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ING BEIJING INVESTMENT COMPANY LIMITED
ING 北京投資有限公司
(Incorporated in Hong Kong under the Companies Ordinance)

PROPOSED BONUS ISSUE OF WARRANTS
PROPOSED ADOPTION OF A SHARE OPTION SCHEME
PROPOSED AMENDMENTS TO MEMORANDUM AND
ARTICLES OF ASSOCIATION
PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL
AND
PROPOSED GENERAL MANDATES TO ISSUE AND
PURCHASE SECURITIES

The board of directors ("Board") of ING Beijing Investment Company Limited ("Company") proposes (a) a bonus issue of warrants ("Bonus Warrant Issue") on the basis of one bonus warrant ("Bonus Warrant") for every five existing shares of HK\$0.10 each of the Company ("Shares") held; and (b) to adopt an employee share option scheme for the benefit of directors (excluding non-executive directors) and senior employees of the Company and its subsidiaries; and (c) certain amendments to the Memorandum and Articles of Association of the Company; and (d) increase in the authorised share capital of the Company; and (e) certain general mandates to be granted to the Board.

BONUS WARRANT ISSUE PROPOSAL

Basis of Issue of Bonus Warrants

The Board recommends a bonus issue of warrants to be granted to the shareholders of the Company ("Shareholders") on the basis of one Bonus Warrant for every five Shares held by the then Shareholders whose names appear on the register of members as at 16th August 2001 ("Record Date"), but excluding those Shareholders whose addresses on the register of members as at the Record Date are outside the Hong Kong Special Administrative Region.

Number of Bonus Warrants to be Issued

Based on 538,840,000 Shares in issue as at the date of this announcement, the total number of Bonus Warrants to be issued will be up to 107,768,000 units, entitling the holders thereof to subscribe for 107,768,000 Shares representing 20% of the existing issued share capital as at the date of this announcement.

Subscription Price

An initial subscription price of HK\$0.2244 for one new Share upon exercise of one Bonus Warrant (subject to adjustment). The initial subscription price of HK\$0.2244 represents a discount of approximately 21.26 per cent. from the closing price per Share of HK\$0.285 on 3rd July 2001 and 20 per cent. based on the average closing price of HK\$0.2805 per Share as quoted on the Stock Exchange for the last 30 trading days prior to and including 3rd July 2001.

Subscription Period

From 16th August 2001 to 15th August 2003, both dates inclusive.

Board Lot

The board lot for trading in Bonus Warrants is proposed to be 20,000 units.

Record Date and Closure of Register of Members for Bonus Share Issue

The Record Date for ascertaining the entitlement to the Bonus Warrants shall be 16th August 2001. The register of members will be closed from 14th August 2001 to 16th August 2001, both dates inclusive. No transfer of Shares will be registered during this period.

EXPECTED TIMETABLE

Despatch of circular	Wednesday, 25th July
Last day of dealings in Shares cum entitlement to Bonus Warrants	Thursday, 9th August
First day for dealing in Shares ex entitlement to the Bonus Warrants	Friday, 10th August
Latest time for lodging transfer of Shares in order to be entitled to the Bonus Warrants	Monday, 13th August
Closure of register of members for the EGM and ascertaining the entitlement to the Bonus Warrants	14th August to 16th August (both dates inclusive)
EGM and Record Date	Thursday, 16th August
Despatch of Bonus Warrant Certificates	Friday, 17th August
Dealing in the Bonus Warrants commence on	Tuesday, 21st August

Overseas Shareholders

Shareholders whose addresses as shown on the register of members on the Record Date are outside Hong Kong ("Overseas Shareholders") will not be entitled to the proposed Bonus Warrant Issue whatsoever, and no Bonus Warrants will be issued to these Overseas Shareholders.

Conditions Of The Proposed Bonus Warrant Issue

The proposed Bonus Warrant Issue will be conditional upon:—

- (a) the approval of Shareholders at an extraordinary general meeting ("EGM") of the Company proposed to be held on 16th August 2001 in respect of the proposed Bonus Warrant Issue;
- (b) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Bonus Warrants and any new Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Bonus Warrants.

Reasons For The Proposed Bonus Warrant Issue

The Directors believe that the proposed Bonus Warrant Issue will provide Shareholders with an opportunity to obtain further equity participation in the Company on more favourable terms, thereby enlarging the Company's shareholder and capital base.

Applications For Listing

Applications will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Bonus Warrants and any Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Bonus Warrants.

Fractions Of Bonus Warrant

Fractional entitlements to Bonus Warrants (if any) will not be granted and will be cancelled.

Certificates For The Bonus Warrants

Subject to the conditions being satisfied, certificates for the Bonus Warrants are expected to be despatched to the Shareholders (other than Overseas Shareholders) by ordinary post on 17th August 2001.

SHARE OPTION SCHEME

The Board proposes to adopt an employee share option scheme ("Option Scheme") for the benefit of directors (excluding non-executive directors) and senior employees of the Company and its subsidiaries.

The adoption of the Option Scheme is conditional, among others,

- (i) the passing by Shareholders (excluding any persons to whom or for the benefit of whom securities may be issued under the Option Scheme) at EGM of an ordinary resolution approving the Option Scheme and authorising the Board to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of any options granted under the Option Scheme; and
- (ii) the Listing Committee of the Stock Exchange approving the Option Scheme and the granting of options to subscribe for Shares under the Option Scheme and granting the listing of, and permission to deal in, any Shares which may fall to be issued on the exercise of the subscription rights under the options that may be granted under the Option Scheme.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the Option Scheme and the granting of options to subscribe for Shares under the Option Scheme and for the listing of, and permission to deal in, any Shares which may fall to be issued on the exercise of the subscription rights under the options that may be granted under the Option Scheme.

INCREASE IN AUTHORISED SHARE CAPITAL

In order to facilitate the Bonus Warrant Issue, and the adoption of the Share Option Scheme, the Board proposes to increase its authorised share capital from HK\$80,000,000 comprising 800,000,000 Shares to HK\$120,000,000 comprising 1,200,000,000 Shares.

AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

The Board proposes that several amendments be made to the Memorandum and Articles of Association of the Company ("M & A Amendments"). Information on the proposed M & A Amendments will be set out in the circular to the shareholders of the Company.

GENERAL MANDATES

At the EGM, the Board will also seek the approval of the Shareholders for the renewal of general mandate to:

- (a) allot, issue and otherwise deal with securities of the Company not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing such resolution ("Issue Mandate");
- (b) repurchase Shares representing up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing such resolution and repurchase Bonus Warrants representing up to a maximum of 10% of the subscription rights attaching to the Bonus Warrants to be issued pursuant to the Bonus Warrant Issue respectively ("Repurchase Mandate");
- (c) extend the Issue Mandate by the nominal amount of any Shares repurchased by the Company.

The Directors have no immediate plans to issue new Shares other than, subject to the proposed Option Scheme being approved and becoming unconditional, Shares which may fall to be issued under the Option Scheme of the Company or, subject to the proposed Bonus Warrant Issue being approved and becoming unconditional, any Shares to be issued upon exercise of the subscription rights attaching to the Bonus Warrants.

CIRCULAR TO SHAREHOLDERS AND EGM

The EGM is proposed to be convened on 16th August 2001 at which resolutions will be proposed to approve the proposed Bonus Warrant Issue, the proposed Option Scheme, the proposed increase in authorised share capital of the Company, the proposed M & A Amendments, and the grant of the general mandates. A circular containing details of the proposed Bonus Warrant Issue, the proposed Option Scheme, the proposed increase in authorised share capital, the proposed M & A amendments and general mandates together with a notice convening the EGM will be despatched to Shareholders as soon as practicable after this announcement.

By Order of the Board
ING Beijing Investment Company Limited
Liu Xiao Guang
Chairman

Hong Kong, 4th July 2001