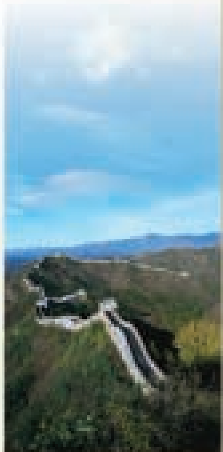
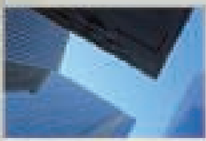
ING BEIJING

Investment Company Limited



Interim Report 2003

REVIEW OF THE PERIOD

The Board of Directors of ING Beijing Investment Company Limited (the "Company" or "ING Beijing") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2003. The interim report for the six months ended 30 June 2003 has been reviewed by the audit committee and auditors of the Company.

The profit of the Group for the first half of 2003 was HKD12,558,916 compared to the profit of HKD1,094,135 for the same period in 2002. The consolidated results, consolidated balance sheet and condensed consolidated cash flow statement of the Group, all of which are unaudited, along with selected explanatory notes, are set out on pages 6 to 22 of this report.

BUSINESS DEVELOPMENT

The spread of SARS in the second quarter this year had a severe impact on the economies of Hong Kong and China, tourism and service industries were heavily struck during the period. In June, the World Health Organization removed Hong Kong, Beijing and other cities in China from the list of SARS-affected areas. Hong Kong's economy started to recover, but remains arduous and challenging. China has more a diversified economy with strong domestic demand driven forces. The negative effect of SARS on China's economy is only temporary and far less than expected, China's economy has picked up quickly and aims to achieve its targeted 9% growth rate this year.

In March 2003, the Group successfully disposed the investment in Everbright Timber Industry (Shenzhen) Company Limited ("Everbright Timber"). Everbright Timber is the biggest timber processing company in China. The Asian financial crisis in 1997 hit the listing plan of Everbright Timber, and subsequently the timber prices tumble due to severe imported competition and a contracted market.

Property development is a long term process, the sector was generally not affected by the outbreak of SARS. The Company invested in China Property Development (Holdings) Limited ("CPDH") in February 2002 and successfully made shares allotment of CPDH to

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Property development is a long term process, the sector was generally not affected by the outbreak of SARS. The Company invested in China Property Development (Holdings) Limited ("CPDH") in February 2002 and successfully made shares allotment of CPDH to a strategic investor in October 2002. In the first half year of 2003, CPDH concentrated on the development of the Pacific Town Project and made a milestone achievement in July. The Pacific Town Project received its planning approval on 2 July 2003. Planning approval is a major development stage for any property projects in China. It removes a major uncertainty during the development stage and enhances the project's marketability. After obtaining planning approval, the Pacific Town Project will make preparation for resettlement and clearance of the site area. Construction work will start immediately after the site clearance and sale of the Phase I project of around 400 apartment units is expected to begin after the Chinese New Year in 2004.

ING Beijing has also approved the investment in Sunny Plaza Project. Sunny Plaza Project is a high-end residential development project located in the northeastern corner of Beijing within the Chaoyang District. The project with gross floor area of approximately 150,000 sq. metres will include around 100,000 sq. metres for residential apartments and the remaining area for two serviced apartments.

ING Beijing will initially invest USD2.4 million and take up 20% respective interest of the Project. Sunny Plaza Project is close to Shun Jing Golf course. Located in the northeastern part of the city, next to the northern fourth ring road, the Sunny Plaza Project is in proximity to Asian Games Village and the Third Embassy Districts.

FUTURE PROSPECTS

Though experienced a slight setback during the period of SARS, Beijing's property market is recovering to its energetic tendency with both supply and demand outperformed that of last year.

In the past, people evaluate properties from the angles of price, location, floor plan design and appreciation potential. The situation has changed after the outbreak of SARS. Home buyers as well as developers are now focusing their attention to healthy living. High quality properties with healthy living environment are becoming popular.

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It is the Group's strategy to make further investment in the Beijing property sector. The Company is confident with the Beijing property market and expect to benefit from the increasing customer preference towards quality property products.

REVIEW OF EXISTING PORTFOLIO

Beijing Pacific Palace Real Estate Development Co. Ltd. ("Pacific Town Project")

The Pacific Town Project received its planning approval on 2 July 2003 within 15 days after submission to the Beijing Municipal City Planning Committee. This process normally takes 3-6 months to complete. This illustrated the advantage of the management team with its knowledge and network in the Beijing property development sector. After obtaining the planning approval, the Pacific Town Project will make preparation for resettlement and clearance of the site area. Construction work will start immediately after the site clearance.

The site plan was prepared by Langdon Wilson Architects, one of the leading architects in the United States, together with Sunlight Architects & Engineers Co., Ltd. in Beijing. The site has a total gross area of 430,750 sq. metres and above ground gross floor area of 323,250 sq. metres. The Phase I of the Pacific Town Project comprises 80,000 sq. metres of around 400 high rise residential apartment units. All apartment units will be decorated with luxury standard and over 80% of which with river view.

The apartments are to be priced at an average sale price of Rmb8,800 per sq. metre. The sale of Phase I is expected to begin after the Chinese New Year in 2004.

Skyworth Digital Holdings limited ("Skyworth")

From April to June 2003, despite the outbreak of SARS has dampened the consumer sector, Skyworth's TV sales rose 10% to 1,316,000 units as compared to the same period in 2002. China TV sales volume surged by 30%; whereas overseas TV sales volume dropped by 22%. The overseas market has started to pick up quickly from June as the Middle East war ended.

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Skyworth is among the first to focus on high-end products. As China is becoming more affluent, together with its proposed launch of digital TV broadcasting, the demand of high-end consumer products is expected to increase significantly. The sales of high-end TV such as Progressive Scan TV, Projection TV and Plasma TV are on the rise, the relatively high gross profit margin from these products contributes to the growth of the profit.

In May 2003, the United States International Trade Commission alleged an anti-dumping case lodged against Chinese and Malaysian TV manufacturers. Although the major overseas markets of Skyworth are in Europe and Asia, which account for 64% in its overseas market value, Skyworth will still aim to participate in the North American market.

The Group received an interim dividend payment of HKD 0.21 million in January 2003 and a final dividend payment of HKD1.9 million from Skyworth in September 2003.

(HKD'm)	**Year ended 31 Mar 03**	Year ended 31 Mar 02
Turnover	**8,002**	5,605
Pre-tax Profit	**323**	77
Post-tax Profit	**214**	62

	Apr to Jun 03 (units)	YOY%
TV sales (China)	**948,000**	+30
TV sales (overseas)	**368,000**	-22
Total TV sales volume	**1,316,000**	+10
AV sales (China)	**94,000**	+84
AV sales (overseas)	**229,000**	-19
Total AV sales volume	**323,000**	-3

Beijing Far East Instrument Co., Ltd. ("Far East")

In the first half year of 2003, the sale revenue of Far East increased by 16% to Rmb52.71 million. Profit after tax of the first half year was Rmb3.28 million as compared with Rmb4.15 million of that of last period. In this period, the management of Far East puts much effort in improving the quality of its assets. A bad debt provision Rmb0.7 million was made this period, which led to the decrease of profit as compared with that of last period.

In March 2003, the Board of Far East has resolved to enter into environmental protection business. Far East will join hand with an environmental protection engineering company in Shi Jia Zhuang to venture into the new business. Far East will pay Rmb4.5 million for 45% shareholding in the engineering company, and business will start in the second half year of 2003.

In March 2002, ING Beijing entered into a conditional agreement to sell 9% of its 35% equity interest in Far East to Beijing Capital Group. Beijing Capital Group has also entered into a conditional agreement to acquire a further 16% equity interest in Far East from its holding company, Beijing Far East Instrument Company.

After the introduction of Beijing Capital Group as a strategic partner of Far East, Beijing Capital Group has successfully helped Far East to obtain a grant from the Development Planning Commission of Beijing Municipality to promote its business. Besides, Beijing Capital Group has provided new business channels to Far East to explore new businesses. The cooperation has started to provide some new income streams to Far East in the first half year of 2003. In order to enhance the cooperation result, Far East will start more projects with Beijing Capital Group in the coming months.

(RMB'm)	**Jan-June 03**	Jan-June 02
Revenue	**52.71**	45.28
Pre-tax Profit	**3.44**	4.29
Post-tax Profit	**3.28**	4.15

CONSOLIDATED INCOME STATEMENT

for the six months ended 30 June 2003 – unaudited

(Expressed in Hong Kong dollars)

	Note	Six months ended 30 June **2003**	2002
Turnover: Group and share of jointly controlled entities' turnover	4	**$ 29,045,594**	$ 49,158,674
Less: Share of jointly controlled entities' turnover		**(28,636,655)**	(43,540,058)
Group turnover	3	**$ 408,939**	$ 5,618,616
Other net loss	5(*a*)	**(989)**	(106,077)
Gain on disposal of interest in jointly controlled entity	2	**2,064,532**	–
Write-back of amount due from jointly controlled entity	2	**1,528,897**	–
Write-back of impairment loss on non-trading investments	2	**13,273,890**	–
Gain on disposal of non-trading listed investments	2	**–**	2,714,000
Loss on disposal of convertible loan and non-trading unlisted investments	2	**–**	(328,645)
Operating expenses	5(*b*)	**(4,704,149)**	(8,171,055)
Profit/(loss) from operations	5	**$ 12,571,120**	$ (273,161)
Share of losses of associates		**(1,092,863)**	–
Share of profit of jointly controlled entity		**1,136,020**	1,412,970
Profit from ordinary activities before taxation		**$ 12,614,277**	$ 1,139,809
Taxation	6(*a*)	**(55,361)**	(45,674)
Profit attributable to shareholders	13	**$ 12,558,916**	$ 1,094,135
Earnings per share	7		
Basic		**2.328 cents**	0.203 cent
Diluted		N/A	0.202 cent

The notes on pages 10 to 22 form part of this interim financial report.

CONSOLIDATED BALANCE SHEET

at 30 June 2003 – unaudited

(Expressed in Hong Kong dollars)

	Note	At 30 June 2003 (Unaudited)	At 31 December 2002 (Audited)
Non-current assets			
Interest in associates	8	**$ 77,853,498**	$ 78,923,038
Interest in jointly controlled entities	9	**28,860,723**	27,780,064
Non-trading investments	10	**32,970,630**	35,111,580
		$ 139,684,851	$ 141,814,682
Current assets			
Prepayments and other receivables		**$ 247,355**	$ 197,119
Cash and cash equivalents	11	**31,559,867**	31,629,055
		$ 31,807,222	$ 31,826,174
Current liabilities			
Accounts payable and accruals		**$ 2,723,242**	$ 2,015,321
Taxation	6(*a*)	**5,000,000**	5,000,000
		$ 7,723,242	$ 7,015,321
Net current assets		**$ 24,083,980**	$ 24,810,853
Net assets		**$ 163,768,831**	$ 166,625,535
Capital and reserves			
Share capital	12	**$ 53,951,200**	$ 53,951,200
Reserves	13	**109,817,631**	112,674,335
		$ 163,768,831	$ 166,625,535
Net asset value per share	14	**$ 0.304**	$ 0.309

The notes on pages 10 to 22 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2003 – unaudited

(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2003	2002
Shareholders' equity as at 1 January	**$ 166,625,535**	$ 171,339,102
(Deficit)/surplus on revaluation of non-trading investments	**$ (2,140,950)**	$ 14,130,270
Exchange differences on translation of the financial statements of jointly controlled entities in the People's Republic of China ("PRC")	**–**	(129,457)
Share of exchange reserve of associates	**(780)**	–
Net (losses)/gains not recognised in the consolidated income statement	**$ (2,141,730)**	$ 14,000,813
Net profit for the period	**$ 12,558,916**	$ 1,094,135
Reversal of revaluation deficit on non-trading investments previously charged to the consolidated income statement as impairment loss	**$ (13,273,890)**	$ –
Shareholders' equity as at 30 June	**$ 163,768,831**	$ 186,434,050

The notes on pages 10 to 22 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 June 2003 – unaudited

(Expressed in Hong Kong dollars)

		Six months ended 30 June	
	Note	**2003**	2002
Net cash used in operating activities		**$ (2,347,815)**	$ (7,738,938)
Net cash from investing activities		**2,278,627**	74,255,950
Net (decrease)/increase in cash and cash equivalents		**$ (69,188)**	$ 66,517,012
Cash and cash equivalents at 1 January		**31,629,055**	20,381,864
Cash and cash equivalents at 30 June	11	**$ 31,559,867**	$ 86,898,876

The notes on pages 10 to 22 form part of this interim financial report.

NOTES ON THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars)

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

This interim financial report is unaudited, but has been reviewed by KPMG in accordance with Statement of Auditing Standards 700 "Engagements to review interim financial reports", issued by the Hong Kong Society of Accountants ("HKSA"). KPMG's independent review report to the board of directors is included on pages 27 and 28.

The interim financial report has been prepared in accordance with the requirements of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited ("HKSE"), including compliance with Statement of Standard Accounting Practice ("SSAP") 25 "Interim financial reporting" issued by the HKSA.

The financial information relating to the financial year ended 31 December 2002 included in the interim financial report does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2002 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 9 April 2003.

The same accounting policies adopted in the 2002 annual financial statements have been applied to the interim financial report except for the adoption of a revised accounting standard in Hong Kong as disclosed under note 1(b).

(b) Adoption of a revised accounting standard in Hong Kong

The HKSA issued revised SSAP 12 "Income taxes" in August 2002, which supercedes the previous SSAP 12 "Accounting for deferred taxes". The revised standard became effective for accounting period beginning on or after 1 January 2003. The Group has therefore adopted the revised standard for preparation of the Group's interim financial report for the six months ended 30 June 2003.

The revised SSAP 12 requires deferred tax assets and liabilities to be provided in full using the liability method, on temporary differences arising between the tax base of an asset or a liability and its carrying value in the financial statements at the balance sheet date. Deferred tax assets or liabilities arising from temporary differences need to be measured at the tax rates enacted or substantially enacted by the balance sheet date.

Deferred tax liabilities are provided in full on all taxable temporary differences while deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised.

The adoption of the revised SSAP 12 had no significant effect on the Group's results and net assets for the current or prior periods.

2 GAINS/(LOSSES) ON INVESTMENTS

	Note	Six months ended 30 June 2003	2002
Gain on disposal of 22.87% interest in Everbright Timber Industry (Shenzhen) Company Limited	9	$ **2,064,532**	$ –
Write-back of amount due from jointly controlled entity	9	**1,528,897**	–
Write-back of impairment loss on Skyworth Digital Holdings Limited	10(c)	**13,273,890**	–
Gain on disposal of 60,000,000 shares of Skyworth Digital Holdings Limited		–	2,714,000
Loss on disposal of 5.33% interest in Skynet Limited (note)		–	(143,955)
Loss on disposal of convertible loan (note)		–	(184,690)

Note: The losses represent legal costs incurred as the carrying values of the investment and loan were written down to the disposal proceeds as at 31 December 2001.

3 TURNOVER

The principal activity of the Company and its subsidiaries is the holding of equity investments primarily in companies or entities with significant business interests or involvement in the PRC. In particular, the Group focused on investing in Sino-foreign joint ventures in the PRC and companies with substantial operations or investments in the PRC.

Share of jointly controlled entities' turnover represents the Group's share of jointly controlled entities' invoiced value of goods sold.

Group turnover represents interest income and dividend income from listed investments and is analysed as follows:

	Six months ended 30 June	
	2003	2002
Interest income from deposits with banks and other financial institutions	**$ 194,844**	$ 477,666
Dividend income from listed investments	**214,095**	5,140,950
	$ 408,939	$ 5,618,616

4 SEGMENT REPORTING

Segment information is presented in respect of the Group's business segments which are based on the nature of business of its associates, jointly controlled entities and other investee companies. No geographical segment information is presented as the revenue of the Group, its associates and jointly controlled entities and the Group's results were substantially derived from the PRC.

The Group's associates, jointly controlled entities and other investee companies comprise the following main business segments:

Manufacture of industrial products: Electronic and electrical instruments, plywood and timber products.

Manufacture of consumer products: Audio-visual products.

Communications: Provision of paging, internet content, software and solutions and paid e-mail services and offline magazine publishing.

Real estate: Development of residential and commercial properties for sale.

Segment revenue includes the Group's share of jointly controlled entities' turnover. Segment results include only those relating to the Group.

	Revenue Group and Group's share of jointly controlled entities' turnover		Segment results Contribution to profit from ordinary activities before taxation	
	Six months ended 30 June		Six months ended 30 June	
	2003	2002	**2003**	2002
Manufacture of industrial products	**$ 28,636,655**	$ 43,540,058	**$ 4,049,549**	$ 201,222
Manufacture of consumer products	**214,095**	5,140,950	**13,178,984**	6,980,514
Communications	**–**	–	**(65,773)**	(1,101,595)
Real estate	**–**	–	**(1,949,609)**	(2,331,172)
Unallocated	**194,844**	477,666	**(2,598,874)**	(2,609,160)
	$ 29,045,594	$ 49,158,674	**$ 12,614,277**	$ 1,139,809

5 PROFIT/(LOSS) FROM OPERATIONS

Profit/(loss) from operations is arrived at after charging/(crediting):

	Six months ended 30 June	
	2003	2002
(a) Other net loss:		
Net exchange loss	**$ (989)**	$ (106,077)
(b) Operating expenses:		
Administrative fee	**$ 342,164**	$ 342,164
Auditors' remuneration	**345,000**	284,000
Consultancy fee	**100,961**	66,662
Custodian fee	**120,000**	120,000
Legal and secretarial fees	**365,685**	1,862,128
Management fee	**1,938,376**	2,608,600
Project fee	**221,013**	250,534
Other operating expenses	**1,270,950**	2,636,967
	$ 4,704,149	$ 8,171,055

6 TAXATION

(a) No provision for Hong Kong Profits Tax has been made for the period ended 30 June 2003 as the Group has no assessable profits for the period. Taxation in the consolidated income statement represents share of jointly controlled entities' taxation. Taxation in the consolidated balance sheet represents provision for Hong Kong Profits Tax in respect of the prior periods.

(b) There were no significant unprovided deferred tax liabilities/assets at the balance sheet date.

7 EARNINGS PER SHARE

(a) Basic

The calculation of basic earnings per share is based on profit attributable to shareholders of $12,558,916 (2002: $1,094,135) and on 539,512,000 ordinary shares in issue during the period.

(b) Diluted

Diluted earnings per share is not shown for the period ended 30 June 2003 as the potential ordinary shares are anti-dilutive.

The calculation of diluted earnings per share for the period ended 30 June 2002 is based on the profit attributable to shareholders of $1,094,135 and on 542,238,399 ordinary shares after adjusting for the effects of all potential dilutive ordinary shares.

(c) Reconciliations

	Six months ended 30 June 2002 Number of shares
Number of ordinary shares used in calculating basic earnings per share	539,512,000
Deemed issue of ordinary shares for no consideration	2,726,399
Number of ordinary shares used in calculating diluted earnings per share	542,238,399

8 INTEREST IN ASSOCIATES

		At 30 June 2003		At 31 December 2002
Share of net assets	**$**	**77,861,280**	$	78,954,923
Amount due to associate		**(7,782)**		(31,885)
	$	**77,853,498**	$	78,923,038

Amount due to associate is unsecured, interest free and has no fixed terms of repayment.

In 2002, the Group, through its subsidiaries, acquired 24% equity interest in Beijing Pacific Palace Real Estate Development Co Ltd ("Beijing Pacific Palace"), which is engaged in a property development project at the Lido area of Jiangtai Town, Chaoyang District, Beijing, the PRC ("Pacific Town project").

As at 30 June 2003, the registered capital of Beijing Pacific Palace of US$12 million (equivalent to $93.6 million) has been fully paid.

In July 2003, Beijing Pacific Palace obtained the planning approval for the Pacific Town project from the relevant authority. The Pacific Town project is a medium density residential area with a mixed development of high rise apartments and low-density town houses. The total gross site area is 430,750 sq. metres. The gross floor area of 323,250 sq. metres includes high rise apartments of 191,500 sq. metres, low rise town houses of 66,750 sq. metres and commercial buildings of 65,000 sq. metres. The development of the project will be carried out in several phases. Phase 1 of the Pacific Town project comprises gross site area of 80,000 sq. metres with approximately 400 high rise residential apartment units.

9 INTEREST IN JOINTLY CONTROLLED ENTITIES

	At 30 June 2003	At 31 December 2002
Share of net assets	**$ 26,107,000**	$ 26,050,351
Amounts due from jointly controlled entities, net of provision	**2,753,723**	1,729,713
	$ 28,860,723	$ 27,780,064

Amounts due from jointly controlled entities are unsecured, interest free and have no fixed terms of repayment.

In March 2002, the Group entered into a conditional agreement with Beijing Capital Group pursuant to which, the Group agreed to sell an equity interest of 9% in Beijing Far East Instrument Company Limited, a jointly controlled entity in which the Group currently holds 35% equity interest, for a consideration of approximately Rmb14 million (equivalent to $13 million), subject to the fulfilment of certain conditions. The consideration is payable over a period of 5 years. Up to 30 June 2003, the disposal has not been accounted for as the conditions have not been satisfied. A director of the Company is also a member of the senior management of Beijing Capital Group.

During the period, the Group disposed its 22.87% interest in Everbright Timber Industry (Shenzhen) Company Limited ("SETI") for a cash consideration of $2,170,000. As the carrying value of SETI was fully written off as at 31 December 2002, the disposal resulted in a gain of $2,064,532 (net of related expenses of $105,468). In addition, the Group received an amount of $1,528,897 representing a portion of the dividends declared by SETI in prior years. This has been recorded as income in the consolidated income statement for the current period as the dividends receivable from SETI were fully provided for as at 31 December 2002.

10 NON-TRADING INVESTMENTS

	Note	**At 30 June 2003**	At 31 December 2002
Investment in unlisted joint venture	*(a)*	**$ –**	$ –
Investments in unlisted companies	*(b)*	**–**	–
Listed investments	*(c)*	**32,970,630**	35,111,580
		$ 32,970,630	$ 35,111,580

Notes:

(a) The Group invested $61,495,650 for 18% equity interest in Beijing Asia Pacific First Star Communications Technology Co. Ltd. The cost of investment was fully provided as at 31 December 2002.

(b) The Group invested $23,557,891 for 10.44% equity interest in ChinaGo Limited. The cost of investment was fully provided as at 31 December 2002.

(c) The Group holds 42,819,000 ordinary shares of Skyworth Digital Holdings Limited ("Skyworth Digital"), a company listed on the HKSE. As at 30 June 2003, the shares were stated at their market value at $0.77 per share as quoted on the HKSE. A revaluation deficit of $2,140,950 has been transferred to investment revaluation reserve during the period ended 30 June 2003. An impairment loss was previously charged to the consolidated income statement for the year ended 31 December 2001. Following the directors' review of the operating results and share prices of Skyworth Digital in last year, they consider an amount of $13,273,890 should be written back. This was credited to the consolidated income statement during the period as reversal of impairment loss previously made.

11 CASH AND CASH EQUIVALENTS

	At 30 June 2003	At 31 December 2002
Deposits with banks and other financial institutions	**$ 30,971,678**	$ 30,778,303
Cash at bank and in hand	**588,189**	850,752
	$ 31,559,867	$ 31,629,055

12 SHARE CAPITAL

	No. of shares	Amount
Authorised:		
Ordinary shares of $0.10 each	1,200,000,000	$ 120,000,000
Issued and fully paid:		
At 1 January 2003 and 30 June 2003	539,512,000	$ 53,951,200

(a) No warrants were exercised during the period. 106,422,000 warrants were outstanding at 30 June 2003. On 15 August 2003, 2,000 warrants were exercised and converted into 2,000 ordinary shares of $0.1 each at the subscription price of $0.2244 per share. The remaining warrants have lapsed on 15 August 2003.

(b) The Company has a share option scheme under which the Board of Directors of the Company may grant options to employees of the Company and its subsidiaries, including directors, to subscribe for shares of the Company. The number of options granted and outstanding at 30 June 2003 is as follows:

Date options granted	Period during which options exercisable	Number of options granted and outstanding at 31 December 2002	Cancelled during the period	Number of options granted and outstanding at 30 June 2003
27 November 2001	28 May 2002 to 27 November 2004	21,555,600	(2,694,450)	18,861,150
11 December 2001	28 May 2002 to 27 November 2004	2,694,450	–	2,694,450
12 December 2001	28 May 2002 to 27 November 2004	2,694,450	(2,694,450)	–

There were no options granted or exercised during the period.

13 RESERVES

	Share premium	Exchange reserves	Investment revaluation reserve	Accumulated losses	Total
At 1 January 2002	$ 498,097,415	$ 3,236,285	$ –	$ (383,945,798)	$ 117,387,902
Loss for the year	–	–	–	(19,990,416)	(19,990,416)
Exchange differences on translation of financial statements of PRC jointly controlled entities	–	(136,096)	–	–	(136,096)
Share of exchange reserve of associates	–	(1,895)	–	–	(1,895)
Net deficit on revaluation of non-trading investments	–	–	(20,442,181)	–	(20,442,181)
Transfer to income statement	–	–	35,857,021	–	35,857,021
At 31 December 2002	$ 498,097,415	$ 3,098,294	$ 15,414,840	$ (403,936,214)	$ 112,674,335
At 1 January 2003	$ 498,097,415	$ 3,098,294	$ 15,414,840	$ (403,936,214)	$ 112,674,335
Profit for the period	–	–	–	12,558,916	12,558,916
Share of exchange reserve of associates	–	(780)	–	–	(780)
Deficit on revaluation of non-trading investments	–	–	(2,140,950)	–	(2,140,950)
Transfer to income statement	–	–	(13,273,890)	–	(13,273,890)
At 30 June 2003	$ 498,097,415	$ 3,097,514	$ –	$ (391,377,298)	$ 109,817,631

14 NET ASSET VALUE PER SHARE

The net asset value per share is computed based on the consolidated net assets of $163,768,831 (31 December 2002: $166,625,535) and 539,512,000 shares (31 December 2002: 539,512,000 shares) in issue as at 30 June 2003.

15 CAPITAL COMMITMENTS

(a) At 30 June 2003, the Group's share of an associate's capital commitments outstanding not provided for in the interim financial report was as follows:

	At 30 June 2003	At 31 December 2002
Authorised and contracted for	**$ 39,025,000**	$ 39,412,000
Authorised but not contracted for	**18,967,000**	23,179,000
	$ 57,992,000	$ 62,591,000

The above commitments represent costs to be incurred in respect of the Pacific Town project (note 8) up to the commencement of pre-sale of properties to be developed in phase 1.

(b) Subsequent to period end, the Group has approved a preliminary proposal to invest in a residential property development project in Beijing, the PRC. The Group will invest US$2.4 million (equivalent to $18.7 million) in return for a 20% interest.

16 POST BALANCE SHEET EVENT

In August 2003, the Group sold 20,000,000 ordinary shares of Skyworth Digital at $1.08 per share for a total consideration of $21,600,000, resulting in a gain of approximately $6,200,000.

DIRECTORS' INTEREST IN SHARES

As at the date of this report, the interests of the directors and their associates in the share capital of the Company and its associated corporations as recorded in the register maintained under section 352 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") or as notified to the Company were as follows:

Interest in options to acquire ordinary shares of the Company:

A share option scheme was approved by the Company in an extraordinary general meeting held on 16 August 2001 under which the Board of Directors may, at its discretion, grant to any executive director or senior employee of the Company, or any director or senior employee of any subsidiaries from time to time of the Company, to subscribe for the Company's shares. Details of the movements of the Company's options during the six months ended 30 June 2003 are as follows:

Name	Date of grant	Exercise price per share	Exercise period	Number of shares to be issued upon exercise of options at 01.01.03	Option cancelled during the period (01.01.03-30.06.03)	Number of shares to be issued upon exercise of options at 30.06.03
Director						
Mr. Liu Xiao Guang	27.11.01	HK$0.298	28.05.02-27.11.04	5,388,900	–	5,388,900
Mr. Cheng Bing Ren	27.11.01	HK$0.298	28.05.02-27.11.04	2,694,450	–	2,694,450
Mr. John Ashton Dare	12.12.01	HK$0.300	28.05.02-27.11.04	2,694,450	(2,694,450)	–
Mr. Gao Ji Lu	27.11.01	HK$0.298	28.05.02-27.11.04	2,694,450	(2,694,450)	–
Mr. Lawrence H Wood	27.11.01	HK$0.298	28.05.02-27.11.04	5,388,900	–	5,388,900
Mr. Yu Sek Kee	11.12.01	HK$0.300	28.05.02-27.11.04	2,694,450	–	2,694,450
Other Participant	27.11.01	HK$0.298	28.05.02-27.11.04	5,388,900	–	5,388,900

Save as disclosed above, as at the date of this report, none of the directors nor the chief executive nor their respective associates had any beneficial or non-beneficial interests in shares or debt securities of the Company or its associated corporations as defined in the SFO. Furthermore, apart from the options referred to above, none of the directors nor the chief executive nor their respective associates were granted any rights or options to subscribe for shares or debt securities of the Company or of its associated corporations.

SUBSTANTIAL SHAREHOLDERS

Shown below are the names of all parties which were, directly or indirectly, interested in 5 per cent. or more of the issued share capital of the Company and the corresponding entries of the number of shares in which they were, and/or were deemed to be, interested as at 30 June 2003 as recorded in the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO:

Names	**No. of Ordinary Shares of the Company**
ING Groep N.V.	85,140,000
ING Bank N.V.	85,140,000
ING Real Estate (B) B.V.	85,140,000
ING Insurance Investments Holdings B.V.	85,140,000
ING IM Investment Holding B.V.	85,140,000
N.V. Haagsche Herverzekering-Maatschappij van 1836	85,140,000

Note:

For the avoidance of double counting, it should be noted that in accordance with section 316 of the SFO:

– ING Groep N.V. is deemed to be interested in the same parcel of shares of 85,140,000 held by N.V. Haagsche Herrerzekering-Maatschappij van 1836 by virtue of its interest in that company.

Save as disclosed above, as at the date of this report, none of the directors nor the chief executive nor their respective associates had any beneficial or non-beneficial interests in shares or debt securities of the Company or its associated corporations as defined in the SFO. Furthermore, apart from the options referred to above, none of the directors nor the chief executive nor their respective associates were granted any rights or options to subscribe for shares or debt securities of the Company or of its associated corporations.

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AUDIT COMMITTEE

The Audit Committee comprises three Non-executive Directors, two of them being independent. This Committee acts in an advisory capacity and makes recommendations to the Board. It met on 15 September 2003 to review the Group's 2003 interim results before it was tabled for the Board's approval.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its listed securities during the period from 1 January 2003 to 30 June 2003.

- ING Bank N.V. is deemed to be interested in the same parcel of shares of 85,140,000 held by N.V. Haagsche Herverzekering-Maatschappij van 1836 by virtue of its interest in that company.

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CODE OF BEST PRACTICE

The Company has complied with Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the period from 1 January 2003 to 30 June 2003 except that Non-executive Directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with Article 97 of the Company's Articles of Association.

By Order of the Board
Lawrence H. Wood
Director

Hong Kong, 17 September 2003

INDEPENDENT REVIEW REPORT TO THE BOARD OF DIRECTORS OF ING BEIJING INVESTMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

INTRODUCTION

We have been instructed by the Company to review the interim financial report set out on pages 6 to 22.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Statement of Standard Accounting Practice 25 "Interim financial reporting" issued by the Hong Kong Society of Accountants. The interim financial report is the responsibility of, and has been approved by, the directors.

It is our responsibility to form an independent conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

REVIEW WORK PERFORMED

We conducted our review in accordance with Statement of Auditing Standards 700 "Engagements to review interim financial reports" issued by the Hong Kong Society of Accountants. A review consists principally of making enquiries of group management and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

REVIEW CONCLUSION

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30 June 2003.

KPMG

Certified Public Accountants

Hong Kong, 17 September 2003