

**WEIFU HIGH-TECHNOLOGY CO., LTD.**  
**SUMMARY OF SEMI-ANNUAL REPORT 2004**

§ 1. Important Notice

1.1 The Board of Directors of Weifu High-Technology Co., Ltd. (hereinafter referred to as the Company) and its Directors individually and collectively accept responsibility for the correctness, accuracy and completeness of the contents of this report and confirm that there are no material omissions nor errors which would render any statement misleading.

The summary of semi-annual report 2004 is abstracted from the semi-annual report; and full text of the semi-annual report is published on Internet website <http://www.cninfo.com.cn> designated by CSRC in the mean time. The investors are suggested to read the full text of semi-annual report to understand more details.

1.2 No director stated that he (she) could not ensure the correctness, accuracy and completeness of the contents of the Semi-annual Report or had objection for this report.

1.3 All directors attended the Board meeting.

1.4 The semi-annual financial report of the Company has not been audited.

1.5 The authenticity and completeness of the financial statements of the Company contained in this announcement shall be assured by Mr. Xu Liangfei (Chairman of the Board), Mr. Han Jiangming (General manager) and Ms. Sun Qingxian (Principal Treasurer) collectively.

§ 2. Company Profile

2.1 Basic information

Short form of the stock	Weifu High-Tech, Su Weifu-B	
Stock code	000581, 200581	
Listed stock exchange	Shenzhen Stock Exchange	
	<b>Secretary of the Board of Directors</b>	<b>Securities Affairs Representative</b>
Name	Liu Yonglin	Zhou Weixin and Gu Yiming
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2.2 Key financial data and indexes

2.2.1 Key accounting data and financial indexes

Unit: RMB

	<b>At the end of this</b>	<b>At the end of last</b>	<b>Increase/decrease at the</b>
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	report period	year	end of this report period than that of the year-begin ( % )
Current assets	1,594,994,353.61	1,341,781,152.53	18.87%
Current liabilities	972,999,416.57	559,121,333.80	74.02%
Total assets	3,443,902,997.14	2,886,749,539.40	19.30%
Shareholders' equity (excluding minority interests)	2,085,672,705.08	2,042,779,480.66	2.10%
Net assets per share	4.78	4.68	2.10%
Net assets per share after adjustment	4.77	4.68	1.97%
	The report period (Jan. to Jun. 2004)	The same period of last year	Increase/decrease in this report period than that of the same period of last year (%)
Net profit	130,166,454.42	110,327,732.41	17.98%
Net profit after deducting non-recurring gains and losses	131,214,820.34	111,599,918.47	17.58%
Earnings per share	0.30	0.25	18.00%
Earnings per share (it was calculated according to new share capital if share capital changed.)	—	—	—
Return on equity	6.24%	5.76%	0.48%
Net cash flow arising from operating activities	72,163,593.52	12,805,040.47	463.56%

2.2.2 Items of non-recurring gains and losses  
Applicable                      Inapplicable

Unit: RMB

Items of non-recurring gains and losses	Amount
Income from disposal of fixed assets	371,707.15
Others	104,166.00
Losses from disposal of fixed assets	1,615,096.50
Other expenses	81,531.32
Impact on income tax due to non-recurring gains and losses	182,203.42
Impact on minority interests due to non-recurring gains and losses	9,814.67
Total	-1,048,365.92

2.2.3 Differences between CAS and IAS:  
Applicable                      Inapplicable

	Chinese Accounting Standards	International Accounting Standards
Net profit	13,016.65	13,021.05

### § 3. Changes in Share Capital and Particulars about Shareholders

#### 3.1 Statement of changes in shares

Applicable                      Inapplicable

#### 3.2 Particulars about shares held by the top ten shareholders

Unit: share

Total shareholders at the end of report period		49,464			
Particulars about the top ten shareholders					
	Increase/decrease in the report period	Shares held at the period-end	Proportion (%)	Shares pledged or frozen	Classification
WUXI WEIFU GROUP COMPANY LIMITED	0	121,566,150	27.86	0	State-owned share
ROBERT BOSCH GMBH	0	14,144,000	3.24	Unknown	Foreign share
TONGQIAN SECURITIES INVESTMENT FUNDS	4,320,064	9,018,014	2.07	Unknown	A-share
GT PRC FUND	2,199,234	8,494,172	1.95	Unknown	B-share
RONGTONG NEW BLUE CHIP SECURITIES INVESTMENT FUNDS	2,132,042	7,774,390	1.78	Unknown	A-share
SHANGHAI BAO STEEL CHEMICAL CO.	1,264,764	7,289,264	1.67	Unknown	A-share
CHINA SOUTH STEADY GROWTH SECURITIES INVESTMETN FUND	5,012,830	6,466,372	1.48	Unknown	A-share
TIANYUAN SECURITIES INVESTMETN FUNDS	4,027,592	5,634,155	1.29	Unknown	A-share
YUYANG SECURITIES INVESTMETN FUNDS	261,957	5,525,883	1.27	Unknown	A-share
YUYUAN SECURITIES INVESTMETN FUNDS	1,259,783	5,200,000	1.19	Unknown	A-share
Particulars about the top ten shareholders of circulation share					
Name of shareholder	Circulation shares held at the end of period		Type of share		
ROBERT BOSCH GMBH	14,144,000		B-share		
TONGQIAN SECURITIES INVESTMENT FUNDS	9,018,014		A-share		
GT PRC FUND	8,494,172		B-share		

RONGTONG NEW BLUE CHIP SECURITIES INVESTMENT FUNDS	7,774,390	A-share
SHANGHAI BAO STEEL CHEMICAL CO.	7,289,264	A-share
CHINA SOUTH STEADY GROWTH SECURITIES INVESTMETN FUND	6,466,372	A-share
TIANYUAN SECURITIES INVESTMETN FUNDS	5,634,155	A-share
YUYANG SECURITIES INVESTMETN FUNDS	5,525,883	A-share
YUYUAN SECURITIES INVESTMETN FUNDS	5,200,000	A-share
BOSCH WELL-CHOSEN STOCK SECURITIES INVESTMENT FUNDS	3,581,718	A-share
Explanation on associated relationship or consistent actions among the above shareholders	Among the top ten shareholders, there exists no associated relationship between Wuxi Weifu Group Company Limited, 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. The Company was unknown whether there exists associated relationship among the other shareholders.	
Explanation on the appointed period of holding shares which strategic investor or general legal person participates in the allotment of new shares	Name of shareholder	Appointed period of holding share
	Naught	Naught

3.3 Particulars about change in controlling shareholder and actual controller of the Company

Applicable                      Inapplicable

§ 4. Particulars about Directors, Supervisors and Senior Executives

4.1 Particulars about changes in shares held by directors, supervisors and senior executives

Applicable                      Inapplicable

§ 5. Discussion and Analysis of the Management

5.1 Statement of main operations classified according to industries

Unit: RMB'0000

Industries	Income from main operations	Cost of main operations	Gross profit ratio (%)	Increase/decrease in income from main operations over the same period of last year (%)	Increase/decrease in cost of main operations over the same period of last year (%)	Increase/decrease in gross profit ratio over the same period of last year (%)
Manufacture of other commercial accessories	94,571.30	69,957.32	26.03	13.47	15.62	-5.02
Including: related transactions	0.00	0.00	-	0.00	0.00	0.00

Products	Income from main operations	Cost of main operations	Gross profit ratio (%)	Increase/decrease in income from main operations over the same period of last year (%)	Increase/decrease in cost of main operations over the same period of last year (%)	Increase/decrease in gross profit ratio over the same period of last year (%)
Internal Combustion Engine Components	90,558.09	67,117.88	25.88	11.21	13.82	-6.18
Catalytic Converter and Buffers	4,013.21	2,839.44	29.25	109.59	84.39	49.38
Including: related transactions	0.00	0.00	-			
Pricing rules for related transactions	Fair market price					

Including: total amount of related transactions that the listed company sold products to its controlling shareholder and subsidiaries was RMB 177.5715 million in the report period.

#### 5.2 Particulars about main operations classified according to areas

Unit: RMB'0000

Areas	Income from main operations	Increase/decrease in income from main operations over the same period of last year (%)
Inside the province	31,887.42	56.90
Outside the province	62,683.89	-0.54

5.3 Other operations affecting material influence on net profit

Applicable                      Inapplicable

5.4 Operation of share-holding companies (applicable to the situation where investment earnings takes over 10% of its net profit)

Applicable                      Inapplicable

Unit: RMB'0000

Name of share-holding company		Zhonglian      Automobile Electronics Co.
Investment earnings contributed in the period		2,098.80
Proportion in net profit of the listed company		16.12%
Share-holding company	Business scope	Internal    Combustion    Engine Components
	Net profit	10,494.00
Name of share-holding company		Wuxi Euro-Asia Diesel Fuel Injection Co.
Investment earnings contributed in the period		2,161.06
Proportion in net profit of the listed company		16.60%
Share-holding company	Business scope	Internal    Combustion    Engine Components
	Net profit	4,502.20

5.5 Explanation on reasons of material changes in main operations and its structure

Applicable                      Inapplicable

5.6 Explanation on reasons of material changes in profitability capability of main operations (gross profit ratio) than that in the last year

Applicable                      Inapplicable

5.7 Analysis to reasons of material changes in profit structure compared with the previous year

Applicable                      Inapplicable

5.8 Application of the raised proceeds

5.8.1 Use of the raised proceeds

Applicable                      Inapplicable

5.8.2 Particulars about the changed projects

Applicable                      Inapplicable

5.9 Plan of the Board on amending the business plan in the second half of the year

Applicable                      Inapplicable

5.10 Estimation on 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 on reason  
 Applicable Inapplicable

5.11 Explanation of the Management on “ Qualified Opinion” from the Certified Public Accountants in the report period  
 Applicable Inapplicable

5.12 Explanation of the Management on changes and disposal of the issues involved in “ Qualified Opinion” from the Certified Public Accountants in the last year  
 Applicable Inapplicable

## § 6. Significant Events

6.1 Acquisition and sales of assets and assets restructure

6.1.1 Assets acquired  
 Applicable Inapplicable

6.1.2 Assets sold  
 Applicable Inapplicable

6.1.3 Progress of these events and its influence on the operating results and financial status in the report period after the report on assets restructure or public notice on acquisition and sales of assets being published  
 Applicable Inapplicable

6.2 Guarantees  
 Applicable Inapplicable

Unit: RMB'0000

Name of objects guaranteed	Date of happening (date of agreement signing)	Amount of guarantee	Type of guarantee	Term of guarantee	Finish implementation or not	Guarantee for related parties or not (yes or no)
Wuxi Weifu Chang' an Fuel Pump & Mouth Co., Ltd.	May 8, 2004	2,000.00	Ordinary guarantee	May 10, 2004 – Dec. 7, 2004	Yes	Yes
Nanjing Weifu Jingling Co.,Ltd.	May 13,2004	8,000.00	Ordinary guarantee	May 13,2004-May 21,2005	yes	yes
Total amount of guarantees						10,000.00
Total balance of guarantees						10,000.00
Including: total balance of related guarantees						10,000.00

Total illegal guarantees	0.00
Proportion of total guarantees in net assets of the Company	4.79
Total guarantees provided by the listed company to its controlling subsidiaries	10,000.00

6.3 Current related credits and liabilities  
Applicable                      Inapplicable

6.4 Material lawsuits and arbitrations  
Applicable                      Inapplicable

6.5 Other significant events and explanation on analysis to their influences and solutions  
Applicable                      Inapplicable

## § 7. Financial Report

### 7.1 Auditing opinion

Financial Report	Unaudited	Audited
Auditing opinion	Unqualified	Qualified      Unaudited
Full text of auditing opinion		

### 7.2 Income statement of comparative consolidation and parent company

#### Income Statement

Prepared by Weifu High-technology Co., Ltd.

Unit: RMB

#### Domestic Statement

Items	Jan.-Jun. 2004		Jan.-Jun. 2003	
	Consolidated	Parent Company	Consolidated	Parent Company
. Income from main operations	945,713,029.27	781,572,337.37	833,473,615.47	694,854,323.23
Less: Cost of main operations	699,573,185.89	623,384,414.09	605,072,080.71	543,684,702.16
Business and related taxes	5,171,764.66	3,357,538.32	4,964,240.11	3,207,670.95
. Profit from main operations (Loss is listed with "-")	240,968,078.72	154,830,384.96	223,437,294.65	147,961,950.12
Add: Other operating profit (Loss is listed with "-")	-3,850,462.38	-4,508,980.67	1,219,401.93	640,610.93
Less: Selling expenses	31,647,609.97	25,379,734.40	35,686,845.35	31,548,897.49
Administrative expenses	85,564,584.33	33,068,333.46	88,346,467.54	37,869,081.28
Financial expenses	12,114,109.73	11,632,851.30	19,940,179.25	17,790,911.75
. Operating profit (Loss is listed with "-")	107,791,312.31	80,240,485.13	80,683,204.44	61,393,670.53
Add: Investment income (Loss is listed with "-")	43,551,306.42	63,704,270.78	46,549,874.79	59,679,883.85



Subsidy income				
Non-operating income	475,873.15	381,380.06	324,069.62	290,371.56
Less: Non-operating expenses	4,655,155.72	4,843,791.57	2,013,383.01	2,098,337.90
. Total profit (Total loss is listed with "-")	147,163,336.16	139,482,344.40	125,543,765.84	119,265,588.04
Less: Income tax	12,795,889.98	9,315,889.98	11,795,655.63	8,937,855.63
Less: Minority interests	4,200,991.76		3,420,377.80	
. Net profit (Net loss is listed with "-")	130,166,454.42	130,166,454.42	110,327,732.41	110,327,732.41
Add: Retained earnings at the year-beginning	424,732,232.29	429,555,095.83	313,933,738.35	314,439,565.24
Other transfer-ins				
. Profit available for distribution	554,898,686.71	559,721,550.25	424,261,470.76	424,767,297.65
Less: Statutory surplus reserve				
Statutory public welfare reserve				
Employee bonus and welfare funds				
Reserve funds				
Enterprise development funds				
Returned investment from profit				
. Profit available for distribution to investors	554,898,686.71	559,721,550.25	424,261,470.76	424,767,297.65
Less: dividend for preferred shares payable				
Discretionary reserves				
Dividends for ordinary shares				
Dividends for ordinary shares converted to capital (or share capital)				
. Retained earnings	554,898,686.71	559,721,550.25	424,261,470.76	424,767,297.65
Supplemental information:				
1. Profit from selling or disposing branch or investee				
2. Losses from natural disaster				
3. Increase (or decrease) in total profit due to the changes of accounting policies				
4. Increase (or decrease) in total profit due to the changes of accounting estimation				
5. Loss on debts restructure				
6. Others				

### 7.3 Notes to financial report

7.3.1 Compared with the latest annual report period, there was no change in accounting policies and accounting estimates and correction in accounting errors in the report period.

7.3.2 Compared with the latest annual report, there was no material change in consolidated scope in the report period

7.3.3 List notes related to the involved issues if the Company is issued a qualified opinion

Applicable

Inapplicable

**Board of Directors of  
Weifu High-technology Co., Ltd.**  
Aug. 13, 2004