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INCUTECH INVESTMENTS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 356)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

INTERIM RESULTS AND CONDENSED ACCOUNTS

The Board of Directors (the “Board”) of Incutech Investments Limited (the “Company”) is hereby present the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2009 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2009

	<i>Note</i>	Six months ended 30 June 2009 (Unaudited) HK\$	Six months ended 30 June 2008 (Unaudited) HK\$
Turnover	3	—	—
Loss on disposal of investments held for trading		(94,705)	(15,025)
Fair value gain/(loss) on investments held for trading		873,420	(1,535,090)
Other revenue		1	192,000
Investment management fee		(321,445)	(170,017)
Operating expenses		(2,240,321)	(1,456,133)
Finance costs	4	<u>(234,974)</u>	<u>(220,626)</u>
Loss before income tax	5	(2,018,024)	(3,204,891)
Income tax	6	<u>—</u>	<u>—</u>
Loss for the period		<u>(2,018,024)</u>	<u>(3,204,891)</u>
Loss per share	7	<u>(2.80 cents)</u>	<u>(4.45 cents)</u>
Interim dividend		<u>Nil</u>	<u>Nil</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2009

	30 June 2009 (Unaudited) HK\$	31 December 2008 (Audited) HK\$
NON-CURRENT ASSETS		
Property, plant and equipment	61,106	118,222
Available-for-sale investments	<u>2</u>	<u>2</u>
	<u>61,108</u>	<u>118,224</u>
CURRENT ASSETS		
Investments held for trading	5,602,548	5,295,228
Loans receivable	2	2
Prepayments and other receivables	217,194	184,079
Cash and cash equivalents	<u>65,516</u>	<u>141,096</u>
	<u>5,885,260</u>	<u>5,620,405</u>
CURRENT LIABILITIES		
Short term loans	6,634,879	6,399,905
Other payables and accruals	4,430,892	3,195,604
Due to director	2,385,387	1,629,886
Tax payable	<u>1,005,082</u>	<u>1,005,082</u>
	<u>14,456,240</u>	<u>12,230,477</u>
NET CURRENT LIABILITIES	<u>(8,570,980)</u>	<u>(6,610,072)</u>
NET LIABILITIES	<u>(8,509,872)</u>	<u>(6,491,848)</u>
CAPITAL AND RESERVES		
Share capital	720,000	720,000
Reserves	<u>(9,229,872)</u>	<u>(7,211,848)</u>
SHAREHOLDERS' FUNDS	<u>(8,509,872)</u>	<u>(6,491,848)</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2009

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared in accordance with the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The accounting policies used in the condensed consolidated financial statements are consistent with those set out in annual financial statements for the year ended 31 December 2008.

2. APPLICATION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for financial instruments, which are measured at revalued amounts or fair values, as appropriate.

In the current interim period, the Group has applied, for this time, the following new or revised standards, amendments and interpretation issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 January 2009.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 and HKAS 1 (Amendments)	Puttable Financial instruments and Obligations Arising on Liquidation
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendments)	Vesting Conditions and Cancellations
HKFRS 7 (Amendments)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK (IFRIC) — Int 9 and HKAS 39 (Amendments)	Embedded Derivatives
HK (IFRIC) — Int 13	Customer Loyalty Programmes
HK (IFRIC) — Int 15	Agreements for the Construction of Real Estate
HK (IFRIC) — Int 16	Hedges of a New Investment in a Foreign Operation

The adoption of these new or revised standards, amendments and interpretation had no material effect on the results and financial position of the Group for the current and/or prior accounting periods. Accordingly, no prior period adjustment has been required.

Except as described below, the same accounting policies, presentation and methods of computation have been followed in these condensed consolidated financial statements as were applied in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2008.

HKAS 1 (Revised) — Presentation of Financial Statements

HKAS 1 (Revised) has introduced a number of terminology changes (including revised titles for the condensed consolidated financial statements) and has resulted in a number of changes in presentation and disclosures. However, HKAS 1 (Revised) has had no impact on the reported results or financial position of the Group.

The Group has not early applied the following new or revised standards, amendments and interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of improvements to HKFRSs issued in 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 ²
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ¹
HKAS 39 (Amendment)	Eligible Hedged Items ¹
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions ³
HKFRS 3 (Revised)	Business Combinations ¹
HK(IFRIC) — Int 17	Distributions of Non-cash Assets to Owners ¹
HK(IFRIC) — Int 18	Transfers of Assets from Customers ⁴

¹ Effective for annual periods beginning on or after 1 July 2009.

² Amendments that are effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate.

³ Effective for annual periods beginning on or after 1 January 2010.

⁴ Effective for transfers on or after 1 July 2009.

The Directors of the Company anticipate that the application of these standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. TURNOVER, REVENUE AND SEGMENT INFORMATION

The principal activities of the Group are investments in listed Hong Kong securities and unlisted investment as a single business segment.

This single business segment is presented in the internal reports for the chief operating decision maker to assess its performance as a whole. Therefore, no business segment information is presented.

4. FINANCE COSTS

	Six months ended 30 June 2009 (Unaudited) HK\$	Six months ended 30 June 2008 (Unaudited) HK\$
Short term loan interest	<u>234,974</u>	<u>220,626</u>

5. LOSS BEFORE INCOME TAX

	Six months ended 30 June 2009 (Unaudited) HK\$	Six months ended 30 June 2008 (Unaudited) HK\$
Depreciation of property, plant and equipment	57,116	53,126
Listing fees	72,500	72,500
Rental charges under operating leases of land and buildings	293,584	289,984
Staff costs (including directors' remuneration)	<u>1,039,200</u>	<u>432,131</u>

6. INCOME TAX

No provision for Hong Kong profits tax is required since the company has no assessable profit for the period.

	Six months ended 30 June 2009 (Unaudited) HK\$	Six months ended 30 June 2008 (Unaudited) HK\$
Hong Kong profits tax	<u>—</u>	<u>—</u>

7. LOSS PER SHARE

The calculation of the basic loss per share for the six months ended 30 June 2009 is based on the Group's loss attributable to the shareholders of HK\$2,018,024 and the weighted average number of 72,000,000 ordinary shares in issue during the period. Basic loss per share for the six months ended 30 June 2008 is based on the Group's loss attributable to shareholders of HK\$3,204,891 and the weighted average number of 72,000,000 shares in issue during the prior period.

No diluted loss per share is presented since the Group did not issue any dilutive potential ordinary shares during both periods presented.

INTERIM DIVIDEND

The Board of Directors has resolved not to pay any interim dividend for the period ended 30 June 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the period, the net loss from operation of the Group amounted to HK\$2,018,024, representing an decrease of HK\$1,186,867, or approximately 37%, when compared with HK\$3,204,891 for the corresponding period last year. The reason of decrease in loss during the period under review was due to the recognition of fair value gain on investments held for trading of HK\$873,420 as income arising from investments held for trading during the period.

During the period under review, the Company did not made any new investment. The Group's portfolio of investment comprises mainly securities listed in Hong Kong. As at 30 June 2009, the Group held listed securities investments at market value of HK\$5,602,548 (2008: HK\$5,295,228).

The stock markets dropped significantly in the second half of 2008 following the financial turmoil in the United States. As one of the international financial centers, Hong Kong could not immune itself from such global financial crisis.

The first quarter of the 2009 was undoubtedly challenging because of weak investor sentiment from 2008. Entering into the second quarter of 2009, various governments have introduced a sequence of quantitative easing monetary policy to stimulate and stabilize the global economy. After adoption of both fiscal and monetary policies, the global economy seemed to have taken effect in slowing the pace of economic downturn.

Although the Group's business performance in the first half of the 2009 improved as compared to the same period last year, we are still exposed to a number of challenges in financial markets. The overall performance of the Company is expected to maintain a steady recovery trend in the second half of the 2009.

PROSPECTS

Looking forward into the second half of 2009, it is anticipated that the gradual recovery of the global economy together with the PRC's measures for stimulating domestic demand will have positive impact on investment environments. However, whether the global economy is bottoming out is still uncertain and the financial environment remains challenging to the Group.

The Group takes a cautious view of its business for the second half of 2009, it will adopt a conservative investment strategy and continue to manage the existing investments in accordance with the Company's investment objective and policy of achieving long term capital appreciation and evaluate potential investments with a view of gaining investment returns for our shareholders.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30 June 2009, the Group's current ratio was 0.407, based on the current assets of HK\$5,885,260 and current liabilities of HK\$14,456,240. The Group's gearing ratio was not applicable.

As at 30 June 2009, the Group had cash and cash equivalents of HK\$65,516 and net financial asset investments of HK\$5,602,548.

Capital Structure

There has been no change to the capital structure of the Company since 1 January 2009.

Material Acquisitions and Disposals of Subsidiaries

The Group has not made any material acquisition or disposal of subsidiaries during the period ended 30 June 2009.

Capital commitment and contingent liabilities

As at 30 June 2009, no material capital commitment and contingent liabilities were noted by the directors of the Company.

Share Options

The Company does not have a share option scheme.

EMPLOYMENT AND REMUNERATION POLICIES

As at 30 June 2009, the Group employed a total of 4 employees (2008: 4) including the executive directors of the Company. The remuneration packages consist of basic salary, mandatory provident fund, medical insurance, and other benefits considered as appropriate. Remuneration packages are generally structured by reference to market terms, individual qualification and performance. They are under periodic review based on individual merit and other market factors.

STAFF COST

The Group's total staff costs for the period under review amounted to HK\$1,039,200 (2008: HK\$432,131).

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Group's assets and liabilities are denominated in Hong Kong Dollars and, therefore, the Group has no significant exposure to foreign exchange fluctuation.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the period under review, the Company has not redeemed any of its securities and neither the Company nor any of its subsidiaries has purchased or sold any of the Company's securities.

AUDIT COMMITTEE

The Company established an audit committee in accordance with rule 3.21 of the Listing Rules, for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee of the Company has reviewed the interim results for the period ended 30 June 2009. In addition, the Group's external auditors have reviewed the unaudited interim financial statements set out on pages 11 to 22 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company had complied with the code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in the Model Code. Having made specific enquiry of all Directors, they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transaction by the Directors adopted by the Company.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

In the opinion of the Directors, the Company has complied with the Code of Best Practice ("Code") as set out in Appendix 14 to the Listing Rules throughout the period under review, except that the independent non-executive Directors are not appointed for a specific term as required by paragraph 7 of the Code, but are subject to retirement by rotation in accordance with the Bye-Laws.

None of the existing independent non-executive directors of the Company is appointed for a specific term. This constitutes a deviation from code provision A.4.1 of the Code. However, all the directors of the Company are subject to the retirement provisions under paragraph (1) of article 88 of the Articles of Association of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on HKExnews at www.hkexnews.hk and on the website of the Company at www.hklistedco.com/356.asp. The 2009 interim report of the Company will be dispatched to the shareholders of the Company and will be available on both websites in due course.

By order of the Board
Tung Tat Wah
Chairman

Hong Kong, 28 September 2009

As at the date of this announcement, the Board is comprised of Mr. Tung Tat Wah and Mr. Michael Wu Chun Wah as executive Directors; Mr. Allan Kwok Ming Fai, Mr. Robert Siu Siu Ling, and Mr. Stephen Lee Ming Ching, as independent non-executive Directors.