

ING BEIJING INVESTMENT COMPANY LIMITED

ING 北京投資有限公司

(Incorporated in Hong Kong with limited liability)

SALE OF TWO WHOLLY OWNED SUBSIDIARIES

The Directors are pleased to announce that the Company, has entered into the PML Agreement with Galaxy Time Limited on 18 February 2002 in relation to the sale of the entire issued share capital of PML and the PML Loan for a consideration of HK\$47,500,000.

Simonson is a wholly owned subsidiary of the Company and as an investment vehicle of the Company, has advanced the Convertible Loan to Companion-China in June 1997. By an Assignment executed on 18 February 2002, Simonson has assigned to PML the Convertible Loan, and all other rights and interest under the Loan Documents. The Assignment is unconditional and as a result, the Convertible Loan, and all the rights and interests of Simonson under the Loan Documents were transferred to PML as its sole assets.

The Directors are further pleased to announce that the Company has entered into the HAIL Agreement with Wellington Equities Inc. on the same date in relation to the sale of the entire issued share capital of HAIL and the HAIL Loan for a consideration of HK\$500,000.

HAIL is a wholly owned subsidiary of the Company, and as an investment vehicle of the Company, as at the date hereof, holds approximately 5.331% of the ordinary issued share capital of Skynet Limited.

Each of the PML Purchaser, the HAIL Purchaser and their respective beneficial owners is an independent third party not connected with the investment manager, directors, chief executive or substantial shareholder of the Company or those of the investment manager of the Company or their respective subsidiaries or any of their respective Associates.

1. THE PML AGREEMENT

The Directors are pleased to announce that the Company has entered into the PML Agreement with the PML Purchaser on 18 February 2002 for the sale of the entire issued share capital of PML and the PML Loan subject to and upon the terms and conditions described below.

Date : 18 February 2002
Vendor : the Company
Purchaser : the PML Purchaser

The PML Purchaser and its beneficial owner is an independent third party not connected with the Company's investment manager, Baring Capital (China) Management Limited, or the directors, chief executive or substantial shareholder of the Company or of its investment manager or of any of their respective subsidiaries or any of their respective Associates.

The holding company of PML Purchaser is New World Enterprise Holdings Limited.

Asset to be sold

The entire issued share capital of PML, and the PML Loan.

The PML Loan was the shareholder's loan advanced by the Company to Simonson for the latter's investment in Companion-China by way of the Convertible Loan, and PML assumed the liability of such PML Loan as the consideration for Simonson transferring the Convertible Loan to PML.

Both PML and Simonson are wholly-owned subsidiaries of the Company. PML was incorporated for the sole purpose of effecting an inter-group transfer of the Convertible Loan and other Loan Documents from Simonson to PML.

Major terms of the Agreement

The PML Purchaser agrees to purchase the entire issued share capital of PML and the PML Loan from the Company for a cash consideration of HK\$47,500,000 payable in one lump sum on Completion.

The consideration was arrived at after arm's length negotiation between the Company and the PML Purchaser, taking into account of the fact that the Convertible Loan was the only asset of PML, and that the borrower of the Convertible Loan, Companion-China, has defaulted in payment of 50% thereof (namely US\$5,962,664.66) and all interest accrued thereon from 5 July 2000 up to 1 May 2001 (namely US\$962,187.97) when Simonson, then as lender of the Convertible Loan, has in accordance with terms of the Loan Document demanded Companion-China repayment of such amount. The remainder of the Convertible Loan shall, unless and to the extent PML exercises the Companion International Option, or Companion-China Option, be due and payable by Companion-China on 1 May 2002.

Conditions Precedent

Completion of the PML Agreement is conditional on the fulfillment of the following conditions:

- approval having been obtained from the Stock Exchange, for the purpose of the Transfer Restriction, to the sale of the shares in PML and PML Loan under the PML Agreement, or a relevant written confirmation from the Stock Exchange that such sale would not invalidate the Listing Approval;
- the clearance by the Stock Exchange of a press announcement to be issued by Companion International concerning the change of its major creditor of the Convertible Loan and indirect holder of the Companion International Option arising from the consummation of the transactions contemplated by the PML Agreement; and no indication being received from the Securities and Futures Commission and/or the Stock Exchange to the effect that the listing of the shares in Companion International on the Stock Exchange will or may be withdrawn or objected to (or conditions will or may be attached thereto) as a result of Completion or in connection with the terms of the PML Agreement; and
- the HAIL Agreement remaining unconditional and not having been terminated by either party thereto and completion of the HAIL Agreement capable of taking place simultaneously with completion under the PML Agreement.

Each of the PML Purchaser and the Company as vendor shall use reasonable endeavours to procure Companion International to fulfill the above conditions on or before the Long Stop Date, failing which the PML Agreement shall cease and terminate, and none of the parties thereto shall have any claim against the other of them save in relation to any antecedent breach.

Completion

Subject to fulfillment of the above conditions on or before the Long Stop Date, Completion shall take place on the 5th Business Day after the last in time of the conditions mentioned above has been fulfilled or such later date as the parties may agree.

2. THE HAIL AGREEMENT

The Directors are further pleased to announce that the Company has entered into the HAIL Agreement with the HAIL Purchaser on 18 February 2002 for the sale of the entire issued share capital of HAIL, and the HAIL Loan upon the terms described below.

Date : 18 February 2002
Vendor : the Company

Purchaser : HAIL Purchaser

Each of the HAIL Purchaser and its beneficial owner is an independent third party not connected with the Company's investment manager, Baring Capital (China) Management Limited, or the directors, chief executive or substantial shareholder of the Company or of its investment manager or of any of their respective subsidiaries or any of their respective Associates.

The beneficial owner of HAIL Purchaser is Mr Lo Lin Shing, Simon.

Each of the HAIL Purchaser and PML Purchaser has confirmed to the Company that neither they nor their respective beneficial owners are connected with each other within the meanings of the Listing Rules.

Asset to be sold

The entire issued share capital of HAIL, and the HAIL Loan.

Major terms of the Agreement

The Company agrees to sell the entire issued share capital of HAIL and the HAIL Loan to HAIL Purchaser for a cash consideration of HK\$500,000 payable in one lump sum on Completion.

The consideration was arrived at after arm's length negotiation between the Company and the HAIL Purchaser, taking into account of the less than satisfactory internet business of Skynet Limited, in which HAIL holds 5.33% of the ordinary issued share capital, being the sole asset of HAIL. Skynet Limited's internet business comprises mainly of the operation of the two portals, Hkstock.com.hk, and Gameplayers.com.hk, and holds 27.51% shareholding in hkcyber.com (Holdings) Limited.

The then US\$8 million investment by the Company in Skynet Limited (as represented by the HAIL Loan) was, apart from the consideration shares of 38,840,000 of HK\$0.1 each in the Company (which had a deemed value of US\$4 million), solely funded by the accrued interest on the Convertible Loan during the period from June 1997 being the date of grant of the Convertible Loan to 5 July 2000, and by a small portion of the principal (being US\$74,670.69). The aggregate amount of such interest and the principal amount was US\$4 million. In light of the consideration receivable by the Company under the PML Agreement, and that both PML Agreement and HAIL Agreement are inter-conditional on each other, the Company considered that the consideration receivable under the HAIL Agreement is reasonable and fair.

Conditions Precedent

Completion of the HAIL Agreement is conditional on the PML Agreement becoming unconditional in all respects, other than the condition referred to in third condition referred to above.

If the above condition shall not be fulfilled on or before the Long Stop Date, the HAIL Agreement shall cease and terminate, and none of the parties thereto shall have any claim against the other of them save in relation to any antecedent breach.

Completion

Subject to the fulfillment of the above condition on or before the Long Stop Date, Completion shall take place simultaneously with the completion under the PML Agreement.

3. REASONS FOR THE AGREEMENTS

The Company is an investment company whose shares are listed on the Stock Exchange pursuant to Chapter 21 of the Listing Rules. The Directors consider that under the prevailing circumstances, the sale transaction provided for in the PML Agreement and the HAIL Agreement represented reasonable exits of its investments in Companion-China and Skynet respectively. They were entered into on normal commercial terms in the ordinary and usual course of business of the Company and that the terms of the agreements are fair and reasonable and in the interests of the Company so far as the shareholders are concerned. The exits of these investments also signify a change of investment direction adopted by the Company as mentioned in its last interim report, namely from investment in companies in the internet or traditional industry to investment in the commercial and residential property project in Beijing, taking advantage of the favourable property market environment in that city.

No adverse impact on the funding and financial position of the Company would be expected after the completion of the PML Agreement. The sale will only improve the cash flow position of the Company; and such disposals could only enhance the profit of the Company in light that the default by Companion-China to repay the Convertible Loan has been continued for some time; and that the Company's indirect shareholding in Skynet Limited has not yielded any income.

4. DEFINITIONS

"Assignment" an assignment dated 18 February 2002 entered into between Simonson as assignor and PML as assignee, and confirmed by each of Companion-China Limited, Companion Building Material International Holdings Limited, Companion Building Material (Holdings) Limited, in relation to the assignment of the Convertible Loan and all other rights and assets of Simonson under the Loan Documents including the Companion International Option

"Associates" has the meaning ascribed thereto in the Listing Rules

"Board" the board of Directors

“Companion-China”	Companion-China Limited, an independent third party not connected with the Company’s investment manager, Baring Capital (China) Management Limited, or the directors, chief executive or substantial shareholder of the Company or of its investment manager or of any of their respective subsidiaries or any of their respective Associates
“Company”	ING Beijing Investment Company Limited (ING北京投資有限公司)
“Companion International”	Companion Building Material International Holdings Limited, a company whose shares are listed on the Stock Exchange
“Companion-China Option”	the conversion option granted by Companion-China to PML as assignee of Simonson whereby PML may convert the whole of the remaining balance of the Convertible Loan (not already become due and payable on 1 May 2001) into shares in Companion-China on terms set out in the Convertible Loan Deed
“Companion International Option”	the conversion option granted by Companion International to PML as assignee of Simonson whereby PML may convert part of the Convertible Loan into up to 20% of the existing issued share capital of Companion International on terms set out in the Companion International Option Deed
“Companion International Option Deed”	a deed dated 13 December 2000 executed by Companion International in favour of Simonson for the grant of the Companion International Option
“Completion”	in relation to HAIL Agreement, completion of the sale and purchase of the entire issued share capital of HAIL and the HAIL Loan; in relation to the PML Agreement, completion of the sale and purchase of the entire issued share capital of PML and the PML Loan
“Convertible Loan”	a convertible loan in the principal amount of US\$12 million advanced by Simonson to Companion-China pursuant to the Loan Document and as at 11 February 2002, a total sum of US\$14,405,603.64 remains outstanding thereunder (comprising principal, accrued interest and default interest);
“Director(s)”	the director(s) of the Company
“HAIL”	Hidden Advantage Investments Limited, a wholly owned subsidiary of the Company
“HAIL Agreement”	a conditional agreement dated 18 February 2002 entered into between the Company and the HAIL Purchaser in respect of the sale and purchase of the entire issued share capital of HAIL and the HAIL Loan
“HAIL Loan”	the whole of shareholder’s loan owing by HAIL to the Company as at Completion (such amount being HK\$62,758,059.12 as at the date of the HAIL Agreement) and is interest free
“HAIL Purchaser”	Wellington Equities Inc
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Approval”	the approval granted by the Stock Exchange by a letter dated 29 December 2000 to Companion International granting conditional approval for listing of shares to be issued upon exercise of the Companion International Option, one of the conditions being the Transfer Restriction
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan Documents”	the convertible loan deed dated 19 April 1997 and subsequently supplemented by 4 supplemental agreements dated 9 May 1997, 17 June 1997, 4 December 2000 and 13 December 2000 (“Convertible Loan Deed”); the guarantees each dated 24 June 1997 and 13 December 2000 respectively executed by Companion Building Material (Holdings) Limited and Companion International guaranteeing the liabilities of Companion-China under the aforementioned convertible loan deed; and the Companion International Option Deed
“Long Stop Date”	4 March 2002 or such other date as the parties to the HAIL Agreement, or, as the case may be, the PML Agreement, may agree
“PML”	means Perfect Master Ltd, a company incorporated in the British Virgin Islands and wholly owned by the Company
“PML Agreement”	a conditional agreement dated 11 February 2002 entered into between the Company as vendor and the PML Purchaser in respect of the sale and purchase of the entire issued share capital of PML and the PML Loan
“PML Loan”	the whole of the shareholder’s loan owing by PML to the Company as at Completion (such amount being HK\$92,647,910.8 as at the date of the PML Agreement) and is interest free
“PML Purchaser”	Galaxy Time Limited
“Simonson”	Simonson International Development Limited, a wholly owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer Restriction”	one of the conditions subject to which the Listing Approval was granted, namely that the transfer of rights and benefits of Simonson under the Convertible Loan Deed and the Companion International Option Deed is restricted to a subsidiary of Simonson or a subsidiary of the Company
“HK\$”	Hong Kong Dollars

By Order of the Board of Directors of
ING Beijing Investment Company Limited
Lawrence H Wood
Director