Stock Code: 000581, 200581 Public Notice No: 2017-007
Short Form of the Stock: Weifu High- Tech, Su Weifu-B

Weifu High-Technology Group Co., Ltd.

Summary of Annual Report 2016

I. Important Notice

The summary is abstract from full-text of annual report, for more details of operating results, financial condition and future development plan of the Company; investors should found in the full-text of annual report that published on media appointed by CSRC.

Statement

No directors, supervisors or senior management declare the authenticity, accuracy and integrity of the report cannot be guaranteed or there is objection.

Other directors attending the Meeting for annual report deliberation except for the followed

Name of director absent	Title for absent director	Reasons for absent	Attorney
Rudolf Maier	Director	On a business trip	Chen Xuejun
Chen Yudong	Director	On a business trip	Chen Xuejun

Prompt of non-standard audit opinion

□ Applicable √ Not applicable

Profit distribution pre-plan of common stock or capitalizing of common reserves pre-plan deliberated by the Board in the reporting period

√Applicable □Not applicable

Whether has capitalizing of common reserves carried out

□Yes √ No

The profit distribution plan that deliberated and approved by the Board is: based on total stock issued 1,008,950,570 shares, distributed 6 Yuan (tax included) bonus in cash for every 10-share hold by all shareholders, 0 shares bonus issued (tax included) and no capitalizing of common reserves carried out.

Profit distribution pre-plan of preferred stock deliberated and approved by the Board in the reporting period

□ Applicable √ Not applicable

II. Company profile

1. Company Profile

Short form of the stock	Weifu High- Tech, Su Weifu-B	Stock code	000581, 200581
Stock exchange for listing	Shenzhen Stock Exchange		
Person/Way to contact	Secretary of the Board		Rep. of security affairs
Name	Zhou Weixing		Yan Guohong
Office add.	No.5, Huashan Road, New District, Wuxi City		No.5, Huashan Road, New District, Wuxi City
Fax.	0510-80505199		0510-80505199
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2. Main business or product introduction in the reporting period

(i) Main business of the company

1. The company belongs to auto parts industry, and its main business products include diesel fuel injection system products, exhaust after-treatment system products and air management system products.

2. Main uses of the company's products

(1) The diesel fuel injection system products are widely used in different power diesel engines supporting all types of trucks, passenger cars, buses, construction machinery, marine, and generator sets. The company not only makes products matching with the main engines used at home but also exports some products to the Americas, Southeast Asia, and the Middle East. The products meet the needs of national emission standards.

(2) The exhaust after-treatment system products mainly support the major manufacturers of automobile, motorcycle and general machinery at home which meet the national emission standards.

(3) The wheel diameter range of air management system products (supercharger) covers 30mm to 125mm whole series which matches with most of the domestic small-bore diesel engine plants and some six-cylinder diesel engine manufacturers and meet the needs of the light and heavy commercial vehicles and some passenger cars. The company has the vacuum valve control that meets the emission standards of Euro IV & Euro V, the electronically controlled variable geometry turbochargers, the titanium-aluminum alloy superchargers, the electric superchargers, the ceramic ball bearing superchargers and some kinds of gasoline engine turbochargers.

3. Business model of the Company

The company follows the operating philosophy of making competitive products, creating famous brands, striving for first choices, and creating value for the users, implements the business model that parent company unifies the management and subsidiaries decentralize the production. Namely, the group company is responsible for making strategic development planning and operation targets, and making the unified management, instruction and assessment for the finance, significant personnel management, core raw materials, quality control, and technology of the subsidiaries. The subsidiaries arrange production based on the order management model of market, which makes the subsidiaries keep the consistent quality with the company, helps keep abreast of customer needs and saving logistics costs, maintain the timeliness of products production and supply, and improve the company’s economic benefits.

During the reporting period, the Company’s main business and business model have no significant changes.

(II) Development stage and periodic characteristics of the industry the company involves and the company's industry position during the reporting period

The Company belongs to the industry of auto parts, which is closely related to macro-economic situations, auto industry policies and market demands. The Company has grown into one of key domestic enterprises for providing core auto (power engineering) parts after more than 60 years of development, and has formed a distinct advantage within industry since it has always kept pace with the upgrading of national motor vehicle emission standards, been busy with strategic disposition and enhanced its technical reserves these years. The Company features a full line of diesel fuel injection systems as well as excellent exhaust gas after-treatment system technology. As a major provider for domestic self-owned motor after-treatment market, the Company takes a leading position in domestic market in terms of technical level, market size and production capability with high superiority in its integrated technology of catalyst and after-treatment system. The Company also has a full line of air intake systems (supercharger) and its technical strength is a lead in domestic market with the production in line with national emission standard. At present, the Company has finished the whole industry chain layout in terms of air intake system, diesel fuel injection system and exhaust gas after-treatment system, which is able to provide systematic integration solution for the customers, and it is also one of the companies which have the most complete product reserves and can satisfy the national emission standard.

From the perspective of development history of Chinese auto market, it has stepped into a mature stage with stable growth after rapid growth in past decades of years, and the sales growth will be slowing down every year in future and the core technologies will be changing with each passing day. Nowadays, the problems regarding pollution and haze have become serious social issues concerned by the public, therefore, the government shall take a further step to strengthen the implement of emission regulation as well as the supervision and improvement on motor vehicle exhaust emissions, meanwhile, the government shall be dedicated to promote the development of new energy automobiles. In order to meet the upgrading requirements of emission regulation, the Company shall be planning research and development direction for new technologies, actively promoting the adjustment of product structures, accelerating to cultivate new growth point of sales, keeping enhancing competitive capacity, and building a new development pattern.

3. Main accounting data and financial indexes

(1) Main accounting data and financial indexes for recently three years

Whether it has retroactive adjustment or re-statement on previous accounting data for accounting policy changed and accounting error correction or not

□Yes √ No

In RMB

	2016	2015	Changes over last year	2014
Operating income	6,422,700,399.27	5,741,643,746.42	11.86%	6,354,480,020.38
Net profit attributable to shareholders of the listed company	1,672,224,317.05	1,515,388,285.71	10.35%	1,539,439,686.81
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	1,435,963,836.76	1,232,371,453.62	16.52%	1,404,877,811.26
Net cash flow arising from operating activities	527,344,364.04	542,045,770.17	-2.71%	889,899,654.79
Basic earnings per share (RMB/Share)	1.66	1.49	11.41%	1.51
Diluted earnings per share (RMB/Share)	1.66	1.49	11.41%	1.51
Weighted average ROE	13.53%	13.32%	0.21%	15.05%

	End of 2016	End of 2015	Changes over end of last year	End of 2014
Total assets	17,263,771,897.78	15,704,093,069.04	9.93%	14,488,589,167.90
Net assets attributable to shareholder of listed company	12,927,344,292.47	11,783,228,273.39	9.71%	10,859,034,688.96

(2) Quarterly main financial index

In RMB

	1st Q	2nd Q	3rd Q	4th Q
Operating income	1,533,288,775.97	1,833,187,676.52	1,522,896,852.89	1,533,327,093.89
Net profit attributable to shareholders of the listed company	405,471,329.51	538,097,206.21	366,126,109.76	362,529,671.57
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	331,616,138.91	498,016,578.22	307,178,949.97	299,152,169.66
Net cash flow arising from operating activities	42,831,760.61	150,709,254.34	55,521,302.20	278,282,046.89

Whether there are significant differences between the above-mentioned financial index or its total number and the relevant financial index disclosed in the company's quarterly report and semi-annual report

□Yes √ No

4. Shares and shareholders

(1) Particulars about common stock shareholders, preference shareholders with voting rights recovered and top ten shareholders

In Share

Total common stock shareholders in reporting period-end	44,781	Total common stock shareholders at end of last month before annual report disclosed	44,711	Total preference shareholders with voting rights recovered at end of reporting period	0	Total preference shareholders with voting rights recovered at end of last month before annual report disclosed	0

Top ten shareholders

Full name of Shareholders	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of restricted shares held	Number of shares 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			
China Securities Finance Corporation Limited	State-owned corporate	2.63%	26,555,515			
UBS AG	Foreign corporate	2.61%	26,373,988			

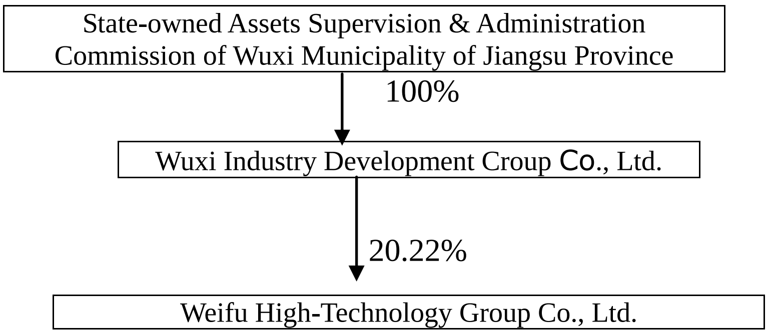
Kangjian Assets Management Company –Client's fund	Foreign corporate	1.52%	15,339,892			
Central Huijin Assets Management Co., Ltd.	State-owned corporate	1.27%	12,811,200			
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	Foreign corporate	1.23%	12,382,279			
Puxin Investment Company- Client's fund	Foreign corporate	1.01%	10,225,177			
RBC EMERGING MARKETS EQUITY FUND	Foreign corporate	0.95%	9,626,264			
MERRILL LYNCH INTERNATIONAL	Foreign corporate	0.88%	8,915,000			
Explanation on associated relationship among the aforesaid shareholders	Among the top ten shareholders, there has no associated relationship between Wuxi Industry Development Croup 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 shareholders involving margin business (if applicable)	Not applicable					

(2) Total preferred stock shareholders of the Company and shares held by top ten shareholders with preferred stock held

□ Applicable √ Not applicable

The Company had no shareholders with preferred stock held in the reporting.

(3) Property right and controlling relationships between the actual controllers of the Company and the Company is as follows:



III. Discussion and analysis by the Management Team

1. Introduction of operation in the reporting period

(I) General introduction

Under the influence of the purchase tax reduced by 50% in 2016, car market gets aormer greately with saels volume over the prediction at beginning of the Year. Production and sales of the vehicles in the whole year has a growth trends of steady rise overall. According to the numbers from CAAM: in 2016, the whole national has a production and sales of vehicle amounts of 28.12 million and 28.03 million repectively, a y-o-y growth 14.46%

and 13.65%, including 24.42 million and 24.38 million respectively for passenger cars, with a 15.50% and 14.93% growth on a y-o-y basis, passenger cars is still the main driving force for the development of automotive industry. The Country put more investment in key areas in the Year, and increased spending on efforts of governance overload, as the continuse growth in logistic industry, the commercial vehicle, medium and heavy commercial vehicle in particular has a strong recovery, the declining tendency for two consecutive years in negative growth is over.

Benefited from the stable growth of automobile market and the recovery of commercial vehicles, the Company has achieved a sound development in various businesses and all the economic indexes have exceeded the goals set at the beginning of the year.

Fuel injection systems have seized the opportunity of non-road T3 emission upgrading to accelerate the expansion of non-road market and captured the market quickly; automotive common-rail high-pressure pump products have taken the market opportunities and achieved stable growth of sales at month-on-month basis, completed the tasks delivered by the customers with quantity and quality guaranteed; after-treatment systems have maintained a sound momentum of sales growth benefited from the implementation of national purchase tax halve policy and the increase of market share of Chinese brand passenger vehicles; the business of air intake systems (superchargers) has a good development momentum; diesel superchargers have seized key customers and its market share maintains stable growth; gas superchargers have been ready for bulk supply after preliminary technical development and customer authentication and will become a new highlight for development of auto core parts. Regarding the parts manufacture business, the Company has drastically boosted its production capacity with nearly zero-defect quality guaranteed, able to meet the delivery requirement.

During the Period, the Company achieved operation revenue of 6423 million Yuan with a y-o-y growth of 11.86%; total profit amounting to 1819 million Yuan, a 9.32% growth on a y-o-y basis; total assets amounting to 17264 million Yuan, a 9.93% up from a year earlier; and the equity attributable to owners of parent company amounting to 12927 million Yuan, a 9.71% growth on a y-o-y basis.

(II) Works implemented

1. The Company has continued to promote the construction of management accounting, further strengthened budget control; the Company also completed the preparation for building a group foreign currency cash pool, made a plan for the business of purchasing and exchanging foreign currencies, reduced use cost of foreign currency and boosted capital efficiency. In 2016, the group has sound financial incomes by optimizing structure configuration of financial products.

2. The Company has carried out continuous improvement activities and in 2016, the employee participation rate has reached up to 80%. In the face of drastic growth of market demands and the increasing of customer delivery requirements of this year, the Company has taken an active role in efforts to production and quality control, maintained a good operation of the Company. Various indexes have reached the predetermined targets in the year of 2016, and the customer satisfaction has been enhanced drastically. At the same time, the company has

introduced Q11 manufacturing principle in the group, also promoted to build one-in-one-out firewall for 22 core products, and strengthened employee training and internal mistake-proofing ability.

3. The Company has completed the online of second phase and the third phase of ERP project of the group, and the first phase of MES system has already been staged online for related business divisions. The first phase of SRM has been successfully online and the group supercomputing center has performed preliminary operation.

4. The Company has completed the reengineering audit for ERP-SAP flow for six modules of the related subsidiaries, which has lay a solid flow basis for the company blue print design; meanwhile, The Company has also followed up the operation of risk assets of various business divisions based on the actual, taken a further step to control risks.

5. The Company has continued to promote safety and environmental protection target-oriented responsibility system to build safety enterprise, introduced normalized management of ISO14001 environmental management system, completed the construction of safety production standardization system and safe environmental protection organization network, ensuring the effective operation and control of the whole system and providing guarantees for sustainable and stable operation and management.

6. The Company has further deepened talent development strategy and promoted medium and long term incentive mechanism. The Company has also strengthened the construction of human resources integration and internal recruitment deployment platform. The Company has focused on strategy development goal of the Company and optimized the structural adjustment of human resources, promoted potential talents cultivation mechanism and enhanced the promotion of core talents incentive and management mechanism, ensuring the Company will share the development result together with the employees and the employee income will be increased steadily.

2. Whether the main business had major change in the reporting period

□ Yes √ No

3. About the industries, products, or regions accounting for over 10% of the company's operating income or operating profit

√Applicable □Not applicable

In RMB

Name	Operating revenue	Operating cost	Gross profit ratio	Increase/decrease of operating revenue y-o-y	Increase/decrease of operating cost y-o-y	Increase/decrease of gross profit ratio y-o-y
Auto fuel injection system	3,614,457,127.38	1,046,476,848.28	28.95%	19.19%	21.51%	0.55%
Intake system	256,544,008.85	59,433,595.62	23.17%	19.97%	13.37%	-1.35%
Exhaust after-treatment system	2,172,222,471.77	350,352,821.50	16.13%	-0.05%	-7.67%	-1.33%

4. Whether the characteristics of management seasonal or cyclical need special attention

□ Yes √ No

5. In the reporting period, note of major changes in operating income, operating cost, total net profit attributable to common stock shareholders of listed company or composing the previous reporting period

□ Applicable √ Not applicable

6. Particular about suspended and delisting

□ Applicable √ Not applicable

7 Relevant items involving financial report

(1) Particulars about the changes in aspect of accounting policy, estimates and calculation method compared with the financial report of last year

□ Applicable √ Not applicable

No particulars about the changes in aspect of accounting policy, estimates or calculation method in Period.

(2) Major accounting errors within reporting period that needs retrospective restatement

□ Applicable √ Not applicable

No major accounting errors within reporting period that needs retrospective restatement for the Company in the period.

(3) Compare with last year's financial report; explain changes in consolidation statement's scope

□Applicable √Not applicable

The consolidation range of the Company has no changes in the Period

Board of Directors of

Weifu High-Technology Group Co., Ltd.

18 April 2017