

Stock Code: 000581, 200581

Public Notice No: 2020-041

Short Form of the Stock: WFHT, Su Weifu-B

Weifu High-Technology Group Co., Ltd.

Summary of Semi-Annual Report 2020

I. Important Notice

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

Whole directors of the Company attend the Board Meeting for report deliberation.

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

There is no plan of cash bonus, dividend distribution and capitalizing of common reserves carried out by the Company

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	WFHT, 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, Xinwu District, Wuxi City	No.5, Huashan Road, Xinwu District, Wuxi City	
Tel.	0510-80505999	0510-80505999	
E-mail	wfjt@public1.wx.js.cn	wfjt@public1.wx.js.cn	

2. Main financial data and indexes

Whether it has retroactive adjustment or re-statement on previous accounting data

Yes No

	Current period	Same period of last year	Changes over last year
Operating income (RMB)	6,594,403,624.56	4,403,444,346.05	49.76%
Net profit attributable to shareholders of the listed company (RMB)	1,326,344,424.98	1,256,661,577.09	5.55%

Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	1,175,574,728.86	1,114,094,824.74	5.52%
Net cash flow arising from operating activities (RMB)	437,657,072.41	690,323,908.25	-36.60%
Basic earnings per share (RMB/Share)	1.32	1.25	5.60%
Diluted earnings per share (RMB/Share)	1.32	1.25	5.60%
Weighted average ROE	7.80%	7.60%	0.20%
	Current period-end	period-end of last year	Changes over end of last year
Total assets (RMB)	24,755,340,246.43	23,958,348,185.78	3.33%
Net assets attributable to shareholder of listed company (RMB)	16,922,892,215.78	16,990,405,136.62	-0.40%

3. Number of shares and share-holding

In Share

Total common stock shareholders in reporting period-end	59,709	Total preference shareholders with voting rights recovered at end of reporting period (if applicable)	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			
Hong Kong Securities Clearing Company Ltd. (HKSCC)	Foreign corporate	5.60%	56,509,620			
BBH BOS S/A FIDELITY FD - CHINA FOCUS FD	Foreign corporate	1.84%	18,530,315			
Central Huijin Assets Management Co., Ltd.	State-owned corporate	1.27%	12,811,200			
Monetary Authority of Macao - own fund	Foreign corporate	0.88%	8,923,416			
Basic Pension Insurance Fund- 1003	Other	0.83%	8,420,995			
FIDELITY INVMT TRT FIDELITY INTL SMALL CAP FUND	Foreign corporate	0.77%	7,725,486			
NSSF - 413	Other	0.62%	6,300,027			
NSSF - 103	Other	0.59%	5,999,932			
Explanation on associated relationship among the aforesaid 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.					
Shareholders involving margin business (if applicable)	Not applicable					

4. Changes of controlling shareholders or actual controller

Controlling shareholder changed in the Period

Applicable Not applicable

Controlling shareholders had no change in reporting period.

Actual controller changed in the Period

Applicable Not applicable

Actual controller had no change in reporting period.

5. Total preferred shareholders and top 10 shares held by preferred shareholders

Applicable Not applicable

The Company has no preferred shareholders

6. Corporate bond

Whether the Company has a corporation bonds that issuance publicly and listed on stock exchange and without due on the date when semi-annual report approved for released or fail to cash in full on due:

No

III. Discussion and analysis of operation

1. Operation status in the period

(i) Overall situation

This year, affected by the novel coronavirus pneumonia epidemic, the company and the industry are facing huge challenges. At the beginning of the epidemic, the government issued a series of policies to control the spread of the epidemic, which forced companies to suspend work and production, and the poor social logistics system seriously affected the supply of raw materials and components and the products sales of the company. In response to the above-mentioned difficulties and challenges, the company has taken corresponding measures to respond actively, when the local epidemic was initially controlled, it speeded up the resumption of work and production, and ensured to neglect neither prevention and control of the epidemic nor production and operation. From the formal resumption of work on February 10 to the end of February, the company's resumption rate reached 80%, which basically met the needs of production. After the epidemic was basically controlled, the state issued a series of policies to stimulate economic recovery, which strongly promoted the recovery of the industry. In the face of positive policy signals, the company seized the opportunity to quickly organize the purchase of imported raw materials and important parts required by the company, ensuring the company's production and operation needs in the second quarter and enabling the company to effectively resist the negative impact of the epidemic. Compared with the same period last year, the company's various economic indicators maintained good growth. During the reporting period, the company achieved operating income of 6.594 billion yuan, an increase of 49.76% over the same period last year; realized profits of 1.404 billion yuan, an increase of 3.49% over the same period last year;

realized net profit attributable to owners of the parent company of 1.326 billion yuan, an increase of 5.55% over the same period last year.

(ii) Main work carried out in the first half of the year

1. Actively responded to challenges, seized market opportunities, and ensured sales growth. The epidemic at the beginning of the year brought severe challenges to the industry and the company. The company adjusted its response strategies in a timely manner, actively promoted the implementation progress of key projects in key customers, increased the market shares of the three major business segments, and ensured the sales growth of the three major business products, and realized significant growth in operating income for the first half of the year.
2. Intensified technological research and development and promoted the development of new products. Gasoline supercharger products have gradually realized mass production in major customer projects; exhaust gas after-treatment system products have completed the encapsulation development of CN-VI GPF catalyst products for core customers on passenger cars, and achieved mass supply, and the development of WSP2.0 encapsulation platform have been in progress on commercial vehicles, all phases of tests were completed on schedule; the design, trial production and testing of functional samples of core components for new energy products were completed, and we mastered the basic research and development capabilities.
3. Consolidated lean production and built an information-based manufacturing system. Actively improved the construction and in-depth application of Weifu's intelligent manufacturing platform, and promoted the large-scale application of cloud computing and 5G. Currently, uploading the application to the cloud is in the implementation process. The construction plan design of 5G factory has been completed, the construction of Aris process management platform has been completed, and the unified process modeling has been established, integrating various management elements to form an integrated and visual process management model.
4. Improved cost control capabilities, standardized and unified cost center setting rules, and clarified cost responsibility subjects and authorization approval mechanisms. Built an asset management system, optimized asset quality, optimized financial structure, reduced working capital, optimized credit management system, combined credit and customer ratings, and controlled bad debts from the source; deepened the construction of PSSC sharing platform: the optimization plans for all special subjects of indirect material business PSSC system were completed, the first phase of the company's full coverage of the direct material business PSSC system has been completed and launched. Reorganized the entire procurement process, and initially established a process map of the entire procurement process. Established the bottom line of strict compliance, integrated risk management into process construction, and gradually realized the risk management concept of integrating risk control compliance elements into the process system by identifying key risk control points in the process and integrating the management process and management risk.
5. Improved the strategic planning system and actively deployed new businesses. Focusing on the company's strategic planning system, implemented strategic planning management functions, established strategic planning and investment specialized committees, strategic planning work organizations and expert database organizations, basically established the company's medium and long-term strategic development master plan, and decomposed, implemented, tracked and evaluated the strategic planning. Promoted the implementation of new business plans, initially formulated product plans for hydrogen fuel cells, conducted market research on key customers, and

promoted IRD capacity planning.

2. Matters relevant to financial report

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

Applicable Not applicable

In accordance with the relevant requirements of the Accounting Standards for Business Enterprises No. 14-Revenue (CK [2017] No. 22) issued by the Ministry of Finance on July 5, 2017, the company made corresponding changes and adjustments to the new revenue standards. The details are as follows:

1. Incorporate the current revenue and construction contract standards into a unified revenue recognition model;
2. Use the transfer of control rights instead of the transfer of risk rewards as the criterion for determining the point in time of revenue recognition;
3. Identify each individual performance obligation contained in the contract and recognize revenue separately when performing it;
4. Provide clearer guidance for the accounting treatment of contracts that include multiple transaction arrangements;
5. Regulations are explicitly stipulated for the revenue recognition and measurement of certain specific transactions (or events).

(2) Particulars about retroactive restatement on major correction for accounting errors in reporting period

Applicable Not applicable

The company had no particulars about retroactive restatement on major correction for accounting errors in the reporting period.

(3) Particulars about the change of consolidation range compared with the accounting period of last year

Applicable Not applicable

No changes in the scope of the consolidated statements during the reporting period.

Board of Directors of
Weifu High-Technology Group Co., Ltd.
25 August 2020