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INCUTECH INVESTMENTS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 356)

ANNOUNCEMENT OF 2010 FINAL RESULTS

The board of directors (the “Board”) of Incutech Investments Limited (the “Company”) hereby presents the consolidated results of the Company and its subsidiaries (the “Group”) for the financial year ended 31 December 2010.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2010

| | <i>Note</i> | 2010 <i>HK\$</i> | 2009 <i>HK\$</i> |
|--|-------------|----------------------------|---------------------|
| Turnover | 4 | 132,120 | 225,978 |
| Realised gain on disposals of investments held for trading | | — | 28,145 |
| Interest income from bank deposits | | 1 | — |
| Unrealised (loss)/surplus on listed securities | | (34,164) | 2,781,870 |
| Investment management fee | | (600,000) | (621,445) |
| Other operating expenses | | (3,279,110) | (3,996,029) |
| Operating loss | | (3,781,153) | (1,581,481) |
| Finance costs | 6 | (542,656) | (491,158) |
| Loss before taxation | 7 | (4,323,809) | (2,072,639) |
| Taxation | 8 | — | — |
| Loss for the year attributable to equity holders of the Company | | (4,323,809) | (2,072,639) |
| Other comprehensive income for the year | | — | — |
| Total comprehensive loss for the year attributable to equity holders of the Company | | (4,323,809) | (2,072,639) |
| Loss per share | 10 | (HK\$0.06) | (HK\$0.029) |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2010

| | 2010 <i>HK\$</i> | 2009 <i>HK\$</i> |
|-----------------------------------|---------------------|---------------------|
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 1 | 3,990 |
| Available-for-sale investments | — | 2 |
| | <u>1</u> | <u>3,992</u> |
| CURRENT ASSETS | | |
| Investments held for trading | 7,599,684 | 7,633,848 |
| Loans receivable | — | 2 |
| Prepayments and other receivables | 149,578 | 159,578 |
| Bank balances and cash | 199,970 | 21,217 |
| | <u>7,949,232</u> | <u>7,814,645</u> |
| CURRENT LIABILITIES | | |
| Short term loans | 7,433,719 | 6,891,064 |
| Other payables and accruals | 7,245,261 | 5,285,892 |
| Due to a director | 5,153,467 | 3,201,086 |
| Tax payable | 1,005,082 | 1,005,082 |
| | <u>20,837,529</u> | <u>16,383,124</u> |
| NET CURRENT LIABILITIES | <u>(12,888,297)</u> | <u>(8,568,479)</u> |
| NET LIABILITIES | <u>(12,888,296)</u> | <u>(8,564,487)</u> |
| CAPITAL AND RESERVES | | |
| Share capital | 720,000 | 720,000 |
| Reserves | (13,608,296) | (9,284,487) |
| SHAREHOLDERS' FUNDS | <u>(12,888,296)</u> | <u>(8,564,487)</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Incutech Investments Limited (the “Company”) was incorporated in the Cayman Islands with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and have been suspended for trading since 13 June 2008.

The principal activities of the Company and its subsidiaries during the year are investments in securities listed in the Stock Exchange and unlisted securities with a potential for earning growth and capital appreciation.

2. PRINCIPAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term include all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). The consolidated financial statements have been prepared under the historical cost convention, except that available-for-sale investments and investments held for trading are stated at fair value.

The preparation of consolidated financial statements in conformity with the HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of a loss of HK\$4,323,809 for the year ended 31 December 2010 and the Group’s net current liabilities and net liabilities as at 31 December 2010 amounted to HK\$12,888,297 and HK\$12,888,296 respectively. A resumption proposal was approved by the Board of Directors on 21 March 2011 to improve the financial position of the Group and the successful implementation of the resumption proposal can effectively improve the liquidity position of the Group, the directors of the Company are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

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

In the current year, the Group has applied the following new and revised standards, amendments and interpretations of HKASs, HKFRSs issued by the HKICPA that are first effective for the current accounting period of the Group and are relevant to the Group's financial statements:

| | |
|---------------------|---|
| HKFRS 3 (Revised) | Business Combinations |
| HKAS 27 (Revised) | Consolidated and Separate Financial Statements |
| HKFRSs (Amendments) | Improvement to HKFRSs issued in 2009 |
| HK Interpretation 5 | Presentation of Financial Statements — Classification by the Borrower of Term Loan that Contains a Repayment on Demand Clause |

HKFRS 3 (Revised) continues to apply the acquisition method to business combinations but with some significant changes compared with HKFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.

HKAS 27 (Revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. HKAS 27 (Revised) has had no impact on the current period, as none of the non-controlling interests have a deficit balance; there have been no transactions whereby an interest in an entity is retained after the loss of control of that entity, and there have been no transactions with non-controlling interests.

HK Interpretation 5, as a clarification of an existing standard, is effective immediately. According to the interpretation, the classification of a term loan in accordance with paragraph 69(d) of HKAS 1 shall depend on whether or not the borrower has an unconditional right to defer payment for at least twelve months after the reporting period. Consequently, amounts repayable under a loan agreement which includes a clause that gives the lender the unconditional right to call the loan at any time shall be classified by the borrower as current in its statement of financial position.

The adoption of the new and revised HKFRSs in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these financial statements.

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

| | |
|----------------------------------|---|
| Amendments to HKAS 32 | Classification of Rights Issues ¹ |
| Amendments to HKFRS 1 (Revised) | Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ² |
| HK(IFRIC) – Int 19 | Extinguishing Financial Liabilities with Equity Instruments ² |
| HKAS 24 (Revised) | Related Party Disclosures ³ |
| Amendments to HK(IFRIC) – Int 14 | Prepayments of a Minimum Funding Requirement ³ |
| Improvements to HKFRSs 2010 | Improvements to HKFRSs 2010 ⁴ |
| Amendments to HKFRS 7 | Disclosures — Transfer of Financial Assets ⁵ |

- ¹ Effective for annual periods beginning on or after 1 February 2010
² Effective for annual periods beginning on or after 1 July 2010
³ Effective for annual periods beginning on or after 1 January 2011
⁴ Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate
⁵ Effective for annual periods beginning on or after 1 July 2011
⁶ Effective for annual periods beginning on or after 1 January 2012
⁷ Effective for annual periods beginning on or after 1 January 2013

- IFRIC represents the International Financial Reporting Interpretations Committee

HKFRS 9 Financial Instruments (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 Financial Instruments (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

4. TURNOVER AND REVENUES

Total revenues recognised during the year are as follows:

| | 2010 | 2009 |
|---|-----------------------|-----------------------|
| | <i>HK\$</i> | <i>HK\$</i> |
| Turnover: | | |
| Dividend income from listed securities | <u>132,120</u> | <u>225,978</u> |
| Other revenues: | | |
| Realised gain on disposals of listed securities | — | 28,145 |
| Interest income from bank deposits | <u>1</u> | — |
| Total revenues | <u>132,121</u> | <u>254,123</u> |

5. SEGMENT INFORMATION

The Group determines its operating segments based on the internal reports about components of the Group that are regularly reviewed by the executive Directors for the purpose of allocating resources to segments and assessing their performance.

The Group's operating and reportable segments are as follows:

| | |
|---------------------|--|
| Listed securities | — Investments in securities listed on the Stock Exchange |
| Unlisted securities | — Investments in unlisted securities |

Information regarding the above segments is reported below.

Segment revenues and results

The following is an analysis of the Group's results by reportable segment:

Year ended 31 December 2010

| | Listed securities HK\$ | Unlisted securities HK\$ | Total HK\$ |
|----------------------|---------------------------------------|---|-----------------------|
| Segment result | <u>97,957</u> | <u>—</u> | 97,957 |
| Unallocated expenses | | | <u>(4,421,766)</u> |
| Loss for the year | | | <u>(4,323,809)</u> |

Year ended 31 December 2009

| | Listed securities HK\$ | Unlisted securities HK\$ | Total HK\$ |
|----------------------|---------------------------------------|---|-----------------------|
| Segment result | <u>3,035,993</u> | <u>—</u> | 3,035,993 |
| Unallocated expenses | | | <u>(5,108,632)</u> |
| Loss for the year | | | <u>(2,072,639)</u> |

Segment result of listed securities represents dividend income from listed securities, realised gain on disposals of listed securities and unrealised surplus/(loss) on listed securities. With the nature of investments business, no segment revenue is presented.

Segment assets

The following is an analysis of the Group's assets by reportable segment:

| | 2010 HK\$ | 2009 HK\$ |
|----------------------|-------------------------|----------------------|
| Listed securities | 7,599,684 | 7,633,848 |
| Unlisted securities | <u>—</u> | <u>2</u> |
| Total segment assets | 7,599,684 | 7,633,850 |
| Unallocated assets | 349,549 | 184,787 |
| | <u>7,949,233</u> | <u>7,818,637</u> |

For the purposes of monitoring segment performances and allocating resources between segments, all assets are allocated to reportable segments other than loans receivable, prepayments, other receivables and bank balances.

Geographical information

No geographical information is presented as the Group operates in Hong Kong only.

6. FINANCE COSTS

| | 2010 <i>HK\$</i> | 2009 <i>HK\$</i> |
|--|---------------------|---------------------|
| Interest on unsecured short term loans | <u>542,656</u> | <u>491,158</u> |

7. LOSS BEFORE TAXATION

Loss before taxation is stated after charging the following:

| | 2010 <i>HK\$</i> | 2009 <i>HK\$</i> |
|---|---------------------|---------------------|
| Auditor's remuneration | 146,000 | 143,500 |
| Depreciation | 3,989 | 114,232 |
| Loss on derecognition of available-for-sale investments | 2 | — |
| Loss on derecognition of loans receivable | 2 | — |
| Rental charges under operating leases in respect of rented premises | 552,717 | 637,387 |
| Staff costs including directors' emoluments: | | |
| Salaries and other benefits | 2,058,000 | 2,058,000 |
| Contributions to retirement benefits scheme | <u>20,400</u> | <u>20,400</u> |

8. TAXATION

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group has no assessable profits for both years.

Taxation for the year can be reconciled to the loss before taxation as follows:

| | 2010 <i>HK\$</i> | 2009 <i>HK\$</i> |
|---|---------------------|---------------------|
| Loss before taxation | <u>(4,323,809)</u> | <u>(2,072,639)</u> |
| Taxation at Hong Kong Profits Tax rate of 16.5% | (713,428) | (341,985) |
| Tax effect of income not subject to taxation | (21,800) | (496,295) |
| Tax effect on non-deductible expenses | 195,115 | 194,749 |
| Tax effect of tax losses not recognised | 540,945 | 626,259 |
| Others | <u>(832)</u> | <u>17,272</u> |
| Taxation for the year | <u>—</u> | <u>—</u> |

At December 31, 2010, the Group has estimated unused tax losses of approximately HK\$11,477,137 (2009: HK\$8,198,685) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of taxable income in future. The losses may be carried forward indefinitely. There were no other significant temporary differences arising during the year or at the end of the reporting period.

9. LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The consolidated loss contributable to equity holders of the Company includes a loss of HK\$3,175,457 (2009: HK\$892,352) which has been dealt with in the financial statements of the Company.

10. LOSS PER SHARE

The calculation of the loss per share is based on the Group's loss attributable to equity holders of HK\$4,323,809 (2009: HK\$2,072,639) and the weighted average number of 72,000,000 (2009: 72,000,000) ordinary shares in issue during the year.

As the Company has not issued any warrants and options during the year, the calculation of diluted earnings per share is the same as the basic earnings per share.

EXTRACT OF THE DRAFT INDEPENDENT AUDITOR'S REPORT

The following is an extract of the draft independent auditor's report on the Group's audited consolidated financial statements for the year ended 31 December 2010.

OPINION

"In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2010, and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis on matters

Without qualifying our opinion, as set out in note 1(b) to the consolidated financial statements, the Group incurred a loss of HK\$4,323,809 for the year ended 31 December 2010 and the Group's net current liabilities and net liabilities as at 31 December 2010 amounted to HK\$12,888,297 and HK\$12,888,296 respectively. A resumption proposal was approved by the Board of Directors on 21 March 2011 to improve the financial position of the Group and going concern of the Group is highly depended on the successful implementation of the resumption proposal. This condition therefore indicates the existence of material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern."

DIVIDENDS

The Board has resolved not to pay a final dividend for the year ended 31 December 2010 (2009: HK\$Nil).

REVIEW OF RESULTS

For the year ended 31 December 2010, the Group recorded a net loss of HK\$4,323,809 and loss per share of HK6 cents. During the year, the Group received HK\$132,120 in dividend income (2009: HK\$225,978) from listed securities held for trading.

MANAGEMENT DISCUSSION AND ANALYSIS

In 2010, the China's gross domestic product growth ("GDP") was RMB39,798.3 billion, an increase of 10.3% over that of last year, on a comparable price basis. China's GDP growth sped up unexpectedly in the fourth quarter for the year of 2010 despite a series of tightening measures by PRC government.

In 2010, the inflation rate stood at 3.3 percent for the full year, which was above the 3 percent target for the year set by the PRC government in early 2010. In order to curb inflation, the PRC government has adopted various measures to control the prices at a reasonable and relatively stable level.

After the PRC and the HKSAR Government introduced various stimulus measures to support the economy since 2009, the local markets have stabilized. In the first half of 2010, due to the low interest rate and strong capital inflow, the local stock market and property prices have been raised. Nevertheless, the European sovereign debt issues have shaken up confidence of investors and retarded growth in the global markets in the first half of 2010.

The Hang Seng Index closed at 31 December 2010 with a total growth of 5.31%. The local economic outlook remains positive, but the market is increasingly concerned about China's insufficient policy or measures to curb inflation rather than too severe tightening.

BUSINESS REVIEW AND PROSPECTS

The principal activities of the Company and its subsidiaries during the year are investments in both securities listed in the Stock Exchange and unlisted securities with a potential for earning growth and capital appreciation. As at 31 December 2010, the Group has approximately HK\$7.6 million in listed securities held for trading.

During the year under review, the Group reported a net loss from operation of HK\$4,323,809 on turnover of HK\$132,120 in 2010 as compared with a loss from operation of HK\$2,072,639 on turnover of HK\$225,978 in 2009. For the year ended 31 December 2010, the Group received HK\$132,120 in dividend income (2009: HK\$225,978) from listed securities held for trading. The decrease in turnover was mainly due to the decrease in dividend income received from the listed securities.

In 2010, the leading national economics in the emerging markets reported strong economic growth, while GDP growth in certain developed countries also took a positive return. In the coming future, it is expected that the global economic will grow slowly and the China's economic will be slowed down because of the policy to curb the inflation.

Whilst the outlook for 2011 is clustered with various uncertainties and opportunities, the Group will adopt a conservative investment strategy in order to improve its business performance. The Group will also closely monitor its investment portfolio and actively explore the suitable secured investment opportunities with reasonable return in order to maximize the shareholders' value.

FINANCIAL REVIEW

Liquidity and financial resources

As at 31 December 2010, the Group's current ratio was 0.38, based on the current assets of HK\$7,949,232 and current liabilities of HK\$20,837,529. No gearing ratio was available as the Group was in a negative equity position.

Capital structure

There has been no change to the capital structure of the Company since 1 January 2007.

Material acquisitions and disposals of subsidiaries

The Group has not made any material acquisition or disposal of subsidiaries during the year ended 31 December 2010.

Capital commitment and contingent liabilities

As at 31 December 2010, 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 31 December 2010, the Group employed a total of 4 employees (2009: 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 year under review amounted to HK\$2,078,400 (2009: HK\$2,078,400).

CHARGES ON THE COMPANY'S ASSETS AND CONTINGENT LIABILITIES

As at 31 December 2010, there were no charges on the Company's assets and the Company did not have any significant contingent liabilities.

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.

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 final results for the year ended 31 December 2010.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with the Code on Corporate Governance Practices ("Code") as set out in Appendix 14 to the Listing Rules throughout the year under review, except that the independent non-executive Directors are not appointed for a specific term as required by Provision A.4.1 of the Code, but are subject to retirement by rotation in accordance with the Articles of Association of the Company.

SCOPE OF WORK OF AUDITOR ON PRELIMINARY RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2010 as set out in the preliminary announcement have been agreed by the Group's auditor, W. H. Tang & Partners CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by W. H. Tang & Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by W. H. Tang & Partners CPA Limited on the preliminary announcement.

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 for Securities Transactions by Directors of Listed Issuers (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.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company’s shares during the year.

PUBLICATION OF ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE

The 2010 annual report of the Company containing all the information required by the Listing Rules will be published on the websites of the Company (<http://www.hklistedco.com/hklco.asp?PD=Home&SC=0356&L=E>) and the Stock Exchange (www.hkex.com.hk) in due course.

By Order of the Board
Incutech Investments Limited
Tung Tat Wah
Executive Director

Hong Kong, 21 March 2011

As at the date of this announcement, the Board comprises 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.