
IMPORTANT

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If you have sold or transferred all your shares in ING Beijing Investment Company Limited, you should at once hand this document to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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ING BEIJING INVESTMENT COMPANY LIMITED

ING北京投資有限公司

(Incorporated in Hong Kong with limited liability)

GENERAL MANDATE TO ISSUE SHARES AND REPURCHASE OF SECURITIES

It is proposed that at the Annual General Meeting of ING Beijing Investment Company Limited to be held at 3:00 p.m. on Thursday, 22nd May 2003 at 41st Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong, resolutions be proposed to approve, among other matters, (i) the grant of the General Mandate to the Directors; and (ii) the grant of the Repurchase Mandate to the Directors.

Whether or not you intend to attend the Annual General Meeting, you are requested to complete and return the form of proxy accompanying the Annual Report in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the Annual General Meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person if you so wish.

28th April 2003

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DEFINITIONS

In this document, unless the context otherwise requires, the following expressions have the following meanings:

“Annual General Meeting”	the annual general meeting of the Company to be held at 3:00 p.m. on Thursday, 22nd May 2003 at 41st Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong
“Annual Report”	the annual report of the Company in respect of the financial year ended 31st December 2002
“Board”	the board of Directors of the Company
“Company”	ING Beijing Investment Company Limited
“Directors”	directors of the Company
“General Mandate”	the general mandate to issue Shares to be granted to the Directors at the Annual General Meeting
“Group”	the Company and the Subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$” and “HK cent(s)”	Hong Kong dollars and cent(s) respectively, the lawful currency of Hong Kong
“Latest Practicable Date”	23rd April 2003, being the latest practicable date prior to the printing of this document for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchases Code”	Hong Kong Code on Share Repurchases
“Repurchase Mandate”	the general mandate to repurchase securities of the Company to be granted to the Directors at the Annual General Meeting
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	shareholders of the Company

DEFINITIONS

“Share Option Scheme”	the share option scheme of the Company, which was approved and adopted by an ordinary resolution of the Shareholders in an extraordinary general meeting held on 16th August 2001
“Subsidiary”	means a subsidiary within the meaning of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) for the time being of the Company whether incorporated in Hong Kong or elsewhere
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Warrant(s)”	the bonus warrant(s) issued by the Company carrying subscription rights to subscribe for shares in the Company
“Warrantholder(s)”	holders of Warrants

ING BEIJING INVESTMENT COMPANY LIMITED
ING北京投資有限公司

(Incorporated in Hong Kong with limited liability)

Directors:

Executive Directors:

Liu Xiao Guang (*Chairman*)
Cheng Bin Ren
John Ashton Dare
Lawrence H. Wood
Yu Sek Kee

Registered Office:

41st Floor
Bank of China Tower
1 Garden Road
Central
Hong Kong

Non-Executive Directors:

Liu Xue Min
Poon Kai Leung
Tong Ng Siu Yee

Independent Non-Executive Directors:

Li Kai Cheong Samson
Wu Suk Ching Annie

28th April 2003

To the Shareholders

and for information only, to the Warrantheolders

Dear Sir or Madam,

**GENERAL MANDATE TO ISSUE SHARES AND
REPURCHASE OF SECURITIES**

INTRODUCTION

At the Annual General Meeting, resolutions will be proposed to approve, among other matters, (i) the grant of the General Mandate to the Directors; and (ii) the grant of the Repurchase Mandate to the Directors.

The purpose of this document is to provide you with all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the Annual General Meeting.

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE SHARES AND REPURCHASE OF SECURITIES

At the annual general meeting of the Company held on 23rd May 2002, ordinary resolutions were passed granting to the Directors general unconditional mandates (i) to repurchase Shares and Warrants of the Company on the Stock Exchange or on any other exchange on which the Shares and/or Warrants have been or may be listed and recognised for this purpose by the SFC and the Stock Exchange under the Repurchases Code, which does not exceed 10 per cent. of the issued share capital of the Company and 10 per cent. of the amount of outstanding Warrants on the date of passing the relevant resolution; and (ii) to allot, issue and otherwise deal with Shares, options and warrants of the Company up to the limit of (a) 20 per cent. of the issued share capital of the Company on the date of passing such resolution, plus (b) the share capital of the Company repurchased by the Company under the repurchase mandate. No Shares and/or Warrants have been repurchased, allotted, issued or otherwise dealt with pursuant to these mandates.

These general mandates will lapse at the conclusion of the forthcoming Annual General Meeting of the Company which will be held at 3:00 p.m. on Thursday, 22nd May 2003 at 41st Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong. At the Annual General Meeting, ordinary resolution will be proposed:

- (a) to grant the Repurchase Mandate to the Directors to enable them to repurchase Shares and Warrants of the Company on the Stock Exchange or on any other exchange on which the Shares and/or Warrants have been or may be listed and recognised for this purpose by the SFC and the Stock Exchange under the Repurchases Code, which does not exceed 10 per cent. of the issued share capital of the Company and 10 per cent. of the amount of outstanding Warrants on the date of passing such resolution; and
- (b) to grant the General Mandate to the Directors to exercise the power of the Company to allot, issue and otherwise deal with Shares, options and warrants of the Company up to the limit of (a) 20 per cent. of the issued share capital of the Company on the date of passing such resolution, plus (b) the share capital of the Company repurchased by the Company under the Repurchase Mandate.

In accordance with the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to renew the grant to the Directors of the Repurchase Mandate. Such explanatory statement is set out in the Appendix to this document.

ANNUAL GENERAL MEETING

Forming part of the Annual Report is the notice of the Annual General Meeting. At the Annual General Meeting, and as part of the special businesses of the Annual General Meeting, ordinary resolutions will be proposed to approve (i) the grant of the General Mandate to the Directors; and (ii) the grant of the Repurchase Mandate to the Directors.

LETTER FROM THE BOARD

Whether or not you intend to attend the Annual General Meeting, you are requested to complete and return the form of proxy accompanying the Annual Report in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the Annual General Meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person if you so wish.

RECOMMENDATION

The Directors believe that (i) the grant of the General Mandate to the Directors; and (ii) the grant of the Repurchase Mandate to the Directors are all in the best interest of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all the Shareholders should vote in favour of all the relevant resolutions to be proposed at the Annual General Meeting as set out in the notice of Annual General Meeting.

By Order of the Board of Directors of
ING Beijing Investment Company Limited
Liu Xiao Guang
Chairman

The following is the explanatory statement required to be sent to Shareholders under the Listing Rules in connection with the Repurchase Mandate proposed to be passed by the Shareholders by an ordinary resolution at the Annual General Meeting.

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their fully paid-up shares and warrants on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

(a) Shareholders' approval

The Listing Rules provide that all on-market repurchases of securities by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a specific approval in relation to specific transactions or by a general mandate to the directors of the company to make such repurchases.

(b) Maximum number of securities to be repurchased

A maximum of 10 per cent. of the issued share capital of the company and 10 per cent. of the amount of outstanding warrants to subscribe for shares in the share capital of the company as at the date of passing the relevant resolution may be repurchased on the Stock Exchange.

(c) Subsequent issue of shares

A company may not without the prior approval of the Stock Exchange issue new shares or announce a proposed new issue of securities for a period of 30 days immediately following a repurchase of securities, whether on the Stock Exchange or otherwise (other than an issue of securities pursuant to the exercise of share options or similar instruments requiring the company to issue securities which were outstanding prior to the repurchase).

(d) Trading restrictions

All repurchased securities on the Stock Exchange in any given calendar month are limited to a maximum of 25 per cent. of the trading volume of the company's securities in the immediate preceding calendar month. The Listing Rules also prohibit a company from making securities repurchases on the Stock Exchange if the result of the repurchase would be that less than 25 per cent. (or the prescribed minimum percentage for that company as determined by the Stock Exchange at the time of listing) of its issued share capital and/or outstanding warrants would be in public hands. A company shall not purchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

(e) Status of repurchased securities

The Listing Rules require the listing of all repurchased securities to be automatically cancelled upon purchase and the share and warrants certificates to be cancelled and destroyed. Under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), the securities repurchased will be treated as cancelled but the aggregate amount of the company's authorised share capital would not be reduced.

(f) Suspension of repurchase

The Listing Rules require any securities repurchase programme to be suspended after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information is made publicly available. In particular, during the period of one month immediately preceding either the preliminary announcement of the company's annual results or the publication of the company's interim report, the company may not purchase securities on the Stock Exchange unless the circumstances are exceptional. In addition, the Stock Exchange reserves the right to prohibit a securities repurchase programme on the Stock Exchange if a company breaches the Listing Rules.

(g) Reporting requirement

Under the Listing Rules, securities repurchases on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 9:30 a.m. on the following business day. In addition, the company's annual report is required to disclose information regarding securities repurchases made during the year including the number of securities repurchased each month, the purchase price per share/warrant and the aggregate price paid. A company shall procure that any broker appointed by the company to effect the purchase of securities shall disclose to the Stock Exchange such information with respect to purchases made on behalf of the company as the Stock Exchange may request.

(h) Connected parties

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a "connected person", that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or their respective associates (as defined in the Listing Rules) and a connected person is prohibited from knowingly selling his/her securities to the company.

(i) Share capital

It will be proposed at the Annual General Meeting to be held on Thursday, 22nd May 2003 an ordinary resolution to grant the Repurchase Mandate to the Directors up to 10 per cent. of the Shares in issue and 10 per cent. of the amount of outstanding Warrants as at the date of the passing of such resolution.

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$120,000,000 divided into 1,200,000,000 Shares, of which 539,512,000 Shares were in issue. There were 106,422,000 units of outstanding Warrants to subscribe for up to HK\$23,881,096.80 for Shares at an initial subscription price of HK\$0.2244 per Share (subject to adjustment) and 26,944,500 outstanding options granted under the Share Option Scheme to subscribe for up to 26,944,500 Shares. On the basis that no further Shares/Warrants are issued or repurchased prior to the date of the Annual General Meeting, the Directors would be authorised to repurchase up to 53,951,200 Shares and 10,642,200 units of Warrants carrying rights for the subscription of up to HK\$2,388,109.68 in aggregate for Shares at an initial subscription price of HK\$0.2244 per Share (subject to adjustment).

In the event that all the subscription rights attached to the Warrants and the options are exercised in full on or before 4:00 p.m. on 14th May 2003 for the holders of Warrants and the holders of options granted under the Share Option Scheme, the number of Shares in issue will be increased to 672,878,500 Shares. On the basis of such figures (and assuming no further Shares are issued) the Directors would be authorised to repurchase 67,287,850 Shares.

(j) Reasons for purchases

The Directors believe that it is in the best interests of the Company and its Shareholders for the Directors to have a general authority from the Shareholders to enable the Directors to purchase securities on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

(k) Funding of purchases

Repurchases must be made out of funds which are legally available for such purpose in accordance with the Memorandum and Articles of Association of the Company and the laws of Hong Kong. It is envisaged that the funds required for any repurchases would be derived from the distributable profits of the Company.

(l) Impact on purchases

There may be an adverse impact on the working capital or gearing position of the Company in the event that the proposed repurchases of securities were to be carried out in full at any time during the proposed repurchases period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or its gearing level which in the opinion of the Directors is from time to time appropriate for the Company.

(m) Connected parties

No connected persons (as defined in the Listing Rules) of the Company have notified the Company of a present intention to sell Shares and/or Warrants to the Company and no such persons have undertaken not to sell any such securities to the Company in the event that the Repurchase Mandate is granted by the Shareholders.

(n) Share purchases made by the Company

The Company has not entered into any repurchase of its securities made whether on the Stock Exchange or otherwise during the six months preceding the Latest Practicable Date.

(o) Securities prices

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each calendar month for the period from April 2002 to March 2003 were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2002	0.2310	0.2150
May 2002	0.2200	0.2000
June 2002	0.2030	0.1990
July 2002	0.2000	0.1500
August 2002	0.1500	0.1300
September 2002	0.1300	0.1200
October 2002	0.1210	0.1150
November 2002	0.1200	0.0630
December 2002	0.0840	0.0600
January 2003	0.0830	0.0610
February 2003	0.1040	0.0600
March 2003	0.1320	0.0900

The highest and lowest prices at which the Warrants have traded on the Stock Exchange in each calendar month for the period from April 2002 to March 2003 were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2002	0.0460	0.0150
May 2002	0.0350	0.0200
June 2002	0.0300	0.0300
July 2002	0.0300	0.0240
August 2002	0.0170	0.0100
September 2002	0.0100	0.0100
October 2002	0.0100	0.0100
November 2002	0.0100	0.0100
December 2002	0.0100	0.0100
January 2003	0.0100	0.0100
February 2003	0.0100	0.0100
March 2003	0.0100	0.0100

(p) General

There are no Directors or (to the best of the knowledge of the Directors, having made all reasonable enquiries) any associates (as defined in the Listing Rules) of the Directors of the Company who have a present intention, in the event that the Repurchase Mandate is granted by the Shareholders, to sell to the Company its securities.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the Repurchase Mandate only in accordance with the Listing Rules and the laws of Hong Kong.

(q) Takeovers Code

If, as a result of a share repurchase, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could, depending on the level of increase of its or their interest, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26.1 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, B.V. Algemene Beleggingsmaatschappij Kievitsdaal ("BVABK"), which held approximately 15.78 per cent. of the issued share capital of the Company, was the only substantial shareholder holding more than 10 per cent. of the issued share capital of the Company. In the event that the Directors should exercise the proposed Repurchase Mandate in full, on the basis that no further Shares are issued or repurchased prior to the date of the Annual General Meeting, the shareholding of BVABK in the Company would be increased to approximately 17.53 per cent. of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer under Rule 26.1 of the Takeovers Code.

Save as disclosed above, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any purchases made pursuant to the Repurchase Mandate.