

CHAIRMAN'S STATEMENT

For the year ended 31st December 2004, the audited proforma combined profit for New Capital International Investment Limited ("New Capital" or the "Company") and its subsidiaries (the "Group") totaled HKD 6,251,287. The proforma combined net asset value per share of the Company was HKD 0.284 as at 31st December 2004. The Group's audited proforma combined profit for the year ended 31st December 2003, and proforma combined net asset value per share as at 31st December 2003 were HKD 8,181,299 and HKD 0.337 respectively.

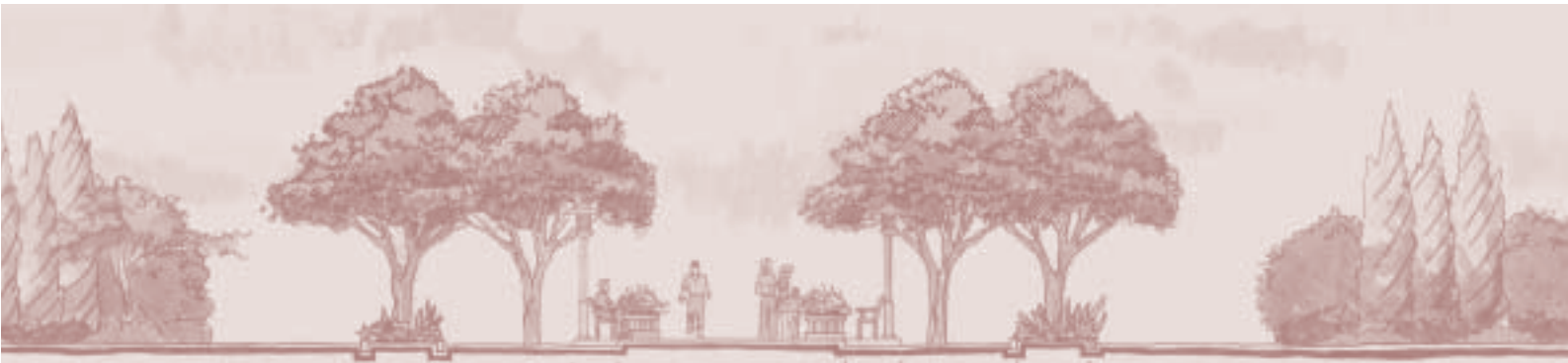
CHANGE OF DOMICILE

On 13th April 2005, New Capital International Investment Limited, a company incorporated in the Cayman Islands, has replaced the listing status of ING Beijing Investment Company Limited ("ING Beijing") on The Stock Exchange of Hong Kong Limited ("the Stock Exchange"). New Capital has become the new holding company of the Group and ING Beijing is now a wholly owned subsidiary of New Capital.

REDOMICILE SCHEME

The Board of ING Beijing announced on 9th October 2003 that ING Beijing intended to reorganize the structure of the Group by means of a redomicile scheme. The first scheme document was submitted to the Stock Exchange on the same day and announcement was put out on newspapers immediately afterwards. In February 2004, the Board has resolved to change to the name "New Capital International Investment Limited". In April 2004, the Board has approved the new structure of the Board.

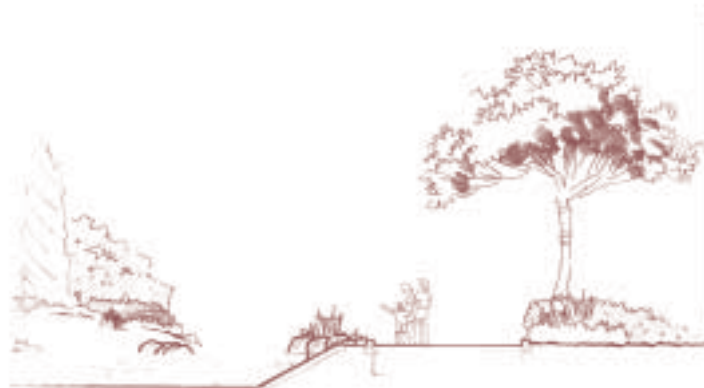




In January 2005, the Stock Exchange confirmed its final approval for the redomicile scheme. Subsequently ING Beijing circulated documents and published announcement to its shareholders on 13th January 2005. Court Meeting and EGM were convened on 7th February 2005 and the scheme was approved. Court hearing of petition to sanction the redomicile scheme was held on 12th April 2005 and the first day of dealings in the shares of New Capital commenced on 13th April 2005.



New Capital shall provide a more flexible structure for the Group to raise new capital from the market and to further develop its business and to pursue expansion. The Cayman Islands domicile will also allow the Group to project a more international image and help to attract new potential investors. With a new name, new face and transparent capital structure, New Capital is well prepared to take on a new phase of development capitalizing on the current buoyant market environment.



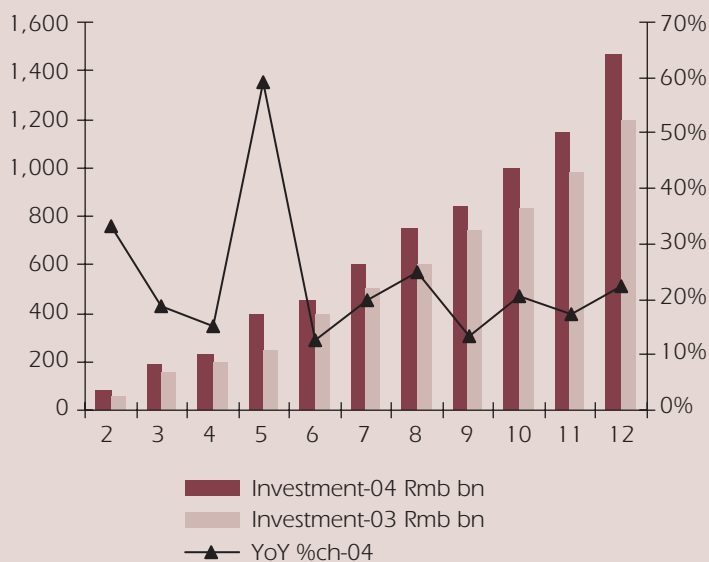
CHAIRMAN'S STATEMENT (CONT'D)



2004 ECONOMIC OVERVIEW

For the year 2004, China saw rapid economic growth registering a total value-added industrial output reaching Rmb 4,374.6 billion, up 16.9% from a year earlier. China achieved a record trade surplus of USD 20.8 billion, with export increased 35.7% compared with the year 2003. Retail sales were up 13.2% year-on-year while consumer price index rose by 2.8% year-on-year.

China posted a GDP of 9.4% in the year 2004, while Beijing registered a slower year-on-year GDP growth rate of 13.2% for the year of 2004, as compared with the level of 13.8% recorded in the first quarter of 2004. The slower growth was



mainly a result of a slowdown in investment and a reduction in credit extension by commercial banks, especially to projects in overheated sectors, including real estate.

Fixed Asset Investment (FAI) in China increased by 28.9% to Rmb 4,927.4 billion in 2004. Of this, investment in real estate was reported at Rmb 1,190.6 billion, up 29.2% year-on-year. FAI in Beijing was at Rmb 202.3 billion, an increase of 17.5% year-on-year. Over the same period, real estate investment reached Rmb 115.1 billion, an increase of 20.8% year-on-year.

China is heading towards a soft-landing fixed investment growth and CPI are approaching sustainable level. The run-down to 2008 Beijing Olympics shall provide new opportunities. A total of 250,000 new foreign funded businesses were established in China, including 450 of the world's top 500 multinational companies.

REAL ESTATE MARKET IN BEIJING

In 2004, total real estate investment was Rmb 147.33 bn, recorded a 22.5% growth from 2003. Sale of commercial housing grew by 30.4% to 24.72 million sqm. Individual purchase represented 99% of total properties sold.

In 2004, the average selling price of commercial housing in Beijing was Rmb 5,053 per sq m, higher than the national average selling price of Rmb 2,758 per sq m, but substantially lower than the average prices in Shanghai of Rmb 9,850 per sq m.



CHAIRMAN'S STATEMENT (CONT'D)



REAL ESTATE TRANSACTIONS

The Group invested HKD 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. The project is situated in an up market district popular with foreigners and the diplomatic community. Phase I was launched in late August 2004 and was well received by the market. The apartments were substantially sold within a four month period. The sales price of Phase I have been adjusted steadily from Rmb 9,300 to Rmb 11,500 per sq.m. Phase II is expected to launch sales in September of 2005.

The Group invested HKD 35 million in the Taiyanggong Zone F ("TYG") project in October 2003. The deal was guaranteed by the ultimate shareholder of the project in Hong Kong. Due to the delay in the registration of the share transfer under joint venture regulations, the guarantor was demanded to repay the investment of HKD 35 million. TYG, also known as Sun Star City, is a 413,000 square meters residential development project targeting the middle sector. It is located between northeast Third and Fourth Ring Road in Beijing. The pre-sales of Phase II was launched in June 2004 and received good public response. The construction work for phase II is in progress, and is expected to be completed in August 2005.

OTHER INVESTMENT

Beijing Far East Instrument Company Limited ("Far East") is the only remaining non-property related investment in the Company's portfolio. In 2004, Far East generated a profit of Rmb 6 million before stock provision, mainly contributed from its successful joint venture with Rosemount. However, due to the change in products mix, Far East discontinued the production of certain series of products. Inventories of the discontinued products stored over two years had become obsolete and provision was made. Accordingly, the Group shared the loss of approximately HKD 2.9 million of Far East for the year 2004. Far East is implementing a four-year business plan to consolidate its business operations, with a target to increase sales revenue 4 times by 2008. It will concentrate on streamlining the production of traditional electrical products as well as restructuring the product composition of Rosemount's business. Far East will increase efforts to explore the business of self-developed systems, which includes the automatic recording system and building integrated control systems.



FUTURE PROSPECTS

With the stable growth of China's economy and macro economic measures to curb overheated industries, the property market is likely to achieve a soft landing and a healthy development prevails as people's standard of living continues to improve. Together with our years of knowledge in the China market and our relationship with local partners, we will continue to look for opportunities in the property sector and are confident that the sector will bring satisfactory return to our shareholders. The Directors are both confident and optimistic on the prospects of the Group.

