

Stock Code: 000581, 200581

Notice No.: 2018-026

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

# **WEIFU HIGH-TECHNOLOGY GROUP CO., LTD.**

## **TEXT of 3Q REPORT 2018**



### **Section I. Important Notes**

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

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

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

## Section II. Basic information of Company

### I. Main accounting data and index

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

Yes No

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

Items and amount of extraordinary profit (gains)/losses

Applicable Not applicable

In RMB

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

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

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

Applicable     Not applicable

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

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

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

In Share

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

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

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

Yes  No

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

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

Applicable  Not applicable

## Section III. Important events

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

√Applicable □Not applicable

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

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

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

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

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

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

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

√Applicable □Not applicable

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

On 25 October 2016, the 8<sup>th</sup> board of directors of the Company held the 9<sup>th</sup> meeting to consider and approve the

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

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

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

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

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

Overview	Disclosure date	Query index for interim notice
Proposed application for listing in the national middle and small enterprises stock transfer system by the controlling subsidiary Weifu Tianli	2016-10-27	(Notice No. 2016-023) Published on Juchao Website ( <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> )
	2017-01-07	(Notice No. 2017-001) Published on Juchao Website ( <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> )

Parts of the joint-stock enterprise's equity held by the Company freeze	2017-03-08	(Notice No. 2017-002) Published on Juchao Website (www.cninfo.com.cn)
	2017-12-06	(Notice No. 2017-023) Published on Juchao Website (www.cninfo.com.cn)
The Company invest on the E-round preferred stock issued by Protean Holdings Corp. and a Sino-foreign joint venture will establishes by the two parties in China	2018-03-28	(Notice No. 2018-003) Published on Juchao Website (www.cninfo.com.cn)
	2018-05-30	(Notice No. 2018-014) Published on Juchao Website (www.cninfo.com.cn)

### III. Commitments that the company, shareholders, actual controller, offeror, directors, supervisors, senior management or other related parties have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period

Applicable  Not applicable

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

### IV. Estimation of operation performance for year of 2018

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

Applicable  Not applicable

### V. Particular about security investment

Applicable  Not applicable

In RMB

Variety of securities	Code of securities	Short form of securities	Initial investment cost	Accounting measurement model	Book value at the beginning of the period	Changes in fair value of the current profit and loss	Cumulative fair value changes in equity	Current purchase amount	Current sales amount	Profit and loss in the Reporting Period	Book value at the end of the period	Accounting subject	Source of stock
Domestic and foreign stocks	600841	SDEC	199,208,000.00	Measured by fair value	186,966,000.00	-52,859,532.00	-2,897,858.24		37,880,000.00	-52,805,846.59	105,848,940.00	Financial assets available for sales	Own funds
Domestic and foreign stocks	002009	Miracle Logistics	69,331,500.00	Measured by fair value	79,410,600.00	-37,632,900.00	5,664,952.50			-37,397,400.00	41,777,700.00	Financial assets available for sales	Own funds

Total	268,539,500.00	--	266,376,600.00	-90,492,432.00	2,767,094.26	0.00	37,880,000.00	-90,203,246.59	147,626,640.00	--	--
Disclosure date of securities investment approval from the Board	2012-03-24										
	2013-06-04										

## VI. Trust financing

√Applicable □Not applicable

In 10 thousand Yuan

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

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

√Applicable □Not applicable

In 10 thousand Yuan

Trustee institution name	Trustee type	Type	Amount	Source of funds	Start date	End date	Capital investment purpose	Criteria for fixing reward	Reference annual rate of return	Anticipated income (if applicable)	Actual gains/losses in period	Actual collected gains/losses in period	Amount of reserve for devaluation of withdrawing (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 financial products	non-guaranteed floating income	581,000	Own funds	2018-01-03	2019-04-08	Bank financial products	Reference annual yield by agreement	5.00%	10,012.62	10,012.62	Collected by agreement		Y	Y	
Trust	Trust financing	Non-guaranteed floating	143,000	Own funds	2018-01-04	2019-01-28	Collective trust	Reference annual	6.00%	4,465.24	4,465.24	Collected by		Y	Y	



	products	income		ds			schem	ized				agree				
							e	yield				ment				
								by								
								agree								
								ment								
Others (funds, etc.)	Other	Non-guaranteed floating income	92,000	Own fun ds	2018- 01-04	2019- 09-09	Fund produc ts with fixed incom e	Refere nce annual ized yield by agree ment	7.00 %	7,738.04	7,738.04	Colle cted by agree ment		Y	Y	
Total			816,000	--	--	--	--	--	--	22,215.9	22,215.9	--		--	--	--

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

Applicable  Not applicable

## VII. Particulars about derivatives investment

Applicable  Not applicable

The Company had no derivatives investment in Period.

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

Applicable  Not applicable

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

## IX. External security against the rules

Applicable  Not applicable

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

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

Applicable     Not applicable

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

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

30 Oct. 2018