GUANGDONG SUNRISE HOLDINGS CO., LTD.

SEMI-ANNUAL REPORT 2003

Section I. Important Notice, Paraphrase and Contents

Important Notice: Board of Directors of Guangdong Sunrise Holdings Co., Ltd. (hereinafter referred to as the Company) 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.

Nine directors of the Company attended the Board meeting, in which the 2003 Semi-annual Report was examined. Director Rao jiangshan Tan jianxi was absent from this meeting.

Chairman of the Board of the Company Mr. Yang Fenbo, Person in charge of Financial Affairs and concurrently General Manager Mr. Pan Shiming, Person in charge of Accounting Dept. Yun Chunhua hereby confirm that the Financial Report of the Semi-annual Report is true and complete.

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

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Section II. Company Profile

I. Basic information of the Company

1. Legal name of the Company in Chinese: 广东盛润集团股份有限公司
   Legal name of the Company in English: Guangdong Sunrise Holdings Co., Ltd. (Abbreviation: SUNRISE)
2. Legal Representative: Yang Fenbo
3. Secretary of Board of Directors: Ao Yingchun
   Contact Tel: (86) 755-83361666-209
   Fax: (86) 755-83204588
   Authorized Representative in Charge of Securities Affairs: Chen Liantan
   Contact Address: Secretariat on the 6th Floor, Jia Hua Bldg., Huaqiang North Road, Shenzhen
   E-mail: lionda@mailcenter.com.cn
4. Registered Address: Huaqiang North Road, Shenzhen, Guangdong, PRC
   Office Address: 6th Floor, Jia Hua Bldg., Huaqiang North Road, Shenzhen
   Post Code: 518031
   E-mail of the Company: lionda@mailcenter.com.cn
5. Newspapers Chosen for Disclosing the Information of the Company:
   Securities Times and Ta Kung Pao
   Internet Website Designated by CSRC for Publishing the Semi-annual Report: http://www.cninfo.com.cn
   The Place Where the Semi-annual Report is Prepared and Placed: Secretariat on the 6th Floor of the Company
6. Stock Exchange Listed with: Shenzhen Stock Exchange
   Short Form of the Stock: *ST Sunrise A, *ST Sunrise B
   Stock Code: 000030, 200030
7. Other Relevant Information of the Company
   The initial registration of the Company:
   Date: Sep. 1993
   Place: Jia Hua Bldg., Huaqiang North Road, Shenzhen
   Registered code of enterprise legal person's business license: 4400001001658
   Registered code of tax: Shen National Revenue 440301190325278
   Shen Local Tax 440304190325278
   Name and address of Certified Public Accountants engaged by the Company:
   Shenzhen Dahua Tiancheng Certified Public Accountants
   Office Address: 11th Floor, Tower B, Lian He Plaza, Bin He Road, Shenzhen

II. Major financial data and indexes

1. Major financial data and indexes

Unit: RMB

Items	June 30, 2003	Dec. 31, 2002	Increase/decrease at the end of this report period compared with the year-begin （％）

Current assets	100,385,069.15	81,276,664.51	23.51
Current liabilities	1,708,128,417.29	1,728,129,521.01	-1.16
Total assets	192,507,501.82	203,258,077.52	-5.29
Shareholders' equity (excluding minority interest)	-1,524,432,398.95	-1,525,165,390.27	--
Net assets per share	-5.2855	-5.288	--
Net assets per share after adjustment	-5.316	-5.2897	--
Items	**Jan.-Jun. 2003**	**Jan.-Jun. 2002**	**Increase/decrease in this report period compared with the same period of last year (%)**
Net profit	1,022,557.76	-27,878,142.83	--
Net profit after deducting non-recurring gains and losses	-20,075,056.74	-27,055,770.51	--
Earnings per share	0.0035	-0.097	--
Net cash flow per share arising from operating activities	-1,911,172.71	-2,425,874.03	--

2. Items of deducting non-recurring gains and losses and the relevant amount

Unit: RMB

Selling off the equity of Kingway Beer	8,350,542.15
Selling off the equity of Shen Ri Printing Ink	9,850,000.00
Selling off the equity of Yin Zhu Plastic	3,227,650.00
Non-operating income	29,362.59
Non-operating expenditure	-359,940.24
Total non-recurring gains and losses	21,097,614.50

3. The Company's net profit calculated under IAS in overseas was RMB 3,099,184.03, as well as earnings per share of RMB 0.0107. The differences in net profit calculated according to CAS and IAS respectively are as follows:

		Net profit (RMB)
As reported under Accounting System of Enterprise		1,022,557.76
Adjustment	Switching back expenses to be apportioned	2,076,626.27
As reported under IAS		3,099,184.03

Section III. Change in Share Capital and Particulars about Shares Held by Main Shareholders

I. Particulars about changes in share capital

In the report period, the Company's share capital remained unchanged.

II. Total shareholders of the Company

Ended June 30, 2003, the Company had totally 10,143 shareholders.

III. Particulars about the top ten shareholders of the Company

Ended June 30, 2003, the top ten shareholders of the Company are as follows:

Shareholder's name	Holding shares (share)	Proportion	Number of share pledged or frozen	Type of shares

1. Shenzhen Investment Holding Corporation	191400000	66.36%	30000000 shares were pledged	Sponsor state-owned share
2. Shenzhen Colored Metal Financial Co. Ltd.	5280000	1.83%	Unknown	Domestic legal person's share
3. Shenzhen International Trust & Investment Co.	5280000	1.83%	Unknown	Domestic legal person's share
4. CHINA EVERBRIGE HOLDINGS CO. LTD	4226187	1.47%	Unknown	Circulation share
5. Shenzhen Huachengda Investment Holding Co., Ltd.	3960000	1.37%	Unknown	Domestic legal person's share
6. Shenzhen Guoyin Investment Development Co., Ltd.	2640000	0.92%	Unknown	Domestic legal person's share
7. WEN CAN RONG	597699	0.21%	Unknown	Circulation share
8. XIE WEN HAO	563630	0.20%	Unknown	Circulation share
9. ZHENG JIE	370000	0.13%	Unknown	Circulation share
10. ZHONG SHAN WEN	276530	0.10%	Unknown	Circulation share

Note: Shenzhen Investment Holding Corporation is the holding shareholder of the Company, which holds the share on behalf of the state, and holds the unlisted circulation shares. Among the top ten shareholders, Shenzhen Investment Holding Corporation is the holding shareholder of Shenzhen International Trust & Investment Co., and they exists the associated relationship. Except for this, there exists no associated relationship between state-owned shareholder and legal person shareholder, and they do not belong to the consistent actionist regulated by the Management Measure of Information Disclosure on Change of Shareholding for Listed Company. For the shareholders of circulation share, the Company is unknown whether there exists associated relationship, or whether the rest shareholders belong to the consistent actionist regulated by the Management Measure of Information Disclosure on Change of Shareholding for Listed Company.

IV. Particulars about the holding shareholder of the Company

The holding shareholder of the Company remained unchanged.

Section IV. Particulars about Directors, Supervisors and Senior Executives

I. Particulars about the Company's shares held by directors, supervisors and senior executives

In the report period, the Company's directors, supervisors and senior executives did not held shares of the Company.

II. Particulars about engagement and dismission of directors, supervisors and senior executives

1. On Mar. 3, 2003, as examined and approved by the Board meeting held by the Company, Mr. Pan Shiming was engaged as General Manager of the Company, while Mr. Yang Fenbo no longer took the post of General Manager; Mr. Ao Yingchun was engaged as Secretary of the Board, while Mr. Pan Shiming no longer concurrently took the post of Secretary of the Board; Mr. Jiang Dingshan was dismissed from the

post of Deputy General Manager of the Company.

2. On April 16, 2003, the Board meeting of the Company examined and approved the proposal on changing of directors: the meeting agreed that Mr. Peng Jihu, Mr. Gao Peiye and Mr. Liu Zhanjun resigned from the post of Independent Director respectively, and Mr. Tang Baicao resigned from the post of Director. Mr. Guo Shiping, Mr. Wu Zhaolin and Mr. Ma Hong were nominated as Independent Director respectively; Mr. Ao Yingchun was nominated as Director of the Company.

3. On May 21, 2003, as examined and approved by the shareholders' general meeting of the Company, Mr. Peng Jihu, Mr. Gao Peiye and Mr. Liu Zhanjun resigned from the post of Independent Director respectively; Mr. Tang Baicao and Mr. Luo Guohua resigned from the post of Director respectively; Ms. Yue Luyu resigned from the post of Supervisor of the Company; and Mr. Guo Shiping, Mr. Wu Zhaolin and Mr. Ma Hong were elected as Independent Director of the Company respectively, Mr. Ao Yingchun and Mr. Chen Zhitao were elected as Director of the Company respectively; Mr. Yang Yi was elected as Supervisor of the Company.

Section V. Discussion and Analysis of the Management

I. Operating results and analysis of financial position

1. Increase/decrease of corresponding indexes of operating results compared with that of the same period of the previous year.

No.	Index	Amount (RMB)		Increase/decrease compared with that of the same period of the previous year (%)
		Jan.- Jun. 2003	Jan.- Jun. 2002	
1	Income from core business	4,857,319.68	6,019,393.32	-19.31
2	Profit of core business	2,800,312.38	621,125.80	351.89
3	Net profit	1,022,557.76	-27,878,142.83	--
4	Net increase in cash and cash equivalents	-361,751.23	-13,471,554.09	--

Explanation:

(1) The holding companies listed into the consolidated statements scope as of the report period but not listed into the consolidated statements as of year 2002 included: Shenzhen Lionda Industry & Trade Co., Ltd.. The holding companies listed into the consolidated statements scope as of the report period but not listed into the consolidated statements as of year 2002 included: Shenzhen Lionda Industry & Trade Co., Ltd.. which was not the same as the scope of consolidated statement in the same period of last year, so the comparison of many operational indexes was not meaningful.

(2) The Company's profit of core business increased by 351.89% in the report period compared with that of the same period of the previous year, which was due to the relative low cost of property operation and management of Shenzhen Lionda Industry & Trade Co., Ltd..

(3) The Company realized profit in the net profit in the report period, which was because that the Court sold the equity of three companies, namely King Way, Printing

Ink and Yinzhu and gained part of investment income.

2. Analysis of financial position of the Company

No.	Indexes	Amount (RMB)		Increase/decrease （%）
		Jan.- Jun. 2003	Dec. 31, 2002	
1	Total assets	192,507,501.82	203,258,077.52	-5.29
2	Shareholders’ equity	-1,524,432,398.95	-1,525,165,390.27	--

Explanation:

(1) Total assets of the Company in the report period decreased by 5.29% compared with that of the year beginning, which was because that the Court sold the equity of three companies, namely King Way, Printing Ink and Yinzhu and gained part of investment income.

(2) There was no material change in shareholders’ equity in the report period compared with that of the year beginning.

II. Operation of the Company in the report period

1. In the report period, the Company was mainly engaged in production and sales of presswork and property operation and management. The scope of business was in Shenzhen. In the first half of 2003, the realized income and profit from core business of the Company was RMB 4,857,319.68 and RMB 2,800,312.38 respectively, which decreased by 19.31% and increased by 351.89% respectively. The realized net profit was RMB 1,022,557.76, realized profit. Formation of core business of the Company classified according to types of areas and products are as follows:

Formation of core business of the Company classified according to types of areas and products in the first half of 2003

Unit: RMB

Industry or product	Income from core business	Cost of core business	Gross profit rate （%）
Print or presswork	2,345,742.27	1,779,043.19	24.16
Operation and management of property	2,511,577.41	135,193.76	94.62

2. In the report period, the core business and its structure of the Company had some changes compared with that of 2002: ended on Dec. 31, 2002, the core business of the Company was operation and management of property. But since 2003, Shenzhen Lionda Industry & Trade Co., Ltd. was listed in the combining form of the Company. Since the core business of Shenzhen Lionda Industry & Trade Co., Ltd. was operation and management of printing industry and property, the core business and its structure of the Company changed correspondingly in the report period.

3. Other operating activities making material influence to net profit in the report period.

Unit: RMB

Other operating business	Loss and profit	Proportion of the net profit
The Court’s selling equity of King Way Beer	8,350,542.15	816.63％
The Court’s selling equity of Shenri Printing Ink	9,850,000.00	963.27％

The Court's selling equity of Yinzhu Plastic	3,227,650.00	315.65％

4. In the report period, the Company had no investment income from single equity participant making over 10% of influence to net profit of the Company

5. Problems and difficulties in operation

Since 2002, core business of the Company has shrunk by a large margin. Though the Company realized profit in the first half of 2003, the Company still had no very strong industry to support. Meanwhile, it was difficult to reach unanimous suggestion with the creditor in negotiation due to the rigidity principle of relevant financial policy of banks. Furthermore, with big venture of debts and guarantee, the Company had many difficulties to induct the recombining cooperating side with strength, sincerity and operating ability.

III. Investment of the Company in the report period

In the report period, the Company had no raised proceeds and there was no such situation that the application of proceeds raised through previous share offering continuing to the report period. In the report period, the Company had no investment project.

IV. Progress situation of finished predicting and planning mission

It was predicted by the first quarter report of 2003 of the Company that achievements in the first half of 2003 would be loss. But since the Court sold the equity of three companies such as King Way, Printing Ink and Yinzhu (formality of transferring ownership was all finished in the second quarter of 2003), the Company gained part of investment income and realized profit in the first half of 2003.

V. Warning and the reason explanation on the prediction that net profit from year beginning to the end of next report period would be loss or have material change compared with that of the corresponding period of the previous year.

It was predicted that the Company would realize profit in the core business from the beginning of 2003 to the end of the third quarter of 2003. But considering about the relatively large financial expenses, net profit would be loss .

VI. Management's explanation on changes and dealing situation of involving items of non-signed suggestion from accounting firm in the previous year.

Since Shenzhen Dahua Tiancheng Certified Public Accountants believed that the Company had relatively large repaying pressure on short-term debts and had many prosecuted guarantee debts that would effect the sustainable operation of the Company directly if unable to be dispelled in a short term, it provided Auditors' Report with reserved opinion for the Company. Thus, Board of Directors of the Company believed that though there was relative large repaying pressure on short-term debts, the Company still could raise operating capital for need of normal production and still had capability of sustainable operation.

Section VI. Significant Events

I. Corporate governance

According to the requirements of Company Law, Securities Law, Administrative Rules of Listed Companies, Guidance Opinion on Establishing Independent Director System in Listed Companies and other laws and regulations, the Company continued to improve the Company's administrative structure, standardized the Company's operation and had improved Articles of Association, Rules of Procedure of Shareholders' General Meeting, Rules of Procedure of the Board of Directors, Independent Director System, Information Disclosure System and other management systems, which was considered and passed by Shareholders' General Meeting for implementation. As a whole, the operation and management of the Company was fundamentally in compliance with the requirements of Administrative Rules of Listed Companies jointly promulgated by CSRC and State Economy & Trade Committee. The Company shall continue to improve the Company's administrative structure according to the requirements of Company Law, Securities Law, Administrative Rules of Listed Companies and other laws and regulation.

II. Implementation of Profit Distribution Plan and Plan of Converting Public Reserve into Share Capital in the report period

According to the resolutions of 2002 Shareholders' General Meeting, the Company did not distribute profits or convert capital public reserve into share capital.

III. Material lawsuits and arbitrations in the report period

1. On Jan. 6, 2003, the Company received the Civil Judgment of Shenzhen Intermediate People's Court from holding a court and hearing the case that the accuser Industrial and Commercial Bank of China Shenzhen Branch indicted Shenzhen Guoyin Investment (Group) Co., Ltd. (hereinafter referred to Guoyin Company) and the Company to Shenzhen Intermediate People's Court, which stated: (1) The defendant Guoyin Company should refund the principal of the loan amounting to RMB 17.50 million and the interest to the accuser Industrial and Commercial Shenzhen Branch. (2) The Company should take on the joint responsibility for discharging the aforesaid liabilities of the defendant Guoyin Company. (For details, please refer to Public Notice on the Lawsuit with Notice No. 2003-001 published on Securities Times and Hong Kong Ta Kung Pao dated Jan. 8, 2003.)

2. The Company received the Civil Judgment of Beijing the 1st Intermediate People's Court from holding a court and hearing the case that the accuser China Everbright Bank indicted the Company and Shenzhen Textile (Group) Co., Ltd. to Beijing the 1st Intermediate People's Court, which stated: (1) The Company should refund the principal of the loan amounting to RMB 14 million and the interest to the accuser China Everbright Bank. (2) The defendant Shenzhen Textile Company should take on the joint responsibility for discharging the aforesaid liabilities of the Company. (For details, please refer to Public Notice on the Lawsuit with Notice No. 2003-002 published on Securities Times and Hong Kong Ta Kung Pao dated Feb. 12, 2003.)

3. The Company received one piece of Writ of Summons from Shenzhen Luohu Court, one piece of Writ of Summons from Shenzhen Futian Court and six pieces of Writ of Summons from Shenzhen Intermediate Court successively with contents as follows: (For details, please refer to Public Notice on the Lawsuit with Notice No. 2003-004

published on Securities Times and Hong Kong Ta Kung Pao dated Feb. 28, 2003.)

Since Shenzhen Lionda Development Co., Ltd. did not refund the loan amounting to RMB 980,000 that was borrowed in Oct. 2000 to Shenzhen Development Bank Luohu Sub-branch at its expiration and the Company provided the guarantee for this loan, Shenzhen Development Bank Luohu Branch indicted the Company and Development Company to Shenzhen Luohu Court in Jan. 2003.

Since the Company did not refund the loan amounting to RMB 3.60 million that was borrowed in Apr. 1999 to Industrial and Commercial Bank of China Shenzhen Futian Sub-branch at its expiration and Shenzhen Jinbeisheng Investment Co., Ltd. provided guarantee for this loan, Industrial and Commercial Bank of China Shenzhen Futian Sub-branch indicted the Company and Jinbeisheng Company to Shenzhen Futian Court in Jan. 2003.

Since the Company did not refund the loan amounting to RMB 5.43 million that was borrowed in Dec. 12 to Industrial and Commercial Bank of China Shenzhen Futian Sub-branch at its expiration and Shenzhen Jinbeisheng Investment Co., Ltd. provided guarantee for this loan, Industrial and Commercial Bank of China Shenzhen Futian Sub-branch indicted the Company and Jinbeisheng Company to Shenzhen Intermediate People’s Court in Jan. 2003.

Since the Company did not refund the loan amounting to RMB 22 million (dividing into three loans: RMB 8 million, RMB 6 million and RMB 8 million) that was borrowed in Dec. 1998 to Industrial and Commercial Bank of China Shenzhen Futian Sub-branch at its expiration and Shenzhen Petrochemical Group Co., Ltd. provided guarantee for these three loans, Industrial and Commercial Bank of China Shenzhen Futian Sub-branch indicted the Company and Petrochemical Company to Shenzhen Intermediate Court in Jan. 2003.

Since the Company did not refund the loan amounting to USD 2 million that was borrowed in Dec. 1998 to Industrial and Commercial Bank of China Shenzhen Futian Sub-branch at its expiration and Shenzhen Yinkun Light Textile Chemical Co., Ltd. provided guarantee for this loan, Industrial and Commercial Bank of China Shenzhen Futian Sub-branch indicted the Company and Light Textile Chemical Co., Ltd. to Shenzhen Intermediate Court in Jan. 2003.

Since the Company did not refund the loan amounting to RMB 19 million that was borrowed in Aug. 1999 to Industrial and Commercial Bank of China Shenzhen Shendong Sub-branch at its expiration and Shenzhen Lionda Material Import & Export Co., Ltd. provided guarantee for this loan, Industrial and Commercial Bank of China Shenzhen Shendong Sub-branch indicted the Company and Material Company to Shenzhen Intermediate Court in Jan. 2003.

4. The Company received one piece of Writ of Summons from Shenzhen Intermediate Court on Mar. 5, 2003 with contents as follows: The Company borrowed the loan amounting to USD 1.70 million from Shenzhen Development Bank Futian Sub-branch and Shenzhen Petrochemical Industrial (Group) Co., Ltd. provided guarantee for this loan. Since this loan was not refunded at its expiration, Shenzhen Development Bank Futian Sub-branch indicted the Company and Shenzhen Petrochemical Company to Shenzhen Intermediate Court in Feb. 2003. (For details, please refer to Public Notice on the Lawsuit with Notice No. 2003-006 published on Securities Times and Hong Kong Ta Kung Pao dated Mar. 8, 2003.)

5. The Company received the Civil Judgment of Shenzhen Luohu People's Court from holding a court and hearing the case that the accuser Shenzhen Development Bank Luohu Sub-branch indicted Shenzhen Lionda Development Co., Ltd. and the Company to Shenzhen Luohu People's Court, which stated: (1) Shenzhen Lionda Development Co., Ltd. should refund the principal of the loan amounting to RMB 980,000 and the interest to the accuser Shenzhen Development Bank Luohu Sub-branch. (2) The Company should take on the joint responsibility for discharging the aforesaid liabilities. (For details, please refer to Public Notice on the Lawsuit with Notice No. 2003-006 published on Securities Times and Hong Kong Ta Kung Pao dated Mar. 8, 2003.)

6. The Company received three pieces of Civil Judgment from Shenzhen Intermediate Court, one piece of Writ of Summons from Shenzhen Nanshan People's Court and one piece of Civil Ruling from Zhejiang Ningbo Intermediate People's Court successively with details as follows: (For details, please refer to Public Notice on the Lawsuit with Notice No. 2003-013 published on Securities Times and Hong Kong Ta Kung Pao dated May 17, 2003.)

On the three cases that Industrial and Commercial Bank of China Shenzhen Futian Sub-branch indicted the Company and Shenzhen Petrochemical Group Co., Ltd., Shenzhen Intermediate Court made the following civil judgment: (1) The Company should refund the principals of loans amounting to RMB 22 million (dividing into three loans: RMB 8 million, RMB 6 million and RMB 8 million) and the relevant interests to Industrial and Commercial Bank Futian Sub-branch. (2) Shenzhen Petrochemical Group Co., Ltd. should take on the joint responsibility for discharging the aforesaid liabilities.

Since Shenzhen Lionda Paper-making Co., Ltd. did not refund the loan amounting to USD 340,000 to China Merchants Bank Shenzhen OCT Sub-branch at its expiration and the Company provided guarantee for this loan, China Merchants Bank Shenzhen OCT Sub-branch indicted Shenzhen Lionda Paper-making Co., Ltd. and the Company. Shenzhen Nanshan People's Court held a court and heard the case on Apr. 24, 2003.

On the case that China Chemical Engineering 6th Construction indicted Shanghai Lion Real Estate Development Co., Ltd. and the Company, the guarantee unit, for the dissension of participating in the construction accounts, the Company reached the Reconciliatory Agreement with Shanghai Lion Real Estate Development Co., Ltd.

and China Chemical Engineering 6^{th} Construction Company with contents as follows: According to (1999) HYZMZZ No. 188 Ruling of Shanghai 1^{st} Intermediate Court, the court froze the equity amounting to RMB 13.50 million and partial investment earnings of Shanghai Lion Real Estate Development Co., Ltd. held by the Company according to the law. After negotiation, the application executor, namely China Chemical Engineering 6^{th} Construction Company and the application executee, namely the Company and Shanghai Lion Real Estate Development Co., Ltd. conformably agreed that the application executor would apply for releasing the equity freezing to the executee and stopping the implementation of this case and would be responsible for delivering the signing documents to Shanghai Lion Real Estate Development Co., Ltd. when transferring the account, under the situation that the application executee, namely Shanghai Lion Real Estate Development Co., Ltd. refunded RMB 15 million to the application executor in one time.

On the case that Ningbo Foods Corporation indicted Shenzhen Guangyingda Industrial Development Co., Ltd. and the Company for payment dissension of purchase and sales contract, since the executee, namely the Company (originally called Shenzhen Lionda Group Co., Ltd.) did not completely implement the legal obligation confirmed in (1998) YJCZ No. 293 Civil Judgment, Zhejiang Ningbo Intermediate Court made the following judgment to the rest liabilities: (1) Releasing the freezing to the equity of Shanghai Lion Real Estate Development Co., Ltd. amounting to RMB 13.50 million (taking 45%) held by the Company. (2) Transferring the aforesaid equity to Shanghai Universe Industrial Co., Ltd. with assessment price. The income from this selling was used to cancel out the rest liabilities owed in the case.

7. The Company received one piece of Civil Judgment from Shenzhen Luohu People’s Court and two pieces of Notice on Freezing Equity from Shenzhen Intermediate Court successively with details as follows: (For details, please refer to Public Notice on the Lawsuit with Notice No. 2003-013 published on Securities Times and Hong Kong Ta Kung Pao dated May 17, 2003)
Since Shenzhen Lionda Foods Industrial Co., Ltd. did not refund the loan amounting to HKD 1.40 million to Shenzhen Nonferrous Metal Financial Co., Ltd. at its expiration and the Company provided guarantee for this loan, Shenzhen Nonferrous Metal Financial Co., Ltd. indicted Lionda Foods Company ad the Company to Shenzhen Luohu People’s Court. However, the executee, namely Lionda Foods Company and the Company did not implement the obligation of repayment confirmed in (1999) SLFJZ No. 798 Civil Judgment in the designated period and Shenzhen Luohu Court judged according to the law: auctioning the properties of the executee, namely Lionda Foods Company locating in the 1^{st} and 2^{nd} floor of the main factory, Dongxiao Road, Luohu District, Shenzhen. The actual payment gained from the auction was used to refund the liabilities and the rest was retreated to the executee.

On the dissension case of cooperating agreement between the application executor, namely Xingangao Co., Ltd. and the executee, namely the Company, (2000) MZCZ No. 0199 Judgment of China International Economy & Trade Arbitration Committee had taken effect in law. Thus, in Mar. 2003, Shenzhen Intermediate Court produced Notice on Equity Freezing to the Company and froze the Company's 95% equity in Shenzhen Lionda Paper-making Co., Ltd., 25% equity in Shenzhen Guanghua Zhongkong Glass Engineering Co., Ltd., 30% equity in Shenzhen Lionda Bonded Trade Co., Ltd., 93.75% equity in Shenzhen Lionda Properties Management Co., Ltd. and 32% equity in Shenzhen Lionda Industry & Trade Co., Ltd..

On the dissension case of loan agreement between the application executor, namely China Merchants Shekou Holdings Co., Ltd., and the executee, namely Shenzhen Guangyingda Industrial Development Co., Ltd. and the Company, Shenzhen Intermediate Court made the following judgment with (1999) SZFJECZ No. 148 Civil Judgment: Guangyingda Company should refund the principal amounting to USD 1.21 million and interest to China Merchants Shekou Company and the Company should take on the joint responsibility for repayment. This judgment had taken legal effect. Thus, in Mar. 2003, Shenzhen Intermediate Court produced Notice on Equity Freeze to the Company and froze the Company's 80% equity and earnings in Shenzhen Lionda Light Textile Chemical Co., Ltd., 95% equity and earnings in Shenzhen Lionda Electric Appliances Co., Ltd., 95% equity in Shenzhen Lionda Development Co., Ltd., 95% equity and earnings in Shenzhen Lionda Foods Industrial Co., Ltd. and 95% equity and earnings in Shenzhen Lionda Material Import & Export Co., Ltd. and 70% equity and earnings in Shenzhen Lionda Timed Industrial Co., Ltd. according to the law.

8. The Company received one piece of Civil Judgment and one piece of Civil Ruling from Shenzhen Intermediate Court recently with details as follows: (For details, please refer to Public Notice with Notice No. 2003-016 published on Securities Times and Hong Kong Ta Kung Pao dated May 24, 2003.)
On the case of loan dissension that Shenzhen Development Bank Futian Sub-branch indicted the Company and guarantee unit Shenzhen Petrochemical Industrial (Group) Co., Ltd., Shenzhen Intermediate Court made the following civil judgment: The Company should refund the loan amounting to USD 1.70 million and the interest to Shenzhen Development Bank Futian Sub-branch and Petrochemical Company should take on the joint discharging responsibility for this.

On the sixteen cases of loan dissension that Industrial and Commercial Bank of China Shenzhen Branch Operation Division (The equity had been transferred to: China Huarong Assets Management Shenzhen Office) indicted Shenzhen China Bicycle Company (Holdings) Limited and guarantee unit the Company, since the Company did not implement the legal obligations confirmed in (1998) SZFJTCZ No. 270, 271, 272, 273, 275 Civil Judgments and (1998) SZFJYCZ No. 153-163 Civil Judgments which had taken legal effect, Shenzhen Intermediate Court froze the executee, namely the Company's 45% equity in Shenzhen Yinzhu Plastic Products Co., Ltd., 5% equity in Shenzhen King Way Beer Co., Ltd. and 10% equity in Shenzhen Shenri Printing Ink Co., Ltd. according to the law. In the report period, the application executor, namely China Huarong Assets Management Company Shenzhen Office reached equity sale agreement with the executee, namely the Company, and the third party, namely Shenzhen Dongxing Industrial Co., Ltd. and Shenzhen Lionda Group Company Limited, which regulated: Selling the Company's 45% equity in Shenzhen Yinzhu Plastic Products Co., Ltd. to Shenzhen Dongxing Industrial Co., Ltd. with RMB 4,127,650; Selling the Company's 5% equity in Shenzhen King Way Beer Co., Ltd. and 10% equity in Shenzhen Shenri Printing Ink Co., Ltd. to Shenzhen Lionda Group Company Limited with RMB 33,858,000 and RMB 12,850,000 respectively. The assignees, namely Shenzhen Dongxing Industrial Co., Ltd. and Shenzhen Lionda Group Company Limited had paid all payments from sale to the application executor, China Huarong Assets Management Company Shenzhen Office, thus, Shenzhen Intermediate Court made the following civil judgment according to the law: The Company's 45% equity in Shenzhen Yinzhu Plastic Products Co., Ltd. should belong to Shenzhen Dongxing Industrial Co., Ltd.; The Company's 5% equity in Shenzhen King Way Beer Co., Ltd. and 10% equity in Shenzhen Shenri Printing Ink Co., Ltd. should belong to Shenzhen Lionda Group Company Limited. The transfer change procedures of the aforesaid sales implementation of three items of equities had been all accomplished in the report period and had produced a certain investment earnings. For the progress of the relevant implementation of transfer, please refer to Public Notice on the Lawsuit with Notice No. 2003-016 published on Securities Times and Hong Kong Ta Kung Pao dated May 24, 2003.

V. Material purchase and sale of assets and assets reorganization

Since the Company failed to implement the legal obligation confirmed in (1998) SZFJTCZ No. 270,271,272,273 and 275 Civil Judgments and (1998) SZFJYCZ No. 153-163 Civil Judgments which had taken legal effect, the application executor, namely China Huarong Assets Management Company Shenzhen Office reached equity sale agreement with the executee, namely the Company, and the third party, namely Shenzhen Dongxing Industrial Co., Ltd. and Shenzhen Lionda Group Company Limited, which regulated: Selling the Company's 45% equity in Shenzhen Yinzhu Plastic Products Co., Ltd. to Shenzhen Dongxing Industrial Co., Ltd. with RMB 4,127,650; Selling the Company's 5% equity in Shenzhen King Way Beer Co., Ltd. and 10% equity in Shenzhen Shenri Printing Ink Co., Ltd. to Shenzhen Lionda Group Company Limited with RMB 33,858,000 and RMB 12,850,000 respectively. The assignees, namely Shenzhen Dongxing Industrial Co., Ltd. and Shenzhen Lionda Group Company Limited had paid all payments from sale to the application executor, China Huarong Assets Management Company Shenzhen Office, thus, Shenzhen Intermediate Court made the following civil judgment according to the law: The Company's 45% equity in Shenzhen Yinzhu Plastic Products Co., Ltd. should belong to Shenzhen Dongxing Industrial Co., Ltd.; The Company's 5% equity in Shenzhen King Way Beer Co., Ltd. and 10% equity in Shenzhen Shenri Printing Ink Co., Ltd. should belong to Shenzhen Lionda Group Company Limited. The transfer change

procedures of the aforesaid sales implementation of three items of equities had been all accomplished in the report period and had produced a certain investment earnings.
The aforesaid sale of assets was assets disposal stated in material lawsuits. Besides, the Company had no any other material assets purchase and reorganization in the report period or happening in the previous periods but going down to the report period.

VI. Material related transactions in the report period
The Company had no material related transactions in the report period or happening in the previous years but going down to the report period.

VII. Material contracts and their implementations
1. On Mar. 7, 2003, Shenzhen Lionda Industry & Trade Co., Ltd. Labor Union Committee signed Equity Trusteeship Agreement with the Company. Shenzhen Lionda Industry & Trade Co., Ltd. Labor Union Committee entrusted its holding 20% equity of Industry & Trade Company to the Company for classified management by the means of equity trusteeship and the trusteeship term was from Jan. 1, 2003 to Dec. 31, 2005. During the trusteeship period, the Company exercised the operating right and voting right of this 20% equity and implemented the corresponding obligation. Since the Company held 32% equity of Industry & Trade Company originally, and adding 20% trusteeship equity, the equity the Company held and trusted reached 52%. Moreover, the Company commissioned four directors to take the post of directors of Industry & Trade Company, taking 4/5 of the total number of its Board of Directors, thus the Company had real holding right to Industry & Trade Company. According to the relevant regulations of Enterprise Accounting System on consolidated accounting statements, from the year 2003, Industry & Trade Company was listed into the consolidated scope of the Company. (For details, please refer to Public Notice on the Lawsuit with Notice No. 2003-007 published on Securities Times and Hong Kong Ta Kung Pao dated Mar. 29, 2003.)

2. The Company did not trust, contract and lease the assets of other companies in the report period or in the previous years but going down to the report period or vice versa.

3. The Company had no material guarantees in the report period or happening in the previous years but going down to the report period.

4. The Company did not significantly entrust others to manage the cash assets in the report period or happening in the previous years but going down to the report period.

VII. Other significant events
1. The Company or the shareholders holding over 5% shares of the Company had no commitment in the report period or happening in the previous years but going down to the report period.

2. The financial report in the report period has not been audited.
3. In the report period, the Company, the directors and senior executives of the Company was not checked, administratively punished and criticized by circular by CSRC, punished by other administrative management departments or condemned in public by Shenzhen Stock Exchange.

Section VII. Financial Report (Un-audited)

Guangdong Sunrise Holdings Co., Ltd.

Balance Sheet

June 30, 2003

Unit: RMB

Assets	Note	Amount at the period-begin		Amount at the period-end	
		Consolidation	The Company	Consolidation	The Company
Current assets:					
Monetary funds	1	1,858,208.69	495,322.43	1,496,457.46	485,265.72
Short-term investment	2	---	---	44,400.00	---
Dividends receivable		2,060,800.00	2,060,800.00	---	---
Interests receivable		---	---	---	---
Accounts receivable	3	---	---	280,608.44	---
Other receivable	4	75,120,430.78	72,068,377.95	94,229,751.94	74,828,958.56
Accounts in advance	5	---	---	20,000.00	---
Subsidy receivable		---	---	---	---
Inventories	6	2,191,994.11	2,191,994.11	2,191,994.11	2,191,994.11
Expenses to be apportioned	7	45,230.93	---	2,121,857.20	---
Other current assets		---	---	---	---
Total current assets		81,276,664.51	76,816,494.49	100,385,069.15	77,506,218.39
Long-term investment:					
Long-term equity investment	8	92,166,988.62	95,189,297.27	59,480,261.41	65,054,397.73
Long-term credit investment		---	---	---	---
Total long-term investment		92,166,988.62	95,189,297.27	59,480,261.41	65,054,397.73
Including: Consolidation price variance		---	---	---	---
Including: Balance of equity investment		---	---	---	---
Fixed assets:					
Original price of fixed assets	9	53,782,156.15	53,026,236.15	77,189,955.28	53,049,236.15
Less: Accumulated depreciation	9	24,426,047.34	24,006,784.36	44,397,994.49	24,979,273.00
Net value of fixed assets	9	29,356,108.81	29,019,451.79	32,791,960.79	28,069,963.15
Disposal of fixed assets		---	---	-1,797,761.47	---
Net amounts of fixed assets		29,356,108.81	29,019,451.79	30,994,199.32	28,069,963.15
Construction in progress	10	18,315.58		---	---
Total fixed assets		29,374,424.39	29,019,451.79	30,994,199.32	28,069,963.15
Intangible and other assets:					
Intangible assets	11	---	---	996,287.85	---
Long-term expenses to be apportioned	12	440,000.00	---	651,684.09	---
Other long-term assets		---	---	---	---
Total intangible and other assets		440,000.00	---	1,647,971.94	---
Deferred tax:					
Deferred tax-borrowing item		---	---	---	---
Total assets		203,258,077.52	201,025,243.55	192,507,501.82	170,630,579.27

Person in Charge of the Company: Person in Charge of Financial Affairs: Lister preparing the statement:

Guangdong Sunrise Holdings Co., Ltd.
Balance Sheet (Con.)
June 30, 2003

Unit: RMB

Liabilities and shareholders' equity	Note	Amount at the period-begin		Amount at the period-end	
		Consolidation	The Company	Consolidation	The Company
Current liabilities:					
Short-term loans	13	653,893,272.87	653,893,272.87	595,422,499.60	595，422，499.60
Notes payable		---	---	---	---
Accounts payable	14	---	---	499,552.72	---
Accounts prepay	15	137,586.45	---	7,373.30	---
Wages payable		---	---	---	---
Welfare funds payable		220,415.17	80,987.91	305,111.56	213,368.21
Dividends payable		---	---	---	---
Taxes payable	17	20,913.32	---	(19,701.06)	21,180.04
Other duties payable		855.70	---	---	---
Other accounts payable	16	158,720,205.39	157,101,000.93	176,377,517.21	170,498,272.76
Accrued expenses	18	193,232,522.62	193,211,622.62	207,877,251.47	207,803,908.12
Projected liabilities	19	721,903,749.49	721,903,749.49	727,658,812.49	721,103,749.49
Total current liabilities		1,728,129,521.01	1,726,190,633.82	1,708,128,417.29	1,695,062,978.22
Long-term liabilities:					
Long-term loans		---	---	---	---
Total long-term liabilities		---	---	---	---
Deferred tax:					
Deferred tax-credit item		---	---	---	---
Total liabilities		1,728,129,521.01	1,726,190,633.82	1,708,128,417.29	1,695,062,978.22
Minority interests:					
Minority interests		293,946.78	---	8,811,483.48	---
Shareholder's equity					
Share capital	20	288,420,000.00	288,420,000.00	288,420,000.00	288,420,000.00
Capital public reserve	21	366,380,670.29	366,380,670.29	366,380,670.29	366,380,670.29
Surplus public reserve	22	137,828,517.30	137,828,517.30	137,538,950.86	137,538,950.86
Including: Public welfare funds	22	18,313,616.63	18,313,616.63		
Retained profit	23	(2,317,794,577.86)	(2,317,794,577.86)	(2,316,772,020.10)	(2,316,772,020.10)
Total shareholders' equity		(1,525,165,390.27)	(1,525,165,390.27)	(1,524,432,398.95)	(1,524,432,398.95)
Total liabilities and shareholders' equity		203,258,077.52	201,025,243.55	192,507,501.82	170,630,579.27

Person in Charge of the Company: Person in Charge of Financial Affairs: Lister preparing the statement:

(Notes attached forms the integral part of the consolidation accounting statement)

Guangdong Sunrise Holdings Co., Ltd.

Statement of Profit and Profit Distribution

Interim of the year 2003

Unit: RMB

Items	Note	Accumulative amount in this year		Amount at the same period of last year	
		Consolidation	The Company	Consolidation	The Company
Ⅰ. Income from core business	24	4,857,319.68	---	6,019,393.32	---
Less: Cost of core business	24	1,914,236.95	---	5,089,145.83	---
Taxes and extras of core business		142,770.35	---	309,121.69	---
Ⅱ. Profit from core business		2,800,312.38	---	621,125.80	---
Add: Profit from other business lines		---	---	---	---
Less: Operating expenses		218,095.06	---	2,418,674.16	---
Administrative expenses		6,985,579.80	4,642,656.24	13,430,063.44	11,127,916.28
Financial expenses	25	15,577,857.84	15,585,388.22	18,817,826.78	18,579,537.12
Ⅲ. Operating profit		(19,981,220.32)	(20,228,044.46)	(34,045,438.58)	(29,707,453.40)
Add: Investment income	26	21,428,192.15	21,472,350.46	6,693,520.71	1,805,308.66
Subsidy income		---	---	---	---
Non-operating income	27	29,362.59	20,000.00	134,850.42	95,035.00
Less: Non-operating expenditure	27	359,940.24	241,748.24	957,222.74	71,033.09
Ⅳ.Total profit		1,116,394.18	1,022,557.76	(27,874,290.19)	(27,878,142.83)
Less: Income tax		---	---	3,852.64	---
Minority interests		93,836.42	---	---	---
Ⅴ. Net profit		1,022,557.76	1,022,557.76	(27,878,142.83)	(27,878,142.83)
Add: Retained profit at the begin of the year		(2,317,794,577.86)	(2,317,794,577.86)	(1,751,309,411.80)	(1,751,309,411.80)
Transferred from other		---	---	---	---
Ⅵ.Profit available for distribution		(2,316,772,020.10)	(2,316,772,020.10)	(1,779,187,554.63)	(1,779,187,554.63)
Less: Allotted statutory surplus public reserve		---	---	---	---
Allotted statutory public welfare funds		---	---	---	---
Ⅶ. Profit available for distribution to shareholders		(2,316,772,020.10)	(2,316,772,020.10)	(1,779,187,554.63)	(1,779,187,554.63)
Allotted arbitrary surplus public reserve		---	---	---	---
Ⅷ. Retained profit		(2,316,772,020.10)	(2,316,772,020.10)	(1,779,187,554.63)	(1,779,187,554.63)

Supplemental information

Items

Accumulative amount in the last year

Accumulative amount in the this year

1. Income from selling or disposal branch and investee enterprise

16,061,079.95

21，428，192.15

2. Increase (or decrease) of total profit due to the change of accounting policies

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3. Increase (or decrease) of total profit due to the change of accounting estimation

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Person in Charge of the Company: Person in Charge of Financial Affairs: Lister preparing the statement:

(Notes attached forms the integral part of the consolidation accounting statement)

Guangdong Sunrise Holdings Co., Ltd.

Statement of Cash Flow

Interim of the year 2003

Unit: RMB

Items	Note	Amount at this period		Amount at the last period	
		Consolidation	The Company	Consolidation	The Company
Ⅰ. Cash flows arising from operating activities:					
Cash received from selling commodities and providing labor services		2,597,268.80		5,798,996.39	
Rent received		3,406,177.41			
Other cash received concerning operating activities	2	11,240,567.13	1,252,095.03	6,916,248.12	1,481,518.58
Subtotal of cash inflows:		17,244,013.34	1,252,095.03	12,715,244.51	1,481,518.58
Cash paid for purchasing commodities and receiving labor service		1,645,234.95		1,804,639.37	
Cash paid to/for staff and workers		4,651,933.53	648,462.00	2,782,364.70	18.720.00
Taxes paid		521,906.92	70,486.53	2,406,840.01	208,939.27
Other cash paid concerning operating activities	29	12,336,110.65	541,903.21	8,147,274.46	1,455,188.63
Subtotal of cash outflows:		19,155,186.05	1,260,851.74	15,141,118.54	1,682,847.90
Net cash flows arising from operating activities		-1,911,172.71	-8,756.71	-2,425,874.03	-201,329.32
II. Cash flows arising from investing activities:					
Cash received from recovering investment					
Cash received from investment income					
Net cash received from disposal of fixed,					

intangible and other long-term assets					
Other cash received concerning investing activities		2,819,846.11			
Subtotal of cash inflows:		2,819,846.11			
Cash paid for purchasing fixed, intangible and other long-term assets		1,300.00	1,300.00	68,738.58	
Cash paid for investment					
Other cash paid concerning investing activities	30	1,269,124.63		11,602,568.30	
Subtotal of cash outflows:		1,270,424.63	1,300.00	11,671,306.88	
Net cash flows arising from investing activities		1,549,421.48	-1,300.00	-11,671,306.88	
Ⅲ. Cash flows arising from financing activities					
Cash received from absorbing investment					
Cash received from loans					
Other cash received concerning financing activities				659,667.64	
Subtotal of cash inflows:				659,667.64	
Cash paid for settling debts				63,500.00	
Cash paid for financing occurred					
Cash paid for dividends or profit distributing, repayment of interest				240,540.82	
Including: dividend paid to minority shareholders by subsidiary company					
Other cash paid concerning financing activities					
Subtotal of cash outflows:				304,040.82	
Net cash flows arising from financing activities				355,626.82	
IV. Influence on cash due to fluctuation in exchange rate					
V. Net increase of cash and cash equivalents		-361,751.23	-10,056.71	-13,471,554.09	-201,329.32

Person in Charge of the Company: Person in Charge of Financial Affairs: Lister preparing the statement:

Guangdong Sunrise Holdings Co., Ltd.

Statement of Cash Flow (Con.)

Interim of the year 2003

Unit: RMB

Items	Amount at this period		Amount at the last period	
	Consolidation	The Company	Consolidation	The Company
1. Investment and financing activities with no cash incomings/outgoings involved				
Capital transferred from debts	---	---	---	---
Convertible company bonds due within one year	---	---	---	---
Fixed assets leasing for financing	---	---	---	---
2. Adjusting net profit to cash flows for operating activities:				
Net profit	1,022,557.76	1,022,557.76	-27,878,142.83	-27,878,142.83
Add: Minority shareholders	93,836.42			
Withdrawal of provision for devaluation of assets	-4,000.00	-4,000.00	5,981,271.73	5,981,271.73
Depreciation of fixed assets	1,409,052.22	974,040.40	1,113,736.49	939,101.82
Amortization of intangible assets	12,483.60			

Amortization of long-term expenses to be apportioned				
Decrease of expenses to be apportioned	-1,993,117.92		-14,415,510.66	
Increase of accrued expenses	14,231,125.82	14,592,285.50	18,961,182.00	18,905,380.00
Loss on disposal of fixed, intangible and other long-term assets	618,486.17	1,748.24	24,480.50	24,480.50
Loss on rejection of fixed assets			17,621.00	
Financial expenses	15,583,703.26	15,585,388.22	18,895,498.85	18,654,958.03
Loss of investment	-21,422,192.15	-21,472,350.46	-2,689,525.36	-2,689,525.36
Loss of guaranty				
Decrease of inventories	48,526.93		-3,917,842.07	
Decrease of receivables in operating	-29,581,512.52	-24,259,258.54	-31,654,293.42	-49,507,975.29
Increase of payables in operating	18,069,877.70	13,550,832.17	33,191,451.74	35,369,122.08
Other			-55,802.00	
Net cash flows arising from operating activities	-1,911,172.71	-8756.71	-2,425,874.03	-201,329.32
3. Net increase of cash and cash equivalents:				
Balance of cash at the period-end	96,088.71	46,901.96	6,417,354.60	1,263,193.46
Less: Balance of cash at the period-begin	244,661.52	59,928.99	20,158,908.69	1,464,522.78
Add: Balance of cash equivalents at the period-end	1,400,368.75	438,363.76		
Less: Balance of cash equivalents at the period-begin	1,613,547.17	435,393.44		
Net increase of cash and cash equivalents	-361,751.23	-10,056.71	-13,741,554.09	-201,329.32

Person in Charge of the Company: Person in Charge of Financial Affairs: Lister preparing the statement:

(Notes attached forms the integral part of the consolidation accounting statement)

Section VIII. Documents Available for Inspection

All documents were placed in the secretariat of the Board, which will be provided for reference to CSRC, Shenzhen Stock Exchange or shareholders of the Company, including:

1. Accounting statements carried with personal signatures and seals of legal representative, person in charge of the financial affairs and person in charge of handling accounting affairs;
2. Originals of all documents and manuscripts of Public Notices of the Company disclosed in public in Securities Times and Ta Kung Pao in the report period;
3. Original of 2003 Semi-annual Report carried with personnel signature of Chairman of the Board.

Board of Directors of
Guangdong Sunrise Holdings Co., Ltd.
Aug. 19, 2003