

Stock Code: 000581, 200581

Notice No.: 2017-011

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

Weifu High-Technology Group Co., Ltd.

Text of First Quarterly Report 2017



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 for accounting policy changed and accounting error correction or not

Yes No

	Current Period	Same period of last year	Changes of this period over same period of last year
Operating income (RMB)	2,457,239,285.84	1,533,288,775.97	60.26%
Net profit attributable to shareholders of the listed company(RMB)	645,645,422.01	405,471,329.51	59.23%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	574,207,149.77	331,616,138.91	73.15%
Net cash flow arising from operating activities(RMB)	92,118,223.65	42,831,760.61	115.07%
Basic earnings per share (RMB/Share)	0.64	0.40	60.00%
Diluted earnings per share (RMB/Share)	0.64	0.40	60.00%
Weighted average ROE	4.88%	3.39%	1.49%
	End of this period	End of last period	Changes of this period-end over same period-end of last year
Total assets (RMB)	18,149,666,013.72	17,263,771,897.78	5.13%
Net assets attributable to shareholder of listed company (RMB)	13,526,769,295.13	12,927,344,292.47	4.64%

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)	-1,059,372.05	
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)	8,329,131.76	
Gain or loss on the investment or management of assets	52,468,395.94	

Held transaction financial asset, gains/losses of changes of fair values from transaction financial liabilities, and investment gains from disposal of transaction financial asset, transaction financial liabilities and financial asset available for sales, exclude the effective hedging business relevant with normal operations of the Company	24,625,516.88	
Other non-operating income and expenditure except for the aforementioned items	-335,608.38	
Less : impact on income tax	12,566,745.37	
Impact on minority shareholders' equity (post-tax)	23,046.54	
Total	71,438,272.24	--

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	44,711	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			
China Securities Finance Corporation Limited	State-owned legal person	2.63%	26,555,515			
HKSCC Nominees Limited	Foreign legal person	2.58%	25,983,776			
Kangjian Assets Management Company	Foreign legal	1.52%	15,339,892			

-Client's fund	person					
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	Foreign legal person	1.31%	13,243,837			
Central Huijin Assets Management Co., Ltd.	State-owned legal person	1.27%	12,811,200			
UBS AG	Foreign legal person	1.23%	12,438,322			
Puxin Investment Company- Client's fund	Foreign legal person	1.18%	11,919,831			
RBC EMERGING MARKETS EQUITY FUND	Foreign legal person	0.95%	9,626,264			
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 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			
China Securities Finance Corporation Limited	26,555,515	RMB common share	26,555,515			
HKSCC Nominees Limited	25,983,776	RMB common share	25,983,776			
Kangjian Assets Management Company -Client's fund	15,339,892	RMB common share	15,339,892			
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	13,243,837	Domestically listed foreign share	13,243,837			
Central Huijin Assets Management Co., Ltd.	12,811,200	RMB common share	12,811,200			
UBS AG	12,438,322	RMB common share	12,438,322			
Puxin Investment Company- Client's fund	11,919,831	RMB common share	11,919,831			
RBC EMERGING MARKETS EQUITY FUND	9,626,264	Domestically listed foreign share	9,626,264			
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.					
Explanation on top ten common stock shareholders involving securities margin trading (if applicable)	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 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) Explanation on change of items in balance sheet:

1. Monetary funds: decreased 2568.9811 million Yuan over that of year-beginning with 64.72% declined, mainly because purchasing more financial products in the Period;
2. Accounts receivable: increased 772.1033 million Yuan over that of year-beginning with 58.28% up, mainly because sales in the Peirod rose month on month;
3. Other receivables: increased 5.9569 million Yuan over that of year-beginning with 100.83% up, mainly because travel allowance etc. at period-end increased;
4. Other current asstes: increased 2677.331 million Yuan over that of year-beginning with 139.89% up, mainly because purchasing more financial products in the Period;
5. Taxes payable: increased 46.8004 million Yuan over that of year-beginning with 74.72% up, mainly because enterprise income tax and VAT payable increased in the Period;
6. Other payable: decreased 38.1944 million Yuan over that of year-beginning with 39.57% declined, mainly because various cash deposit payable declined in the Period;
7. Other comprehensive income: decreased 46.5351 million Yuan over that of year-beginning with 32.15% declined, mainly because fair value of finance asset available for sales declined at period-end.

(ii) Explanation on change of items in income statement:

1. Operation revenue and cost: increased 923.9505 million Yuan and 761.786 million Yuan respectively compared with same period of last year, with 60.26% and 63.12% grwoth respectively, mainly because sales for main products have dramatically growth for rapidly development of commercial vehicle in market;
2. Business tax and surcharge: increased 11.8323 million Yuan compared with same period of last year with 160.69% up, mainly due to the soaring sales and property tax, use tax of land, vehicle and vessel usage tax and stamp tax are adjusted to item of “business tax and surcharge” instead of “administrative expenses” since May of 2016;
3. Financial expenses: increased 2.3583 million Yuan compared with same period of last year, mainly because the interest from deposit are declined for completion of raised-fund;
4. Assets impairment loss: decreased 13.3437 million Yuan compared with same period of last year with 322.84% down, mainly because provision switch-back due to the fluctuation of price for raw materials;
5. Investment income: increased 146.451 million Yuan compared with same period of last year with 44.84% growth, mainly because joint venture and cooperative enterprise have more earnings in the Peirod;

6. Non-operation revenue and expenditure: decreased 5.7982 million Yuan and 4.7169 million Yuan respectively compared with same period of last year, mainly because relocation revenue and expenditure recognized in the Period declined;

(iii) Explanation on change of items in cash flow statement:

1. Net cash flow arising from operation activity: more 49.2864 million Yuan in-flow compared with same period of last year with 115.07% up, mainly because saels collection has y-o-y growth;
2. Net cash flow arising from investment activity: decreased 724.3398 million Yuan out-flow compared with same period of last year, mainly because financial products purchasement and colection on due declined on a y-o-y basis;
3. Net cash flow arising from financing activity: increased 131.4703 million Yuan in-flow compared with same period of last year, mainly because bank loans increased in the Peirod and returning borrowings to the bank last period;

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

√ Applicable Not applicable

1. Proposed investment in establishment of industrial acquisition funds by a wholly-owned subsidiary of the Company

On 31 May 2016, the 8th board of directors of the Company held the 7th meeting to consider and approve the proposal relating to proposed investment in establishment of industrial acquisition funds by a wholly-owned subsidiary of the Company. In order to accelerate industrial upgrade and development progress, reserve merger & acquisition projects, improve its comprehensive strength and realize its development strategy, the Company entered into initial intention of cooperation with Ping'an Securities, pursuant to which, Weifu Auto Diesel, a wholly-owned subsidiary of the Company, intended to cooperate with Ping'an Ronghui (a subsidiary of Ping'an Caizhi which is a wholly-owned subsidiary of Ping'an Securities) to invest in establishing industrial acquisition funds. The relevant announcements (No.: 2016-013 and 2016-015) were published on China Securities, 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 preparation.

2. 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 8th board of directors of the Company held the 9th 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 Weifu Tianli Pressure Technology 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, 2016-023 and 2017-001) were published on China Securities, 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.

3. Equity of partial participating stock companies are frozen

On 6 March 2017, the Company received a charging documents mail by Shenzhen Intermediate People's Court of Guangdong Province (hereinafter referred to as Shenzhen Intermediate Court). According to the charging documents served by Shenzhen Intermediate Court, Shenzhen Branch of China Cinda Asset Management Co., Ltd.—the plaintiff, suit against eight defendants including the Company and the third party- Shenzhen Hejun Venture Holding Co., Ltd. for damaging interest of creditors, two cases involved. The Shenzhen Intermediate Court accepted the trail and made a civil order of (2016) Yue 03 Min Chu No.2490, and (2016) Yue 03 Min Chu No.2492, that is to sealed-up, distrained or frozen the property of 217 million Yuan in total under the name of eight defendants. By inquiring, the 15.3 million shares of SDEC and 4.71 million shares of Miracle Automation held by the Company are forced freezing. Relevant notice (Notice No.: 2017-002) released on China Securities Journal, Securiteis Times, Hong Kong Commercial Daily and Juchao Website (<http://www.cninfo.com.cn>). The Company hiring professional lawyers for coordinating the issues actively, and cope with the frozen equity as soon as possible in normal leagal approach, protec legitimate rights and interst of the Company in acordance with the law.

4. Subsidiary Kunming Xitong and Weifu Tianshi cancelled respectively dated 16 Feb. 2017 and 14 March 2017.

Overview	Date for disclosure	Information index for temporary report disclosure
Proposed investment in establishment of industrial acquisition funds by a wholly-owned subsidiary of the Company	2016-06-02	Notice of Proposed investment in establishment of industrial acquisition funds by a wholly-owned subsidiary of the Company((Notice No.: 2016-015) released on Juchao Website (www.cninfo.com.cn))
Proposed application for listing in the national middle and small enterprises stock transfer system by the controlling subsidiary Weifu Tianli	2016-10-27	Notice of Proposed application for listing in the national middle and small enterprises stock transfer system by the controlling subsidiary Weifu Tianli((Notice No.: 2016-023) released on Juchao Website (www.cninfo.com.cn))
	2017-01-07	Notice of Progress of Proposed application for listing in the national middle and small enterprises stock transfer system by the controlling subsidiary Weifu Tianli((Notice No.: 2017-001) released on Juchao Website (www.cninfo.com.cn))
Equity of partial participating stock companies are frozen	2017-03-08	Notice of equity of partial participating stock companies are frozen((Notice No.: 2017-002) released on Juchao Website (www.cninfo.com.cn))

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 2017

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(RMB)	Amount of stock-holding at the beginning of the period (Share)	Proportion of stock-holding at the beginning of the period	Amount of stock-holding at the end of the period (Share)	Proportion of stock-holding at the end of the period	Book value at the end of the period (RMB)	Gains and loss in the reporting (RMB)	Accounting subject	Source of stock
Stock	600841	SDEC	199,208,000.00	18,600,000	2.15%	15,300,000	1.76%	214,200,000.00	-2,761,483.12	Financial assets available for sales	Owned fund
Stock	002009	Miracle Logistics	69,331,500.00	4,710,000	1.29%	4,710,000	1.29%	65,139,300.00	-3,014,400.00	Financial assets available for sales	Owned fund
Total			268,539,500.00	23,310,000	--	20,010,000	--	279,339,300.00	-5,775,883.12	--	--
Disclosure date of securities investment approval by the Board			2012 年 3 月 24 日								
Disclosure date of securities investment approval by the Board			2013 年 6 月 4 日								
Disclosure date of securities investment approval by shareholders meeting (if 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. 2017 to 31 Mar. 2017	Written inquiries	Other	The Company answered 60 questions for investors online through the investor relations interactive platform(http://irm.p5w.net/dqhd/sichuan/)
1 Jan. 2017 to 31 Mar. 2017	Telephone communication	Other	Basic condition of the Company and the market for year of 2016, communicate with more than 50 investors through telephone

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
28 April 2017