

WEIFU HIGH-TECHNOLOGY CO., LTD.

THE THIRD QUARTERLY REPORT FOR 2007

(FULL TEXT)

§ 1. Important Notice

1.1 The Board of Directors and the Supervisory Committee of Wuxi Weifu High-Technology Co., Ltd. (hereinafter referred to as the Company), along with all 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.

1.2 No director, supervisor and senior executive stated that he (she) could not ensure the correctness, accuracy and completeness of the contents of the 3rd Quarterly Report nor had objection for this report.

1.3 All the directors attended the Board meeting.

1.4 The Third Quarterly Financial Report 2007 of the Company has not been audited by CPAs.

1.5 Xu Liangfei, Principal of the Company, Sun Qingxian, Person in charge of Accounting Work; Dou Yu, Person in charge of Accounting Organization (Accounting Officer) hereby confirm that the Financial Report of the 3rd Quarterly Report of 2007 is authentic and complete.

§2. Company Profile

2.1 Major accounting data and financial indexes

Unit: RMB

	At the end of this report period	At the period-end of last year	Increase/decrease at the end of the report period compared with that at the end of last year (%)
Total assets	5,146,081,048.91	4,870,781,922.56	5.65%
Owners' equity(or Shareholders' equity)	2,292,918,834.35	2,209,155,366.64	3.79%
Net assets per share	4.042	3.8943	3.79%
	Year-begin to the end of this report period		Increase/decrease over the same period of last year (%)
Net cash flow arising from operating activities	313,719,914.65		-20.30%
Net cash flow arising from operating activities per share	0.553		-20.30%
	In this report period	Year-begin to the end of this report period	Increase/decrease in the report period over the same period of last year (%)
Net profit	23,080,053.98	117,800,027.41	343.83%
Basic earnings per share	0.040	0.210	343.83%
Basic earnings per share after deducting non-recurring gains and losses	-	0.1828	-
Diluted earnings per share	0.040	0.210	343.83%
Return on equity	1.01%	5.14%	1.44%
Return on equity after deducting non-recurring gains and losses	1.00%	4.52%	1.42%

Item of non-recurring gains and losses

Unit: RMB

Item of non-recurring gains and losses	Amount from year-begin to the end of this report period
Gains and losses from disposal of non-current asset	4,574,014.79
Any tax refund or exemption illegally approved or without supporting documents in writing	0.00
Governmental subsidy reckoned into current gains and losses	2,278,511.53
Income deriving from use by non-financial entities of an enterprise's own fund	0.00
Gains and losses caused by that the merger cost of merger enterprise is smaller than the fair recognizable fair value of net asset enjoyable by the merger unit when taking merger	0.00
Exchanging gains and losses of non-currency assets	0.00
Gains and losses of entrusted investment	0.00
Accrual of provisions for asset impairment due to natural disasters and other majure	0.00
Gains and losses caused by debts reorganization	0.00
Expenses caused by enterprises reconstruction	0.00
Profit/loss attributable to unfair portion of the value resulting from unfair priced transactions	0.00
Current net gains and losses during period-begin to merger date of subsidiaries caused by merger of enterprises under the same control	0.00
Gains and losses caused by projected liabilities irrelevant to main operations of the Company	0.00
Net amount of other non-operating income and cost excluded the aforesaid items	-2,182,557.01
Amount of switching back the provision for bad debts	13,267,851.57
Amount of switching back the provision for depreciation of inventory	202,188.49
Other non-recurring gains and losses recognized by CSRC	0.00
Less: Amount of income tax influenced by non-recurring gains and losses	-787,748.43
Less: Amount of minority shareholders influenced by non-recurring gains and losses	-3,265,207.54
Total	14,087,053.40

2.2 Total number of shareholders in the end of the report period and shares held by the top ten shareholders with unrestricted conditions

Unit: Share

Total number of shareholders	41,038	
Shares held by the top ten shareholders with unrestricted conditions		
Full Name of shareholder	Amount of unrestricted shares held	Type of shares
ICBC CREDIT SUNRISE STEADY GROWTH STOCK SECURITIES INVESTMENT FUND	19,165,409	RMB common share
ROBERT BOSCH GMBH	18,387,200	Domestically listed foreign share

YIFANGDA STRATEGY GROWTH NO.2 COMBINED SECURITIES INVESTMENT FUND	13,323,802	RMB common share
KAIYUAN SECURITIES INVESTMENT FUND	12,000,000	RMB common share
HCHK-VALUE PARTNERS INTELLIGENT FD-CHINA B SHS FD	8,150,725	Domestically listed foreign share
HUA'AN BAOLI COLLOCATED SECURITIES INVESTMENT FUND	7,648,017	RMB common share
UBS SDIC CORE ENTERPRISE STOCK SECURITIES INVESTMENT FUND	7,062,935	RMB common share
GREATWALL JIUFU CORE GROWTH STOCK SECURITIES INVESTMENT FUND	6,700,000	RMB common share
XINCHENG SIJHONG COMBINED SECURITIES INVESTMENT FUND	6,524,150	RMB common share
ICBC CREDIT SUNRISE SELECTIVE BALANCED COMBINED SECURITIES INVESTMENT FUND	6,113,859	RMB common share

§3. Significant events

3.1 Particulars about material changes in items of main accounting statement and financial index, and explanations of reasons

Applicable Inapplicable

I. Growth of achievements			
	3 rd quarterly of 2007	3 rd quarterly of 2006	Growth compared with same period of last year
1. Net profit	117,800,027.41	72,478,929.74	62.50%
2. Earnings per share	0.2077 Yuan/Share	0.1228 Yuan/Share	69.14%
II. Reason for growth of achievements			
1. Bosch Automotive Diesel System Co., Ltd which absorbs investment from the Company (31.5% equity owned by the Company) had a loss of RMB 240,333,500 in 2006. While in 2007, with the approaching of the execution of National III Emission Standard, the products have partly gone to market. This will bring sharp decrease in losses.			
2. The sales for the internal product of the Company (particularly the pump PS7100 and pump PW2000 equipped with high-powered generator) increase steadily with the rapid increase of heavy truck.			

3.2 Analysis and explanation of significant events and their influence and solutions

Applicable Inapplicable

3.3 Implementations of commitments by the Company, shareholders and actual controller

Applicable Inapplicable

Name of shareholders	Special commitment	Implementation

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 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 & 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>	It did not reach the conditions of implementation.
	<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>	The said commitment is implementing and there is no shares held impairment.
	<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>	The said commitment is implementing. "Weifu Group would make a proposal and vote for it: Weifu High-tech has implemented in years 2005 and 2006."
	<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 actively promote plan for Weifu Group governance equity encouragement.</p>	The said commitment is implementing, and would be performed after related policy appears on the stage.

3.4 Estimation of 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 of reason

Applicable Inapplicable

<p>I. The estimated business performance for this period</p> <p>1. Period for the estimated business performance: Jan. 1 to Dec. 31 of 2007.</p> <p>2. Situation for the estimated business performance: Keep great increase all the time.</p> <p>With a general estimation made by the Financial and Accounting Department of the Company, the Company is expected to receive an increase rate of 50%-100% in net profit of 2007 compared with the net profit made in the same period of last year.</p> <p>3. The notice of estimated business performance is unaudited by CPA.</p> <p>II. Business performance for the same period of last year (not adjust according to the New Accounting Standards)</p> <p>1. Net profit</p> <p>Net profit for 2006: RMB 88,279,693.90</p> <p>2. Earnings per share</p> <p>Earnings per share for 2006: RMB 0.16 per share</p> <p>III. Explanations for the change in business performance.</p> <p>1. Bosch Automotive Diesel System Co., Ltd which absorbs investment from the Company (31.5% equity owned by the Company) had a loss of RMB 240,333,500 in 2006. While in 2007, with the approaching of the execution of National III Emission Standard, the products have partly gone to market. This will bring sharp decrease in losses.</p> <p>2. The sales for the internal product of the Company (particularly the pump PS7100 and pump PW2000 equipped with high-powered generator) increase steadily with the rapid increase of heavy truck.</p>
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3.5 Other significant events needed for explanations

3.5.1 Particulars about securities investment

Applicable Inapplicable

3.5.2 Equity of other listed companies held

Applicable Inapplicable

3.5.3 Equity of non-listed financial enterprises and planned listed companies held

Applicable Inapplicable

Unit: RMB

Name of the party held	Initial investment amount	Amount held (Share)	Proportion in equity of the Company	Book value at period-end	Gains and losses in report period	Changes on owners' equity in the report period
Guolian Securities Co., Ltd.	12,000,000.00	12,000,000.00	1.20%	12,000,000.00	0.00	0.00
Nanjing Hengtai Insurance and Broker Securities Co., Ltd.	1,000,000.00	1,000,000.00	1.85%	1,000,000.00	10,000.00	10,000.00
Jiangsu HSBC Insurance Agents Limited	500,000.00	500,000.00	10.00%	500,000.00	0.00	0.00

Total	13,500,000.00	13,500,000.00	-	13,500,000.00	10,000.00	10,000.00
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3.5.4 Registration form for receiving research, communication and interview in the report period.

Date	Place	Way	The received parties	Contents discussed and materials supplied
Sep.15, 2007	Reception room of the Company	Spot research	Manager of ICBC Credit Sunrise Asset Management Co., Ltd.	Operation status and future development of the Company
Sep.17, 2007	Reception room of the Company	Spot research	11 organizations such as Orient Securities Co., Ltd., etc.	Operation status and future development of the Company

§4. Appendix

4.1 Balance sheet

Prepared by Wuxi Weifu High-technology Co., Ltd.

Sep.30, 2007

Unit: RMB

Items	Amount at period-end		Amount at period-begin	
	Merger	Parent Company	Merger	Parent Company
Current assets:				
Monetary funds	858,126,973.11	283,836,604.18	817,487,438.01	367,016,919.83
Settlement provisions				
Capital lent				
Transaction finance asset				
Notes receivable	560,807,625.69	247,922,256.00	452,893,389.62	160,943,255.11
Accounts receivable	721,864,013.30	337,092,061.43	648,323,729.12	277,208,152.55
Accounts in advance	48,405,364.44	31,623,406.45	23,796,204.03	7,468,067.34
Insurance receivable				
Reinsurance receivables				
Contract reserve of reinsurance receivable				
Interest receivable				
Other receivables	59,113,048.02	53,752,342.18	9,156,681.16	23,988,732.13
Purchase restituted finance asset				
Inventories	672,454,899.82	303,631,573.66	724,610,866.46	326,925,070.09
Non-current asset due within one year				
Other current assets		27,104,397.55		
Total current assets	2,920,771,924.38	1,284,962,641.45	2,676,268,308.40	1,163,550,197.05
Non-current assets:				
Granted loans and advances				
Finance asset available sales				
Held-to-maturity securities				
Long-term account receivable				

Long-term equity investment	834,714,303.82	1,591,934,615.27	774,420,711.77	1,689,534,034.94
Investment property				
Fixed assets:	1,112,715,888.79	610,753,878.67	1,164,190,538.20	631,588,094.79
Construction in progress	171,749,697.00	169,366,890.03	152,840,416.62	131,046,189.13
Engineering material				
Disposal of fixed asset				
Consumable biological asset				
Oil and gas asset				
Intangible assets	95,882,154.32	28,916,338.95	92,136,897.67	13,731,118.59
Expense on Research and Development				
Goodwill				
Long-term expenses to be apportioned	1,180,940.18		1,091,087.41	
Deferred income tax asset	9,066,140.42	4,452,238.71	9,833,962.49	4,649,945.13
Other non-current asset				
Total non-current asset	2,225,309,124.53	2,405,423,961.63	2,194,513,614.16	2,470,549,382.58
Total assets	5,146,081,048.91	3,690,386,603.08	4,870,781,922.56	3,634,099,579.63
Current liabilities:				
Short-term loans	1,486,792,100.00	810,926,100.00	1,464,069,600.00	803,426,100.00
Loan from central bank				
Absorbing deposit and interbank deposit				
Capital borrowed				
Transaction financial liabilities				
Notes payable	190,623,187.21	179,350,000.00	151,652,100.00	151,652,100.00
Accounts payable	648,925,534.17	298,684,771.16	548,934,656.91	269,770,168.69
Accounts received in advance	3,476,950.82	1,530,620.86	6,704,561.81	4,189,422.40
Selling financial asset of repurchase				
Commission charge and commission payable				
Wage payable	66,338,429.42	23,708,411.87	52,540,138.17	21,593,513.69
Taxes payable	25,083,968.77	7,700,711.28	4,065,206.98	-5,706,296.51
Interest payable				
Other accounts payable	125,278,868.99	49,601,837.98	121,962,688.90	104,435,923.57
Reinsurance payables				
Insurance contract reserve				
Security trading of agency				
Security sales of agency				
Long-term liabilities due within 1 year	30,000,000.00	30,000,000.00	73,000,000.00	70,000,000.00

Other current liabilities	72,708,533.08	7,560,323.45	10,267,944.84	1,415,483.00
Total current liabilities	2,649,227,572.46	1,409,062,776.60	2,433,196,897.61	1,420,776,414.84
Non-current liabilities:				
Long-term loans				
Bonds payable				
Long-term account payable	7,350,000.00		6,120,000.00	
Special accounts payable	2,140,000.00		1,596,000.00	
Projected liabilities				
Deferred income tax liabilities			88,200.00	
Other non-current liabilities				
Total non-current liabilities	9,490,000.00		7,804,200.00	
Total liabilities	2,658,717,572.46	1,409,062,776.60	2,441,001,097.61	1,420,776,414.84
Owner's equity (or shareholders' equity):				
Paid-in capital (or share capital)	567,275,995.00	567,275,995.00	567,275,995.00	567,275,995.00
Capital public reserve	926,861,588.64	926,861,588.64	926,861,588.64	926,861,588.64
Less: Inventory shares				
Surplus public reserve	287,272,241.45	249,888,236.81	290,774,487.89	249,888,236.81
Provision of general risk				
Retained profit	511,509,009.26	537,298,006.03	424,243,295.11	469,297,344.34
Balance difference of foreign currency translation				
Total owner's equity attributable to parent company	2,292,918,834.35	2,281,323,826.48	2,209,155,366.64	2,213,323,164.79
Minority interests	194,444,642.10		220,625,458.31	
Total owner's equity	2,487,363,476.45	2,281,323,826.48	2,429,780,824.95	2,213,323,164.79
Total liabilities and owner's equity	5,146,081,048.91	3,690,386,603.08	4,870,781,922.56	3,634,099,579.63

4.2 Profit statement in this report period

Prepared by Wuxi Weifu High-technology Co., Ltd.

July.-Sep., 2007

Unit: RMB

Items	This period		Same period of last year	
	Merger	Parent Company	Merger	Parent Company
I. Total operating income	784,238,442.920	356,656,282.950	633,390,744.880	324,708,076.870
Including: Operating income	784,238,442.920	356,656,282.950	633,390,744.880	324,708,076.870
Interest income				
Insurance gained				
Commission charge and commission income				
II. Total operating cost	748,735,528.380	363,087,920.110	600,931,260.530	323,085,552.860
Including: Operating cost	607,500,020.270	306,035,040.440	486,149,780.490	273,927,725.390
Interest expense				

Commission charge and commission expense				
Cash surrender value				
Net amount of expense of compensation				
Net amount of withdrawal of insurance contract reserve				
Bonus expense of guarantee slip				
Reinsurance expense				
Operating tax and extras	4,374,508.580	1,352,377.750	4,061,981.160	1,587,134.230
Sales expenses	22,247,584.740	13,462,942.270	28,923,308.740	9,257,498.160
Administration expenses	81,028,868.200	27,447,312.770	68,803,606.270	25,932,615.710
Financial expenses	28,748,946.590	14,790,246.880	14,415,878.970	13,803,874.470
Losses of devaluation of asset	4,835,600.000		-1,423,295.100	-1,423,295.100
Add: Changing income of fair value(Loss is listed with “-”)				
Investment income (Loss is listed with “-”)	9,729,139.200	32,257,518.490	-30,915,397.400	-9,804,626.440
Including: Investment income on affiliated company and joint venture	9,729,139.200	5,153,120.940	-30,915,397.400	-30,560,826.270
Exchange income (Loss is listed with “-”)				
III. Operating profit (Loss is listed with “-”)	45,232,053.740	25,825,881.330	1,544,086.950	-8,182,102.430
Add: Non-operating income	1,280,823.040		569,782.470	206,609.800
Less: Non-operating expense	3,384,199.450	1,963,811.450	3,229,253.350	1,549,021.620
Including: Disposal loss of non-current asset				
IV. Total Profit (Loss is listed with “-”)	43,128,677.330	23,862,069.880	-1,115,383.930	-9,524,514.250
Less: Income tax	10,853,662.460	4,304,244.600	2,034,829.880	-59,013.090
V. Net profit (Net loss is listed with “-”)	32,275,014.870	19,557,825.280	-3,150,213.810	-9,465,501.160
Net profit attributable to owner's equity of parent company	23,080,053.980	19,557,825.280	-9,465,501.160	-9,465,501.160
Minority shareholders' gains and losses	9,194,960.890		6,315,287.350	
VI. Earnings per share				
i. Basic earnings per share	0.040	0.030	-0.020	-0.020
ii. Diluted earnings per share	0.040	0.030	-0.020	-0.020

4.3 Profit statement from year-begin to end of report period

Prepared by Wuxi Weifu High-technology Co., Ltd.

Jan.-Sep., 2007

Unit: RMB

Items	This period		Same period of last year	
	Merger	Parent Company	Merger	Parent Company
I. Total operating income	2,408,659,072.410	1,260,945,923.470	2,016,207,984.420	1,077,110,942.230
Including: Operating income	2,408,659,072.410	1,260,945,923.470	2,016,207,984.420	1,077,110,942.230
Interest income				

Insurance gained				
Commission charge and commission income				
II. Total operating cost	2,269,751,619.020	1,236,096,703.020	1,868,035,802.180	1,048,771,895.940
Including: Operating cost	1,829,908,963.530	1,054,822,657.530	1,517,424,562.290	897,063,999.320
Interest expense				
Commission charge and commission expense				
Cash surrender value				
Net amount of expense of compensation				
Net amount of withdrawal of insurance contract reserve				
Bonus expense of guarantee slip				
Reinsurance expense				
Operating tax and extras	14,445,081.480	5,696,474.440	12,746,092.590	4,801,986.720
Sales expenses	98,138,850.120	54,136,377.210	85,186,641.830	39,348,110.170
Administration expenses	254,948,806.050	82,872,107.490	192,779,802.470	70,958,416.030
Financial expenses	75,257,649.240	38,744,758.550	54,128,003.800	32,863,130.440
Losses of devaluation of asset	-2,947,731.400	-175,672.200	5,770,699.200	3,736,253.260
Add: Changing income of fair value(Loss is listed with "-")				
Investment income (Loss is listed with "-")	32,075,794.270	87,803,606.280	-34,586,770.760	48,211,966.020
Including: Investment income on affiliated company and joint venture	32,075,794.270	17,504,035.780	-34,586,770.760	-33,523,056.390
Exchange income (Loss is listed with "-")				
III. Operating profit (Loss is listed with "-")	170,983,247.660	112,652,826.730	113,585,411.480	76,551,012.310
Add: Non-operating income	7,021,469.840	164,349.380	2,763,675.300	301,919.280
Less: Non-operating expense	10,823,776.400	6,164,521.550	9,179,527.990	5,312,863.240
Including: Disposal loss of non-current asset				
IV. Total Profit (Loss is listed with "-")	167,180,941.100	106,652,654.560	107,169,558.790	71,540,068.350
Less: Income tax	23,703,929.620	4,615,433.170	8,557,307.490	2,304,453.610
V. Net profit (Net loss is listed with "-")	143,477,011.480	102,037,221.390	98,612,251.300	69,235,614.740
Net profit attributable to owner's equity of parent	117,800,027.410	102,037,221.390	72,478,929.740	69,235,614.740

company				
Minority shareholders' gains and losses	25,676,984.070		26,133,321.560	
VI. Earnings per share				
i. Basic earnings per share	0.210	0.180	0.130	0.120
ii. Diluted earnings per share	0.210	0.180	0.130	0.120

4.4 Cash flow statement from year-begin to end of report period

Prepared by Wuxi Weifu High-technology Co., Ltd.

Jan.-Sep., 2007

Unit: RMB

Items	This period		Same period of last year	
	Merger	Parent Company	Merger	Parent Company
I. Cash flows arising from operating activities:				
Cash received from selling commodities and providing labor services	2,459,399,038.16	1,341,003,088.64	2,565,608,024.60	1,086,555,856.55
Net increase of customer deposit and interbank deposit				
Net increase of loan from central bank				
Net increase of capital borrowed from other financial institution				
Cash received from original insurance contract fee				
Net cash received from reinsurance business				
Insured savings and net increase of investment				
Net increase of disposal of transaction financial asset				
Cash received from interest, commission charge and commission				
Net increase of capital borrowed				
Net increase of returned business capital				
Write-back of tax received	931,011.53		879,750.85	
Other cash received concerning operating activities	21,842,352.82	5,380,307.70	16,516,513.96	116,714,854.04
Subtotal of cash inflow arising from operating activities	2,482,172,402.51	1,346,383,396.34	2,583,004,289.41	1,203,270,710.59
Cash paid for purchasing commodities and receiving labor service	1,672,052,416.73	1,134,663,826.89	1,754,356,817.07	822,133,220.27
Net increase of customer loans and advances				

Net increase of deposits in central bank and interbank				
Cash paid for original insurance contract compensation				
Cash paid for interest, commission charge and commission				
Cash paid for bonus of guarantee slip				
Cash paid to/for staff and workers	242,580,425.77	101,204,241.55	216,893,794.42	96,449,800.73
Taxes paid	170,831,115.24	59,634,893.14	136,562,445.31	51,946,688.75
Other cash paid concerning operating activities	82,988,530.12	53,851,705.47	81,573,762.71	59,394,560.13
Subtotal of cash outflow arising from operating activities	2,168,452,487.86	1,349,354,667.05	2,189,386,819.51	1,029,924,269.88
Net cash flows arising from operating activities	313,719,914.65	-2,971,270.71	393,617,469.90	173,346,440.71
II. Cash flows arising from investing activities:				
Cash received from recovering investment	10,000.00	10,000.00	3,344,000.00	3,344,000.00
Cash received from investment income	28,801,265.20	167,451,313.31	57,183,451.79	57,183,451.79
Net cash received from disposal of fixed, intangible and other long-term assets	10,844,007.57	4,916,475.98	13,336,754.39	1,263,672.39
Net cash received from disposal of subsidiaries and other units				
Other cash received concerning investing activities				
Subtotal of cash inflow from investing activities	39,655,272.77	172,377,789.29	73,864,206.18	61,791,124.18
Cash paid for purchasing fixed, intangible and other long-term assets	163,605,107.72	141,802,564.17	176,593,716.32	143,590,815.67
Cash paid for investment	9,162,685.00	9,162,685.00	7,838,295.00	7,838,295.00
Net increase of mortgaged loans				
Net cash received from subsidiaries and other units				
Other cash paid concerning investing activities				
Subtotal of cash outflow from investing activities	172,767,792.72	150,965,249.17	184,432,011.32	151,429,110.67
Net cash flows arising from investing activities	-133,112,519.95	21,412,540.12	-110,567,805.14	-89,637,986.49
III. Cash flows arising from				

financing activities				
Cash received from absorbing investment				
Including: Cash received from absorbing minority shareholders' investment by subsidiaries				
Cash received from loans	2,173,374,600.00	1,175,798,600.00	1,892,256,000.00	1,074,168,000.00
Cash received from issuing bonds				
Other cash received concerning financing activities				
Subtotal of cash inflow from financing activities	2,173,374,600.00	1,175,798,600.00	1,892,256,000.00	1,074,168,000.00
Cash paid for settling debts	2,175,571,600.00	1,208,298,600.00	1,792,021,965.60	749,866,700.00
Cash paid for dividend and profit distributing or interest paying	128,376,931.58	69,121,585.06	282,738,014.90	251,675,779.07
Including: Dividend and profit of minority shareholder paid by subsidiaries	31,634,202.03			
Other cash paid concerning financing activities				
Subtotal of cash outflow from financing activities	2,303,948,531.58	1,277,420,185.06	2,074,759,980.50	1,001,542,479.07
Net cash flows arising from financing activities	-130,573,931.58	-101,621,585.06	-182,503,980.50	72,625,520.93
IV. Influence on cash due to fluctuation in exchange rate				
V. Net increase of cash and cash equivalents	50,033,463.12	-83,180,315.65	100,545,684.26	156,333,975.15
Add: Balance of cash and cash equivalents at the period -begin	817,487,438.01	367,016,919.83	785,295,188.91	329,662,866.71
Less: Balance of cash and cash equivalents at the period -begin(Consolidated operation as proportion of last year)	9,393,928.02			
VI. Balance of cash and cash equivalents at the period-end	858,126,973.11	283,836,604.18	885,840,873.17	485,996,841.86

4.5 Auditor' report

Auditor's opinions: Un-audited

**Board of Director of
Wuxi Weifu High-technology Co., Ltd.
October 26, 2007**