BOE TECHNOLOGY GROUP CO., LTD.

SEMI- ANNUAL REPORT 2002

(International)

Stock Exchange Listed with: Shenzhen Stock Exchange

Short Form for B-share: BOE – B

Stock Code for B-share: 200725

Aug. 26, 2002

Content

I. IMPORTANT NOTE

Board of Directors of BOE TECHNOLOGY GROUP CO., LTD. (hereinafter referred to as the Company) and all directors individually and collectively accept responsibility for the correctness, accuracy and completeness of the contents of this report and confirm that there are no material omissions nor errors which would render any statement misleading.

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

Director of the Company Mr. Tai Zhonghe was absent from the Board meeting and entrusted the Chairman of the Board Mr. Wang Dongsheng to vote on his behalf. Director of the Company Mr. Sun Jiping was absent from the Board meeting and entrusted the Director Mrs. Song Ying to vote on his behalf.

The report was prepared in both Chinese and English versions. Should there be difference in interpretation in the two versions, the Chinese one shall prevail.

II. COMPANY PROFILE

1. Legal Name of the Company:
   In Chinese: **京东方科技集团股份有限公司**
   Short Form in Chinese: **京东方**
   In English: BOE TECHNOLOGY GROUP CO., LTD.
   Short Form in English: BOE

2. Stock Exchange Listed with: Shenzhen Stock Exchange
   A-share Short Form for: BOE - A, Stock Code for A-share: 000725
   Short Form for B-share: BOE - B, Stock Code for B-share: 200725

3. Registered Address: No. 10, Jiuxianqiao Road, Chaoyang District, Beijing
   Office Address: No. 10, Jiuxianqiao Road, Chaoyang District, Beijing
   Post Code: 100016
   The Company's Internet Website: http://www.boe.com.cn
   E-mail: web.master@boe.com.cn

4. Legal Representative: Wang Dongsheng

5. Secretary of the Board of Directors: Zhong Huifeng
   Tel: 010 - 64366264
   Fax: 010 – 64366264
   E-mail: hfzhong@boe.com.cn
   Liaison Address: No. 10, Jiuxianqiao Road, Chaoyang District, Beijing

6. Place Where the Annual Report is Prepared and Placed:
   Capital and Securities Affair Department of the Company
   Internet Website Designated by CSRC for Publishing the Semi-annual Report:
   http://www.cninfo.com.cn
   Newspapers Chosen for Disclosing the Information of the Company:
   Securities Times and Ta Kung Pao

7. Major Financial Data and Indexes

List 1 Unit: RMB' 000

Indexes	Jan.-Jun. 2002	Jan.-Jun. 2001
Net profit	56,516	55,102
Fully diluted earnings per share (RMB/share)	0.103	0.100
Net cash flows per share arising from operating	0.079	0.521

activities (RMB/share)		
Fully diluted return on equity (%)	2.604%	2.607%

List 2 Unit: RMB' 000

	Jun. 30, 2002	**Dec. 31, 2001**
Net assets per share (RMB/share)	3.94	3.84
Shareholders' equity (excluding minority interests)	2,169,527	2,113,010

(1) In the report period, no items of non-recurring gains and losses occurred.

(2) Explanation on difference between the domestic and international statement

In the report period, the Company adopted the same calculation method for domestic and international accounting statement. There existed no difference in net profit and net assets as of the report period between the domestic and international auditing results. The difference of balance of net assets at end of the report period was because the difference of balance at beginning of the report period was continued to the end of the report period.

III. CHANGE IN SHARE CAPITAL AND PARTICULARS ABOUT SHARE HELD BY MAIN SHAREHOLDERS

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

2. Ended by the report period, the Company has totally 56781 shareholders, including 17218 shareholders of B-share.

3. Particulars about the shares held by the top ten shareholders ended by the report period:

	Name of shareholder	Shares holding (share)	Proportion in total shares	Type
1	Beijing Electron Tube Plant (note)	325,429,000	59.22%	State-owned juristic person's share
2	Beijing Yixinwei Development Center of Picture Technology	3,575,000	0.65%	Juristic person's share
3	SOUTH CAPITAL NOMINEES LIMITED	2,640,200	0.48%	B-share
4	Beijing Color Picture Tube General Plant	2,600,000	0.47%	State-owned juristic person's share
5	RIPPERTON ASSETS LIMITED	2,318,500	0.42%	B-share
6	SCBL A/C ULTRAMATIC HOLDINGS LIMITED	1,897,000	0.35%	B-share
7	STARBURST ASSETS LIMITED	1,590,200	0.29%	B-share
8	Zhang Wei	1,509,600	0.27%	B-share
9	PERFECT SPACE INVESTMENTS	1,270,000	0.23%	B-share
10	CHINA SOUTHERN CORPORATE FINANCE LIMITED	1,069,200	0.19%	B-share

Notes: Beijing Electron Tube Plant, the original holding shareholder of the Company, implemented the debt-equity swap. 325.429 million state-owned juristic person' s shares of the Company (taking 59.22% of the Company' s total share capital) originally held by Beijing Electron Tube Plant were transferred to Beijing BOE Investment & Development Co., Ltd. ("BOE Investment & Development") and Beijing Dongdian Industrial Development Company with the former holding 292.059 million shares (taking 53.15% of the Company' s total share capital) and the latter holding 33.37 million shares (taking 6.07% of the Company' s total share capital). The type of shares remained unchanged. The registration of the above-mentioned change in the equity had been accomplished dated July 10, 2002.

The virtual controller of BOE Investment & Development, Beijing Dongdian Industrial Development Company and Beijing Color Picture Tube General Plant is Beijing Electronics Holding Co., Ltd.

The Company is not aware their associated relationship among the other shareholders.

4. About the holding shareholders

(1) Beijing BOE Investment & Development Co., Ltd.
Name: Beijing BOE Investment & Development Co., Ltd.
Date of foundation: Oct. 15, 1956
Legal representative: Wang Dongsheng
Registered capital: RMB 680.982 million
Business scope: Investment and manufacture and the project; design of electronic products, software and hardware of computer, paper products, industrial gas, instrument and mould and steam; purchase and sale of machinery and electrical equipments, hardware, software and hardware of computer and peripheral equipment, architectural materials, general merchandise, mould, industrial gas and steam; technical R&D, technical consultant, technical service and technical transfer; contract of exhibition.
Structure of equity: Beijing Electronics Holding Co., Ltd. holds 56.25% of the total shares of BOE Investment & Development and therefore is the virtual controller of BOE Investment & Development; China Huarong Assets Managements Company holds 43.75% of the total shares of BOE Investment & Development.
Net profit in the report period: RMB 20,932,966.83
Net assets at the end of the report period: RMB 1,166,864,303.35

(2) Beijing Electronics Holding Co., Ltd.
Name: Beijing Electronics Holding Co., Ltd.
Legal representative: Bao Yutong
Registered capital: RMB 1307.37 million
Type: Company limited (state-owned sole corporation)
Address: No. 12, Jiuxianqiao Road, Chaoyang District, Beijing
Business scope: management of state-owned assets within the limits authorized; investment and management of communication, seeing and hearing of television, computer and peripheral equipment and applications, electronic basic raw material and components and parts, electrical household appliances and electronic products, electronic surveying instrument and meter, machinery and electrical equipments, transportation electronic products and the products other than electronic industry; development of real estate; lease and sale of commercial housing; and property management.

IV. DIRECTORS, SUPERVISORS, SENIOR EXECUTIVES

1. In the report period, the shares of the Company held by directors, supervisors and senior executives remained unchanged.

2. Change in directors, supervisors and senior executives

(1) As examined and approved in the 1st Extraordinary Shareholders' General Meeting 2002 of the Company held on Jan. 12, 2002, Mr. Zhang Xusheng resigned from the position of director of the 3rd Board of Directors.

(2) As examined and approved in the 5th meeting of the 3rd Board of Directors of the Company held on April 17, 2002, Mr. Zhong Huifeng was engaged as secretary of the Board of Directors of the Company

(3) In the 7th meeting of the 3rd Board of Directors of the Company held on June 28, 2002, Mr. Xie Zhihua was recommended as the candidate of independent director of the Company, and will be submitted to shareholders' General Meeting for approval.

V. EXECUTIVE STATEMENTS

(I) Analysis on Events Imposing Significant Impact on the Company

With gradual rebound in both domestic and international market of electronic information section in the first half of 2002, the Company enjoyed a better operation environment and made stable progress in every businesses during the report period, details as follows:

1. Aggressive improvement was achieved in respects of brand and network construction, and products under the brand of "BOE" enjoyed positive images in the customers;

2. The Company' s photoelectric devices section was developed by great margin and the business of STN-LCD became the main resources of economic growth.

3. Display business progresses in high speed with better profitability.

4. Turnover from CRT and its supporting parts rose along with the rebound of the section.

(II) Operating Results and Financial Status

Items	Amount (RMB' 000)		Changes (%)
	Jan. to Jun. 2002	Jan. to Jun. 2001	
Revenue	2,012,328	1,260,578	59.64%
Gross profit	311,383	157,403	97.83%
Net profit	56,516	55,102	2.57%
Net decrease of cash and cash equivalents	－174,672	-141,822	23.16%

(1) Revenue increased by 59.64% over the same period of previous year mainly due to the ongoing growth in operating results of HYUNDAI LCD INC. during the report period.

(2) Gross profit increased by 97.83% over the same period of previous year mainly due to the same reason as above.

(3) Net decrease of cash and cash equivalents decreased by 23.16% over the same period of previous year mainly because the Company purchased Korean assets in connection with the business of STN-LCD in the report period.

Items	Amount (RMB' 000)		Changes (%)
	Jan. to Jun. 2002	Jan. to Jun. 2001	
Total assets	4,934,793	4,034,811	22.31%
Shareholders' equity	2,169,527	2,113,010	2.67%

Total assets increased by 22.31% over the same period of previous year mainly because KOREA HYUNDAI LCD INC. was included in the consolidation in the report period.

(III) Operation

1. Main business scope and the operation

Under the classification of electronic information section, the Company is principally engaged in businesses of optical electronic products and display devices, terminal equipments of information display; wireless communications and mobile information equipments; network solution, software, service and so on.

2. Principal engagement in business segments

Business	Sales revenue	Sales cost
Information termination products	1,042,295	967,405
Electronic display and the supporting parts	802,677	595,003
CPT materials and metal parts	60,452	44,387
Others	106,904	94,150

3. Changes in main business lines

In the report period, business of STN-LCD manufactured by KOREA HYUNDAI LCD INC., a subsidiary joint venture of the Company, enjoyed positive development with effective production and sales systems as well as advanced management and technology resources. It continually perfected the display product-mix of the Company and contributed for the Company's stable growth in operating results.

(IV) Investment in the Report Period

1. Application of proceeds raised from share offering and the return

(1) Investment funded with previously raised proceeds extended in the report period

Unit: RMB' 000

Committed investment projects	Total Investment	Actual investment projects	Actual investment from Jan. to Jun. 2002	Accumulated investment
Capital increase of Orient Top Victory	25896.0	Capital increase of Orient Top Victory	0	25832
Technical innovation project of special computer terminal production line	41300.0	Technical innovation project of special computer terminal production line	2540	38870
Technical innovation project of mobile computer production line	54000.0	Technical innovation project of mobile computer production line	11742	39936
Technical innovation project of digital television receiver industrialization	57880.0	Technical innovation project of digital television receiver industrialization	151	4462
Beijing urban traffic "All-in-one card" project	100000.0	Beijing urban traffic "All-in-one card" project	6564	55703
BOE e-commerce project	190000.0	BOE e-commerce project	19579	187501
Replenishing operating capital	100000.00	Replenishing operating capital	0	10000
Flat aphototropic source for digital terminals	25500.0	Flat aphototropic source for digital terminals	0	2533
Digital camera project	63000.0	Digital camera project	700	15870
Acquisition of Korean STN-LCD & OLED business through joint investment	186750.0	Acquisition of Korean STN-LCD & OLED business through joint investment	74492	145839
Joint investment in project of cold cathode fluorescent aphototropic source	25240	Joint investment of Cold Cathode Fluorescent Negative Illumination Project	25171	25171
Pin Tong Business Operation Project	112000	Pin Tong Business Operation Project	40408	40408

(2) Changes in projects funded with previously raised proceeds, relevant procedures and disclosures

In the Company's Shareholders' General Meeting 2001, the Proposal on Increasing Projects Funded with Premium Proceeds Raised from Additional A-share Public Offering was examined and approved. The Company decided to additionally invest jointly in the Project of cold cathode fluorescent aphototropic source (with US$ 3,041,000 in cash or same amount in Renminbi) and Pin Tong Business Operation Project (with RMB 112,000,000 in cash). Relevant Public Notice on Resolutions of the Shareholders' General Meeting 2001 was published in Ta Kung Pao, Securities Times, China Securities and Shanghai Securities News on June 1, 2002.

(3) Project progress

Technological innovation project of mobile computer production line: The Company planned to invest RMB 54.00 million of the raised proceeds in the project, and RMB 39,936,000 has been invested till now. Through the strategic alliance and cooperation with internationally famous enterprises, batches of BOE laptop have been launched into market with quite favorable brand image for BOE.

BOE e-commerce project: The Company planned to invest RMB190 million of the raised proceeds in the project. By the end of the report period, RMB 187,501,000 has been invested. Presently, construction of hardware platform and the connection of wide band for business zone of the Hi-tech Park have been operating well.

The joint acquisition of Korean STN-LCD and OLED project: The Company planned to invest RMB 186,750,000 of the raised proceeds in the project, while the virtual amount invested was RMB 145,839,000. The formal Acquisition Contract has been signed and Joint Venture HYUNDAI LCD INC. has been established in Korea, whose 45% equity was held by the Company. The Company was one of the main resources of economic growth for the Company in the report period.

Joint investment in project of cold cathode fluorescent aphototropic source: The Company planned to invest US$3,041,000 or equivalent amount in Renminbi of the raised proceeds in the project and actually RMB 25,171,000 has been invested till now. Difference between the committed investment and the actual investment was arising from exchange translation. All investments were ready as scheduled and Suzhou BOE Chagu Electronics Co., Ltd. was established in Suzhou expecting trial production in the second half of 2002.

Pin Tong Business Operation Project: The Company planned to invest RMB 112,000,000 of the raised proceeds in the project and actually RMB 40,408,000 has been invested till now. Mobile digital products under the brand of BOE have been introduced into the market.

2. Investment funded with non-raised proceeds and the return

Unit: RMB' 000

Items	Investment from Jan. to Jun. 2002	Accumulated investment	Progress
Joint incorporation of Beijing BOE Software Co., Ltd	1500	3000	Established after registration, with normal operation now
Plant Construction	2300	22220	In construction as scheduled
Innovation on VFD Production Line	22640	100770	In construction as scheduled
Joint incorporation of BOE Modern (Bejing) Display Technology Co., Ltd.	24831	24831	Established after registration, trial production to be started in Sep.

(V) Operating Results in the Report Period and Comparison

1. In the first half of 2002, the Company realized sales revenue of RMB 2,012,328,000, up 59.64% over the same period of previous year and taking 50.30% of the annual target; realized profit after tax of RMB 56,516,000, up 2.57% over the same period of previous year.

2. Analysis on operating results

(1) New investment projects contributed a lot for the consolidated profit as of the report period, and business of STN-LCD developed rapidly.
(2) Business of display devices maintained a stable growth in the report period and the profitability was improved accordingly; overall profit from CRT and relevant parts also increased.
(3) Concrete progress in construction of brand and networks was achieved and experiences was accumulated and abilities was fostered during the actual operation with foundation laid healthily and value created.

(VI) Plan for the Second Half Year

Based on the characteristics of the Company' s production and operation in the first half of 2002, the Company will place significant importance on following works:

(1) To reinforce operation management, implement strictly various internal regulations, improve working efficiency and strive for the over-accomplishment of annual operation targets;
(2) To promote the projects funded with raised proceeds for early profit generation;
(3) To initiate unique and alive corporate governance mode: to establish responsibility systems of strategy, organization, independent operation as well as finance centering cash flows control; to carry out administration and development on human resources as well as education and training;
(4) To nurture innovative enterprise culture and brand image, and to foster core competition;
(5) To cultivate unique, progressive and evolutive advantages and specialization; to clarity the key business lines according to the operation strategy.

VI. SIGNIFICANT EVENTS

(I) Corporate Governance
The Company implemented the Self-inspection Report on Establishment of Modern Corporate System in Listed Company as regulated by relevant authorities.

(II) Plan of Profit Distribution and Capital Public Reserve Transferring into Share Capital for 2001 and the Implementation

1. Profit distribution plan for 2001 is: based on the total share capital of 549,554,000 SHARES as at Dec. 31, 2001, cash dividend was distributed to all shareholders at the rate of RMB 0.5 for every 10 shares (tax included). Dividend due to individual shareholder of A-share was RMB 0.4 for every 10 shares after tax and dividend due to shareholder of B-share was translated into HKD at the exchange rate prevailing on the first business date of People's Bank of China (interim exchange rate at HKD 1 : RMB 1.0604) after the resolution date of the Company's Shareholders' General Meeting 2001(Jun. 3, 2002).

2. Implementation: The Company published Notice on Profit Distribution in Ta Kung Pao, Securities Times, China Securities and Shanghai Securities News dated July 12, 2002. The equity record date for A-share was July 19, 2002 and the ex-dividend date was July 22, 2002.

(III) For the period ended June 30, 2002, the Company had no plan of profit distribution or capital public reserve transferring into share capital.

(IV) The Company has not been involved in any significant litigation or arbitration during the report period.

(V) Significant Related Transactions
For details, please refer to "13. Related Transaction" in Notes to the Accounting Statements.

(VI) Significant Contracts and the Implementation
1. The Company did not entrust, contract or lease assets from other companies and did not put into entrustment, contract or lease its assets to other companies in the report period.
2. Significant guarantee offered

For details, please refer to "14. Contingent Liabilities" in Notes to the Accounting Statements.

3. The Company did not entrust others with cash assets management in the report period.

(VII) Neither the Company nor its shareholders with over 5% of its total equity made public commitment in the report period.

VII. FINANCIAL REPORT (Un-audited)

(I) Accounting Statements (attached)

(II) Notes to the Accounting Statements (attached)

VIII. DOCUMENTS FOR REFERENCE

1. 2002 Semi-annual Report with signature of the Chairman of the Board;

2. Financial Statements with signatures and seals of the legal representative, financial supervisor and person in charge of accounting organism;

3. Originals of all documents and manuscripts of public notices publicly disclosed in newspapers designated by CSRC in the report period;

4. Articles of Association of the Company.

Board of Directors of
BOE TECHNOLOGY GROUP CO., LTD.

Aug. 26, 2002

BOE TECHNOLOGY GROUP CO., LTD.
CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2001

(All amounts express in RMB' 000)	June 30		31 December	
	2002	2002	2001	2001
ASSETS				
Non-current assets				
Property, plant and equipment	1,215,869		878,631	
Investment Property	17,776		18,122	
Intangible assets	79,450		77,412	
Investments in associated company	667,529		691,792	
Available-for-sale investments	140,011		101,096	
Hold-to-maturity investments	300		34,151	
Other assets	31,487		32,698	
		2,152,422		1,833,902
Current assets				
Inventories	460,693		262,124	
Receivables and prepayments	1,288,712		731,146	
Cash and cash equivalents	1,032,966		1,207,639	
		2,782,371		2,200,909
Total assets		4,934,793		4,034,811
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital	549,554		549,554	
Share premium	1,150,895		1,150,895	
Reserves funds	235,871		235,871	
Retained earnings	233,207		176,690	
		2,169,527		2,113,010
Minority interest		406,571		252,245
Non-current liabilities				
Bank borrowings	163,600		162,300	
Other long-term liabilities	154,035		78,554	
		317,635		240,854
Current liabilities				
Trade and other payables	1,162,260		724,375	
Tax payables	5,741		12,086	
Bank borrowings	873,059		692,241	
		2,041,060		1,428,702
Total liabilities		2,358,695		1,669,556
Total shareholders' equity and liabilities		4,934,793		4,034,811

BOE TECHNOLOGY GROUP CO., LTD.
CONSOLIDATED INCOME STATEMENT AS AT 30 JUNE 2002

(All amounts express in RMB' 000)	Ended June 30	
	2002	**2001**
Income from sales	2,012,328	1,260,578
Cost of sales	(1,700,945)	(1,103,175)
Gross profit	311,383	157,403
Other operating income	2,683	6,804
Distribution costs	(68,635)	(42,714)
Administrative expenses	(87,497)	(41,994)
Operating profit	157,934	79,499
Finance costs – net	(31,839)	(8,325)
Group profit before tax	126,095	71,174
Share of result before tax of associates	16,242	10,466
Profit before tax	142,337	81,640
Income tax	(28,485)	(7,116)
Profit after tax before deducting minority shareholders' gains and losses	113,852	74,524
Minority interests	(57,336)	(19,422)
Net profit	56,516	55,102

BOE TECHNOLOGY GROUP CO., LTD.
CONSOLIDATED CASH FLOW STATEMENT
FROM 1 JANUARY TO 30 JUNE 2002

	Ended June 30
(All amounts express in RMB' 000)	**2002**
Cash flows from operating activities:	
Net profit	56,516
Adjustments for:	
Minority interest	57,336
Income tax	28,485
Depreciation	66,051
Amortisation	48,066
Accounts receivable and provision for inventory	2,243
Provision for devaluation of fixed assets	0
Disposal of loss on fixed assets	(1)
Finance costs	(31,839)
Share of result before tax of associated company	(16,242)
Others	
Changes in working capital:	
Inventories	(198,569)
Trade and other receivables	(236,408)
Payables	296,527
Net cash inflows from operating activities	72,165
Interest expense	(22,673)
Income tax paid	(5,812)
Net cash inflows / (outflows) from operating activities	43,680
Cash flows from investing activities:	
Recovering investment	300
Dividends received from associated company	3,733
Cash inflows from disposal of fixed assets	10
Purchase of fixed assets	(371,217)
Investments in associated company	(51,502)
Cash outflows from other investing activities	(8,919)
Net cash (inflows) / outflows from investing activities	(427,595)
Cash flows from financing activities:	
Absorbing investment	76,212
Addition of short-term borrowings	657,118
Payment of short-term borrowings	(476,300)
Addition of long-term borrowings	1,300
Dividends paid	(6,106)
Interests expenses paid	(22,673)
Other cash paid concerning financing activities	(12,511)
Net cash inflows / (outflows) from financing activities	217,040
Influence of fluctuation in exchange rate on cash	(7,797)
Increase / decrease in cash and cash equivalents	(174,672)
Balance of cash and cash equivalents at beginning of the year	1,182,598
Balance of cash and cash equivalents at end of the year	1,007,926

Main Notes to Consolidated Accounting Statements

1. Property, plant and equipment

	Land use rights	Buildi ngs	Plant & machinery	Motor vehicles	Construction in Process	Total
Amount at Jan. 1, 2002	83,019	288,435	518,505	14,292	196,658	1,100,909
Additions	4,524	27,389	271,582	766	104,903	409,164
Transfer from construction in progress	0	0	12,983	0	0	12,983
Less	0	25	9,481	50	20,064	29,620
Amount at June. 30, 2002	87,543	315,799	793,589	15,008	281,497	1,493,436
Accumulated amortisation	2,769	22,682	190,967	5,860	0	222,278
Amount at Jan. 1, 2002	897	6,471	59,189	392	0	66,949
Additions	0	0	0	0	0	0
Transfer-in	0	0	11,613	47	0	11,660
Disposals charge	3,666	29,153	238,543	6,205	0	277,567
Amount at June. 30, 2002						
Net book amount						
Amount at June 30, 2002	83,877	286,646	555,046	8,803	281,497	1,215,869
Amount at Jan. 1, 2002	80,250	265,753	327,538	8,432	196,658	878,631

2. Investment property

	Jun. 30, 2002	2001
Period ended Jun. 30, 2002		
At the beginning of the period	18,122	19,424
Depreciation charge	(346)	(1,302)
At the end of the period	17,776	18,122
Cost	24,276	24,276
Accumulated amortisation	(6,500)	(6,154)
Net book amount	17,776	18,122

3. Intangible assets

	Goodwill	Technology rights	Total
Period ended Jun. 30, 2002			
Opening net book amount	(506)	12,340	11,834
Additions	53,343	17,392	70,735

Amortisation charge	(2,587)	(2,570)	(5,157)
Closing net book amount	50,250	27,162	77,412
At Dec. 31, 2001			
Cost	51,929	36,497	88,426
Accumulated amortisation	(1,679)	(9,335)	(11,014)
Net book amount	50,250	27,162	77,412
Year ended Jun. 30, 2002			
Opening net book amount	50,250	27,162	77,412
Additions		8,526	8,526
Amortisation charge	(245)	(6,243)	(6,488)
Closing net book amount	50,005	29,445	79,450
At Jun. 30, 2002			
Cost	51,929	45,023	96,952
Accumulated amortisation	(1,924)	(15,578)	(17,502)
Net book amount	50,005	29,445	79,450

4. Investments in associated undertakings

	Jun. 30, 2002	Dec. 31, 2001
At beginning of year	691,792	757,876
Additions	1,500	39,036
Disposal or transfer to subsidiary	(37,633)	(22,364)
Share of retained earnings from acquired associated undertakings	0	0
Share of result before tax	16,242	(35,714)
Share of tax	(772)	(3,215)
Share of result after tax	15,470	(38,929)
Dividend received	(3,600)	(40,542)
Staff bonus and welfare funds for year 2001		(3,285)
At end of year	667,529	691,792

5. Inventories

	Jun. 30, 2002	Dec. 31, 2001
Raw materials (at cost)	181,504	172,254
Work in progress (at cost)	138,439	14,266
Finished goods (at cost)	146,124	80,978
Provision for obsolete and slow-moving inventories	(5,374)	(5,374)

	460,693	262,124

6. Receivables and prepayments

	Jun. 30, 2002	Dec. 31, 2001
Trade receivables from third parties	836,750	463,781
Less: Provision for bad and doubtful debts	(14,302)	(12,059)
	822,448	451,722
Notes receivable from third parties	159,180	82,073
Prepayments to third parties	31,652	28,532
Receivables from holding company and its subsidiaries	3,196	4,048
Receivable from subsidiaries of ultimate holding Company	63,305	63,305
Receivables from associated undertakings	26,134	36,641
Receivables from subsidiary of minority shareholder	16,623	12,610
Other receivables	166,174	52,215
	1,288,712	731,146

7. Cash and cash equivalents

	Jun. 30, 2002	Dec. 31, 2001
Cash at bank and in hand	230	876
Short term deposits – bank	1,032,736	1,206,763
	1,032,966	1,207,639

8. Bank borrowings

	Jun. 30, 2002	Dec. 31, 2001
Current		
Bank borrowings – secured	40,500	20,500
Bank borrowings – unsecured	832,559	671,741
	873,059	692,241
Non-current		
Bank borrowings – secured		
Due between one and two years	32,000	14,700
Due between two and five years	25,800	40,800
Bank borrowings – unsecured		
Due between one and two years	76,000	49,000
Due between two and five years	29,800	57,800
	163,600	162,300

9. Other long term liabilities

	Jun. 30, 2002	Dec. 31, 2001
Payable to holding company	71,735	75,956
Others	82,300	2,598
	154,035	78,554

10. Trade and other payables

	Jun. 30, 2002	Dec. 31, 2001
Trade payables to third parties	692,678	463,260
Accrued expenses	110,481	65,236
Advances from third parties	12,073	10,351
Wages and welfare payables	22,616	16,197
Payables to subsidiaries of holding company	0	3,184
Payables to subsidiaries of ultimate holding company	62,037	62,037
Payables to subsidiaries of minority shareholders	12,807	5,469
Dividends payable	26,262	22,623
Other payables	223,306	76,018
	1,162,260	724,375

11. Sales revenue

	Jan. to Jun. 2002		Jan. to Jun. 2001	
Products	Income from main business lines	Cost of main business lines	Income from main business lines	Cost of main bu siness lines
Information terminal products	1,042,295	(967,405)	1,069,199	(983,513)
Electronic monitor, related parts and material	802,677	(595,003)	130,556	(80,750)
Color cathode ray tube (“color CRT”) metal parts	60,452	(44,387)	24,572	(18,240)
Others	106,904	(94,150)	36,251	(20,672)
	2,012,328	(1,700,945)	1,260,578	(1,103,175)

12. Finance costs – net

	Jan. to Jun. 2002	Jan. to Jun. 2001
Interest expense – bank borrowings	(39,472)	(26,245)
Less: Interest income	14,582	17,512
Loss of foreign exchange translation	(16,712)	(219)
Less: foreign exchange translation income	9,976	656
Others	(213)	(29)

	(31,839)	(8,325)

13. Related party transactions

	Jun. 30, 2002	Jun. 30, 2001
Holding company and its subsidiaries		
Product sales	23	2,747
Rental income	1,443	528
Utility income	1,981	334
Land rental and service fees	-	59
Purchase	126	13,580
Purchase of land use right	6,720	-
Associated undertakings		
Product sales	33,587	32,817
Rental income	1,842	1,525
Utility income	5,957	7,633

14. Contingent Liabilities

Borrower	Lender	Highest guarantee	
Zhejiang Beacon Accumulator Co., Ltd.	Industrial and Commercial Bank of China, Shaoxing Branch	12,000.00	Borrowings guarantee
Shaoying Tongli Machine Tool Co., Ltd.	Construction Bank of China, Shaoxing Branch	7,000.00	Borrowings guarantee
Beijing Zhaowei Electronic Group Co., Ltd.	Bank of China, Beijing Branch	57,000.00	Borrowings guarantee
Beijing Zhaowei Electronic Group Co., Ltd.	Shanghai Pudong Development Bank, Jianguolu Branch	30,000.00	Borrowings guarantee
Beijing Zhaowei Electronic Group Co., Ltd.	Construction Bank of China, Chang’an Branch	20,000.00	Borrowings guarantee
Beijing Star City Real Estate Development Co., Ltd.	Construction Bank of China, Chengjian Branch	30,000.00	Borrowings guarantee
Beijing Star City Real Estate Development Co., Ltd.	Shanghai Pudong Development Bank, Jianguolu Branch	30,000.00	Borrowings guarantee
Beijing Star City Real Estate Development Co., Ltd.	Shanghai Pudong Development Bank, Jianguolu Branch	48,000.00	Borrowings guarantee
		234,000.00	

15. Capital commitments

	Jun. 30, 2002	Dec. 31, 2001
Property, plant and equipment	52,054	37,027
Equity investment	56,025	93,035
	108,079	130,062