.com.cn). The Company released the *Notice on First Buy-Back of Shares* (Notice No.: 2020-006) dated 28 Feb. 2020, released the *Progress of Part of the A-share Buy-Back* (Notice No.:2020-007) on 3 Mar. 2020 and released the *Each 1% Increase in the Proportion of Buy-Back Shares and Progress of Buy-Back* (Notice No.: 2020-008) on 16 Mar. 2020. and on 1 Apr. 2020, released the *Progress of Part of the A-share Buy-Back* (Notice No.:2020-009).

As of 31 March 2020, the accumulative shares (A-stock) buy-back through centralized bidding has 15,094,870 shares in the specific buy-back account, representing 1.4961% of the total share capital of the Company. The highest transaction price is 21.06 yuan/share, and the lowest transaction price is 17.95 yuan/share, total amount paid as 300,007,852.84 yuan (including trading expenses). the shares buy-back meets the requirements of relevant laws and regulations and in line with the established buy-back program.

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. 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	91,822,332.00	-7,013,304.00					84,809,028.00	Trading financial assets	Own funds
Domestic and foreign stocks	002009	Miracle Automation	69,331,500.00	Measured by fair value	36,031,500.00	-989,100.00					35,042,400.00	Trading financial assets	Own funds
Total			268,539,500.00	--	127,853,832.00	-8,002,404.00	0.00	0.00	0.00	0.00	119,851,428.00	--	--

Disclosure date of securities investment approval by the Board	2012-03-24
	2013-06-04

V. Trust financing

√ Applicable □ Not applicable

In 10 thousand Yuan

Specific type	Sources of funds	Amount occurred	Undue balance	Overdue amount
Financing products	Own funds	229,483.37	193,209.58	0
Financial products of securities firms	Own funds	36,000	36,000	0
Trust financial products	Own funds	177,580	177,580	0
Other type	Own funds	59,144.67	50,693.44	0
Total		502,208.04	457,483.02	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 entrusted finance plan in the future	Summary of the items and related query index (if applicable)
Bank	Bank	Non-guaranteed floating income	49,200	Owned funds	2020-01-09	2020-11-18	Financial products	Reference annual rate of	3.65%-4.25%	1,014.42	1,478.5	Collected according to the contract	0	Y	Y	Notice No.: 2020-015
Securities trader	Securities trader	Non-guaranteed floating	10,000	Owned funds	2020-02-18	2020-09-14	Collective assets	return by the	4.8%-5.2%	212.28	128.18	Collected according to	0	Y	Y	Notice No.: 2020-015

		g incom e	nd			mana gemen t plan	cont ract				the contra ct				
Trust	Trust	Non-guaranteed floating income	33,700	Owned fund	2020-02-14	2022-03-25	Collection trust plan	6.5%-8.4%	4,845.79	2,376.63	Collected according to the contract	0	Y	Y	Notice No.: 2020-015
Other (Fund etc.)	Other (Fund etc.)	Non-guaranteed floating income	20,000	Owned fund	2020-01-10	2021-07-10	Fixed income fund products	6%-8.75%	1,532.12	2,128.21	Collected according to the contract	0	Y	Y	Notice No.: 2020-015
Total			112,900	--	--	--	--	--	7,604.61	6,111.52	--	0	--	--	--

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

Applicable Not applicable

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. 2020 to 31 Mar. 2020	Telephone communication	Other	The Company answered 20 questions for investors online through the investor relations interactive platform(http://irm.p5w.net/dqhd/sichuan/)
1 Jan. 2020 to 31 Mar. 2020	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.

30 April 2020