



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 2008

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 2008 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2008

		Six months ended 30 June 2008 (Unaudited) HK\$	Six months ended 30 June 2007 (Unaudited) HK\$
Turnover	3	–	989,425
(Loss)/profit on disposal of investments held for trading		(15,025)	1,317,790
Fair value (loss)/gain on investments held for trading		(1,535,090)	11,779,319
Other revenue		192,000	–
Investment management fee		(170,017)	(579,856)
Other operating expenses		(1,456,133)	(357,800)
Operating (loss)/profit		(2,984,265)	13,148,878
Finance costs		(220,626)	(1,033,357)
(Loss)/profit before income tax		(3,204,891)	12,115,521
Income tax	4	–	(1,141,647)
(Loss)/profit for the period	6	(3,204,891)	10,973,874
(Loss)/profit per share	5	(4.45 cents)	15.24 cents
Interim dividend	7	Nil	Nil

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2008

	30 June 2008 (Unaudited) HK\$	31 December 2007 (Audited) HK\$
NON-CURRENT ASSETS		
Property, plant and equipment	173,837	–
Available-for-sale investments	2	2
	<u>173,839</u>	<u>2</u>
CURRENT ASSETS		
Investments held for trading	7,581,940	9,117,030
Loans receivable	–	2
Prepayments and other receivables	269,273	270,404
Cash and cash equivalents	807,966	11,516
	<u>8,659,179</u>	<u>9,398,952</u>
CURRENT LIABILITIES		
Margin accounts payable	–	870
Short term loans	6,119,667	4,399,041
Other payable and accruals	3,171,429	2,252,230
Tax payable	1,005,082	1,005,082
	<u>10,296,178</u>	<u>7,657,223</u>
NET CURRENT(LIABILITIES)/ASSETS	<u>(1,636,999)</u>	<u>1,741,729</u>
NET (LIABILITIES)/ASSETS	<u><u>(1,463,160)</u></u>	<u><u>1,741,731</u></u>
CAPITAL AND RESERVES		
Share capital	720,000	720,000
Reserves	(2,183,160)	1,021,731
SHAREHOLDERS' FUNDS	<u><u>(1,463,160)</u></u>	<u><u>1,741,731</u></u>

Notes to the Condensed Consolidated Financial Statements

1. BASIS OF PREPARATION

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.

2. PRINCIPAL ACCOUNTING POLICIES

In the current period, the Group has applied, for the first time, a number of new standards, amendments and interpretations (hereinafter collectively referred to as “new HKFRSs”) issued by HKICPA.

HK(IFRIC) – Int 11	HKFRS 2: Group and Treasury Share Transactions
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of these new HKFRSs has no significant impact on the Group’s results and financial position.

The Group has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of the other new or revised standards and interpretations will have no material impact on the results and the financial position of the Group.

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ²
HKAS 32&1 (Amendment)	Puttable Financial Instruments and Obligations Arising on Liquidations ¹
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ¹
HKFRS 3 (Revised)	Business Combinations ²
HKFRS 8	Operating Segments ¹
HK(IFRIC)-Int 13	Customer Loyalty Programmes ³

¹ Effective for annual periods beginning on or after January 1, 2009

² Effective for annual periods beginning on or after July 1, 2009

³ Effective for annual periods beginning on or after July 1, 2008

3. TURNOVER, REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in investments in listed and unlisted securities issued by companies having operations and activities in Hong Kong. Total revenues recognized during the six months ended 30 June 2008 are as follows:

	Six months ended 30 June 2008 (Unaudited) HK\$	Six months ended 30 June 2007 (Unaudited) HK\$
Turnover comprises of		
Interest Income	–	989,425

Since the principal activity of the Group is investing in Hong Kong securities with over 90% of its turnover and contribution to results derived from such activity in Hong Kong, no separate disclosure of geographical nor business segment information is presented.

4. 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 2008 (Unaudited) HK\$	Six months ended 30 June 2007 (Unaudited) HK\$
Hong Kong profits tax	–	1,141,647

5. (LOSS)/EARNINGS PER SHARE

The calculation of the basic loss per share for the six months ended 30 June 2008 is based on the Group's loss attributable to the shareholders of HK\$3,204,891 and the weighted average number of 72,000,000 ordinary shares in issue during the period. Basic profit per share for the six months ended 30 June 2007 is based on the Group's profit attributable to shareholders of HK\$10,973,874 and the weighted average number of 72,000,000 shares in issue during the prior period.

No diluted (loss)/earnings per share are presented since the Group did not issue any dilutive potential ordinary shares during both periods presented.

6. (LOSS)/PROFIT FOR THE PERIOD

	Six months ended 30 June 2008 (Unaudited) HK\$	Six months ended 30 June 2007 (Unaudited) HK\$
Depreciation of property, plant and equipment	53,126	–
Listing fees	72,500	72,500
Rental charges under operating leases of land and buildings	289,984	–
Staff costs (including directors' remuneration)	432,131	–

7. DIVIDEND

The directors of the Company do not recommend the payment of any interim dividend for both periods.

INTERIM DIVIDEND

The Board of Directors has resolved not to pay any interim dividend for the period ended 30 June 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2008, threatened by the credit crisis and inflation, the global economy recorded sluggish growth and the stock markets came under pressure. The Hong Kong asset management industry, being a part of the global markets, faces the same set of challenges. In the first seven months of 2008, gross and net sales of mutual funds went down by 40.9% and 98.1% as compared with the same period in 2007, according to the Hong Kong Investment Funds Association.

Due to weak global economic outlook and the negative implications on corporate earnings, as well as the volatility in the commodity and financial markets, along with adverse impact brought by surging energy prices and US dollar depreciation to global economic growth, investors are very cautious about making investments in financial markets.

BUSINESS REVIEW

The Group reported a net loss from operation of HK\$2,984,265 on nil turnover in 2008 as compared with a profit from operation of HK\$13,148,878 on turnover of HK\$989,425 in 2007. The reason of significant loss incurred during the period was due to the recognition of fair value loss on investments held for trading of approximately HK\$1,535,090 as expenses which were arising from investments held for trading during the period.

The Group's portfolio of investment comprises mainly securities listed in Hong Kong. The value of our portfolio diminished significantly during the first half year of 2008 following the downturn in the global stock markets. The portfolio of listed securities investments was affected by the poor market sentiment and the market value of approximately HK\$7,581,940 was recorded as at 30 June 2008.

Due to further deterioration and spill of US sub-prime mortgage crisis, the Group will adopt a conservative investment strategy and 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.

PROSPECTS

We continue to see downside risk in the stock market ahead of us in the forthcoming half year. Although the global economic is a in a downside position, we will be able to take advantage of further major market adjustments and sustain our non-cash revaluation losses.

In the second half of 2008, the rapidly changing economic environment is still a challenge to the Group, but our management team has always been maintaining cautious, optimistic and endeavored attitudes to manage the Group and make the best contribution.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30 June 2008, the Group's current ratio was 0.84, based on the current assets of HK\$8,659,179 and current liabilities of HK\$10,296,178.

As at 30 June 2008, the Group had cash and cash equivalents of HK\$807,966 and net financial asset investments of approximately HK\$7,581,940.

Capital Structure

There has been no change to the capital structure of the Company during the period ended 30 June 2008.

Material Acquisitions and Disposals of Subsidiaries

The Group has not made any material acquisition or disposal of subsidiaries during the period ended 30 June 2008.

Capital commitment and contingent liabilities

As at 30 June 2008, 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 2008, the Group employed a total of 4 employees (2007: 3) 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\$432,131.

PLEDGE OF ASSETS

The margin accounts payable as at 30 June 2008 were secured by the Group's investments held for trading of HK\$7,581,940 (2007: HK\$9,117,030).

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 2008. In addition, the Group's external auditors have reviewed the unaudited interim financial report set out on pages 9 to 18 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.capitalfp.com.hk/eng/index.jsp?co=356. The 2008 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, 25 September 2008

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. Kwok Ming Fai, Allan, Mr. Siu Siu Ling, Robert and Mr. Lee Ming Ching, Stephen as independent non-executive directors.