

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 30th June 2004. The interim report for the six months ended 30th June 2004 has been reviewed by the audit committee and auditors of the Company.

The profit of the Group for the first half of 2004 was HKD7,006,369 compared to the profit of HKD12,558,916 for the same period in 2003. 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 8 to 26 of this report.

BUSINESS DEVELOPMENT

Hong Kong's economy is enjoying a strong recovery in the beginning of 2004. The growth was mainly driven by consumption, contributed by the increase of mainland tourists to Hong Kong, which has boosted retail sales, hotel and restaurant receipts in the territory. The recent turnaround in investment has also been helped by the improving stock and property prices.

In China, the major challenge in 2004 is to address its over-heated investment while sustaining the momentum of the economy and to maintain stability. China's gross domestic product rose by 9.7% in the first half of 2004. For the same period, retail sales increased by 12.8% to RMB2,525 billion. Inflation has emerged with the Consumer Price Index having increased by 3.6% in the first half of 2004. China's value-added industrial output rose by 11.9% to RMB2,982 billion.

Some problems in China's economy still exist. They include the excessive large scale of fixed assets investment, the shortages of coal, electricity, petroleum and means of transportation and the sharp increase in the prices of raw materials.