

## REVIEW OF THE PERIOD

The Board of Directors of ING Beijing Investment Company Limited (the “Company” or “ING Beijing”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2003. The interim report for the six months ended 30 June 2003 has been reviewed by the audit committee and auditors of the Company.

The profit of the Group for the first half of 2003 was HKD12,558,916 compared to the profit of HKD1,094,135 for the same period in 2002. The consolidated results, consolidated balance sheet and condensed consolidated cash flow statement of the Group, all of which are unaudited, along with selected explanatory notes, are set out on pages 6 to 22 of this report.

## BUSINESS DEVELOPMENT

The spread of SARS in the second quarter this year had a severe impact on the economies of Hong Kong and China, tourism and service industries were heavily struck during the period. In June, the World Health Organization removed Hong Kong, Beijing and other cities in China from the list of SARS-affected areas. Hong Kong’s economy started to recover, but remains arduous and challenging. China has more a diversified economy with strong domestic demand driven forces. The negative effect of SARS on China’s economy is only temporary and far less than expected, China’s economy has picked up quickly and aims to achieve its targeted 9% growth rate this year.

In March 2003, the Group successfully disposed the investment in Everbright Timber Industry (Shenzhen) Company Limited (“Everbright Timber”). Everbright Timber is the biggest timber processing company in China. The Asian financial crisis in 1997 hit the listing plan of Everbright Timber, and subsequently the timber prices tumble due to severe imported competition and a contracted market.

Property development is a long term process, the sector was generally not affected by the outbreak of SARS. The Company invested in China Property Development (Holdings) Limited (“CPDH”) in February 2002 and successfully made shares allotment of CPDH to