
IMPORTANT

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If you have sold or transferred all your shares in New Capital International Investment 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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NEW CAPITAL INTERNATIONAL INVESTMENT LIMITED

新資本國際投資有限公司*

(incorporated in Cayman Islands with limited liability)

(Stock Code: 1062)

GENERAL MANDATE TO ISSUE SHARES AND REPURCHASE OF SHARES 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 Thursday, 26th May 2005 at 39th Floor, One International Finance Centre, 1 Harbour View Street, 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.

29th April 2005

* For identification purposes only

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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, 26th May 2005 at 39th Floor, One International Finance Centre, 1 Hourbour View Street, Central, Hong Kong
“Annual Report”	the annual report of the Company in respect of the financial year ended 31st December 2004
“Articles of Association”	the existing articles of association of the Company adopted on 4th November 2004
“Board”	the board of Directors of the Company
“Company”	New Capital International Investment 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”	22 April 2005, 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
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company

DEFINITIONS

“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 4th November 2004
“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

LETTER FROM THE BOARD

NEW CAPITAL INTERNATIONAL INVESTMENT LIMITED

新資本國際投資有限公司*

(incorporated in Cayman Islands with limited liability)

(Stock Code: 1062)

Directors:

Executive Directors:

Liu Xiao Guang (*Chairman*)

Cheng Bin Ren

Lawrence H. Wood

Liu Xue Min

Independent Non-Executive Directors:

To Chun Kei

Fung Tze Wa

Kwong Chun Wai Michael

Registered Office:

Century Yard

Cricket Square

Hutchins Drive

P. O. Box 2681 GT

George Town

Grand Cayman

British West Indies

Principal Place of Business:

35th Floor

One International

Finance Centre

1 Harbour View Street

Central

Hong Kong

29th April 2005

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATE TO ISSUE SHARES AND
REPURCHASE OF SHARES
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; and (iii) 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.

* *For identification purposes only*

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE SHARES AND REPURCHASE OF SHARES

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 to this document.

RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of seven Directors, namely, Mr. Liu Xiao Guang, Mr. Cheng Bin Ren, Mr. Lawrence H. Wood, Mr. Liu Xue Min, Mr. To Chun Kei, Mr. Fung Tze Wa and Dr. Kwong Chun Wai Michael.

Mr. Cheng Bin Ren and Mr. Lawrence H. Wood will retire by rotation from the Board in accordance with Article 88 of the Articles of Association at the Annual General Meeting. Mr. Cheng Bin Ren and Mr. Lawrence H. Wood, all being eligible, offer themselves for re-election. A brief biographical details of the retiring Directors are set out in Appendix II.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during 19 May 2005 to 25 May 2005, both days inclusive, during which period no transfer of shares can be registered. To qualify for attending the AGM, shareholder must ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Standard Registrars Limited at G/F Bank of East Asia Haubour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration no later than 4:00 p.m. on 18 May 2005.

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; and (iii) 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.

Article 66 of the articles of association of the Company sets out the following procedures by which a poll can be demanded.

A resolution put to the vote of a meeting shall be decided on show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three Shareholders present in person or by proxy and entitled to vote at the meeting; or
- (c) by at Shareholder or Shareholders present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all Shareholders having the right to attend and vote at the meeting; or
- (d) by a Shareholder or Shareholders present in person or by proxy and holding Shares in the Company conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

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; and (iii) 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
New Capital International Investment 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's 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) 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.

(e) Funding of purchases

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

(f) 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.

(g) 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.

(h) 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.

(i) Share prices

The highest and lowest prices at which the Shares have traded on the Stock Exchange on 13 April 2005 (the day when the Shares were first traded) and the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
13 April 2005	0.19	0.19
Latest Practicable Date	0.19	0.19

(j) 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 the Cayman Islands.

(k) 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 13.16 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 14.62 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 Bing Ren, aged 54, is the deputy general manager of the Beijing International Trust and Investment Corporation Limited (“BITIC”), a state-owned enterprise which is engaged in the provision of financial trust products and services. Since Mr. Cheng joined BITIC in 1987, he has been primarily responsible for managing BITIC’s trust management business. Being a member of the senior management of BITIC’s trust management business, Mr. Cheng has wide discretion and authority to make investment decisions for the discretionary trust clients of BITIC. Most of these clients have been assigned by the PRC government. Mr. Cheng is also responsible for the evaluation, monitoring and management of investments for BITIC itself. He obtained a graduate certificate from Beijing Normal College, a teachers’ college in the PRC, in 1977. Mr. Cheng was appointed an executive Director in March 1994.

A service agreement dated 29 October 2004 was entered into between the Company and Mr. Cheng 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. The amount of the salary is determined with reference to the remuneration paid to Mr. Cheng by ING Beijing Investment Company Limited prior to its restructuring.

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. LAWRENCE H. WOOD**Executive Director**

Mr. Lawrence H. Wood (also known as Wu Yuk Shing or Hu Xu Cheng), aged 43, has been appointed an executive Director since March 1994. Mr. Wood graduated with a bachelor degree in economics from the Beijing Economics College in 1983. Over the past 10 years, he has been working with the Beijing International Trade Association and the Beijing International Trade Research Institute, during which period his responsibilities included performing financial and economic research and providing professional advice on Beijing Government's cross-provincial investments and foreign investments, participating in the decision-making process for granting export rights to Beijing government-owned enterprises, evaluating investment proposals as well as supervising sino-foreign investments in Beijing. In addition, he served as a consultant providing investment advice for a number of PRC enterprises including Beijing Siemens Co., Limited and the Novotel Peace Beijing Hotel in Beijing.

A service agreement dated 29 October 2004 was entered into between the Company and Mr. Wood 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. Wood is entitled to an annual fee in the amount of HK\$690,000. The amount of the salary is determined with reference to the remuneration paid to Mr. Wood by ING Beijing Investment Company Limited prior to its restructuring.

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