
IMPORTANT

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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)
(Stock Code: 1062)

**GENERAL MANDATE TO ISSUE SHARES AND
REPURCHASE OF SHARES
AND
AMENDMENTS TO
THE ARTICLES OF ASSOCIATION
AND
RE-ELECTION OF RETIRING DIRECTORS**

It is proposed that at the Annual General Meeting of ING Beijing Investment Company Limited to be held at 3:00 p.m. on Friday, 28th May 2004 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; (ii) the grant of the Repurchase Mandate to the Directors; (iii) the amendments to the Articles of Association; and (iv) re-election of relating 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.

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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 Friday, 28th May 2004 at 41st Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong
“Articles of Association”	the existing articles of association of the Company adopted on 13th April 1994
“Annual Report”	the annual report of the Company in respect of the financial year ended 31st December 2003
“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”	27th April 2004, 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 Shares to be granted to the Directors at the Annual General Meeting
“SFC”	the Securities and Futures Commission of Hong Kong

DEFINITIONS

“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	shareholders of the Company
“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, which expired at 4:00 p.m. on Wednesday, 20th August 2003

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

Lawrence H. Wood

Yu Sek Kee

Registered Office:

41st Floor

Bank of China Tower

1 Garden Road

Central

Hong Kong

Non-Executive Directors:

Poon Kai Leung

Tong Ng Siu Yee

Independent Non-Executive Directors:

Liu Xue Min

Kwong Chun Wai Michael

30th April 2004

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATE TO ISSUE SHARES AND
REPURCHASE OF SHARES
AND
AMENDMENTS TO
THE ARTICLES OF ASSOCIATION
AND
RE-ELECTION OF RETIRING DIRECTORS**

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; (ii) the grant of the Repurchase Mandate to the Directors; (iii) the amendments to the Articles of Association; and (iv) re-election of retiring 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 and against the proposed resolutions at the Annual General Meeting.

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE SHARES AND REPURCHASE OF SHARES

At the annual general meeting of the Company held on 22nd May 2003, 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. 107,600,000 Shares will be allotted and issued pursuant to the general mandate to issue shares as disclosed in the announcement of the Company dated 19th April 2004. Save as disclosed above, 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 Friday, 28th May 2004 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 on the Stock Exchange or on any other exchange on which the Shares 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 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 I to this document.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In view of (i) the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) came into effect on 1st April 2003; (ii) the Companies (Amendment) Ordinance 2003 came into effect on 13th February 2004; and (iii) certain amendments made to the Listing Rules relating to corporate governance

LETTER FROM THE BOARD

issues came into effect on 31st March 2004 (subject to certain transitional arrangements), at the Annual General Meeting, special resolution will be proposed to approve certain amendments to the Articles of Association including, among others, the following provisions:

(a) Articles 2(a) & 72A

To amend the definition of “associate” in line with the Listing Rules and to provide the additional definition for “recognized clearing house” for the purpose of clarification in view of the coming into effect of the Securities and Futures Ordinance.

(b) Articles 12 & 36

To stipulate the time limit for issuance of share certificates in accordance with the Listing Rules and the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and to revise the amount payable for share certificates to such sum (if any) not exceeding the maximum amount prescribed from time to time by the Stock Exchange.

(c) Article 73

To reflect the requirement of voting by poll under the Listing Rules.

(d) Article 82A

To be consistent with the amended Appendix 3 of the Listing Rules which stipulates that where any Shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting for or against any particular resolution, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted.

(e) Articles 92 & 96

To reflect the change of the method on removal of Directors by means of a special resolution and to substitute therefor an ordinary resolution in the light of the Companies (Amendment) Ordinance 2003.

(f) Article 94

To be consistent with the amended Appendix 3 of the Listing Rules which stipulates that the period for lodgement by Shareholders of the notice to nominate a Director shall commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than 7 days prior to the date of such meeting.

LETTER FROM THE BOARD

(g) Article 103

To clarify the liability of alternate Director and his relationship with his appointing Director in light with the Companies (Amendment) Ordinance 2003.

(h) Articles 114, 115, 116 & 117

To be consistent with the amended Appendix 3 of the Listing Rules which stipulates that subject to such exceptions specified in the Articles of Association, a Director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his associates has a material interest nor shall he be counted in the quorum present at the meeting.

The proposed amendments to the Articles of Association are subject to the approval of the Shareholders by way of special resolution at the Annual General Meeting.

RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of eight Directors, namely, Mr. Liu Xiao Guang, Mr. Cheng Bin Ren, Mr. Lawrence H. Wood, Mr. Yu Sek Kee, Mr. Poon Kai Leung, Mr. Tong Ng Siu Yee, Mr. Liu Xue Min and Mr. Kwong Chun Wai Michael.

Mr. Kwong Chun Wai Michael was appointed as an independent non-executive Director on 15th August 2003 and he will retire from the Board in accordance with Article 93 of the Articles of Association at the Annual General Meeting. Mr. Cheng Bing Ren and Mr. Tong Ng Siu Yee will retire by rotation from the Board in accordance with Article 97 of the Articles of Association at the Annual General Meeting. Mr. Cheng Bing Ren, Mr. Tong Ng Siu Yee and Mr. Kwong Chun Wai Michael, all being eligible, offer themselves for re-election. A brief biographical details of the retiring Directors are set out in Appendix II 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, resolutions will be proposed to approve (i) the grant of the General Mandate to the Directors; (ii) the grant of the Repurchase Mandate to the Directors; (iii) amendments to the Articles of Associations; and (iv) re-election of retiring 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; (ii) the grant of the Repurchase Mandate to the Directors; (iii) amendments to the Articles of Associations; and (iv) re-election of retiring 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

A company shall not repurchase its shares on the Stock Exchange if the purchase price is higher by 5% or more than the average closing market price for the 5 preceding trading days on which its shares were traded on the Stock Exchange. 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 the earlier of: (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of the results announcement, 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 Friday, 28th May 2004 an ordinary resolution to grant the Repurchase Mandate to the Directors up to 10 per cent. of the Shares in issue 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 539,514,000 Shares were in issue. There were 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 are issued or repurchased prior to the date of the Annual General Meeting, the Director would be authorised to repurchase up to 53,951,400 Shares.

In the event that all the subscription rights attached to the options are exercised in full on or before 4:00 p.m. on 20th May 2004 for the holders of options granted under the Share Option Scheme, the number of Shares in issue will be increased to 566,458,500 Shares. On the basis of such figures (and assuming no further Shares are issued) the Directors would be authorised to repurchase 56,645,850 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 Shares 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 Shares 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 to the Company and no such persons have undertaken not to sell any Shares 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) Share 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 2003 to March 2004 were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2003	0.1320	0.0530
May 2003	0.0900	0.0470
June 2003	0.2000	0.0900
July 2003	0.1900	0.1300
August 2003	0.1500	0.1200
September 2003	0.2650	0.1500
October 2003	0.2280	0.1100
November 2003	0.2700	0.1700
December 2003	0.1880	0.1680
January 2004	0.2080	0.1600
February 2004	0.2150	0.1600
March 2004	0.1980	0.1400

(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 Shares.

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, N.V. Haagsche Herverzekering-Maatschappij van 1836 ("NVHHMV"), 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 NVHHMV 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.

MR. CHENG BING REN*Executive Director*

Mr. Cheng, aged 52, was appointed executive Director of the Company in March, 1994. He is the deputy general manager of the Beijing International Trust and Investment Corporation (“BITIC”) and the chairman of Beijing International Management Consultant Corporation. Since Mr. Cheng joined BITIC in 1987, he has been primarily responsible for managing BITIC’s trust management business, which is one of the core businesses of BITIC.

A service agreement dated 25th April 1994 was entered into between the Company and Mr. Cheng for an initial term of 3 years, and thereafter unless and until terminated by either party giving to the other not less than 6 month’s notice prior in writing or by payment in lieu of notice. Pursuant to the service agreement, Mr. Cheng is entitled to an annual fee in the amount of HK\$30,000.

Save as disclosed in the paragraph headed “ Directors’ Interests and Short Positions in Shares, Underlying Shares and Debentures” in the section headed “Report of the Directors” of the Annual Report, Mr. Cheng does not have other interests in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Cheng does not have any relationship with any other Director, senior management or substantial shareholder of the Company.

MR. TONG NG SIU YEE*Non-executive Director*

Mr. Ng, aged 49, was appointed non-executive Director in March 1994. Mr. Ng has extensive experience in PRC businesses. He is the CEO of Daydreamer Animations Ltd and also directly involved in the development and production of cartoon films and comics.

Mr. Ng has not been appointed for a specific term but is subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with Article 97 of Article of Association. No service contract has been signed between the Company and Mr. Ng. No remuneration has been paid to Mr. Ng as a non-executive Director.

Mr. Ng does not have interests in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Ng does not have any relationship with any other Director, senior management or substantial shareholder of the Company.

MR. KWONG CHUN WAI MICHAEL

Independent Non-executive Director

Mr. Kwong, aged 39, was appointed independent non-executive Director of the Company in August 2003. Mr. Kwong has worked in leading media corporations as senior executives and served in the past as executive committee member of the Chartered Institute of Marketing (HK Branch) and Training Director of the Hong Kong Institute of Marketing. Mr. Kwong is a Fellow of the International Institute of Management, Life Member of the Hong Kong Institute of Marketing and Member of the Hong Kong Logistics Association. Mr. Kwong is currently a Director of the Hong Kong Economic and Trade Association, Principal Examiner of Cambridge Career Awards in Business, University of Cambridge Local Examination Syndicate (UK) and a business strategist specializing in the area of marketing and business administration. Mr. Kwong holds degrees from the University of Nottingham (U.K.) and Newport University (U.S.).

Mr. Kwong has not been appointed for a specific term but is subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with Article 97 of Article of Association. No service contract has been signed between the Company and Mr. Kwong. No remuneration has been paid to Mr. Kwong as an independent non-executive Director.

Mr. Kwong does not have interests in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Kwong does not have any relationship with any other Director, senior management or substantial shareholder of the Company.