NEW CAPITAL INTERNATIONAL INVESTMENT LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1062)

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2005

RESULTS

The Board of Directors of New Capital International Investment Limited ("New Capital" or the "Company") announces the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2005 as follows:–

	Note	**2005** HK$	2004 (Restated) HK$
Turnover: Group and share of associates' turnover	*4*	**71,462,112**	47,263,429
Less: Share of associates' turnover		**(69,840,250)**	(46,167,527)
Group turnover	*3*	**1,621,862**	1,095,902
Other net gain/(loss)		**487,315**	(13,539)
Gain on deemed disposal of associates	*5(c)*	**3,065,080**	11,202,890
Gain on disposal of available-for-sale securities	*5(c)*	**–**	16,938,629
Operating expenses	*5(a)*	**(9,348,015)**	(10,775,647)
(Loss)/profit from operations		**(4,173,758)**	18,448,235
Share of losses of associates	*5(b)*	**(8,552,351)**	(12,614,506)
(Loss)/profit before taxation	*4&5*	**(12,726,109)**	5,833,729
Income tax	*6*	**–**	417,558
(Loss)/profit attributable to equity shareholders of the Company		**(12,726,109)**	6,251,287
(Loss)/earnings per share			
Basic	*7*	**(1.97) cents**	1.16 cents

	2005	2004
		(Restated)
	HK$	*HK$*
Non-current assets		
Property, plant and equipment	**498,024**	–
Interest in associates	**81,347,993**	88,567,299
Available-for-sale securities	**21,976,950**	13,600,000
Investment deposit	**29,284,932**	35,000,000
	133,107,899	137,167,299
Current assets		
Other receivables	**309,542**	742,142
Cash and cash equivalents	**38,967,253**	49,387,783
	39,276,795	50,129,925
Current liabilities		
Other payables	**1,379,222**	3,483,557
Net current assets	**37,897,573**	46,646,368
NET ASSETS	**171,005,472**	183,813,667
CAPITAL AND RESERVES		
Share capital	**6,471,140**	6,471,140
Reserves	**164,534,332**	177,342,527
TOTAL EQUITY	**171,005,472**	183,813,667
Net asset value per share	**$0.264**	$0.284

Notes:

1. Reorganisation and basis of preparation

(a) Reorganisation

The Company was incorporated in the Cayman Islands on 1 August 2003 as an exempted company with limited liability under the Companies Law, Cap. 22 (Laws of 1961 as consolidated and revised) of the Cayman Islands. Pursuant to a reorganisation proposal whereby ING Beijing Investment Company Limited ("ING Beijing"), the former holding company of the Group, would become a wholly owned subsidiary of the Company to be implemented by way of a scheme of arrangement under section 166 of the Hong Kong Companies Ordinance, Chapter 32 of the Laws of Hong Kong ("the Scheme") as set out in a document dated 13 January 2005 issued to the shareholders of ING Beijing, the Company became the holding company of the Group on 13 April 2005, the effective date of the Scheme. This was accomplished by the Company acquiring the entire issued share capital of ING Beijing, the then holding company of the other subsidiaries of the Group, as set out in note 13 to the financial statements included in the Company's 2005 annual report.

The listing of the shares of ING Beijing was withdrawn from The Stock Exchange of Hong Kong Limited ("HKSE") and the Company's shares were listed on the HKSE by way of introduction on 13 April 2005.

(b) Basis of preparation

The consolidated financial statements for the year ended 31 December 2005 comprise the Company and its subsidiaries and the Group's interest in associates.

The financial statements have been prepared in accordance with the same accounting policies adopted in the 2004 annual financial statements, except for the changes in accounting policies set out in note 2. The financial statements have been reviewed by the Company's audit committee. The financial information set out in this announcement does not constitute the Group's statutory financial statements for the year ended 31 December 2005, but is derived from those financial statements.

Although the Scheme became effective on 13 April 2005, all of the entities which took part in the Scheme were under common control before and immediately after the Scheme becoming effective and, consequently, there was a continuation of the risks and benefits to the controlling party that existed prior to the combination. The results of the Group for the years ended 31 December 2004 and 2005 have been prepared using the basis of merger accounting in accordance with Hong Kong Accounting Guideline 5 "Merger accounting for common control combinations" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Accordingly, the results of the Group for the year ended 31 December 2005 include the financial results of the companies which now comprise the Group for the period from 1 January 2005 (or the date of incorporation if later) to 31 December 2005 as if the current group structure had been in existence and remained unchanged throughout the period. The comparative figures as at 31 December 2004 and for the year ended 31 December 2004 have been presented on the same basis.

2. Changes in accounting policies

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards ("HKFRSs", which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the HKICPA) that are effective for accounting periods beginning on or after 1 January 2005.

The following sets out information on the significant changes in accounting policies for the current and prior accounting periods reflected in these financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(a) Financial instruments (HKAS 32, Financial instruments: Disclosure and presentation and HKAS 39, Financial instruments: Recognition and measurement)

(i) Investments in equity securities

In prior years, investments held for trading were stated in the balance sheet at fair value. Changes in fair value were recognised in the consolidated income statement as they arise. Non-trading investments were stated in the balance sheet at fair value. Changes in fair value were recognised in the investment revaluation reserve until the investment was sold, collected or otherwise disposed of or until there was objective evidence that the investment was impaired, at which time the relevant cumulative gain or loss was transferred from the investment revaluation reserve to the consolidated income statement.

With effect from 1 January 2005, and in accordance with HKAS 39, all investments, with the exception of securities held for trading purposes and certain unquoted equity investments, are classified as available-for-sale securities and carried at fair value. Changes in the fair value of available-for-sale securities are recognised in equity, unless there is objective evidence that an individual investment has been impaired. There are no material adjustments arising from the adoption of the new policies for securities held for trading purposes and unquoted equity investments not carried at fair value.

(ii) Description of transitional provisions and effect of adjustments

The adoption of HKAS 32 and HKAS 39 only resulted in a re-designation of all non-trading investments as available-for-sale securities. Such re-designation has no financial effect on the current and prior accounting periods except for the change in presentation.

(b) Joint ventures (HKAS 31, Interests in joint ventures)

In prior years, a jointly controlled entity was defined as an entity which operated under a contractual arrangement between the Group and other parties, where the contractual arrangement established that the Group and one or more of the other parties shared joint control over the economic activity of the entity. An investment in a jointly controlled entity was accounted for in the Group's financial statements under the equity method and was initially recorded at cost and adjusted thereafter for the post-acquisition change in the Group's share of the jointly controlled entity's net assets.

With effect from 1 January 2005, in accordance with HKAS 31, joint control exists only when the strategic financial and operating decisions of the joint venture require the venturers' unanimous consent. As a result of this, management reviewed the nature of an investment previously accounted for as an interest in a jointly controlled entity and concluded that this investment should be reclassified as an investment in an associate. The reclassification has been applied retrospectively. Such reclassification has no effect on the current and prior accounting periods except for the change in presentation.

(c) Changes in presentation of shares of associates' and jointly controlled entities' taxation (HKAS 1, Presentation of financial statements)

In prior years, the Group's share of taxation of associates and jointly controlled entities accounted for using the equity method was included as part of the Group's income tax in the consolidated income statement. With effect from 1 January 2005, in accordance with the implementation guidance in HKAS 1, the Group has changed the presentation and includes the share of taxation of associates and jointly controlled entities accounted for using the equity method in the respective shares of profit or loss reported in the consolidated income statement before arriving at the Group's profit or loss before tax. These changes in presentation have been applied retrospectively with comparatives restated.

(d) Employee share option scheme (HKFRS 2, Share-based payment)

In prior years, no amounts were recognised when employees (which term includes directors) were granted share options to subscribe for shares in the Company. If the employees chose to exercise the options, the nominal amount of share capital and share premium were credited only to the extent of the option's exercise price receivable.

With effect from 1 January 2005, in order to comply with HKFRS 2, the Group has adopted a new policy for employee share options. Under the new policy, the Group recognises the fair value of such share options as an expense with a corresponding increase recognised in a capital reserve within equity.

The Group has taken advantage of the transitional provisions set out in paragraph 53 of HKFRS 2 under which the new recognition and measurement policies have not been applied to the following grants of options:

(i) all options granted to employees on or before 7 November 2002; and

(ii) all options granted to employees after 7 November 2002 but which had vested before 1 January 2005.

Since the options granted by ING Beijing, the former holding company of the Group, fall within category (i), the change in accounting policy has no impact on the Group's net assets and results for the current and prior periods.

(e) Definition of related parties (HKAS 24, Related party disclosures)

As a result of the adoption of HKAS 24, the definition of related parties has been expanded to clarify that related parties include entities that are under the significant influence of a related party that is an individual (i.e. key management personnel, significant shareholders and/or their close family members) and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group. The clarification of the definition of related parties has not resulted in any material changes to the previously reported disclosures of related party transactions nor has it had any material effect on the disclosures made in the current period, as compared to those that would have been reported had Statement of Standard Accounting Practice 20, Related party disclosures, still been in effect.

3. Turnover

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

Share of associates' turnover represents the Group's share of associates' invoiced value of goods sold.

Group turnover represents interest income and dividend income from listed securities. The amount of each significant category of revenue recognised in turnover during the year is as follows:

	2005	2004
	HK$	*HK$*
Interest income from deposits with banks	**1,071,862**	89,522
Dividend income from listed securities	**550,000**	1,006,380
	1,621,862	1,095,902

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 and other investee companies. No geographical segment information is presented as the revenue of the Group and its associates and the Group's results were substantially derived from the PRC.

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

Manufacture of industrial products: Electronic and electrical instruments.

Manufacture of consumer products: Audio-visual products.

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

Commercial banking: Provision of commercial banking products and services.

Segment revenue includes the Group's share of associates' turnover. Other segment information includes only that relating to the Group.

	Segment revenue		Segment results	
	Group and share of associates' turnover		Contribution to (loss)/profit before taxation	
	2005	2004	**2005**	2004 (Restated)
	HK$	*HK$*	***HK$***	*HK$*
Manufacture of industrial products	**69,840,250**	46,167,527	**(2,778,892)**	(3,776,217)
Manufacture of consumer products	**550,000**	1,006,380	**281,418**	17,377,399
Real estate	**–**	–	**(5,103,298)**	(553,265)
Commercial banking	**–**	–	**(104,245)**	–
Unallocated	**1,071,862**	89,522	**(5,021,092)**	(7,214,188)
	71,462,112	47,263,429	**(12,726,109)**	5,833,729

	Segment assets		Segment liabilities	
	2005	2004	**2005**	2004
	HK$	*HK$*	***HK$***	*HK$*
Manufacture of industrial products	**19,585,032**	23,452,360	**–**	–
Manufacture of consumer products	**11,400,000**	13,600,000	**–**	–
Real estate	**91,047,893**	100,114,939	**–**	–
Commercial banking	**10,576,950**	–	**–**	–
Unallocated	**39,774,819**	50,129,925	**(1,379,222)**	(3,483,557)
	172,384,694	187,297,224	**(1,379,222)**	(3,483,557)

	Depreciation		Capital expenditure incurred	
	2005	2004	**2005**	2004
	HK$	*HK$*	***HK$***	*HK$*
Commercial banking	**–**	–	**9,386,005**	–
Unallocated	**14,229**	–	**512,253**	–
	14,229	–	**9,898,258**	–

5. (Loss)/profit before taxation

(Loss)/profit before taxation is arrived at after charging/(crediting):

	2005	2004
	HK$	*HK$*
(a) Operating expenses		
Administrative fees *(Note)*	**777,641**	690,000
Audit fee	**818,000**	800,000
Review fee for interim financial report	**280,000**	250,000
Custodian fee	**50,000**	60,000
Depreciation	**14,229**	–
Operating lease charges for premises	**174,264**	–
Legal and secretarial fees	**955,091**	3,068,964
Management fees *(Note)*	**3,661,575**	3,559,617
Other operating expenses	**2,617,215**	2,347,066
	9,348,015	10,775,647

Note: Administrative fees are paid to ING Management (Hong Kong) Limited, a wholly owned subsidiary of ING Groep N.V.. ING Groep N.V. is a substantial shareholder of the Company. The administrative fee is charged at a fixed amount per annum.

Management fees are paid to Baring Capital (China) Management Limited ("BCCM"). BCCM is also a wholly owned subsidiary of ING Groep N.V.. The management fee is calculated at the rate of 2% per annum of the net asset value of the Company.

	2005	2004
		(Restated)
	HK$	*HK$*
(b) Share of losses of associates		
Share of losses of associates	**10,598,695**	17,077,868
Share of associates' taxation	**(2,046,344)**	(4,463,362)
	8,552,351	12,614,506

	2005	2004
	HK$	*HK$*
(c) Gain on investments		
Gain on deemed disposal of associates	**3,065,080**	11,202,890
Gain on disposal of 12,815,000 shares of Skyworth Digital Holdings Limited	**–**	16,938,629

6. Income tax

Income tax in the consolidated income statement represents:

	2005	2004
		(Restated)
	HK$	*HK$*
Over-provision of Hong Kong Profits Tax in respect of prior years	**–**	(417,558)

No provision for Hong Kong Profits Tax has been made for the year ended 31 December 2005 in the financial statements as the Group earned no profits assessable to Hong Kong Profits Tax for the year.

7. (Loss)/earnings per share

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to ordinary equity shareholders of the Company of HK$12,726,109 (2004: profit of HK$6,251,287) and 647,114,000 ordinary shares in issue during the year (2004: weighted average of 540,395,967 ordinary shares), being the shares that would have been in issue throughout the year if the Scheme as set out in note 1 had become effective on 1 January 2004.

The weighted average number of ordinary shares in issue are calculated as follows:

	2005	2004
Issued ordinary shares at 1 January	**647,114,000**	539,514,000
Effect of issue of shares by ING Beijing	**–**	881,967
Weighted average number of ordinary shares at 31 December	**647,114,000**	540,395,967

(b) Diluted (loss)/earnings per share

There were no potential ordinary shares during the year ended 31 December 2005.

Diluted earnings per share was not shown for the year ended 31 December 2004 as the potential ordinary shares were anti-dilutive.

8. Comparative figures

Certain comparative figures have been reclassified as a result of the changes in accounting policies. Further details are disclosed in note 2.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2005 (2004: nil).

CLOSURE OF REGISTER OF MEMBERS

The Register of members will be closed from 19 May 2006 to 25 May 2006, both days inclusive during which no transfer of shares will be effected.

REVIEW OF THE YEAR

For the year ended 31 December 2005, the net loss for the Group totaled HK$12,726,109. The consolidated net asset value per share of the Group was HK$0.264 as at 31 December 2005. The Group's profit for the year up to 31 December 2004, and net asset value per share as at 31 December 2004 were HK$6,251,287 and HK$0.284 respectively.

Change of Capital Structure

On 13 April 2005, the Company has replaced the listing status of ING Beijing Investment Company Limited ("ING Beijing") on the HKSE. The Company has become the new holding company of the Group and ING Beijing is now a wholly owned subsidiary of the Company.

REVIEW OF THE EXISTING PORTFOLIO

Real Estate Transactions

The Group invested HK$78 million in China Property Development (Holdings) Limited ("CPDH") in February 2002. CPDH holds a 100% interest in a Beijing residential development project, the Pacific Town Project (marketed as Richmond Park in Beijing). The project is a 240,000 square meters high-end residential development project located in the northeast corner of Beijing within the Lido Area of the Chaoyang District.

Pre-sales was launched in late August 2004. The 408 units of the three blocks (Block A1, A2 and A3) of Phase I was substantially sold with an average selling price of RMB10,517. The construction work of Phase I is expected to complete and ready for occupancy in mid 2006. Once the ownership is passed to the buyers, the revenue from Phase I can be recognized in the financial statements of CPDH. The Group's profit-sharing ratio in CPDH is 33.42%.

Phase II-A consists of two blocks, A4 and A5, which have been launched in the market. B5 of Phase III was pre-sold in February 2006. The construction work of Phase II-A and III is scheduled to complete in late 2007.

The Group has approved to acquire an equity interest in a company holding two commercial floors of Wuhan Xing Cheng Building for settlement of the deposit paid for the Taiyanggone Zone F Project. Wuhan Xing Cheng Building is a commercial building situated at the city centre of Jianghan District in Wuhan. The building is at proximity to shopping malls, luxury residential apartments and commercial buildings. The acquisition will provide the Group a guaranteed rental yield of 8% per year.

Other investments

Based on the unaudited management accounts of Beijing Far East Instrument Company Limited ("Far East") as at 31 December 2005, Far East achieved 50% increase in revenue to RMB210 million. Its gross profit margins improved from 9.9% in 2003, to 11.5% in 2004 and 12.07% in 2005. Its profit before provision/impairment losses for the year 2005 was about RMB6 million. In the year 2005, the Group's share of loss of Far East is about HK$1.8 million. This was because there were additional provisions made for obsolete stocks and impairment losses on an entrusted investment and outstanding receivables.

Far East has succeeded in streamlining the production of traditional electrical products and restructuring the product composition. In the coming years, it will concentrate on exploring the business in self-developed systems, which includes the automatic recording system and building integrated control systems.

Quoted Investments

The Group's investment in quoted securities is an investment of 10 million shares in Skyworth Digital Holdings Limited ("Skyworth"). Skyworth suspended trading from 30 November 2004 to 10 January 2006. It closed at HK$1.09 on 11 January 2006 on the day of trading resumption. The shares were stated at a directors' valuation of HK$1.14 per share at the end of December 2005.

On 24th October 2005, the Group subscribed 3,954,000 shares of China Construction Bank Corporation – H shares ("China Construction Bank") at HK$2.35 per share. At 31 December 2005, the shares were stated at their fair value of HK$2.675 per share.

FUTURE PROSPECTS

China's economic engine will remain in high gear in 2006. The macro control measures implemented by the China's central government have been effective in driving excessive speculation out of the residential market. However, a heightened level of investment activity, especially by overseas funds, was witnessed in office and retail property sectors. Policies encouraging home ownership and liberal lending allowed investment in the residential sector to increase about 50% from the year 2000 to 2005; however, during that same period investment in commercial real estate increased over 200%.

The Directors are confident that the real estate market in China will benefit from the steady macroeconomic policies resulting in a stable growth pattern and rising disposable incomes. The Group's focus on China's property sector will continue to benefit from the buoyant economic environment.

MANAGEMENT DISCUSSION AND ANALYSIS

Save as disclosed above, the information in relation to the matters set out in Paragraph 32 of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") has not changed materially from the information disclosed in the most recent published annual report of the Company for the year ended 31 December 2004.

EMPLOYEE

As at 31 December 2005, the Company employed a qualified accountant and basic salary and mandatory provident fund scheme are provided to this employee.

AUDIT COMMITTEE

The Audit Committee comprises three Independent Non-executive Directors. This Committee acts in an advisory capacity and makes recommendations to the Board. It met on 10 April 2006 to review the Group's 2005 final 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 financial year.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

As for the year ended 31 December 2005, the Company had been in compliance with the Code of Corporate Governance Practices as set out in the Appendix 14 of the Listing Rules with the exceptions of the following:–

Provision A.1.3	less than 14 days notice were given to the regular board meetings held in April and December
Provision A.4.1	the term of office of non-executive directors is not fixed but are subject to retirement by rotation and re-election at the Company's annual general meetings.
Provision E.1.2	the chairman of the Board did not attend the annual general meeting held in May 2005

Details of the corporate governance practices adopted by the Company will be set out in the Corporate Governance Report circulated in the 2005 Annual Report, which will be dispatched to shareholders of the Company.

DETAILED RESULTS ANNOUNCEMENT

A detailed results announcement containing all the information required by paragraphs 45(1) to 45(3) of Appendix 16 of the Listing Rules will be subsequently published on the Exchange's website in due course.

By Order of the Board
Liu Xiao Guang
Chairman

Hong Kong, 19 April 2006

As at the date hereof, the Executive directors of the Company are Mr. Liu Xiao Guang (Chairman), Mr. Lawrence H. Wood (Chief Executive Officer), Mr. Cheng Bing Ren, Mr. Liu Xue Min and the Independent Non-executive directors are Mr. To Chun Kei, Mr. Fung Tze Wa and Mr. Kwong Chun Wai, Michael.

Please also refer to the published version of this announcement in The Standard.