



**Weifu High-Technology Group Co., Ltd.**

**First Quarterly Report 2020**

**April 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	Foreign legal person	0.78%	7,848,986			

INTL SMALL CAP FUND						
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 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	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 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. 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 11<sup>th</sup> session of the 9<sup>th</sup> 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 drawing (if applicable)	Whether approved by legal procedure (Y/N)	Whether has entrusted financial plan in the future	Summary of the items and related query index (if applicable)
Bank	Bank	Non-guaranteed floating income	49,200	Owned fund	2020-01-09	2020-11-18	Financial products	Reference annual rate of return	3.65%-4.25%	1,014.42	1,478.5	Collected according to the contract	0	Y	Y	Notice No.: 2020-015
Securiti	Securiti	Non-g	10,000	O	2020-02	2020-09	Colle	return	4.8%-	212.28	128.18	Collec	0	Y	Y	Notice

es trader	es trader	uarant eed floatin g incom e		wn ed fu nd	- 18	- 14	ctive asset s mana gemen t plan	rn by the contra ct	5.2%			ted accord ing to the contra ct				No.: 2020- 015
Trust	Trust	Non-g uarant eed floatin g incom e	33,700	O wn ed fu nd	2020-02 -	2022-03 -	Colle ction trust plan		6.5%- 8.4%	4,845.79	2,376.63	Collec ted accord ing to the contra ct	0	Y	Y	Notice No.: 2020- 015
Other (Fund etc.)	Other (Fund etc.)	Non-g uarant eed floatin g incom e	20,000	O wn ed fu nd	2020-01 -	2021-07 -	Fixed inco me fund prod ucts		6%- 8.75%	1,532.12	2,128.21	Collec ted accord ing to the contra ct	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( <a href="http://irm.p5w.net/dqhd/sichuan/">http://irm.p5w.net/dqhd/sichuan/</a> )
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.

## Section IV. Financial Statement

### I. Financial statement

#### 1. Consolidate balance sheet

Prepared by Weifu High-Technology Group Co., Ltd

2020-03-31

In RMB

Items	2020-3-31	2019-12-31
Current assets:		
Monetary fund	1,842,509,837.00	1,596,893,711.87
Settlement provisions		
Capital lent		
Trading financial assets	3,604,681,667.47	3,940,885,674.32
Derivative financial assets		
Note receivable	834,222,824.93	1,812,141,371.94
Account receivable	2,546,956,057.70	2,310,666,475.89
Receivable financing	775,137,750.52	23,873,317.86
Accounts paid in advance	174,716,303.93	139,241,917.78
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	46,,906,273.38	43,730,023.31
Including: Interest receivable	1,373,080.38	655,052.98
Dividend receivable		1,070,000.00
Buying back the sale of financial assets		
Inventories	1,987,787,701.58	2,418,744,835.82
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	1,082,241,539.78	1,012,055,605.74
Total current assets	12,895,159,956.29	13,298,232,934.53
Non-current assets:		

Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment	5,473,814,827.86	5,322,405,953.35
Investment in other equity instrument	285,048,000.00	285,048,000.00
Other non-current financial assets	1,133,343,284.00	1,043,589,987.43
Investment real estate	22,029,554.30	22,410,511.87
Fixed assets	2,863,670,262.74	2,845,176,078.20
Construction in progress	231,720,533.94	247,857,777.25
Productive biological asset		
Oil and gas asset		
Right-of-use assets		
Intangible assets	427,289,866.81	430,594,372.12
Expense on Research and Development		
Goodwill	1,784,086.79	1,784,086.79
Long-term expenses to be apportioned	17,971,431.63	18,536,000.25
Deferred income tax asset	213,696,188.22	212,476,501.54
Other non-current asset	245,358,851.37	230,235,982.45
Total non-current asset	10,915,726,887.66	10,660,115,251.25
Total assets	23,810,886,843.95	23,958,348,185.78
Current liabilities:		
Short-term loans	320,154,147.17	312,153,969.81
Loan from central bank		
Capital borrowed		
Trading financial liability		
Derivative financial liability		
Note payable	1,455,200,263.98	1,745,218,439.52
Account payable	3,200,653,414.49	3,312,254,229.84
Accounts received in advance	1,755,679.55	113,737,432.61
Contractual liability	47,136,184.32	
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		

Security sales of agency		
Wage payable	273,615,219.53	314,343,737.66
Taxes payable	88,514,427.14	129,538,411.86
Other account payable	58,212,316.29	65,266,262.39
Including: Interest payable		
Dividend payable		
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities	147,660,533.80	
Total current liabilities	5,592,902,186.27	5,992,512,483.69
Non-current liabilities:		
Insurance contract reserve		
Long-term loans		
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable	35,108,263.11	35,108,263.11
Long-term wages payable	58,392,053.61	58,392,053.61
Accrual liability		
Deferred income	364,768,597.84	365,116,022.98
Deferred income tax liabilities	21,988,131.25	22,566,051.72
Other non-current liabilities		
Total non-current liabilities	480,257,045.81	481,182,391.42
Total liabilities	6,073,159,232.08	6,473,694,875.11
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	3,391,527,806.33	3,391,527,806.33
Less: Inventory shares	300,007,852.84	

Other comprehensive income	135,832.24	134,871.67
Reasonable reserve	2,500,411.61	3,247,757.06
Surplus public reserve	510,100,496.00	510,100,496.00
Provision of general risk		
Retained profit	12,626,440,353.28	12,076,443,635.56
Total owner's equity attributable to parent company	17,239,647,616.62	16,990,405,136.62
Minority interests	498,079,995.25	494,248,174.05
Total owner's equity	17,737,727,611.87	17,484,653,310.67
Total liabilities and owner's equity	23,810,886,843.95	23,958,348,185.78

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	2020-3-31	2019-12-31
Current assets:		
Monetary funds	1,259,234,793.31	965,770,877.82
Trading financial assets	3,467,377,652.25	3,758,789,072.68
Derivative financial assets		
Note receivable	247,536,382.22	202,403,993.13
Account receivable	966,814,766.05	768,500,929.93
Receivable financing		
Accounts paid in advance	119,959,744.95	89,116,730.45
Other account receivable	256,829,004.27	250,014,956.74
Including: Interest receivable	1,522,957.08	804,929.68
Dividend receivable		1,070,000.00
Inventories	483,401,314.50	565,144,234.49
Contractual assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	782,369,967.78	938,616,881.51
Total current assets	7,583,523,625.33	7,538,357,676.75
Non-current assets:		
Debt investment		

Other debt investment		
Long-term receivables		
Long-term equity investments	6,342,867,495.96	6,331,363,630.04
Investment in other equity instrument	209,108,000.00	209,108,000.00
Other non-current financial assets	1,133,343,284.00	1,043,589,987.43
Investment real estate		
Fixed assets	1,755,021,775.10	1,646,333,216.50
Construction in progress	124,108,987.78	136,573,912.28
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets		
Intangible assets	215,952,649.97	203,663,423.60
Research and development costs		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	106,599,132.86	105,137,877.84
Other non-current assets	175,201,450.10	172,646,721.05
Total non-current assets	10,062,202,775.77	9,848,416,768.74
Total assets	17,645,726,401.10	17,386,774,445.49
Current liabilities		
Short-term borrowings	116,126,459.33	116,126,459.33
Trading financial liability		
Derivative financial liability		
Notes payable	286,446,813.86	284,054,137.00
Account payable	938,166,194.09	930,273,146.35
Accounts received in advance		12,010,730.30
Contractual liability	4,300,523.34	
Wage payable	196,182,980.76	213,626,754.45
Taxes payable	67,024,024.07	56,540,307.59
Other accounts payable	32,147,442.07	11,976,576.21
Including: Interest payable		
Dividend payable		
Liability held for sale		
Non-current liabilities due within one year		



Other current liabilities	89,789,980.06	
Total current liabilities	1,730,184,417.58	1,624,608,111.23
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long term employee compensation payable	50,058,386.76	50,058,386.76
Accrued liabilities		
Deferred income	322,805,353.98	322,971,778.82
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	372,863,740.74	373,030,165.58
Total liabilities	2,103,048,158.32	1,997,638,276.81
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	3,481,221,286.39	3,488,221,286.39
Less: Inventory shares	300,007,852.84	
Other comprehensive income		
Special reserve	188,489.03	
Surplus reserve	510,100,496.00	510,100,496.00
Retained profit	10,842,225,254.20	10,381,863,816.29
Total owner's equity	15,542,678,242.78	15,389,136,168.68
Total liabilities and owner's equity	17,645,726,401.10	17,386,774,445.49

## 3. Consolidated Profit Statement

In RMB

Item	Current period	Last period
I. Total operating income	2,772,108,717.43	2,270,130,717.54
Including: Operating income	2,772,108,717.43	2,270,130,717.54
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	2,506,487,031.40	2,017,662,693.81
Including: Operating cost	2,250,580,448.11	1,746,327,754.45
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		
Tax and extras	13,130,773.59	21,018,470.72
Sales expense	49,792,031.77	43,843,484.79
Administrative expense	132,550,468.46	128,655,184.37
R&D expense	74,735,427.38	93,170,038.27
Financial expense	-14,302,117.91	-15,352,238.79
Including: Interest expenses	2,579,711.49	5,031,995.88
Interest income	18,022,664.17	34,388,087.21
Add: other income	9,216,894.95	6,930,045.15
Investment income (Loss is listed with "-")	362,685,321.28	444,746,539.69
Including: Investment income on affiliated company and joint venture	301,761,925.15	414,416,710.54
The termination of income recognition for financial assets measured by amortized cost(Loss is listed with "-")	-191,797.71	
Exchange income (Loss is listed with "-")		
Net exposure hedging income (Loss is listed with "-")		
Income from change of fair value (Loss is listed with "-")	-2,206,725.01	51,489,477.13
Loss of credit impairment (Loss is listed with "-")	7,480,599.59	-2,738,450.46

Losses of devaluation of asset (Loss is listed with “-”)	-47,389,892.81	-226,739.06
Income from assets disposal (Loss is listed with “-”)	70,300.91	322,246.23
III. Operating profit (Loss is listed with “-”)	595,478,184.94	752,991,142.41
Add: Non-operating income	93,384.30	890,398.10
Less: Non-operating expense	3,028,718.52	76,964.94
IV. Total profit (Loss is listed with “-”)	592,542,850.72	753,804,575.57
Less: Income tax expense	38,745,274.61	54,077,711.23
V. Net profit (Net loss is listed with “-”)	553,797,576.11	699,726,864.34
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with “-”)	553,797,576.11	699,726,864.34
2.termination of net profit (net loss listed with “-”)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	549,996,717.72	689,179,364.60
2.Minority shareholders’ gains and losses	3,800,858.39	10,547,499.74
VI. Net after-tax of other comprehensive income	1,455.41	
Net after-tax of other comprehensive income attributable to owners of parent company	960.57	
(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	960.57	
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements	960.57	

7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders	494.84	
VII. Total comprehensive income	553,799,031.52	699,726,864.34
Total comprehensive income attributable to owners of parent Company	549,997,678.29	689,179,364.60
Total comprehensive income attributable to minority shareholders	3,801,353.23	10,547,499.74
VIII. Earnings per share:		
(i) Basic earnings per share	0.55	0.68
(ii) Diluted earnings per share	0.55	0.68

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

Item	Current period	Last period
I. Operating income	1,084,517,709.00	1,122,808,498.34
Less: Operating cost	771,517,997.02	793,922,520.33
Taxes and surcharge	8,726,393.83	11,619,619.40
Sales expenses	3,948,899.85	6,247,098.90
Administration expenses	82,724,030.24	80,788,693.43
R&D expenses	38,924,291.76	41,370,653.59
Financial expenses	-19,548,612.65	-25,004,325.60
Including: interest expenses	1,138,193.78	2,304,661.14
Interest income	17,644,344.22	32,541,171.02
Add: other income	7,088,433.84	5,670,885.85
Investment income (Loss is listed with "-")	347,916,717.40	422,374,056.78
Including: Investment income on affiliated Company and joint venture	297,794,629.99	392,044,227.63
The termination of income recognition for financial assets measured by amortized cost (Loss is listed with "-")		
Net exposure hedging income (Loss is listed with "-")		
Changing income of fair value (Loss is listed with "-")	-2,145,787.43	50,999,148.00

Loss of credit impairment (Loss is listed with “-”)	249,448.42	-799,513.06
Losses of devaluation of asset (Loss is listed with “-”)		
Income on disposal of assets (Loss is listed with “-”)	377.30	45,211.75
II. Operating profit (Loss is listed with “-”)	551,333,898.48	692,154,027.61
Add: Non-operating income	14,771.67	8,950.00
Less: Non-operating expense	3,017,869.94	8,439.26
III. Total Profit (Loss is listed with “-”)	548,330,800.21	692,154,538.35
Less: Income tax	38,048,842.34	49,932,260.51
IV. Net profit (Net loss is listed with “-”)	510,281,957.87	642,222,277.84
(i)continuous operating net profit (net loss listed with “-”)	510,281,957.87	642,222,277.84
(ii) termination of net profit (net loss listed with “-”)		
V. Net after-tax of other comprehensive income		
(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		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
VI. Total comprehensive income	510,281,957.87	642,222,277.84
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

## 5. Consolidated Cash Flow Statement

In RMB

Item	Current period	Last period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	2,747,435,787.89	1,753,285,131.27
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		
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	6,649,535.99	12,709,755.40
Other cash received concerning operating activities	21,806,760.87	44,905,581.72
Subtotal of cash inflow arising from operating activities	2,775,892,084.75	1,810,900,468.39
Cash paid for purchasing commodities and receiving labor service	1,907,127,747.29	1,101,665,565.51
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 capital lent		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	327,798,155.34	336,754,911.79
Taxes paid	150,583,399.33	112,637,267.48
Other cash paid concerning operating activities	71,177,972.93	114,433,072.15

Subtotal of cash outflow arising from operating activities	2,456,687,274.89	1,665,490,816.93
Net cash flows arising from operating activities	319,204,809.86	145,409,651.46
II. Cash flows arising from investing activities:		
Cash received from recovering investment	1,783,243,985.27	1,483,000,000.00
Cash received from investment income	201,315,193.84	30,329,829.15
Net cash received from disposal of fixed, intangible and other long-term assets	526,745.43	68,596,607.33
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	1,985,085,924.54	1,581,926,436.48
Cash paid for purchasing fixed, intangible and other long-term assets	149,466,109.37	98,025,965.78
Cash paid for investment	1,649,000,000.00	1,378,800,000.00
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	1,798,466,109.37	1,500,825,965.78
Net cash flows arising from investing activities	186,619,815.17	81,100,470.70
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	46,002,556.36	219,585,661.41
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	46,002,556.36	219,585,661.41
Cash paid for settling debts	32,282,403.79	92,597,670.02
Cash paid for dividend and profit distributing or interest paying	2,150,643.04	4,896,490.31
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities	300,007,852.84	
Subtotal of cash outflow from financing activities	334,440,899.67	97,494,160.33
Net cash flows arising from financing activities	-288,438,343.31	122,091,501.08

IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	2,786,773.70	6,786,854.68
V. Net increase of cash and cash equivalents	220,173,055.42	355,388,477.92
Add: Balance of cash and cash equivalents at the period -begin	820,498,653.85	2,404,674,139.49
VI. Balance of cash and cash equivalents at the period -end	1,040,671,709.27	2,760,062,617.41

## 6. Cash Flow Statement of Parent Company

In RMB

Item	Current period	Last period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	942,284,898.63	1,000,075,407.06
Write-back of tax received		
Other cash received concerning operating activities	16,951,317.73	32,541,171.02
Subtotal of cash inflow arising from operating activities	959,236,216.36	1,032,616,578.08
Cash paid for purchasing commodities and receiving labor service	534,597,972.02	604,233,339.39
Cash paid to/for staff and workers	183,338,674.87	177,071,354.06
Taxes paid	77,406,224.76	79,403,936.58
Other cash paid concerning operating activities	40,837,830.78	35,012,504.04
Subtotal of cash outflow arising from operating activities	836,180,702.43	895,721,134.07
Net cash flows arising from operating activities	123,055,513.93	136,895,444.01
II. Cash flows arising from investing activities:		
Cash received from recovering investment	1,704,512,336.43	1,358,000,000.00
Cash received from investment income	199,861,009.29	30,329,829.15
Net cash received from disposal of fixed, intangible and other long-term assets	10,723.38	336,346.85
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	59,375,295.26	30,553,289.34
Subtotal of cash inflow from investing activities	1,963,759,364.36	1,419,219,465.34
Cash paid for purchasing fixed, intangible and other long-term assets	89,137,557.78	54,361,369.31
Cash paid for investment	1,375,448,157.81	1,078,800,000.00



Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		50,880,372.33
Subtotal of cash outflow from investing activities	1,464,585,715.59	1,184,041,741.64
Net cash flows arising from investing activities	499,173,648.77	235,177,723.70
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans		100,000,000.00
Other cash received concerning financing activities	16,620,000.00	
Subtotal of cash inflow from financing activities	16,620,000.00	100,000,000.00
Cash paid for settling debts		
Cash paid for dividend and profit distributing or interest paying	1,138,193.78	2,171,500.02
Other cash paid concerning financing activities	316,627,852.84	
Subtotal of cash outflow from financing activities	317,766,046.62	2,171,500.02
Net cash flows arising from financing activities	-301,146,046.62	97,828,499.98
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	2,828,957.22	6,556,084.25
V. Net increase of cash and cash equivalents	323,912,073.30	476,457,751.94
Add: Balance of cash and cash equivalents at the period -begin	532,115,862.26	1,920,076,358.43
VI. Balance of cash and cash equivalents at the period -end	856,027,935.56	2,396,534,110.37

## II. Explanation on financial statement adjustment

### 1. Financial statement adjustment at the beginning of the first year when implementation of new revenue rules and new leasing rules from 2020

√ Applicable □ Not applicable

#### Consolidate balance sheet

In RMB

Item	2019-12-31	2020-01-01	Adjustment amount
Current assets:			
Monetary fund	1,596,893,711.87	1,596,893,711.87	
Trading financial assets	3,940,885,674.32	3,940,885,674.32	
Note receivable	1,812,141,371.94	1,812,141,371.94	
Account receivable	2,310,666,475.89	2,406,712,915.10	96,046,439.21
Receivable financing	23,873,317.86	23,873,317.86	
Account paid in advance	139,241,917.78	139,241,917.78	
Other account receivable	43,730,023.31	43,730,023.31	
Including: Interest receivable	655,052.98	655,052.98	
Dividend receivable	1,070,000.00	1,070,000.00	
Inventories	2,418,744,835.82	2,418,744,835.82	
Other current assets	1,012,055,605.74	1,012,055,605.74	
Total current assets	13,298,232,934.53	13,394,279,373.74	96,046,439.21
Non-current assets:			
Long-term equity investments	5,322,405,953.35	5,322,405,953.35	
Other equity instruments investments	285,048,000.00	285,048,000.00	
Other non-current financial assets	1,043,589,987.43	1,043,589,987.43	
Investment real estate	22,410,511.87	22,410,511.87	
Fixed assets	2,845,176,078.20	2,845,176,078.20	
Construction in progress	247,857,777.25	247,857,777.25	
Intangible assets	430,594,372.12	430,594,372.12	
Goodwill	1,784,086.79	1,784,086.79	
Long-term deferred expenses	18,536,000.25	18,536,000.25	
Deferred income tax assets	212,476,501.54	212,476,501.54	

Other non-current assets	230,235,982.45	230,235,982.45	
Total non-current assets	10,660,115,251.25	10,660,115,251.25	
Total assets	23,958,348,185.78	24,054,394,624.99	96,046,439.21
Current liabilities			
Short-term borrowings	312,153,969.81	312,153,969.81	
Notes payable	1,745,218,439.52	1,745,218,439.52	
Account payable	3,312,254,229.84	3,312,254,229.84	
Accounts received in advance	113,737,432.61	1,493,602.00	-112,243,830.61
Contract liabilities		112,243,830.61	112,243,830.61
Wage payable	314,343,737.66	314,343,737.66	
Taxes payable	129,538,411.86	129,538,411.86	
Other accounts payable	65,266,262.39	65,266,262.39	
Other current liabilities		96,046,439.21	96,046,439.21
Total current liabilities	5,992,512,483.69	6,088,558,922.90	96,046,439.21
Non-current liabilities:			
Long-term account payable	35,108,263.11	35,108,263.11	
Long-term payable employee compensation	58,392,053.61	58,392,053.61	
Deferred income	365,116,022.98	365,116,022.98	
Deferred income tax liabilities	22,566,051.72	22,566,051.72	
Total non-current liabilities	481,182,391.42	481,182,391.42	
Total liabilities	6,473,694,875.11	6,569,741,314.32	96,046,439.21
Owners' equity:			
Share capital	1,008,950,570.00	1,008,950,570.00	
Capital public reserve	3,391,527,806.33	3,391,527,806.33	
Other comprehensive income	134,871.67	134,871.67	
Special reserve	3,247,757.06	3,247,757.06	
Surplus public reserve	510,100,496.00	510,100,496.00	
Retained profit	12,076,443,635.56	12,076,443,635.56	
Total owner's equity attributable to parent company	16,990,405,136.62	16,990,405,136.62	
Minority interests	494,248,174.05	494,248,174.05	
Total owner's equity	17,484,653,310.67	17,484,653,310.67	
Total liabilities and owner's equity	23,958,348,185.78	24,054,394,624.99	96,046,439.21

## Balance Sheet of Parent Company

In RMB

Item	2019-12-31	2020-01-01	Adjustment amount
Current assets:			
Monetary fund	965,770,877.82	965,770,877.82	
Trading financial assets	3,758,789,072.68	3,758,789,072.68	
Note receivable	202,403,993.13	202,403,993.13	
Account receivable	768,500,929.93	836,014,968.93	67,514,039.00
Account paid in advance	89,116,730.45	89,116,730.45	
Other account receivable	250,014,956.74	250,014,956.74	
Including: Interest receivable	804,929.68	804,929.68	
Dividend receivable	1,070,000.00	1,070,000.00	
Inventories	565,144,234.49	565,144,234.49	
Other current assets	938,616,881.51	938,616,881.51	
Total current assets	7,538,357,676.75	7,605,871,715.75	67,514,039.00
Non-current assets:			
Long-term equity investments	6,331,363,630.04	6,331,363,630.04	
Other equity instruments investments	209,108,000.00	209,108,000.00	
Other non-current financial assets	1,043,589,987.43	1,043,589,987.43	
Fixed assets	1,646,333,216.50	1,646,333,216.50	
Construction in progress	136,573,912.28	136,573,912.28	
Intangible assets	203,663,423.60	203,663,423.60	
Deferred income tax assets	105,137,877.84	105,137,877.84	
Other non-current assets	172,646,721.05	172,646,721.05	
Total non-current assets	9,848,416,768.74	9,848,416,768.74	
Total assets	17,386,774,445.49	17,454,288,484.49	67,514,039.00
Current liabilities			
Short-term borrowings	116,126,459.33	116,126,459.33	
Notes payable	284,054,137.00	284,054,137.00	
Account payable	930,273,146.35	930,273,146.35	

Accounts received in advance	12,010,730.30		-12,010,730.30
Contract liabilities		12,010,730.30	12,010,730.30
Wage payable	213,626,754.45	213,626,754.45	
Taxes payable	56,540,307.59	56,540,307.59	
Other accounts payable	11,976,576.21	11,976,576.21	
Other current liabilities		67,514,039.00	67,514,039.00
Total current liabilities	1,624,608,111.23	1,692,122,150.23	67,514,039.00
Non-current liabilities:			
Long-term payable employee compensation	50,058,386.76	50,058,386.76	
Deferred income	322,971,778.82	322,971,778.82	
Total non-current liabilities	373,030,165.58	373,030,165.58	
Total liabilities	1,997,638,276.81	2,065,152,315.81	67,514,039.00
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	
Surplus public reserve	510,100,496.00	510,100,496.00	
Retained profit	10,381,863,816.29	10,381,863,816.29	
Total owner's equity	15,389,136,168.68	15,389,136,168.68	
Total liabilities and owner's equity	17,386,774,445.49	17,454,288,484.49	67,514,039.00

## 2. Retrospective adjustment of the comparative data for initial implementation of new revenue rules and new leasing rules from 2020

Applicable Not applicable

### III. Audit report

Whether the 1<sup>st</sup> quarterly report has been audited or not

Yes  No

The 1<sup>st</sup> quarterly report of the Company was unaudited

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

Chairman: \_\_\_\_\_

Chen Xuejun

30 April 2020