GUANGDONG SUNRISE HOLDINGS CO., LTD.

SEMI-ANNUAL REPORT 2004

August 12, 2004

CONTENTS

Section I. 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.

10 directors of the Company attended the Board meeting, in which the Semi-annual Report 2004 was examined. Independent Director Mr. Guo Shiping entrusted Independent Director Mr. Ma Hong to attend on his behalf.

Chairman of the Board of the Company Mr. Yang Fenbo, Person in charge of Accounting Work and concurrently General Manager Mr. Pan Shiming, Person in charge of Accounting Organ 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.

Section II. Company Profile

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) 755-82179136
   Securities Affairs Representative: Chen Liantan
   Contact Tel: (86) 755-82237967
   Contact Address: Secretariat on the 3rd Floor, Dongxing Bldg., No. 76, Lixin Road, Luohu District, Shenzhen, Guangdong
   Fax: (86)755-82222300
   E-mail: lionda@mailcenter.com.cn
4. Registered Address: Lixin Road, Luohu District, Shenzhen, Guangdong
   Office Address: 3rd Floor, Dongxing Bldg., No. 76, Lixin Road, Luohu District, Shenzhen
   Post Code: 518001
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/default.htm
   The Place Where the Semi-annual Report is Prepared and Placed: Secretariat on the 3rd 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: Jiahua Bldg., Huaqiang North Road, Shenzhen
   Registration code of enterprise legal person's business license: 4400001001658
   Registration 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, United Plaza, Binhe Road, Shenzhen
8. Major accounting data and financial indexes

(1) Major financial data and indexes

Unit: RMB

Items	At the end of this report period	At the end of last year	Increase/decrease at the end of this report period compared with the year-begin （%）
Current assets	226,864,847.77	223,555,496.02	1.48%

Current liabilities	1,864,392,985.45	1,847,089,950.79	0.94%
Total assets	379,219,135.51	378,293,188.86	0.24%
Shareholders' equity (excluding minority interest)	-1,560,210,441.87	-1,544,474,179.38	-----
Net assets per share	-5.4095	-5.3549	-----
Net assets per share after adjustment	-5.6697	-5.6173	-----
Items	**In this report period (Jan.-Jun. 2004)**	**At the same time of last year**	**Increase/decrease in this report period compared with the same period of last year (%)**
Net profit	-16,048,611.62	1,022,557.76	
Net profit after deducting non-recurring gains and losses	-16,687,676.97	-20,075,056.74	-----
Earnings per share	-0.0556	0.0035	-----
Return on equity (%)	-----	-----	-----
Net cash flow per share arising from operating activities	-2,166,310.32	-1,911,172.71	-----

(2) Items of non-recurring gains and losses and the relevant amount

Unit: RMB

Liquidation income	302,775.17
Net non-operating income/expenses	336,290.18
Total non-recurring gains and losses	639,065.35

(3) Supplementary statement of profit

Profit in the report period	Earnings per share (RMB)		Return on equity (%)	
	Fully diluted	Weighted average	Fully diluted	Weighted average
Profit from main operation	-----	-----	-0.0045	-0.0045
Operating profit	-0.0547	-0.0547	-----	-----
Net profit	-0.0556	-0.0556	-----	-----
Net profit after deducting non-recurring gains and losses	-0.0579	-0.0579	-----	-----

(4) There exists no difference in Company's net profit as audited by IAS and CAS respectively.

Unit: RMB'0000

	CAS	IAS
Net profit	-1,604.86	-1,604.86

Explanation on difference	Items	Net assets (RMB'000)	Net profit (RMB'000)
	I. As per IAS	(1,560,192)	(16,049)
	1. Switching back of prepaid expenses	174	---
	2. Adjustment of sales of minority interests of affiliated companies	---	---
	3. Adjustment of declared cash dividend	---	---
	4. Price differential of unrealized trade	---	---
	5. Correcting former error of equity of associated companies	---	---
	6. Housing reserve fund	(192)	---
	II. As per Accounting System of Enterprise Business	(1,560,210)	(16,049)

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

I. Particulars about changes in share

In the report period, there were no changes in total share of the Company and its structure caused by bonus share, transferring capital public reserve into share capital, additional issuance of new shares, convertible bond of the Company or others.

II. Issuance and listing of share

1. By the end of the report period, the Company has no share issuance and derivative securities over the past three years.

2. During the report period, the Company's total shares and its structure remained unchanged, and the Company has no inner employee shares.

III. Particulars about shareholder

1. By the end of the report period, the Company had totally 18039 shareholders, including 12476 shareholders of A-share and 5563 shareholders of B-share.

2. Particulars about the top ten shareholders of the Company

Name of shareholder	Shares held at the period-end (share)	Proportion (%)	Shares pledged and frozen	Type of share
SHENZHEN LIONDA GROUP CO., LTD.	191400000	66.36%	0	Sponsor legal person share
SHENZHEN COLORED METAL FINANCIAL CO. LTD.	5280000	1.83%	Unknown	Domestic directional legal person share
SHENZHEN INTERNATIONAL TRUST & INVESTMENT CO.	5280000	1.83%	Unknown	Domestic directional legal person share
SHENZHEN HUACHENGDA INVESTMENT HOLDING CO., LTD.	3960000	1.37%	Unknown	Domestic directional legal person share
CHINA EVERBRIGHT HOLDINGS CO.LTD	3239035	1.12%	Unknown	B-share
SHENZHEN GUOYIN INVESTMENT DEVELOPMENT CO., LTD.	2640000	0.92%	2640000	Domestic directional legal person share
SHAO WEI JI	663100	0.23%	Unknown	B-share
WU CHING	534922	0.19%	Unknown	B-share
LIUZHOU JIALI REAL ESTATE DEVELOPMENT CO., LTD.	382300	0.13%	Unknown	A-share
WEI JING HUI	274000	0.10%	Unknown	A-share

Note: (1) Shenzhen lionda Group Co., Ltd. is the controlling shareholder of the Company, which holds the sponsor legal person share without listing. There exists no associated relationship among the top ten 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 is unknown whether there exists associated relationship among other shareholders of circulation shares, or whether they belong to the consistent actionist regulated by the Management Measure of Information Disclosure on Change of Shareholding for Listed Company.

(2) Particulars about the controlling shareholder of the Company in the report period

On Jan. 5, 2004, the equity transfer procedure that the first largest shareholder of the Company was changed into Shenzhen Lionda Group Co., Ltd. from Shenzhen

Investment Holding Corporation has been finished formally in China Securities Registration & Clearing Co., Ltd. Shenzhen Branch. The Public Notice was published in Securities Times and Ta Kung Pao dated Jan. 7, 2004 and Internet website http://www.cninfo.com.cn.

3. About the controlling shareholder

Shenzhen Lionda Group Co., Ltd., the controlling shareholder of the Company, was established in June 1997 with registered capital of RMB 586.49 million, its legal representative is Mr. Li Chengyou. Business scope: investing and establishing industrial (specific item is to be applied in addition); home commerce, supply and marketing business of material (excluding monopoly products); import and export business (handling based on qualification certificate); development and operation of real estate of lot No. T306-0013.

4. About the top ten shareholder of circulation share

No.	Name of shareholder	Shares held at the period-end (share)	Type of shares (A-share, B-share, H-share or other)	Explanation on associated relationship of shareholder
1	CHINA EVERBRIGHT HOLDINGS CO.LTD	3239035	B-share	The Company is unknown whether there exists associated relationship among shareholders of circulation shares
2	SHAO WEI JI	663100	B-share	
3	WU CHING	534922	B-share	
4	LIUZHOU JILI REAL ESTATE DEVELOPMENT CO., LTD.	382300	A-share	
5	WEI JING HUI	274000	A-share	
6	DENG SHAO PING	258100	B-share	
7	LIN HONG BO	246400	B-share	
8	CHINA PINGAN INSURANCE（HK）CO. LTD	221020	B-share	
9	CAI JIN SI	220500	B-share	
10	WANG DENG SAN	209720	B-share	

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 hold shares of the Company.

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

1. On Jan. 14, 2004, the Company held the 1st Extraordinary Shareholders' General Meeting 2004. The Meeting examined and approved the proposal that Mr. Rao Jiangshan and Mr. Tang Jianxi resigned from the post of Director and Mr. Fan Yong and Mr. Ban Wu was additionally elected as Director and Independent Director of the Company respectively; the Meeting also examined and approved the proposal that Mr. Wang Hangjun and Ms. Ji Tielan resigned from the post of Supervisor and Mr. Chen Laiyun was nominated as Supervisor of the Company.

2. On May 21, 2004, the Company held the Annual Shareholders' General Meeting

2003. The Meeting examined and approved the proposal that Mr. Liu Chuan and Mr. Zang Weidong resigned from the post of Director of the Company and Mr. Yang Yi and Mr. Liu Boyang was additionally elected as Director; the Company also examined and approved the proposal that Mr. Yang Yi resigned from the post of Supervisor and Mr. Yu Zuquan was additionally elected as Supervisor of the Company.

Section V. Discussion and Analysis of the Management

I. Whole status of operating activities

1. Scope and details of main operations

In the report period, there was no great change in the main operations of the Company, namely printing and packing and property operation and management. In the first half year of 2004, the Company continued to emphasize the work on such aspects as arrearages clearing, expenditure reduction and assets liquidization etc., meanwhile, strengthened the internal management and restricted the budget management. The Company's production and operation was relatively stable.

Since Shenzhen Jianian Industrial Co., Ltd. was placed into the scope of consolidated statements since July 1, 2003, the Company's income from main operations and cost of main operations increased greatly over the same period of last year in the report period. Ended Jun. 30, 2004, the Company realized income from main operations amounting to RMB 67,629,196.38 and accomplished profit from main operations amounting to RMB 6,972,522.67. However, the Company's short-term loans was still in high level, reaching RMB 630 million and its financial expense reached RMB 16,689,352.29, a high level, thus the Company incurred a loss in the first half of the year with net profit amounting to RMB-16,048,611.62.

2. Formation of main operations of the Company in the report period

Unit: RMB'0000

Industries or products	Income from main operations	Cost of main operations	Gross profit ratio (%)	Increase/decrease in income from main operations over the same period of last year (%)	Increase/decrease in cost of main operations over the same period of last year (%)	Increase/decrease in gross profit ratio over the same period of last year (%)
Print	6180.23	5843.16	5.45 %	2534.66%	3184.52%	-77.44%
Property operation and management	582.68	208.71	64.18 %	132.01%	1443.71%	-32.17%
Including: related transactions	0	0	0	-	-	-

Notes: Shenzhen Jianian Industrial Co., Ltd. has been included into the consolidated scope since July 1, 2003 with its main business scope of printing and packing and property operation and management, which made that the Company's income from main operations and cost of main operations increased greatly over the same period of last year in the report period, so data in the above statement were not comparable with those in the same period of last year.

3. In the report period, there was no great change in scope of main operations and their structures.

4. Statement of main operations classified according to areas

Unit: RMB'0000

Areas	Income from main operations	Increase/decrease in income from main operations over the same period of last year (%)
Export	1,353.89	-
Guangdong	3,975.66	718.51%
Others	1,433.36	-

Notes: Shenzhen Jianian Industrial Co., Ltd. has been included into the consolidated scope since July 1, 2003 with its main business scope of printing and packing and property operation and management, which made that the Company's income from main operations increased greatly over the same period of last year in the report period, so data in the above statement were not comparable with those in the same period of last year.

5. Problems and difficulties in the operation

Though the Company realized to make up the deficits and get surpluses and did a lot of work in the aspects of arrearages clearing and liquidization and liabilities restructure, the Company still had many problems hard to solve:

(1) The competitive advantages of main enterprises in the consolidated statements were not obvious due to intensified competition in the market, thus gross profit ratio of main operations of the Company decreased.

(2) Majority of creditors have prosecuted; the Company still had lawsuit cases; many cases' executions were enlarged continuously; the Company's operating environment was still unable to be improved by a relatively great margin.

(3) The Company's risks in liabilities and guarantees were still very large and its short-term loans still reached RMB 630 million. Moreover, creditors and credit amounts were very dispersed; majority of creditors were state-owned banks; therefore, the Company was hard to gain liability restructure policies and gain relatively great breakthrough in its liability restructure.

II. Investment of the Company

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.

III. In the report period, there was no other operation impacting material influence on the profit of the Company.

IV. In the report period, there was no share-holding company influencing on the net profit of the Company by over 10%.

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.
Since the Company's short-form loans was still relatively high and its financial expense was relatively great, it was expected that the Company would be in losses continuously in the 3rd quarter of the year.

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 big repaying oppression on short-term debts and had many prosecuted guarantee debts that would effect the persistent operation of the Company directly, it provided Auditors' Report with emphatic events for the Company. As to this, Board of Directors of the Company believe that though there be relative large repaying oppression on short-term debts, the Company still could raise operating capital for need of normal production and operation since the Company has enlarged the reinforcement on arrearages clearing and liquidization and has made a certain progress. Meanwhile, the Company would actively push the liability restructure and strived for implementing liabilities restructure according to commercial principles. Besides, the Company held 26.54% equity of Shenzhen Jianian Industrial Co., Ltd. (hereinafter referred to as Jianian Company), as the firstly largest shareholder of Jianian Company, whose second largest shareholder entrusted its 19.03% equity to the Company for management since July 1, 2003. Thus, the Company had factual control right to Jianian Company. The Company held 32% equity of Shenzhen Lionda Industrial and Commercial Co., Ltd., whose another shareholder entrusted its 20% equity to the Company for management since year 2003. Therefore, the Company had factual control right to Shenzhen Lionda Industrial and Commercial Co., Ltd.. The said two companies both had a certain profitability capability. In short, the Company had capability in sustainable operation.

Section VI. Significant Events

I. Corporate governance
In the report period, 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.
In the report period, according to the spirit in the document called Urgent Circular on Relevant Issues in Meeting for Special Clearing the Capital of Listed Company Occupied by the Controlling Shareholder and Other Related Parties (SZJFZ [2004] No. 99) promulgated by CSRC Shenzhen Securities Regulatory Bureau and State-owned Assets Supervision and Administration Commission of the State Council, the Company conducted tracking recourse to the Company's capital occupied by the

related parties and partial related parties established refund plan on discharging capital occupied. The Company timely proclaimed the relevant conditions (for details, please refer to Notice of the Board with no. 2004-016 on Securities Times and Ta Kung Pao dated June 30, 2004).

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

According to the resolutions of 2003 shareholders' General Meeting, the Company did not distribute profits or convert capital public reserve into share capital.

III. In the first half year of 2004, the Company did not distribute profit or convert reserve into share capital.

IV. Material lawsuits and arbitrations in the report period

Since the Accuser China Orient Asset Management Corporation Shenzhen Office (Bank of China Shenzhen Branch transferred the credit to the Accuser on May 11, 2000) provided ban principal amounting to USD 3.15 million to Shenzhen Taiyang PCCP Co., Ltd. on May 10, 1993, the Company assumed suretyship of joint and several liabilities for this loan. However, this loan was unable to be refunded on time. Shenzhen Taiyang PCCP Co., Ltd. signed a supplemental contract with Bank of China Shenzhen Branch and China International Finance Company on Dec. 12, 1996, where the final refund term of Shenzhen Taiyang PCCP Co., Ltd. was extended to May 10, 1999. Shenzhen Taiyang PCCP Co., Ltd. did not refund this loan on time yet and the Company also did not discharge the loan for it. Therefore, China Orient Asset Management Corporation Shenzhen Office prosecuted Shenzhen Taiyang PCCP Co., Ltd. and the Company to Shenzhen Intermediate People's Court, which was decided to be heard on Feb. 9, 2004. The Company has appropriated estimated liabilities by full amount to this lawsuit, without influence on gains and losses. (for details, please refer to public notice on lawsuits with no. 2004-002 published on Securities Times and Ta Kung Pao dated Jan. 7, 2004)

V. Acquisition and sales of material assets and assets restructure in the report period

In the report period, the Company had no acquisition, sales and assets restructure of material assets or those happening in the previous periods but continuing to the report period.

VI. Material related transactions

In the report period, the Company had no material related transaction.

VII. Material contracts and their implementations

Except that the Company was entrusted to manage 19.03% equity of Shenzhen Jianian Industrial Co., Ltd. and 20% equity of Shenzhen Lionda Industrial and Commercial Co., Ltd. in the year, the Company did not trust, contract and lease assets of other companies in the report period or in the previous periods but continuing to the report period, or vice versa.

VIII. Overall situation of capital occupied by the controlling shareholder and its subsidiaries

Ended Mar. 31, 2004, Shenzhen Lionda Holdings Co., Ltd., the controlling shareholder of the Company, did not occupy the capital of the Company. Shenzhen Oriental Enterprise Co., Ltd., Beijing Taiyang PCCP Co., Ltd. (original Beijing Lionda Industrial Investment Co., Ltd.) and Shenzhen China Bicycle Company (Holdings) Limited, associated parties of the Company, occupied the Company's capital amounting to RMB 28,283,064.32 (including principal and interests), RMB 18,488,500 (including principal and interests) and RMB 232,394,686.19, all of which was left in the history. In the report period, the Company had no any newly increased capital occupied by its associated parties.

According to the spirit in the document called Urgent Circular on Relevant Issues in Meeting for Special Clearing the Capital of Listed Company Occupied by the Controlling Shareholder and Other Related Parties (SZJFZ [2004] No. 99) promulgated by CSRC Shenzhen Securities Regulatory Bureau and State-owned Assets Supervision and Administration Commission of the State Council, the Company conducted tracking recourse to the Company's capital occupied by the related parties and partial related parties established refund plan on discharging capital occupied.

Refund plan made by Shenzhen Oriental Enterprise Co., Ltd.: pay off from 2004 to end of 2010 with refund amount for every year amounting to RMB 600 thousand, RMB 1500 thousand, RMB 5 million, RMB 5 million, RMB 5 million, RMB 5 million and RMB 6.18306432 million respectively; refund plan made by Beijing Taiyang PCCP Co., Ltd.: pay off from 2004 to end of 2009 with refund amount for every year amounting to RMB 500 thousand, RMB 1 million, RMB 4 million, RMB 4 million, RMB 4 million and RMB 4.9885 million respectively. Since Shenzhen China Bicycle Company (Holdings) Limited is conducting liabilities restructure at present and the liabilities restructure has been into the factual phase of operation. According to Frame Agreement on Releasing Guarantee Liability of Lionda and Restructure of SHENZHONGHUA, during liabilities restructure of SHENZHONGHUA, the Company would equally consider all credits of SHENZHONGHUA and rest credits of Huarong Company. Therefore, refund plan that SHENZHONGHUA occupied the Company's capital would be jointly considered in the course of liabilities restructure of SHENZHONGHUA.

For details, please refer to public notice of the Board with no. 2004-016 published on Securities Times and Ta Kung Pao dated Jun. 30, 2004.

IX. Special explanation and independent opinions on the external guarantee and guarantee out of line of the Company accumulated and in the current period given by Independent Directors

According to the regulation of China ZJF[2003] No. 56 Document Notification on Standardizing the Capital current between the Listed Company and the Related Parties and Several Problems on External Guarantee of Listed Company, as the independent directors of Guangdong Sunrise Group Co., Ltd., we inspected the external guarantee and guarantee out of line of the Company accumulated and in the current period. Now the relevant explanation of the relevant situation was as follows:

In the report period, there existed no guarantee provided to controlling shareholder and controlling shareholder's subsidiaries and guarantee out of line of the Company regulated in Notification on Standardizing the Capital current between the Listed Company and the Related Parties and Several Problems on External Guarantee of Listed Company of CSRC. There existed guarantee provided to controlling shareholder and controlling shareholder's subsidiaries and guarantee out of line of the Company previously, which belonged to historical residuals. Because most of warrantees couldn't pay back debts, the Company accounted most guarantees as estimated liabilities.

X. Other significant events

1. Change on the controlling shareholder

The principal controlling shareholder of the Company changed from Shenzhen Investment Holding Corporation to Shenzhen Lionda Group Co., Ltd. and the procedures of share equity transfer accomplished transaction in Shenzhen branch of China Securities Depository & Clearing Co., Ltd. on Jan. 5, 2004. Please refer to the public notice in Securities Times and Hong Kong Ta Kung Pao on Jan. 7, 2004 and the Internet Website http://www. cninfo.com.cn , which published the information of the Company.

2. In the report period, there were no significant guarantee events of the Company newly increased.

3. The Company didn't significantly entrust others to manage cash assets and credit in the report period or happening in previous term but lasting to this report period.

4. In the report period, the Company or its shareholders holding over 5% (including 5%) had no material commitment may impact significant influence on the achievement and financial state of the Company.

5. In the report period, the Company reengaged Shenzhen Dahua Tianchen CPAs and Hong Kong KC Oh & Company CPAs as the auditors of the Company, but the semi-annual financial report of this year wasn't audited.

6. In the report period, the Company, the Board of Directors or its directors had neither been checked, given administrative punishment or given circular notices of criticism by China Securities Regulatory Commission nor been published by other administrative department and condemned publicly by the Stock Exchange.

XI. Indexes of other significant events

1. On Jan. 14, 2004, the Company held 1st Provisional Shareholders' General Meeting 2004, which examined and approved 4 proposals including Proposal on Amending the Articles of the Association etc.. See the details, please refer to Public Notice 2004-003 on the Resolutions of 1st Provisional Shareholders' General Meeting published in Securities Times and Hong Kong Ta Kung Pao on Jan. 15, 2004.

2. On Feb. 27, 2004, the Company held 9th meeting of 4th Board, which examined and approved "Report on the Explanation and Handling of the Accounting Errors". See the details, please refer to Public Notice 2004-006 of the Board of the Directors

published in Securities Times and Hong Kong Ta Kung Pao on Feb. 28, 2004.

3. On Apr. 8, 2004, the Company held 10^{th} meeting of 4^{th} Board, which examined and approved proposals including Report of the Board of Directors of the Company 2003 and Annual Report 2003 and its Summary etc., and notified to hold Shareholders' General Meeting 2003 of the Company. See the details, please refer to Public Notice 2004-008 of the Board of the Directors and Holding Shareholders' General Meeting 2003 of the Company published in Securities Times and Hong Kong Ta Kung Pao on Apr. 13, 2004.

4. On Apr. 19, 2004, the Company announced to cancel the warning of delisted risk, short form of shares changed from "*ST Sunrise A, *ST Sunrise B" to "ST Sunrise A ST Sunrise B", the stock code kept the same. See the details, please refer to Public Notice 2004-011 of the Board of the Directors on Canceling Delisted Risk Warning published in Securities Times and Hong Kong Ta Kung Pao on Apr. 19, 2004.

5. On Apr. 20, 2004, the offices of the Company moved. The new office address: 3^{rd} Floor, Dongxing Building, Lixin Road No. 76, Luohu District, Shenzhen. Zip code: 518025, Fax: 0755-82222300, Contact Phone of Information Disclosure: 0755-82237967 or 0755-82179136. See the details, please refer to Public Notice 2004-012 on Changing Office Address and Telephone published in Securities Times and Hong Kong Ta Kung Pao on Apr. 20, 2004.

6. On Apr. 22, 2004, the Company held 11^{th} Meeting of 4^{th} Board by way of communication, which examined and approved proposals including 1^{st} Quarterly Report 2004 of the Company etc.. See the details, please refer to Public Notice 2004-013 on the Board of Directors published in Securities Times and Hong Kong Ta Kung Pao on Apr. 23, 2004.

7. On May 21, 2004, the Company held 2003 Shareholders' General Meeting, which examined and approved 10 proposals including Work Report of the Board of Directors 2003 etc.. See the details, please refer to Public Notice 2004-014 on the Resolutions of 2003 Shareholders' General Meeting published in Securities Times and Hong Kong Ta Kung Pao on May 21, 2004.

8. On Jun. 30, 2004, the Company published Public Notice on Estimated Loss in the first half of the year. See the details, please refer to Public Notice 2004-014 on Estimated Loss in the first half of the year published in Securities Times and Hong Kong Ta Kung Pao on Jun. 30, 2004.

Section VII. Financial Report (unaudited)

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 2004 Semi-annual Report carried with personnel signature of Chairman of the Board.

Guangdong Sunrise Holdings Co., Ltd.
Chairman of the Board:
Aug. 12, 2004

Guangdong Sunrise Holdings Co., Ltd.

Balance Sheet

Jun. 30, 2004

Unit: RMB

Assets	Notes	Amount in the period beginning		Amount in the period end	
		Consolidation	The Company	Consolidation	The Company
Current assets:					
Monetary funds	1	27,413,697.26	448,841.07	22,430,778.37	420,930.70
Short-term investment		44,400.00	-	44,400.00	-
Notes receivable		629,517.58	-	1,354,248.00	-
Dividends receivable	2	-	-	-	-
Interests receivable		-	-	-	-
Accounts receivable	3	37,291,109.24	-	43,975,312.63	-
Other receivables	4	118,617,087.76	97,481,360.37	116,288,562.25	95,403,895.96
Accounts in advance	5	8,215,663.99	-	6,111,269.17	-
Subsidy receivable		-	-	-	-
Inventories	6	31,168,232.52	2,000,000.00	36,594,883.40	2,000,000.00
Expenses to be apportioned	7	175,787.67	-	65,393.95	-
Long-term bonds investment due within one year		-	-	-	-
Other current assets		-	-	-	-
Total current assets		223,555,496.02	99,930,201.44	226,864,847.77	97,824,826.66
Long-term investment					
Long-term equity investment	8	20,950,755.40	50,562,039.61	20,950,755.40	50,375,803.15
Long-term credit investment		-	-	-	-
Total long-term investment		20,950,755.40	50,562,039.61	20,950,755.40	50,375,803.15
Including: consolidation variance		-	-	-	-
Including: equity investment balance		-	-	-	-
Fixed assets:					
Fixed assets-original value	9	276,871,601.97	30,427,681.15	281,835,616.03	30,393,571.15
Less: accumulative depreciation	9	145,878,690.33	17,754,013.15	151,734,025.18	18,277,730.33
Fixed assets-net value	9	130,992,911.64	12,673,668.00	130,101,590.85	12,115,840.82
Less: provision for devaluation of fixed assets	9	9,757,792.39	-	9,757,792.39	-
Fixed assets-net amount	9	121,235,119.25	12,673,668.00	120,343,798.46	12,115,840.82
Engineering material		-	-	-	-
Construction in progress	10	1,811,415.00	-	2,534,260.50	-
Disposal of fixed assets		-	-	(1,744,615.13)	-
Total fixed assets		123,046,534.25	12,673,668.00	121,133,443.83	12,115,840.82
Intangible and other assets:					
Intangible assets	11	9,501,605.67	-	9,206,146.95	-

Long-term expenses to be apportioned	12	1,238,797.52	-	1,063,941.56	-
Other long-term assets		-	-	-	-
Total intangible and other assets		10,740,403.19	-	10,270,088.51	-
Deferred tax					
Deferred tax-debit		-	-	-	-
Total assets		378,293,188.86	163,165,909.05	379,219,135.51	160,316,470.63

Legal representative: Chief financial executive: Person in charge of accounting institutes:

Guangdong Sunrise Holdings Co., Ltd.

Balance Sheet

Jun. 30, 2004 (Con.)

Unit: RMB

Liabilities and shareholders' equity	Notes	Amount in the period beginning		Amount in the period end	
		Consolidation	The Company	Consolidation	The Company
Current liabilities:					
Short-term loans	13	629,689,282.55	576,590,782.55	630,496,782.55	576,590,782.55
Notes payable	14	2,880,000.00	-	3,000,000.00	-
Accounts payable	15	29,865,265.86	-	33,360,836.10	-
Prepaid accounts	16	705,200.00	-	2,341,200.00	-
Wage payable		-	-	-	-
Welfare funds payable		342,590.16	148,407.57	569,439.92	193,120.49
Dividend payable	17	2,020,742.78	-	4,076,597.23	-
Taxes payable	18	473,839.87	20,196.69	103,953.24	2,370.10
Other duties payable		-	-	-	-
Other accounts payable	19	241,676,140.01	199,694,719.83	236,230,286.60	197,566,172.29
Accrued expenses	20	231,537,277.07	229,841,432.30	247,560,486.51	245,149,917.58
Projected liabilities	21	707,899,612.49	701,344,549.49	706,653,403.30	701,024,549.49
Deferred income		-	-	-	-
Long-term liabilities due within one year		-	-	-	-
Other current liabilities		-	-	-	-
Total current liabilities		1,847,089,950.79	1,707,640,088.43	1,864,392,985.45	1,720,526,912.50
Long-term liabilities:					
Long-term loans		-	-	-	-
Bonds payable		-	-	-	-
Long-term payables		-	-	-	-
Special funds payables		-	-	-	-
Other long-term liabilities					
Total long-term liabilities		-	-	-	-
Deferred tax					
Deferred taxed-credit		-	-	-	-

Total liabilities		1,847,089,950.79	1,707,640,088.43	1,864,392,985.45	1,720,526,912.50
Minority interests					
Minority interests		75,677,417.45	-	75,036,591.93	-
Shareholders' equity					
Share capital	22	288,420,000.00	288,420,000.00	288,420,000.00	288,420,000.00
Capital public reserve	23	366,865,874.73	366,865,874.73	366,865,874.73	366,865,874.73
Surplus public reserve	24	137,881,626.84	137,881,626.84	138,193,975.97	138,193,975.97
Including: statutory welfare funds	24	18,366,726.17	18,366,726.17		
Retained profit	25	(2,337,641,680.95)	(2,337,641,680.95)	(2,353,690,292.57)	(2,353,690,292.57)
Foreign currency translation reserve		-	-	-	-
Cash dividend announced			-	-	-
Accumulation of unrealized making up losses of subsidiaries		-	-	-	-
Total shareholders' equity		(1,544,474,179.38)	(1,544,474,179.38)	(1,560,210,441.87)	(1,560,210,441.87)
Total liabilities and owner's equity		378,293,188.86	163,165,909.05	379,219,135.51	160,316,470.63

Legal representative: Chief financial executive: Person in charge of accounting institutes:

(Notes attached are the components of financial statements)

Guangdong Sunrise Holdings Co., Ltd.

Statement of Profit and Profit Distribution

Jan.-Jun.2004

Unit: RMB

Items	Notes	Jan.-Jun. 2003		Jan.-Jun. 2004	
		Consolidation	The Company	Consolidation	The Company
I. Income from core business	26	4,857,319.68	-	67,629,196.38	-
Less: Cost of core business	26	1,914,236.95	-	60,518,713.31	-
Taxes and extras of core business	27	142,770.35	-	137,960.40	-
II. Profit from core business		2,800,312.38	-	6,972,522.67	-
Add: Profit from other business lines	28	-	-	3,396,311.99	481,299.96
Operating expenses		218,095.06	-	3,142,841.23	-
Administrative expenses		6,985,579.80	4,642,656.24	6,315,523.71	2,172,761.24
Financial expenses	29	15,577,857.84	15,585,388.22	16,689,352.29	15,303,097.77
III. Operating profit		(19,981,220.32)	(20,228,044.46)	(15,778,882.57)	(16,994,559.05)
Add: Investment income	30	21,428,192.15	21,472,350.46	302,775.17	641,788.75
Subsidy income		-	-	-	-
Non-operating income	31	29,362.59	20,000.00	358,980.18	304,508.68
Less: non-operating expenditure	31	359,940.24	241,748.24	22,690.00	350.00
IV. Total Profit		1,116,394.18	1,022,557.76	(15,139,817.22)	(16,048,611.62)
Less: Income taxes		-	-	95,781.66	-
Minority interests		93,836.42	-	813,012.74	-

Unrealized making up losses of subsidiaries		-	-	-	-
V. Net profit		1,022,557.76	1,022,557.76	(16,048,611.62)	(16,048,611.62)
Add: Retained profit at the begin of the year		(2,317,794,577.86)	(2,317,794,577.86)	(2,337,641,680.95)	(2,337,641,680.95)
Transferred from surplus public reserve		-	-	-	-
VI. Profit available for distribution		(2,316,772,020.10)	(2,316,772,020.10)	(2,353,690,292.57)	(2,353,690,292.57)
Less: Allotted statutory surplus public reserve		-	-	-	-
Allotted statutory public welfare funds		-	-	-	-
Allotted employee's bonus and welfare funds		-	-	-	-
VII. Profit available for distribution to shareholders		(2,316,772,020.10)	(2,316,772,020.10)	(2,353,690,292.57)	(2,353,690,292.57)
Less: dividend of preference share payable		-	-	-	-
Allotted arbitrary surplus public reserve		-	-	-	-
Dividend of common share payable		-	-	-	-
Dividend of common share transferred as share capital		-	-	-	-
VIII. Retained profit		(2,316,772,020.10)	(2,316,772,020.10)	(2,353,690,292.57)	(2,353,690,292.57)
Supplement information:					

Item	Jan.-Jun.2004		Jan.-Jun. 2003
I. Profit from selling and disposing branch or investees	-		21,428,192.15
II. Loss from natural disaster	-		-
III. Increase (or decrease) in total profit due to changes of accounting policies	-		-
IV. Increase (Decrease) in total profit due to changes of accounting estimation	-		-
V. Loss on debts restructure	-		-
VI. Others	-		-

Legal representative: Chief financial executive: Person in charge of accounting institutes:

(Notes attached are the components of financial statements)

Guangdong Sunrise Holdings Co., Ltd.

Statement of Cash Flow

Unit: RMB

Item	Notes	Metaphase of 2003		Metaphase of 2004	
		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	-	61,802,343.98	-

Rent received		3,406,177.41	-	6,467,592.60	-
Other cash received concerning operating activities		11,240,567.13	1,252,095.03	3,223,324.85	528,279.33
Subtotal of cash inflows		17,244,013.34	1,252,095.03	71,493,261.43	528,279.33
Cash paid for purchasing commodities and receiving labor service		1,645,234.95	-	52,609,927.44	-
Cash paid to / for staff and workers		4,651,933.53	648,462.00	7,484,045.73	242,268.00
Various taxation paid		521,906.92	70,486.53	2,853,994.19	-
Other cash paid concerning operating activities	32	12,336,110.65	541,903.21	10,711,604.39	333,329.26
Subtotal of cash outflows		19,155,186.05	1,260,851.74	73,659,571.75	575,597.26
Net cash flows arising from operating activities		(1,911,172.71)	(8,756.71)	(2,166,310.32)	(47,317.93)
II. Cash flows arising from investment activities:					
Cash received from recovery of investment		-	-	2,775.17	2,775.17
Including: cash received from selling subsidiaries		-	-	-	-
Cash received from investment income		-	-	-	-
Cash received from disposal of fixed, intangible and other long-term assets		-	-	1,703,632.39	16,632.39
Other cash received concerning investment activities		2,819,846.11	-	1.00	-
Subtotal of cash inflows		2,819,846.11	-	1,706,408.56	19,407.56
Net cash paid for purchasing fixed, intangible and other long-term assets		1,300.00	1,300.00	3,182,711.50	-
Cash paid for investments		-	-	-	-
Including: cash paid for purchasing subsidiaries		-	-	-	-
Other cash paid concerning investment activities	33	1,269,124.63	-	-	-
Subtotal of cash outflows		1,270,424.63	1,300.00	3,182,711.50	-
Net cash flows arising from investment activities		1,549,421.48	(1,300.00)	(1,476,302.94)	19,407.56
III. Cash flows arising from financing activities:					
Cash received by absorbing investment		-	-	-	-
Including: cash absorbed from minority interests by subsidiaries		-	-	-	-
Cash received from loans		-	-	30,100,000.00	-
Other cash received concerning financing activities		-	-	-	-
Subtotal of cash inflows		-	-	30,100,000.00	-
Cash paid for settling debts		-	-	29,270,000.00	-
Cash paid for dividends or profit distributing, repayment of interest		-	-	2,170,305.63	-
Including: dividends to minority shareholders paid by subsidiaries		-	-	-	-
Cash paid to reduce registered capital		-	-	-	-

Including: Cash paid to minority shareholders by subsidiaries for reducing capital according to the law		-	-	-	-
Other cash paid concerning financing activities		-	-	-	-
Subtotal of cash outflows		-	-	31,440,305.63	-
Net cash flows arising from financing activities		-	-	(1,340,305.63)	-
IV. Influence on cash from fluctuation in exchange rate		-	-	-	-
V. Net increase of cash and cash equivalents		(361,751.23)	(10,056.71)	(4,982,918.89)	(27,910.37)

Legal representative: Chief financial executive: Person in charge of accounting institutes:

Guangdong Sunrise Holdings Co., Ltd.

Statement of Cash Flow (Con.)

Unit: RMB

Items	Metaphase of 2003		Metaphase of 2004	
	Consolidation	The Company	Consolidation	The Company
I. 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	-	-	-	-
II. Adjusting net profit to cash flows for operating activities				
Net profit	1,022,557.76	1,022,557.76	(16,048,611.62)	(16,048,611.62)
Add: minority interests	93,836.42	-	813,012.74	-
Allotted provisions for devaluation of assets	(4,000.00)	(4,000.00)	(312,000.00)	(312,000.00)
Depreciation of fixed assets	1,409,052.22	974,040.40	5,784,767.06	542,285.86
Amortization of intangible assets	12,483.60	-	409,163.04	-
Amortization of long-term expenses to be apportioned	-	-	110,651.64	-
Decrease of expenses to be apportioned	(1,993,117.92)	-	110,393.72	-
Increase of accrued expenses	14,231,125.82	14,592,285.50	16,056,821.07	15,308,485.86
Losses on disposal of fixed assets, intangible assets and other long-term assets	618,486.17	1,748.24	(279,385.98)	(304,158.68)
Loss on reject of fixed assets	-	-		-
Financial expenses	15,583,703.26	15,585,388.22	16,696,249.12	15,303,097.77
Investment loss	(21,422,192.15)	(21,472,350.46)	(641,789.75)	(641,788.75)

Guarantee loss	-	-	-	-
Credit item of deferred taxes	-	-	-	-
Decrease of inventories	48,526.93	-	(5,426,650.88)	-
Decrease of receivables in operation	(29,581,512.52)	(24,259,258.54)	(8,444,800.07)	(4,192,025.49)
Increase of payables in operation	18,069,877.70	13,550,832.17	(10,994,130.41)	(9,702,602.88)
Others	-	-		-
Net cash flows arising from operating activities	(1,911,172.71)	(8,756.71)	(2,166,310.32)	(47,317.93)
III. Net increase of cash and cash equivalents				
Balance of cash at the end of the report period	96,088.71	46,901.96	22,372,353.50	420,930.70
Less: Balance of cash at the begin of the report period	244,661.52	59,928.99	27,355,272.39	448,841.07
Add: Balance of cash equivalents at the end of the report period	1,400,368.75	438,363.76	-	-
Less: Balance of cash equivalents at the begin of the report period	1,613,547.17	435,393.44	-	-
Net increase of cash and cash equivalents	(361,751.23)	(10,056.71)	(4,982,918.89)	(27,910.37)

Legal representative: Chief financial executive: Person in charge of accounting institutes:

(Notes attached are the components of financial statements)

Statement of Provision for Devaluation of Assets

Metaphase of 2004

KQ 01 Attachment statement 01

Prepared by Guangdong Sunrise Holdings Co., Ltd. Unit: RMB

Item	Balance at the begin of the period	Increase in this year	Decrease in this year			Balance at the end of the period
			Switching back due to assets price recovery	Switching out due to other reason	Total	

I. Total of provision for bad debts	433,337,312.70	---	---	4,146,936.75	4,146,936.75	429,190,375.95
Including: Accounts receivable	7,507,833.74	---	---	3,834,936.75	3,834,936.75	3,672,896.99
Other receivable	425,829,478.96	---	---	312,000.00	312,000.00	425,517,478.96
II. Total of provision for falling price of short-term investment	---	---	---	---	---	---
Including: Stock investment	---	---	---	---	---	---
Bond investment	---	---	---	---	---	---
III. Provision for falling price of inventory	27,503,703.16	---	---	1,645,520.52	1,645,520.52	25,858,182.64
Including: Merchandise inventory	24,425,090.17	---	---	1,645,520.52	1,645,520.52	22,779,569.65
Raw material	3,078,612.99	---	---	---	---	3,078,612.99
IV. Total of provision for devaluation of long-term investment	76,059,158.63	---	---	---	---	76,059,158.63
Including: Long-term equity investment	76,059,158.63	---	---	---	---	76,059,158.63
Long-term credit investment	---	---	---	---	---	---
V. Total of provision for devaluation of fixed assets	9,757,792.39	---	---	---	---	9,757,792.39
Including: Building	654,920.50	---	---	---	---	654,920.50
Machinery and equipment	9,102,871.89	---	---	---	---	9,102,871.89
VI. Provision for devaluation of intangible assets	---	---	---	---	---	---
Including: Patent right	---	---	---	---	---	---
Trademark right	---	---	---	---	---	---
VII. Provision for devaluation of construction in progress	---	---	---	---	---	---
VIII. Provision for devaluation of commission loan	---	---	---	---	---	---