BOE TECHNOLOGY GROUP CO., LTD.

SEMI-ANNUAL REPORT 2005

(Overseas Version)

Stock Exchange Listed with: Shenzhen Stock Exchange

Short Form of the Stock: BOE - B

Stock Code: 200725

Aug. 24, 2005

Contents

SECTION I. IMPORTANT NOTICE

The Board of Directors of BOE Technology Group Co., Ltd. (hereinafter referred to as the Company) and all its directors, hereby assure that there are no false records, misleading statements or significant omissions in this report, and they would individually and jointly take responsibility forthe authenticity, accuracy and completeness of the contents.

Independent Director of the Company, Mr. Zhang Baizhe entrusted Independent Director Mr. Li Zhaojie to vote on his behalf. Director Mr. Xuan Jiansheng didn't attend the Board meeting due to being on business trip.

Mr. Wang Dongsheng, Chairman of the Board and CEO of the Company, Mr. Liang Xinqing, President and COO of the Company, Chief Financial Officer Mr. Wang Yanjun, and Chief Accounting Officer and Head of Plan & Financial Dept. Ms. Sun Yun hereby confirm that the financial report enclosed in the semi-annual report is true and complete.

This semi-annual report 2005 of the Company has been compiled in accordance with the international accounting standards, and has not been audited.

SECTION II. COMPANY PROFILE

I. Company information

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
   Short Form for A-share: BOE - A
   Stock Code for A-share: 000725
   Short Form for B-share: BOE - B
   Stock Code for B-share: 200725
3. Registered Address: 10 Jiuxianqiao Road, Chaoyang, Beijing
   Office Address: 10 Jiuxianqiao Road, Chaoyang, Beijing
   Postcode: 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: Chen Yanshun
   Securities Affairs Representative: Zhong Huifeng
   Tel.: 010 – 64366264 64318888 ext.
   Fax: 010 – 64366264
   E-mail: yschen@boe.com.cn, hfzhong@boe.com.cn
   Contact Address: 10 Jiuxianqiao Road, Chaoyang, Beijing
6. Place Where the Semi-annual Report is Prepared and Placed: Capital & Security Dept
   Internet Website Designated by CSRC for Publishing the Semi-annual Report: http://www.cninfo.com.cn
   Newspapers Chosen by the Company for Disclosing the Information: Securities Times, China Securities Journal, Shaihai Securities News, and Hong Kong Ta Kung Pao

II. Financial Highlights:

Table 1 Unit: RMB'000

Item	Jun. 30, 2005	Dec. 31, 2004	Increase/decrease at the end of the report period compared with that at year-begin (%)
Current assets	8,896,661	5,347,942	66.36
Current liabilities	8,058,432	8,745,572	-7.86
Total assets	24,089,003	18,106,758	33.04
Shareholders' equity (excluding minority interests)	4,304,616	5,154,384	-16.49
Net assets per share (RMB/share)	2.94	3.52	-16.48

Table 2 Unit: RMB'000

Item	Jan. – Jun. 2005	Jan. – Jun. 2004	Increase/decrease in the report period year-on-year (%)
Net profit	-965,736	520,519	-285.53
Earnings per share	-0.66	0.36	-283.33
Earnings per share (Note 2)	-0.44	-	-
Return on equity (%)	-22.43	9.98	-324.75
Net cash flow from operating activities	-414,864	218,020	-290.29

Notes:

1. The aforesaid diluted datas for the first half of 2004, the full year of 2004 and the first half of 2005 have all been calculated with the total share capital of 1,463,797,200 shares at the end of the relevant periods.

2. By the disclosing day of this report, it has been calculated with the total share capital of 2,195,695,800.

3. Difference of net profit calculated under CAS and IAS:

Unit: RMB'000

	Net assets	Net profit
Balance of consolidated accounting statement under enterprise accounting system	4,006,925	-988,746
Difference resulted from new goodwill amortization method under new code	102,633	15,831
adding staff bonus and welfare funds into G&A expenses	-	-910
Government subsidy	-3,014	-
Capitalization on R&D expenses	185,028	12,555
Capitalization on interests	14,201	-4,466
others	-1,157	-

Balance after adjustment under IRS	4,304,616	-965,736

SECTION III. CHANGES IN SHARE CAPITAL AND PARTICULARS ABOUT SHARES HELD BY MAJOR SHAREHOLDERS

I.Tthe Company's share capital structure remained unchanged in the reporting period:

Unit: share

	Before the change	Increase/decrease of this time (+, -)						After the change
		Rationed shares	Stock divident	follow-on offering	Capitalization of capital reserves	Others	Subtotal	
I. Unlisted shares								
1. Sponsor's shares								
Including:								
State-owned shares	590452200							590452200
Domestic legal person's shares								
Foreign legal person's shares								
Others								
2. Raised legal person's shares	6435000							6435000
3. Inner employees' shares								
4. Preference shares or others								
Total unlisted shares	596887200							596887200
II. Listed shares								
1. RMB ordinary shares	123210000							123210000
2.Domestically listed foreign shares (B shares)	743700000							743700000
3. Overseas listed foreign shares								
4. Others								
Total listed shares	866910000							866910000
III. Total shares	1463797200							1463797200

Notes: approved by the 1st Emergent General Meeting of the 2005 (Jul. 5, 2005), the Company would carry out the plan of transferring capital reserves into share capital at a ratio of 5 shares for each 10 old shares, with the total share capital of 1,463,797,200 shares on Dec. 31, 2004 as the base number. On Jul. 19, 2005, the Company carried out the plan of granting 5 shares transferred from the capital reserves for each 10 shares to all the shareholders. After this capital reserve transferring into share capital, the total share capital of the Company increased up to 2,195,695,800 shares from the original 1,463,797,200 shares.

II. the Company had totally 67,052 shareholders as of June 30, 2005, including 30,732 shareholders of B-share.

III. Particulars about the top ten shareholders as of June 30, 2005,

No	Name of shareholder	Shares held at the period-end (share)	Proportion	Increase/ Decrease in this report period (share)	Nature of equity	Pledged, frozen or in custody
1	BEIJING BOE INVESTMENT AND DEVELOPMENT CO., LTD	525706200	35.91%	0	State-owned legal person share	Naught
2	FIELDS PACIFIC LIMITED	90000000	6.15%	0	B-share	Unknown
3	BEIJING DONGDIAN INDUSTRIAL DEVELOPMENT COMPANY	60066000	4.10%	0	State-owned legal person share	Naught
4	BOCI SECURITIES LIMITED	24213945	1.65%	Unknown	B-share	Unknown
5	EMERGING MARKETS GROWTH FUND INC	22369968	1.53%	Unknown	B-share	Unknown
6	SHANGHAI (HONG KONG) WANGUO SECURITIES	21743000	1.49%	Unknown	B-share	Unknown
7	TOP RESPECT GROUP LIMITED	13500000	0.92%	Unknown	B-share	Unknown
8	GUOTAI JUNAN SECURITIES HONG KONG LIMITED	12538527	0.86%	Unknown	B-share	Unknown
9	BONY-DREYFUS PIFI-DREYFUS PREMIER GREATER CHINA	11038831	0.75%	Unknown	B-share	Unknown
10	CAPITAL INTERNATIONAL EMERGING MARKETS FUND	9099950	0.62%	Unknown	B-share	Unknown

Notes: In the report period, the controlling shareholder of the Company is still Beijing BOE Investment & Development Co., Ltd.. Beijing Electronics Holding Company Limited, Beijing Intelligence Technology Development Co., Ltd. and Nippon Marubeni Corporation respectively holds 56.25%, 33.75% and 10% equity of Beijing BOE Investment & Development Co., Ltd., so Beijing Electronics Holding Company Limited is the actual controller of the Company. Beijing Dongdian Industrial Development Company is a wholly owned subsidiary of Beijing Electronics Holding Company Limited, thus, there exists associated relationship between Beijing BOE Investment & Development Co., Ltd. and Beijing Dongdian Industrial Development Company.

IV. Particulars about the top ten shareholders of listed shares as of June 30, 2005

	Name of shareholders	listed shares held at the period-end (share)	Proportion	Type of shares (A-share, B-share, H-share and other)
1	FIELDS PACIFIC LIMITED	90000000	6.15%	B
2	BOCI SECURITIES LIMITED	24213945	1.65%	B
3	EMERGING MARKETS GROWTH	22369968	1.53%	B

	FUND INC			
4	SHANGHAI (HONG KONG) WANGUO SECURITIES	21743000	1.49%	B
5	TOP RESPECT GROUP LIMITED	13500000	0.92%	B
6	GUOTAI JUNAN SECURITIES HONG KONG LIMITED	12538527	0.86%	B
7	BONY-DREYFUS PIFI-DREYFUS PREMIER GREATER CHINA	11038831	0.75%	B
8	CAPITAL INTERNATIONAL EMERGING MARKETS FUND	9099950	0.62%	B
9	SUN HUNG KAI INVESTMENT SERVICES LTD-CUSTOMERS A/C	6972863	0.476%	B
10	CITIC CAPITAL SECURITIES LIMITED	6959499	0.475%	B

Note: The Company has no idea on whether there exists associated relationship among the aforesaid shareholders.

SECTION IV. PARTICULARS ABOUT DIRECTORS, SUPERVISORS AND SENIOR EXECUTIVES

(I) Statement of change in the Company's shares held by directors, supervisors and senior executives in the report period:

Name	**Post**	**Number of share held (share)**		
		Share held at the period-begin	**Share held at the period-end**	**Share held on the disclosure day of this report**
Wang Dongsheng	Chairman of the Board, Chairman of Executive Committee, CEO	11700	11700	17550
Jiang Yukun	Vice Chairman of the Board	7020	7020	10530
Liang Xinqing	Executive Director, President, COO	4680	4680	7020
Cui Bingdou	Executive Director, Executive Vice-president	0	0	249600
Xuan Jiansheng	Executive Director, Executive Vice-president	0	0	0
Chen Yanshun	Executive Director, Executive Vice-president, Secretary of the Board	0	0	0
Zhao Caiyong	Director	11700	11700	17550
Tai Zhonghe	Independent Director	0	0	0
Xie Zhihua	Independent Director	0	0	0
Zhang Baizhe	Independent Director	0	0	0
Li Zhaojie	Independent Director	0	0	0
Xia Zhenzhi	Convener of the Supervisory Committee	750	750	1125

Mu Chengyuan	Supervisor	1170	1170	1755
Yang Anle	Supervisor	0	0	0
Xu Yan	Employee Supervisor	7020	7020	10530
Song Ying	Vice-president	11700	11700	17550
Wang Yanjun	CFO	4680	4680	7020
Cao Hong	Vice-president, Investment Management Officer	2340	2340	3510
Ren Jianchang	Vice-president	0	0	0
Han Guojian	Vice-president	4680	4680	7020
Liu Xiaodong	Vice-president	0	0	0
Wang Jiaheng	Vice-president	0	0	0
Feng Weidong	Vice-president	0	0	0
Su Zhiwen	Auditor general	0	0	0

Notes:

1. Approved by the 1st provisional Shareholders' General Meeting of the year 2005 (Jul. 5, 2005), the Company would carry out the plan of transferring capital reserves into share capital at the proportion of granting 5 shares for each 10 shares, with the total share capital of 1,463,797,200 shares on Dec. 31, 2004 as the base number. On Jul. 19, 2005, the Company carried out the plan of granting 5 shares transferred from the capital reserves for each 10 shares to all the shareholders. Shares held by the directors, supervisors and senior executives also increased correspondingly.

2. Executive director and concurrently vice president of the Company Mr. Cui Bingdou bought in 249,600 BOE B shares (including bonus shares) during Jul. 11, 2005 and Aug. 5, 2005. The China Securities Depository and Clearing Corporation Limited have frozen the stocks bought according to relevant regulations.

II. Particulars about changes in directors, supervisors and senior executives

On Apr. 25, 2005, approved by the 9th meeting of the 4th Board of the Company, CFO Mr. Wang Yanjun would stop being the secretary of the Board, while director Mr. Chen Yanshun was appointed as the vice president and secretary of the Board of the Company as nominated by the Chairman of the Board and concurrently CEO Mr. Wang Dongsheng and examined and inspected by the "Nomination, Remuneration, and Auditing Committee" of the Board. Mr. Cao Hong was appointed as vice president and investment management officer.

Since Mr. Cao Hong was appointed as vice president and investment management officer of the Company, he has resigned from the post of employee supervisor. On Aug. 8, 2005, approved by the presidium joint meeting of the Workers' Conference, supervisor Mr. Yang Anle was elected as employee supervisor of the Company.

SECTION V. MANAGEMENT DISCUSSION AND ANALYSISI.

Overall operation in the report period

Influenced by its cyclic fluctuation, the TFT-LCD industry was at its low during the report period, which had affected the operation of the Company greatly. During the period from January to June 2005, the Company realized a sales iof 4,321,711,000RMB, a decrease of 30.68% year-on-year; a gross profit of -275,055,000RMB, a decrease of 125.79% year-on-year; a net profit of -965,736,000RMB, a decrease of 285.53% year-on-year. Main reasons for the decrease of net profit include: ① Due to low market price and adjustment of the product mix, the South Korean subsidiary BOE Hydis Technology Co., Ltd (hereinafter referred to as “BOE Hydis”) posted a loss of RMB -902,800,000; ② The 5th generation production line of Beijing BOE Optoelectronics Technology Co., Ltd (hereinafter referred to as “BOE Optoelectronics”) has been ramping up. That, along with the low market price, has caused a loss of BOE Optoelectronics amounting to RMB 72,190,000; ③ South Korea located Associated company Hyundai LCD Inc. (hereinafter referred to as “HyLCD”) had posted loss, resulting in the investment loss of the Company amounting to RMB 54,550,000; ④ Financial expenses amounted to RMB175,190,000.

In the report period, the shipment of TFT-LCD totalled 1,843,400pieces (including 1,001,400pieces of 17” TFT-LCD); the STN-LCD business realized a sales volume of 2,097,000pieces; VFD business realized a sales volume of 8,400,000pieces; monitors shipment totalled 1,703,000 (including 667,000 LCDs); CRT, manufactured by joint venture between Panasonic and the Company, realized a sales volume of 4,507,000.

II. Analysis on operating results and financial status in the report period

1. Scope of major operations

The Company is positioned in the industry of electric information, and focuses on the businesses of design, research, development, production, sales and service of display products. There are 7 main business units, all maintaining the leading position in their own walks either domestically or internationally. Details of them are as follows: ① TFT-LCD business, the largest manufacturer domestically, while the 9th largest worldwide; ② Monitors/flat TVs, including CRT monitor, TFT-LCD monitor, TFT-LCD TV, PDP TV, etc; ③ Portable display system business, with products including STN-LCD and OLED, etc; ④ Display for customer-specific application, including VFD, LED, and so on. The production and sales volumes of VFD are 1st in China, and 3rd in the world; ⑤ CRT business, manufactured by JV between the Company and Panasonic, the 2nd largest CRT manufacturer; ⑥ Precision electronic parts and materials business. The sales volumes of precision electronic parts and materials pertaining to display are mostly at the front either domestically or internationally; ⑦ Digital products and display application system concerning display, etc.

Through strategies of internationalization, cultivation of core competitive ability, etc, the Company is growing to be the leading company in the global display area, having 5 R&D centers and 6 production bases in Beijing, Gyeonggido Icheon of South Korea, and so on, and more than 3 thousand patents, and sales and service systems covering the main regions of the World.

2. Composition of sales

(1) Sales by products Unit: RMB'000

Products	Sales	Sales cost	Gross profit ratio	Increase/decrease in sales income over the same period of last year	Increase/decrease in sales cost over the same period of last year	Increase/decrease in gross profit ratio over the same period of last year
Business of monitor terminal products	1,922,554	1,839,447	4.32	-3.01	-1.97	-19.10
Business of TFT-LCD	2,420,205	2,911,717	-20.31	-31.61	3.92	-197.50
Business of small-sized display devices	321,297	263,029	18.14	-80.87	-82.76	98.03
Other businesses	418,763	333,424	20.38	23.76	45.37	-36.75
inter-company elimination	-761,108	-750,851	-	-	-	-
Total	4,321,711	4,596,766	-6.36	-30.68	-11.04	-137.17

Total sales to top five customers were RMB 1,691,052,710.62 (from January to June 2004: RMB 1,496,931,285.32), representing 39.13% of total sales of the Company (from January to June 2004: 23.99%).

(2) Sales by geographical areas Unit: RMB'000

Areas	Sales income	Increase/decrease in sales income over the same period of last year
Domestic sales	2,105,931	-19.83
Export		
--Asia	1,644,147	-25.48
--Europe	86,847	-89.96
--America	484,785	-9.62

3. Brief analysis on financial position

(1) Changes in financial position and operating results in the report period

Table I

Unit: RMB'000

Financial indexes	Jan.-Jun. 2005	Jan.-Jun. 2004	Increase/decrease margin

Sales	4,321,711	6,234,212	-30.68
Gross profit	-275,055	1,066,697	-125.79
Net profit	-965,736	520,519	285.53
changes in cash and cash equivalents	2,958,872	739,110	300.33

Table II

Unit: RMB'000

Financial indexes	Jun. 30, 2005	Dec. 31, 2004	Increase/decrease margin
Total assets	24,089,003	18,106,758	33.04
Fixed assets	12,500,592	10,118,211	23.55
Inventories	1,389,381	1,127,066	23.27
Current liabilities	8,058,432	8,745,572	-7.86
Shareholders' equity	4,304,616	5,154,384	-16.49

Reasons for the decrease of sales, gross profit and net profit: (1) the company has not consolidated HyLCD any longer, resulting in decreased consolidated sales; (2) due to the periodic fluctuation of the TFT-LCD industry, the product prices of core businesses have decreased, resulting in the lover gross profit level;

Reasons for the increase of total assets: the subsidiary of the Company BOE Optoelectronics got bank loans, and the South Korean subsidiary BOE Hydis issued bonds;

Reasons for the increase of net fixed assets: Construction in progress of BOE Optoelectronics, a subsidiary of the Company, has been transferred into fixed assets;

Reasons for the increase of inventories: inventories of BOE Optoelectronics, a subsidiary of the Company, have increased;

Reasons for the decrease of shareholders' equity: this has been caused by loss in the report period.

(2) Changes in accounting policies and accounting estimates or correction to material accounting errors

In the report period, the company has made some adjustment according to IRS Rules No. 3 "Consolidation"

4. Explanation on changes in profitability of major operations (gross profit ratio)

(1) Decrease of gross profit ratio of monitor terminal product business was due to the downfall of product price.

(2) Decrease of gross profit ratio of TFT-LCD business was due to the price downfall of TFT-LCD and adjustment of product mix.

(3) Gross margin ration of the small-size display device business improves because the HyLCD has no longer been consolidated.

5. In the report period, there were no other operations with material impact on the

profits of the Company.

6. Problems and difficulties arising out of the operation

Influenced by its periodic fluctuation, the TFT-LCD business has been at its low since the lower half year of 2004, and this situation remained the same during the 1st quarter of 2005. Although the price has begun to go up in the 2nd quarter of 2005, the market price still hovers at a relatively low level up to now. In the changed market environment, the Company has introduced the principle of “increasing income, controlling expense, refining management, and maximizing the efficiency of the organization”, so as to further enhance the management science and technical creativity, consolidate and expand customer base, accelerate the localization of the components supply, reduce costs, improve the yield ratet, increase the products’ add-value and increase the gross profit ratio of the businesses. Given the recovery of TFT-LCD business continues, with the joint efforts of the whole staff, the Company’s operation performance would improve gradually.

Production with 5th generation line of Beijing TFT-LCD goes so far so good, with a monthly output of over 45 thousand mother glasses and an average yield rate exceeding 90%.

III. Investments in the report period

1. In the report period, there is no use of proceeds raised in the report period or before.

2. Significant investments with non-raised proceeds

Unit: RMB ‘000

Projects	Investment in the report period	Accumulative investment	Progress of the project
Equipments for 5G	2519610	275972	Proceeding as per plan
VFD production line improvements	4160	27326	Proceeding as per the plan
Equity fund raising by Suzhou BOE Chatani Electronics Co.,Ltd.	27920	2792	completed
Investment in Beijing BOE Chatani Electronics Co.,Ltd.	37240	3724	completed
Investment in Beijing FinelCs Co., Ltd.	28970	2897	completed

IV. Explanation on the estimated loss during the period from January to September

Although the global TFT-LCD market has gradually become stable, it is estimated that the accumulated net profit made from the beginning of the year to the end of the next report period would still benegative due to the excessively large margin of price downfall of TFT-LCD products. The Company could not make any estimation on the exact amount right now. Backed up by the recovery of the market and the implementation of the various measures adopted, the Company would strive to reduce the loss amount as much as possible. It is suggested that investors watch out for investment risks.

SECTION VI. SIGNIFICANT EVENTS

I. Corporate governance

In accordance with the requirements of laws and regulations such as Company Law, Securities Law and Management Rules of Listed Companies, etc, the Company has been improving its management structure and normalizing operation, so as to promote the healthy development of the Company.

In the report period, modifications have made to relevant articles of the Articles of Association, Rules on Information Disclosure, Independent Director System, Detailed Implementation Rules of the Audit Committee of the Board, and Detailed Implementation Rules of the “Nomination, Remuneration and Auditing Committee” of the Board, and the Significant Information Inner Report System has been formulated.

II. Profit distribution plan for the year 2004 and its implementation

1. Profit distribution plan for the year 2004: with the total share capital amounting to 1,463,797,200 shares on Dec. 31, 2004 as the base number, the Company would grant RMB 0.2 in cash (including tax) for each 10 shares to all the shareholders. Dividends for shareholders holding B shares would be distributed in Hong Kong dollar, and the translation would be conducted according to the middle price of HKD vs. RMB publicized by the People’s Bank of China on the first working day (Jun. 1, 2005) after this profit distribution plan approved by the Shareholders’ General Meeting 2004 of the Company, with the exchange rate being HKD 1 = RMB 1.0637.

2. Implementation: the Company has published the Notice on the Implementation of the Dividends Distribution Plan 2004 of BOE Technology Group Co., Ltd in Securities Times, China Securities Journal, Shanghai Securities News and Hong Kong Ta Kung Pao on Jun. 20, 2005, and determined that the record date for A-share and the last trading date for B-share were all Jun. 27, 2005, while the ex dividend date was Jun. 28, 2004.

III. Plan of transferring capital reserves into share capital and its implementation

1. Plan of transferring capital reserves into share capital: with the total share capital totaling 1,463,797,200 shares on Dec. 31, 2004 as the base number, 5 shares transferred from capital reserves would be granted for each 10 shares to all the shareholders.

2. Implementation: the Company has published the Notice on the Implementation of Transferring Capital Reserves into Share Capital by BOE Technology Group Co., Ltd in Securities Times, China Securities Journal, Shanghai Securities News and Hong Kong Ta Kung Pao on Jul. 13, 2005, and decided that the record date for A-share and the last trading date for B-share would all be Jul. 18, 2005, while the ex dividend date Jul. 19, 2004.

IV. No profit would be distributed at the mid-term of 2005, nor would any capital reserves be transferred into share capital.

V. There were no new significant lawsuits or arbitrations in the report period.

VI. The Company made no significant purchases or disposal or reorganization of assets in the report period.

VII. Material related party transactions in the report period

The Shareholders' General Meeting 2004 of the Company has approved the Proposal on the Regular Related Party Transaction of 2005, and its implementation in the report period is as follows:

Unit: RMB'0000

Classification of related party transaction	Related party	Estimated total amount of 2005	Amount of the report period
Procurement of raw materials	Nippon Marubeni Corporation	180000	34862
	Hyundai LCD Inc.	66000	11645
	TPV Technology Limited	25000	12189
Sales of products	TPV Technology Limited	350000	94809
	Hyundai LCD Inc.	30000	5713
	Beijing Matsushita Color CRT Co., Ltd	9000	2863
Acceptance of labor service	TPV Technology Limited	6000	2472
	Nippon Marubeni Corporation	310	387
Offer of labor service	Beijing Matsushita Color CRT Co., Ltd	900	363
	Beijing Rishen Electronic Precision Part Co., Ltd	450	205
	Beijing Nittan Electronics Co., Ltd	60	135
	Beijing Xingcheng Real Estate Co., Ltd	40	89
House rent	Beijing Dongdian Industrial Development Company	1800	850
Guarantee charges	Beijing Electronics Holding Co., Ltd	1900	1112

VIII. Significant contracts and their execution

1. Guarantees in the report period

Unit: RMB '0000

Particulars about external guarantees (excluding guarantees for subsidiaries)						
Name of warrantee	**Date of happening (date of agreement signing)**	**Amount of guarantee**	**Type of guarantee**	**tenor of guarantee**	**Accomplished or not**	**Guarantee for related parties or not (yes or no)**
Beijing Municipal Communication "All-in-one Card" Co., Ltd.	Jan., 2004	450.00	Guarantee	Till Apr. 2006	Yes	No
Zhejiang Huanyu Construction Group Co.,Ltd	Feb, 2005	5,000	Mutual guarantee	Till Mar. 2006	Yes	No
Total amount of guarantees in the report period						5,000
Total balance of guarantees in the report period						5,450
Particulars about the Company's guarantee for subsidiaries						
Total amount of guarantees in the report period						-
Total balance of guarantees in the report period						140,794
Particulars about total amount of guarantees (including guarantee for subsidiaries)						
Total amount of guarantees						146,244
The percentage that the total amount of guarantee represent the net assets of the Company						36.50%
Particulars about guarantees out of line						
Total amount of guarantees for other related parties which are controlled less than 50% by the Company or the controlling shareholder						0
The guarantee provided directly or indirectly for companies with a assets-liability ratio exceeding 70%						29,801
total guarantee amount exceeding the 50% line of the net assets						0
Total amount of irregular guarantees						29,801

Note: including guarantee of RMB 263,010,000 for subsidiary Zhejiang BOE Display Technology Co.,Ltd and guarantee of RMB 35,000,000 for subsidiary Suzhou BOE Chatani Electronics Co.,Ltd.

2. The Company has not entrusted others with finance management.

3. For details on the loans borrowed by the Company at end of the report period, please refer to notes to the accounting statements "12. Short-term loans", "19. Long-term liabilities due within one year" and "20. Long-term loans" under "(V) Notes to the main items of the consolidated accounting statements".

IX. The Company or the shareholders holding over 5% shares of the Company had no commitment events disclosed publicly.

X. In the report period, the Board of Directors and its directors were not investigated, punished administratively and criticized with circulars by CSRC or condemned in public by the stock exchange. The Company's directors and relevant staffs of the Management were not exerted legal forcible measures.

XI. Other material events

1. The 7th meeting of the 4th Board of the Company (Jan. 31, 2005) examined and approved the Proposal on Calling back the Convertible Bonds of HyLCD Company by BOE Technology Group Co., Ltd. The Company would call back the convertible bonds (hereinafter referred to as "CB") issued by HyLCD, and the capital would be used to expand the business of TFT display screen applied in portable equipments. Up to date, the Company has received USD 7.24 million as principle, as well as USD 592.83 thousand as interests(after taxation), while there is still CB of USD 2,170,000 in hand. After cashing out of the CBs of HyLCD, the equity interests in HyLCD held by the Company decreased to 39.11%, and this company would not be consolidated since the year 2005.

2. To promote the TFT-LCD business, the Company signed a Strategic Cooperation Agreement with the Nippon Marubeni Corporation (hereinafter referred to as "Nippion Marubeni") on Mar. 1, 2005 in Beijing. On the same day, the actual controller of the Company Beijing Electronics Holding Co., Ltd signed a Joint Venture Agreement of Beijing BOE Investment & Development Co., Ltd with Beijing Intelligence Kechuang Technology Development Co., Ltd and Nippon Marubeni. Nippon Marubeni, as a strategic investor, would take part in reform and reorganization of the Company's controlling shareholder Beijing BOE Investment & Development Co., Ltd, and the equity interests of Beijing BOE Investment & Development Co., Ltd held by Beijing Electronics Holding Co., Ltd, Beijing Intelligence Kechuang Technology Development Co., Ltd and Nippion Marubeni would be 56.25%, 33.75% and 10% respectively. For details, please refer to the Notice on the Signing of the Strategic Cooperation Agreement by BOE Technology Group Co., Ltd and Nippon Marubeni, and the Report on the Changes of the Shares Held by the Shareholders of BOE Technology Group Co., Ltd published on Mar. 2, 2005.

3. On Mar. 31, 2005, the Company's subsidiary BOE Optoelectronics signed the Syndicated Loan Agreement with the syndicate banks (the loaner) headed by the Beijing Urban Construction & Development Professional Sub-branch of Construction Bank of China Co., Ltd (hereinafter referred to as "Urban Construction Sub-branch of Construction Bank"), and the loan line amounted to USD 740 million (including RMB loan with equivalent USD value), of which, the duration for fixed assets loan would be 5 years since the initial withdrawal, and the duration for working capital loan would be 3 years since the initial withdrawal. In the meantime, BOE Optoelectronics signed the Agreement on Account Supervision, Agreement on the Collateral of Machinery Equipment and Agreement on the Collateral of Real Estate with the loaner, while the Company and Beijing Electronics Holding Co., Ltd signed Guarantee Agreement with the loaner respectively to provide individually and jointly irrevocable guarantees for the syndicated loan. For details, please refer to the Notice

on the USD 740 Million Syndicated Loan for the TFT-LCD 5th Production Line of BOE Technology Group Co., Ltd published on Apr. 8, 2005.

4. The wholly owned South Korean subsidiary BOE Hydis has finished the offering of the 1st non-guaranteed registered coupon bonds with raised SKW 60 billion (2-year duration), and the 2nd non-guaranteed registered coupon bonds with raised SKW 140 billion (SKW 90 billion with a duration of 3 years, and SKW 50 billion with a duration of 5 years).

5. The Company had acquired 26.36% equity interests of TPV Technology Limited (totaling 356,033,783 shares) before Dec. 31, 2003, and become the first largest shareholder. In the report period, although the shares held by the Company remained unchanged, the equity proportion enjoyed by the Company has decreased to 25.17% from the original 26.36%, due to implementation by TPV Technology Limited of the equity purchase plan, and the increase of its total share capital to 1,414,393,264. However, the Company is still the company's first largest shareholder.

XII. After-period events

1. Approved by the 1st provisional Shareholders' General Meeting of the year 2005 (Jul. 5, 2005), the Company would carry out the plan of transferring capital reserves into share capital at the proportion of granting 5 shares for each 10 shares, with the total share capital of 1,463,797,200 shares on Dec. 31, 2004 as the base number. The Company finished the implementation of the plan of transferring capital reserves into share capital at the proportion of granting 5 shares for each 10 shares, with both the record date for A-share and the last trading date for B-share being Jul. 18, 2005. After this transfer, the total share capital of the Company increased to 2,195,695,800 shares from the original 1,463,797,200 shares.

2. The 1st provisional Shareholders' General Meeting of the year 2005 (Jul. 5, 2005) have examined and approved matters on the offering of H-share. For details, please refer to the Notice on the Resolutions of the 11th Meeting of the 4th Board of BOE Technology Group Co., Ltd published on Jun. 2, 2005, and the Notice on the Resolutions of the 1st Provisional Shareholders' General Meeting 2005 of BOE Technology Group Co., Ltd published on Jul. 6, 2005.

3. The 2nd provisional Shareholders' General Meeting 2005 (Aug. 2, 2005) examined and approved the Proposal on Integration of the Monitor Business and Panel TV Business. The Company would inject the 45.21% equity of Beijing Oriental TPV Technology Limited into TPV Technology Limited in exchange for the 68,326,408 shares newly issued by TPV Technology Limited to the Company. For details, please refer to the Notice on the Integration of the Monitor Business and the Panel TV Business of BOE Technology Group Co., Ltd published on Jun. 16, 2005, and the Notice on the Resolutions of the 2nd Provisional Shareholders' General Meeting 2005 of BOE Technology Group Co., Ltd published on Aug. 3, 2005.

4. The South Korean subsidiary BOE Hydis signed the Agreement on Reconciliation and Use Permission of the Patent of Retardation Film Technology with the American Guardian Industries Corp. (hereinafter referred to as "Guardian Corp."). The Agreement went: the Company, the Company's subsidiary BOE Hydis, Beijing BOE

Optoelectronics Technology Co., Ltd and other subsidiaries of the Company all have the right to use Guardian Corp.'s Retardation Film Technology (including but not limited to the 32 American patents concerning the LCD Retardation Film Technology right now) within the valid period of the patent, and Guardian Corp. has withdrawn its accusation of BOE Hydis on the compensation of patent use right charges.

SECTION VII. FINANCIAL REPORT (UNAUDITED)

Accounting statement (refer to Appendix)

SECTION VIII. DOCUMENTS AVAILABLE FOR REFERENCE

(I) Text of Semi-annual Report carrying the personal signature of Chairman of the Board.
(II) Text of the financial report carrying the personal signatures and seals of legal representative, chief financial supervisor and person in charge of accounting departments;
(III) Originals of all documents and manuscripts of Public Notices or Announcements of the Company disclosed in public in the newspapers designated by CSRC in the report period.
(IV) Articles of Association of the Company.

Board of Directors of
BOE Technology Group Co., Ltd.
Aug. 24, 2005

BOE Technology Group Co., Ltd
Consolidated Balance Sheet
Jun. 30, 2005
(The following amounts would all be expressed in RMB'000)

	Jun. 30, 2005		**Dec. 31, 2004**	
	2005	**2005**	**2004**	**2004**
Assets				
Non-current assets				
Fixed assets	12,500,592		10,118,211	
Investment property	23,927		13,893	
Intangible assets	191,138		213,492	
Land use right	124,816		133,355	
Investment in affiliated companies	2,211,639		2,180,519	
Tradable investment	69,551		8,020	
Investment held till the expiration date	172		170	
Debit items of deferred taxes	1,151		13,220	
Other assets	69,356		77,936	
		15,192,342		12,758,816
Current assets				
Inventories	1,389,381		1,127,066	
Accounts receivable and advance payments	2,696,160		2,342,557	
Convertible bonds-current part	17,960		44,031	
Cash and cash equivalents	4,793,160		1,834,288	
		8,896,661		5,347,942
Total assets		24,089,003		18,106,758
Shareholders' equity and liabilities				
Shareholders' equity				
Share capital	1,463,797		1,463,797	
Premium on capital stock	2,284,812		2,284,812	
Reserve fund	746,070		696,414	
Retained profit	(190,063)		709,361	
		4,304,616		5,154,384
Minority shareholders' equity		521,588		524,973
Non-current liabilities				
Bank loans	8,431,559		2,503,381	
Credit items of deferred taxes	-		15	
Separation welfare plan	11,903		19,685	
Other long-term liabilities	2,760,905		1,158,748	
		11,204,367		3,681,829
Current liabilities				
Accounts payable and others payable	3,433,767	3,450	3,188,147	
Taxes payable	(18,366)		7,172	

Bank loans	4,572,813		5,506,259	
Reserves	70,218		43,994	
		8,058,432		8,745,572
Total liabilities		19,262,799		12,427,401
Total shareholders' equity and liabilities		24,089,003		18,106,758

BOE Technology Group Co., Ltd

Consolidated Statement of Profit and Loss

January – June 2005

(The following amounts would all be expressed in RMB'000)

	By Jun. 30	
	2005	**2004**
Sales income	4,321,711	6,234,212
Sales cost	(4,596,766)	(5,167,515)
Sales gross profit	(275,055)	1,066,697
Income from other businesses	14,092	24,215
Sales expenses	(136,716)	(128,362)
Administration expenses	(413,692)	(517,911)
Expenses of other businesses	(22,942)	(22,706)
Operating profit	(834,313)	421,933
Financial expenses-net	(175,191)	(36,317)
Profit of the Group before taxation	(1,009,504)	385,616
Tradable investments	(2,778)	7,021
Profit before taxation receivable from affiliation companies	108,793	244,136
Profit before taxation	(903,489)	636,773
Income tax	(40,430)	(93,292)
Profit after taxation before deducting minority shareholders' equity	(943,919)	543,481
Minority shareholders' equity	(21,817)	(22,962)
Net profit	(965,736)	520,519

BOE Technology Group Co., Ltd

Cash Flow Statement

1st Half Year of 2005

(The following amounts would all be expressed in RMB'000)

	By Jun. 30
	2005
Cash flow arising out of business activities	
Net profit	-965,736
Adjusted items:	
Gains and losses of minority shareholders	21,817
Income tax	40,430

Depreciation expenses	414,714
Amortization expenses	14,931
Depreciation reserves	114,372
Losses arising out of disposal of fixed assets	133
Financial expenses	230,004
Shared profit before tax of associated companies	-108,793
Change of working capital:	
Inventories	88,448
Accounts receivable and others receivable	-459,264
Pension employment benefit obligation	7,122
Accounts payable	168,512
Net cash in-flows of operating activities	-433,310
Interest income	32,010
Income tax	-13,564
Net cash flows arising out of operating activities	-414,864
Cash flows arising out of investment activities	
Investment in subsidiary	-47,494
acquisition of fixed assets	-3,065,471
Purchase of intangible assets	-105,742
Purchase of tradable investments	-
Purchase of associated companies	-
Long-term bond investment	-
Disposal of subsidiary	-
Dividend and interests	95,104
Divestment of long-term bonds	26,541
Other investment activities	-71
Disposal of fix assets	243
Net cash flow from investment activities	-3,096,890
Cash flows arising out of financing activities	
Cash in-flows arising out of offering of convertible bonds	-
Cash received from absorption of investments	8,939
Newly added loans	13,584,061
Cash in-flows arising out of other financing activities	-
Loan repayments	-6,880,643
Dividends paid to shareholders of the Group	-17,139
Dividends paid to minority shareholders	-5,550
Interest expenses	-204,731
Cash out-flows arising out of other financing	-6,432

activities	
Net cash flows arising out of financing activities	6,478,505
Influence of the change of exchange rate	-7,879
Increase/(decrease) of cash and cash equivalents	2,958,872
Balance of cash and cash equivalents at the beginning of the year	1,834,288
Balance of cash and cash equivalents at the end of the year	4,793,160

BOE TECHNOLOGY GROUP CO., LTD.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 30 June 2005

(all amounts in RMB thousands)

	Ordinary shares	Share premium	Other reserves	Retained earnings	Total
Balance at 31 December 2003	659,464	1,040,984	406,358	447,056	2,553,862
Issur of new shares	316,400	1,731,760			2,048,160
Conversion of share premium to ordinary shares	487,933	-487,932			-
Net profit				353,701	353,701
Currency translation differences			208,419		208,419
Dividend paid				-9,758	-9,758
Provision of general reserves			81,637	-81,637	
Balance at 31 December 2004	1,463,797	2,284,812	696,414	709,362	5,154,384
Accounting policies adjustment				95,586	95,586
Balance at 31 December 2004	1,463,797	2,284,812	696,414	804,948	5,249,970
Conversion of share premium to ordinary shares					
Net profit				-965,736	-965,736
Currency translation differences			49,656		49,656
Dividend paid				-29,275	-29,275
Provision of general reserves					
Balance at 30 June 2005	1,463,797	2,284,812	746,070	-190,063	4,304,615