

Stock Code: 000581, 200581  
Short Form of the Stock: GWeifu, Suweifu B

Notice No.: 2006-022

## WEIFU HIGH-TECHNOLOGY CO., LTD. SUMMARY OF INTERIM REPORT 2006

### §1 Important notice

1.1 Board of Directors and Supervisory Committee of Weifu High-Technology Co., Ltd. (hereinafter referred to as the Company) and its directors, supervisors and senior executives hereby confirm that there are no any important omissions, fictitious statements or serious misleading information carried in this report, and shall take all responsibilities, individual and/or joint, for the reality, accuracy and completion of the whole contents. The summary of semi-annual report 2006 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> in the mean time. The investors are suggested to read the full text of semi-annual report to get more details.

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

1.3 List of absent directors

Name of absent directors	Reason of absence	Name of assignee
Zhang Xiaoyu	Due to work	Chen Juchang
Chen Zhaolin	Absence	Naught

1.4 The interim financial report of the Company has not been audited.

1.5 Mr. Xu Liangfei, Chairman of Directors of the Company, Mr. Han Jiangming, General Manager of the Company, and Ms. Sun Qingxian, Deputy General Manager as well as person in charge of Financing confirm that the Financial Report enclosed in the interim Report 2006 is true and complete.

### §2 Company Profile

2.1 General information

Short form of the stock	Weifu High-Tech, Su Weifu-B	
Stock code	000581, 200581	
Listed stock exchange	Shenzhen Stock Exchange	
	Secretary of the Board of Directors	Securities Affairs Representative
Name	Zhou Weixing	Gu Yiming
Contact address	No.107, Renmin West Road, Wuxi City	No.107, Renmin West Road, Wuxi, City
Telephone	(86) 510-2719579	(86) 510-2719579
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2.2 Key financial data and indexes

2.2.1 Key accounting data and financial indexes

Unit: RMB

	At the end of this report	At the end of last year	Increase/decrease at the end
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Summary of Interim Report 2006 of Weifu High-technology Co., Ltd.

	period		of this report period than that of the period-end last year ( % )
Current assets	2,651,240,031.40	2,425,624,090.77	9.30%
Current liabilities	2,025,266,830.79	1,847,864,643.07	9.60%
Total assets	4,747,500,015.18	4,472,615,180.87	6.15%
Shareholders' equity (excluding minority interests)	2,421,671,752.85	2,341,982,201.18	3.40%
Net assets per share	4.27	4.13	3.39%
Net assets per share after adjustment	4.26	4.13	3.15%
	The report period (Jan. to Jun. 2006)	The same period of last year	Increase/decrease in this report period than that of the same period of last year (%)
Net profit	79,689,551.67	152,447,320.68	-47.73%
Net profit after deducting non-recurring gains and losses	79,286,533.56	144,615,310.71	-45.17%
Earnings per share	0.14	0.35	-60.00%
Earnings per share (Note)		-	-
Return on equity	3.29%	6.48%	-3.19%
Net cash flow arising from operating activities	225,821,860.61	-352,109,454.88	

Note: Earnings per share was calculated based on new share capital if share capital was changed from the end of the report period to disclosure date.

2.2.2 Items of non-recurring gains and losses

√ Applicable                      □ Inapplicable

Unit: RMB

Items of non-recurring gains and losses	Amount
Non-operating income	449,983.29
Switching back of bad debt reserve	234,087.37
Switching back of stored goods depreciation reserve	148,786.58
Switching back of fixed assets depreciation	1,654,935.35
Non-operating expenses	5,276,112.10
Less: grains adjustment fund, flood control and public security funds	3,648,737.40
Less: impact on income tax of non-recurring income	71,631.59
Less: impact on minority shareholders due to non-recurring income	385,768.19
<b>Total</b>	<b>403,018.11</b>

2.2.3 Differences between CAS and IAS:

Summary of Interim Report 2006 of Weifu High-technology Co., Ltd.

✓ Applicable                      □ Inapplicable

Unit: RMB

	CAS	IAS
<b>Net profit</b>	79,689,551.67	81,216,996.67
<b>Explanation on differences</b>	Item	Amount
	Net profits calculated based on Chinese Accounting Standards _	79,689,551.67
	Switching back goodwill amortization from purchasing affiliated company _	2,295,091.00
	Deferred tax and carrying out amortization _	323,537.00
	Government subsidy of unconfirmed income _	-1,091,183.00
	Net profits calculated based on International Accounting Standards_	81,216,996.67

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

#### 3.1 Statement of changes in shares

✓ Applicable                      □ Inapplicable

Unit: share

	Before the change		Increase/decrease of the change					After the change	
	Amount	Proportion	New issued shares	Bonus shares	Capitalization of shares	Other	Subtotal	Amount	Proportion
<b>I. Restricted share</b>	171,651,235	30.26%	0	-47,719,809	0	10,000	-47,709,809	123,941,426	21.85%
1. state-owned share	0	0.00%	0	0	0	0	0	0	0.00%
2. state-owned legal share	170,203,995	30.00%	0	-47,359,802	0	0	-47,359,802	122,844,193	21.66%
3. other inner capital share	1,447,240	0.26%	0	-360,007	0	10,000	-350,007	1,097,233	0.19%
Including:									
Domestic legal person share	1,352,000	0.24%	0	-376,198	0	0	-376,198	975,802	0.17%
Domestic natural person share	95,240	0.02%	0	16,191	0	10,000	26,191	121,431	0.02%
4. foreign capital share	0	0.00%	0	0	0	0	0	0	0.00%
Including:									
overseas legal person share	0	0.00%	0	0	0	0	0	0	0.00%
Overseas natural person share	0	0.00%	0	0	0	0	0	0	0.00%
<b>II. unrestricted share</b>	395,624,760	69.74%	0	47,719,809	0	-10,000	47,709,809	443,334,569	78.15%
1. RMB Common share	280,704,760	49.48%	0	47,719,809	0	-10,000	47,709,809	328,414,569	57.89%
2. domestically listed foreign capital share	114,920,000	20.26%	0	0	0	0	0	114,920,000	20.26%
3. overseas listed foreign capital share	0	0.00%	0	0	0	0	0	0	0.00%
4. other	0	0.00%	0	0	0	0	0	0	0.00%
<b>II. Total share</b>	567,275,995	100.00%	0	0	0	0	0	567,275,995	100.00%

Amount of shares held by the top ten restricted shareholder and its restriction

Order	Name of restricted shareholder	Amount of restricted shares held	Listing date	Amount of shares new listed	Restriction
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Summary of Interim Report 2006 of Weifu High-technology Co., Ltd.

1	Wuxi Weifu Group Limited Company	114,061,978	April 5, 2011	28,363,800	Non-circulating shares of Weifu Hi-tech held by Weifu Group could not listed or transferred within 60 months since possessing of listing right. After the expiry of the commitment period, original non-circulating shares would be listed for sale in Shenzhen Stock Exchange, the proportion of sales volume to total share equity of Weifu Hi-tech could not exceed 5% within 12 months as well as 10% within 24 months, and sales price ought not to less than RMB 10 per share (the lowest impairment price of shares holding would be calculated ex-right at the same time if share price ought to ex-right according to regulation).
			April 5, 2012	28,363,800	
			April 5, 2013	57,334,738	
2	Wuxi Xinzhongya Investment & Development Co.	2,439,504	April 5, 2007	2,439,504	Ought not to be listed or transferred within 12 months since possessing of listing right
3	State Development & Investment Corp.	1,829,628	April 5, 2007	1,829,628	Ought not to be listed or transferred within 12 months since possessing of listing right
4	Shanghai Automotive Industry Corporation (Group)	1,829,628	April 5, 2007	1,829,628	Ought not to be listed or transferred within 12 months since possessing of listing right
5	Wuxi Weifu Industry Corporation	1,097,777	April 5, 2007	1,097,777	Ought not to be listed or transferred within 12 months since possessing of listing right
6	Wuxi Xitong Property Management Co., Ltd	975,802	April 5, 2007	975,802	Ought not to be listed or transferred within 12 months since possessing of listing right
7	Guolian Trust & Investment Co., Ltd.	975,802	April 5, 2007	975,802	Ought not to be listed or transferred within 12 months since possessing of listing right
8	Machinery Assets Management Co., Ltd of Jiangsu Province	609,876	April 5, 2007	609,876	Ought not to be listed or transferred within 12 months since possessing of listing right

3.2 Particulars about shares held by the top ten shareholders and the top ten shareholders of unrestricted share

Unit: share

Total shareholders		55,950			
Particulars about shares held by the top ten shareholders					
Names of shareholders	Nature of shareholder	Proportion of share held (%)	Amount of share held	Amount of restricted shares held	Shares pledged or frozen
WUXI WEIFU GROUP COMPANY LIMITED	State-owned shareholder	20.11	114061978	114061978	0
ROBERT BOSCH GMBH	Foreign-funded shareholder	3.24	18387200	0	
HTHK/CMG FSGUFP-CMG FIRST STATE CHINA GROWTH FD	Foreign-funded shareholder	2.15	12223480	0	
CMBSA RE FTIF TEMPLETON ASIAN GRW FD GTI 5496	Foreign-funded shareholder	1.57	8887694	0	
STATE SOCIETY INSURANCE FUNDS GROUP 103	Other	1.32	7500000	0	
SHANGHAI BAOSTEEL ENGINEERING & EQUIPMENT CO.,LTD.	Other	1.06	5990000	0	
BBH BOS S/A FIDELITY FD-CHINA FOCUS FD	Foreign-funded shareholder	0.99	5600000	0	
CHINA MERCHANTS STOCK SECURITIES CO.,LTD	Other	0.98	5542714	0	
STATE SOCIETY INSURANCE FUNDS	Other	0.97	5509859	0	

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GROUP 108					
GUANGDA SECURITIES CO., LTD	Other	0.85	4800001	0	
Particulars about shares held by the top ten unrestricted shareholders					
Name of shareholder	Amount of unrestricted shares held		Type of share		
ROBERT BOSCH GMBH	18387200		Domestically listed foreign shares		
HTHK/CMG FSGUFP-CMG FIRST STATE CHINA GROWTH FD	12223480		Domestically listed foreign shares		
CMBSA RE FTIF TEMPLETON ASIAN GRW FD GTI 5496	8887694		Domestically listed foreign shares		
STATE SOCIETY INSURANCE FUNDS GROUP 103	7500000		RMB ordinary shares		
SHANGHAI BAOSTEEL ENGINEERING & EQUIPMENT CO.,LTD.	5990000		RMB ordinary shares		
BBH BOS S/A FIDELITY FD-CHINA FOCUS FD	5600000		Domestically listed foreign shares		
CHINA MERCHANTS STOCK SECURITIES CO.,LTD	5542714		RMB ordinary shares		
STATE SOCIETY INSURANCE FUNDS GROUP 108	5509859		RMB ordinary shares		
GUANGDA SECURITIES CO., LTD	5026367		RMB ordinary shares		
GT PRC FUND	4800001		Domestically listed foreign shares		
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.				

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

Names	Office	Shares held at period-begin	Share held at period-end	Reason of change
Xu Liangfei	Chairman of Directors	16,640.00	19,469.00	Share Merger Reform
Han Jiangming	Vice Chairman of Director and GM	16,640.00	19,469.00	Share Merger Reform
Wang Weiliang	Director	10,400.00	12,168.00	Share Merger Reform
Gao Guoyuan	Director	8,450.00	9,886.00	Share Merger Reform
Ge Songping	Director	20,900.00	24,453.00	Share Merger Reform
Shi Xingyuan	Director & Deputy GM	2,600.00	3,042.00	Share Merger Reform
Chen Xuejun	Chairman of SC	2,600.00	3,042.00	Share Merger Reform
Ou Jianbin	Supervisor	500.00	10,585.00	Share Merger Reform, SM purchased
You Jianzhong	Supervisor	8,320.00	9,734.00	Share Merger Reform
Deng Xijiang	Deputy GM	6,240.00	7,301.00	Share Merger Reform
Zhou Weixing	Secretary of BD	1,950.00	2,282.00	Share Merger Reform

## §5. Discussion and Analysis of the Management

### 5.1 Statement of main operations classified according to industries and products

Unit: RMB'0000

Classified according to industries						
Classified according to industries or products	Income from main operations	Cost of main operations	Gross profit ratio from main operation (%)	Increase/decrease in income from main operations over the last year (%)	Increase/decrease in cost of main operations over the last year (%)	Increase/decrease in gross profit ratio from main operation over the last year (%)
Manufacture of other universal parts and components	128,921.12	95,844.61	25.66%	-26.57%	-30.83%	4.58%
Classified according to products						
Fittings and accessories of gas engine	118,701.25	87,672.34	26.14%	-30.06%	-34.52%	5.03%
Converter and muffler	10,219.87	8,172.28	20.04%	74.61%	75.04%	-0.19%

### 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 last year (%)
Inside the Province	36,391.67	-5.74%
Outside the Province	92,529.44	-32.44%

### 5.3 Other operations affecting material influence on net profit

Applicable       Inapplicable

### 5.4 Operation of share-holding companies

Applicable       Inapplicable

Unit: RMB'0000

Name of share-holding company	Zhonglian Automobile Electronics Co.		
Investment earnings contributed in the period	2,800.00	Proportion in net profit of the listed company	35.14%
Share-holding company	Business scope	Fittings and accessories of internal combustion engine	
	Net profit	14,000.00	
Name of share-holding company	Bosch Automotive Diesel System Co., Ltd.		
Investment earnings contributed in the period	-3,154.70	Proportion in net profit of the listed company	-39.59%
Share-holding company	Business scope	Fittings and accessories of internal combustion engine	
	Net profit	-10,014.92	

### 5.5 Explanation on reasons of material changes in main operations and its structure compared with last year

Applicable       Inapplicable

### 5.6 Explanation on reasons of material changes in profitability 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 last year

Applicable       Inapplicable

1. The investment income decreased, which was mainly because that Bosch Automotive Diesel System Co., Ltd is still in the construction period.  
 2. The operation profit decreased over the same period of last year, which was mainly because the decrease in main operation, rising in raw material and reduction in production price.

5.8 Application of the raised proceeds

5.8.1 Application 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

Prediction on the performance	<input type="checkbox"/> Deficit <input type="checkbox"/> Large-margin increase over the same period of last year <input checked="" type="checkbox"/> Large-margin decrease over the same period of last year <input type="checkbox"/> Making-up deficit
Performance (explanation on reason, uncertainty and its influence.)	According to the primary calculation, it predicates that the net profit of the Company from January 1, 2006 to September 30, 2006 will decrease above 50% over the same period of last year, which mainly because that Bosch Automobile Diesel System Co., Ltd which was jointly ventured by the Company and Germany Bosch Company is still in the investment period, the expense in the prior period is large and the investment gains and losses shouldered by the Company in the period is large.

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

Particulars about the external guarantee of the Company (Barring the guarantee for the controlling subsidiaries)						
Name of the Company guaranteed	Date of happening (date of signing agreement)	Amount of guarantee	Guarantee type	Guarantee term	Complete Implementation or not	Guarantee for related party (yes or not)
Total amount of guarantee in the report period			0.00			
Total balance of guarantee at the end of the report period(A)			0.00			
Guarantee of the Company for the controlling subsidiaries						
Total amount of guarantee for controlling subsidiaries in the report period			3,000.00			
Total balance of guarantee for controlling subsidiaries at the end of the report period(B)			19,000.00			
Particulars about the external guarantee of the Company (Including the guarantee for the controlling subsidiaries)						
Total amount of guarantee(A+B)			19,000.00			
The proportion of the total amount of guarantee in the net assets of the Company			7.85%			
Including:						
Total amount of guarantee for the shareholders, actual controllers and the relevant parties(C)			0.00			
The debts guarantee amount directly or indirectly provided for the guarantee of which the assets-liability ratio exceeded 70%(D)			0.00			
Proportion of total amount of guarantee in net assets of the Company exceeded 50%(E)			0.00			
Total amount of the aforesaid guarantee*(C+D+E)			0.00			

\*Note: While filling in the aforesaid three guarantee amounts (C+D+E), if three conditions occurred in one guarantee, only one calculation was needed in the total calculations.

6.3 Current related credits and liabilities

Applicable                       Inapplicable

Unit: RMB'0000

Related parties	Relationships with the listed company	Capital provided to related parties by the listed company		Capital provided by related parties to the listed company	
		Occurred amount	Balance	Amount	Balance
Wuxi Weifu Group Co., Ltd.	Actual controller	4,887.15	0.00	3,662.49	163.23
Wuxi Weifu Precision Machinery Manufacture Co., Ltd.	Shareholding subsidiary	13,106.77	242.60	13,888.26	0.00
Wuxi Weifu Mashan	Controlling subsidiary	9,241.39	1,401.06	6,586.15	0.00



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Fuel Injection Equipment Co., Ltd.						
Wuxi Weifu Chang'an Fuel Injection Equipment Co., Ltd.	Controlling subsidiary	13,460.02	107.96	13,988.96	0.00	
Bosch Automobile Diesel System Co., Ltd.	Shareholding company	4,705.86	1,991.87	2,432.57	0.00	
Zhaoyang Weifu Jialin Machinery Manufacture Co., Ltd.	Shareholding company	1.00	1.00	0.00	0.00	
Wuxi Weifu Jida New Material Application Development Co., Ltd.	Controlling subsidiary	0.00	0.00	0.00		39.91
Wuxi Weifu Precision Machinery Craftwork Research and Development Center Co., Ltd.	Controlling subsidiary and legal person controlled by actual controller	33.70	0.00	52.06		18.35
Wuxi International Trade Co., Ltd.	Shareholding company	294.29	0.00	281.45		0.00
<b>Total</b>		<b>45,730.18</b>	<b>3,744.49</b>	<b>40,891.94</b>		<b>221.49</b>

Including:

In the report period, the occurring amount the listed company provided to controlling shareholder and its subsidiaries was RMB52, 151,400 and the balance was RMB 0.00.

6.4 Significant lawsuit and arbitrations

Applicable       Inapplicable

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

Occupation of non-operation funds and progress of paying off the debt

Applicable       Inapplicable

6.6 Special commitment stated by original shareholders of tradable share in the period of Share Merger Reform and its performances

Applicable       Inapplicable

Name of shareholders	Special commitment	Implementation	Implementation of commitment
Wuxi Weifu Group Co., Ltd	<p>I. Commitment on additional deliver shares</p> <p>Weifu Group which participated the Share Merger Reform has committed: after implementation of share reform, if its operation performance could not reach to the planned target, Weifu Hi-tech would additionally deliver shares one time to A-share circulating shareholders (the said commitment would cease to be in force till additional-deliver ended).</p> <p>i. Activating condition of additional deliver shares: 1. according to audited annual financial report of Weifu Hi-tech, its total net profit realized in 2006 and 2008 is less than RMB 0.85 billion (because in 2006 and 2007 automotive effluent standards exists in turning zone as well as Bosch Automotive Diesel System Co., Ltd. exists in losses turning into profit in input period, it is difficult to predict the large margin growth point of the Company's performance, and operation performance in 2006 exists uncertainty); or 2. Weifu Hi-tech's net profit realized in 2008 would be less than RMB 0.34 billion; or 3. Any annual financial report from 2006 to 2008 of Weifu Hi-tech would be issued auditing opinion except Qualified Opinion.</p> <p>ii. Amount of shares additional delivered: based on circulating A shares before the share reform, arranging value of delivering 0.5 share per 10 shares, additionally deliver totaled 14,040,000 shares. If there exist bonus, capitalization of share equity</p>	It did not each the conditions of implementation	

	<p>or share impairment in Weifu Hi-tech, deliver shares volume comparably increase or decrease; if the Company's share equity changed due to additional deliver, allot, convertible bonds and certificate, etc. so as to comparably change in share equity of original non-circulating and circulating shareholder, so additional arranged value totaling 14,040,000 shares remained unchanged.</p> <p>iii. Date of shares additional delivered: within 20 days after approval of Weifu Hitech Annual Report in the year of activating condition of additional deliver shares by shareholders' general meeting, Weifu Group would implement commitment of additional deliver according to related process.</p> <p>iv. Target of shares additional delivered: all unrestricted circulating A-share shareholders of the Companies registered in the registration date of additional deliver share and equity after Weifu Hi-tech Annual Report in the year of activating condition of additional deliver shares is disclosed.</p> <p>v. implementing guarantee for commitment of shares additional delivered: within expiry date of the said commitment of shares additional delivered, Weifu Group would authorize Shenzhen Stock Exchange and Registering &amp; Clearing Corp. to provisionally safekeep non-circulating shares amounting to 14,040,000 shares which used to implement guarantee for commitment of shares additional delivered and held from Weifu Hi-tech since the date of implementation of Share Merger Reform, and technically guarantee perform the above commitment.</p>		
Wuxi Weifu Group Co., Ltd	<p>II. Commitment on restricted period and the lowest price for shares held impairment</p> <p>Non-circulating shares of Weifu Hi-tech held by Weifu Group could not listed or transferred within 60 months since possessing of listing right. After the expiry of the commitment period, original non-circulating shares would be listed for sale in Shenzhen Stock Exchange, the proportion of sales volume to total share equity of Weifu Hi-tech could not exceed 5% within 12 months as well as 10% within 24 months, and sales price ought not to less than RMB 10 per share (the lowest impairment price of shares holding would be calculated ex-right at the same time if share price ought to ex-right according to regulation).</p>	On the progress of implementation	The said commitment is implementing and there is no shares held impairment.
Wuxi Weifu Group Co., Ltd	<p>III. Commitment on Bonus Plan</p> <p>After the implementation of Share Merger Reform of the Company, Weifu Group would make a proposal and vote for it: cash dividend of Weifu Hi-tech in 2005 are not less than RMB 4, proportion of cash dividend from 2006 to 2008 are not less than 50% of distributable profit for investors realized by the Company in current year.</p>	On the progress of implementation	The said commitment is implementing. "Weifu Group would make a proposal and vote for it: cash dividend of Weifu Hi-tech in 2005 is not less than RMB 4" has been completed.
Wuxi Weifu Group Co., Ltd	<p>IV. Commitment on arrangement of governance encouragement system</p> <p>In order to promote the listed company's steady and healthy development, fully mobilize senior executives so as to ensure to combine the interests of the governance and shareholders of the Company, Weifu Group committed: after finishing Share Merger Reform, under related regulations of state and Wuxi government in terms of governance encouragement system of listed company, Weifu Hi-tech would promote plan for Weifu Group governance equity encouragement.</p>	On the progress of implementation	The said commitment is implementing, and would be performed after related policy appears on the stage.

Note: Special commitments means other commitments excluding from legal commitments made during the Share Merger Reform.

### 6.7 Explanation of time and date plan on Share Merger Reform for the companies unperformed SMR

Applicable                       Inapplicable

Detailed reasons of commitment has been made but could not performed in time for the Companies unperformed SMR

Applicable                       Inapplicable

## §7. Financial Report

### 7.1 Audit opinion

Financial Report	<input checked="" type="checkbox"/> Un-audited <input type="checkbox"/> Audited
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Summary of Interim Report 2006 of Weifu High-technology Co., Ltd.

7.2 Financial Statement

7.2.2 Statement of profits and profit distribution

Prepared by Weifu High-Technology Co., Ltd.

Jan.-Jun., 2006

Unit: RMB

Items	In the report period		The same period of last year	
	Consolidated	Parent Company	Consolidated	Parent Company
I. Income from main operations	1,289,211,161.93	681,018,506.16	1,755,806,383.72	804,847,566.00
Less: Cost of main operations	958,446,137.36	553,511,403.41	1,385,618,086.14	647,311,013.89
Business and related taxes	7,832,135.91	3,214,852.49	4,517,696.84	2,653,648.57
II. Profit from main operations (Loss is listed with "-")	322,932,888.66	124,292,250.26	365,670,600.74	154,882,903.54
Add: Other operating profit (Loss is listed with "-")	4,522,573.45	1,759,488.68	8,902,842.01	8,633,035.22
Less: Operation expenses	56,259,420.47	30,090,612.01	60,426,077.07	35,815,988.55
Administrative expenses	120,068,617.84	50,185,348.68	109,837,693.92	42,064,858.58
Financial expenses	36,429,300.95	19,059,255.97	31,706,725.20	11,520,021.62
III. Operating profit (Loss is listed with "-")	114,698,122.85	26,716,522.28	172,602,946.56	74,115,070.01
Add: Investment income (Loss is listed with "-")	-3,401,717.36	56,871,807.00	24,120,612.04	92,327,219.75
Subsidy income	700,000.00			
Non-operating income	449,983.29	95,309.48	349,855.92	254,840.16
Less: Non-operating expenses	5,276,112.10	3,763,841.62	5,550,126.15	2,973,872.51
IV. Total profit (Total loss is listed with "-")	107,170,276.68	79,919,797.14	191,523,288.37	163,723,257.41
Less: Income tax	7,586,357.03	3,473,560.47	14,380,690.00	11,275,936.73
Minority shareholders' losses and gains	19,894,367.98		24,695,277.69	
Add: Occurring amount of unconfirmed investment loss in the report period				
V. Net profit (Net loss is listed with "-")	79,689,551.67	76,446,236.67	152,447,320.68	152,447,320.68
Add: Retained earnings at the year-beginning	582,007,325.85	611,670,261.24	619,996,364.01	629,363,458.44
Other transfer-ins				
VI. Profit available for distribution	661,696,877.52	688,116,497.91	772,443,684.69	781,810,779.12
Less: Statutory surplus reserve				
Statutory public welfare reserve				
Employee bonus and welfare funds				
Reserve funds				
Enterprise development funds				
Returned investment from profit				
VII. Profit available for distribution to investors	661,696,877.52	688,116,497.91	772,443,684.69	781,810,779.12
Less: dividend for preferred shares payable				
Discretionary reserves				
Dividends for ordinary shares				
Dividends for ordinary shares converted to capital (or share capital)				

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VIII. Retained earnings	661,696,877.52	688,116,497.91	772,443,684.69	781,810,779.12
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				

Legal representative of: Xu Liangfei  
 Person in charge of accounting organ: Dou Yu

Chief financial executive: Sun Qingxian

### 7.3 Notes to financial statement

7.3.1 If changes in accounting policies and accounting estimates and correction in accounting errors occur, relevant contents, reasons and influence shall be provided.

Applicable       Inapplicable

7.3.2 If material changes in consolidated scope occur, relevant reasons and influence shall be provided.

Applicable       Inapplicable

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

**Board of Directors of  
 Weifu High-Technology Co., Ltd**  
 Aug. 18, 2006