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INCUTECH INVESTMENTS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 356)

ANNOUNCEMENT OF 2008 FINAL RESULTS

The board of directors (the “Board”) of Incutech Investments Limited (the “Company”) hereby present the consolidated results of the Company and its subsidiaries (the Group”) for the financial year ended 31 December 2008.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2008

	<i>Note</i>	2008 HK\$	2007 HK\$
Turnover	3	196,951	1,957,505
(Loss)/gain on disposals of investments held for trading		(84,916)	1,317,789
Fair value loss on investments held for trading		(3,468,180)	(5,933,281)
Allowance for impairment			
– Available-for-sale investments		–	(42,252,303)
– Loans receivable		–	(23,574,731)
Investment management fee		(530,017)	(1,053,990)
Other operating expenses		(3,846,553)	(1,196,578)
Operating loss		(7,732,715)	(70,735,589)
Finance costs	4	(500,864)	(1,292,073)
Loss before income tax	5	(8,233,579)	(72,027,662)
Income tax	6	–	–
Loss attributable to shareholders		(8,233,579)	(72,027,662)
Loss per share	8	(HK\$0.11)	(HK\$1.00)

CONSOLIDATED BALANCE SHEET

As at 31 December 2008

	2008 HK\$	2007 HK\$
NON-CURRENT ASSETS		
Property, plant and equipment	118,222	–
Available-for-sale investments	2	2
	<u>118,224</u>	<u>2</u>
CURRENT ASSETS		
Investments held for trading	5,295,228	9,117,030
Loans receivable	2	2
Prepayments and other receivables	184,079	270,404
Cash and cash equivalents	141,096	11,516
	<u>5,620,405</u>	<u>9,398,952</u>
CURRENT LIABILITIES		
Margin accounts payable	–	870
Short term loans	6,399,905	4,399,041
Other payables and accruals	3,195,604	2,252,230
Due to director	1,629,886	–
Tax payable	1,005,082	1,005,082
	<u>12,230,477</u>	<u>7,657,223</u>
NET CURRENT (LIABILITIES)/ASSETS	<u>(6,610,072)</u>	<u>1,741,729</u>
NET (LIABILITIES)/ASSETS	<u>(6,491,848)</u>	<u>1,741,731</u>
CAPITAL AND RESERVES		
Share capital	720,000	720,000
Reserves	(7,211,848)	1,021,731
SHAREHOLDERS' FUNDS	<u>(6,491,848)</u>	<u>1,741,731</u>
NET (LIABILITIES)/ASSET VALUE PER SHARE	<u>(HK\$0.09)</u>	<u>HK\$0.02</u>

NOTES TO THE ACCOUNTS

1. GENERAL INFORMATION

Incutech Investments Limited (the “Company”) was incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

2. PRINCIPAL ACCOUNTING POLICIES

The accounts have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “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”). They 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 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 the current year, 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 Hong Kong Institute of Certified Public Accountants (“HKICPA”).

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
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.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

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 group 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
HKAS 39 (Amendment)	Eligible Hedged Items ²
HKFRS 1 & HKAS 27 (Amendment)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate ²
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
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate ¹
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation ⁴
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners ²
HK(IFRIC)-Int 18	Transfers of Assets from Customers ²

Apart from the above, the HKICPA has also issued Improvements to HKFRSs* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarify wording. Except for the amendment to HKFRS 5 which is effective for the annual periods on or after 1 July 2009, other amendments are effective for annual periods beginning on or after 1 January 2009 although there are separate transitional provisions for each standard.

¹ Effective for annual years beginning on or after 1 January 2009

² Effective for annual years beginning on or after 1 July 2009

³ Effective for annual years beginning on or after 1 July 2008

⁴ Effective for annual years beginning on or after 1 October 2008

* Improvements to HKFRSs contains amendments to HKFRS 5, HKFRS 7, HKAS 1, HKAS 8, HKAS 10, HKAS 16, HKAS 18, HKAS 19, HKAS 20, HKAS 23, HKAS 27, HKAS 28, HKAS 29, HKAS 31, HKAS 34, HKAS 36, HKAS 38, HKAS 39, HKAS 40 and HKAS 41.

3. TURNOVER, REVENUES AND SEGMENT INFORMATION

Total revenues recognised during the year are as follows:

	2008 <i>HK\$</i>	2007 <i>HK\$</i>
Turnover:		
Interest income		
– Commercial paper	–	1,565,646
– Short term loans	–	181,778
Dividend income	196,951	210,081
	<u>196,951</u>	<u>1,957,505</u>
Other revenue:		
(Loss)/Gain on disposals of Investments held for trading	(84,916)	1,317,789
	<u>112,035</u>	<u>3,275,294</u>

The principal activities of the Group are investments in listed Hong Kong securities and unlisted investment as a single business segment. No separate disclosure of geographical or business segment information is presented.

4. FINANCE COSTS

	2008 <i>HK\$</i>	2007 <i>HK\$</i>
Interest on short term margin loans	–	145,030
Interest on short term loans	500,864	1,147,043
	<u>500,864</u>	<u>1,292,073</u>

5. LOSS BEFORE INCOME TAX

Loss before income tax is stated after charging the following:

	2008 <i>HK\$</i>	2007 <i>HK\$</i>
Auditors' remuneration	180,000	160,000
Depreciation	110,242	–
Listing fees	145,000	145,000
Rental charges under operating leases of land and building	630,400	117,563
Share registration fees	114,745	105,412
Staff costs (including directors' remuneration)	2,055,202	353,820

6. INCOME TAX

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

Reconciliation between tax expense and accounting result at applicable rate:

	2008	2007
	HK\$	HK\$
Loss before income tax	(8,233,579)	(72,027,662)
Notional tax at the domestic tax rate of 16.5% (2007: 17.5%)	(1,358,541)	(12,604,840)
Tax effect of income not subject to taxation	(32,497)	(36,764)
Tax effect on non-deductible expenses	18,190	11,520,815
Tax effect of tax losses not recognised	1,372,848	1,120,789
Income tax expense	—	—

Deferred tax has not been provided because the Group had no significant temporary differences at the balance sheet date.

7. LOSS ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated loss attributable to equity shareholders of the Company includes a loss of HK\$45,074,880 (2007: loss of HK\$2,238,587) which has been dealt with in the financial statements of the Company (note 21(b)).

8. LOSS PER SHARE

The calculation of the loss per share is based on the loss attributable to ordinary equity shareholders of the Company of HK\$8,233,579 (2007: loss of HK\$72,027,662) and the weighted average number of 72,000,000 (2007: 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.

DIVIDENDS

The Board has resolved not to pay a final dividend for the year ended 31 December 2008 (2007: HK\$Nil)

REVIEW OF RESULTS

For the year ended 31 December 2008, the Group recorded a net loss of HK\$8,233,579 and loss per share of HK11 cents. During the year, the Group received HK\$196,951 in dividend income (2007: HK\$210,081) from listed securities.

As for unlisted investments, no fair value change in unlisted investments was recognized for the year ended 31 December 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

The year 2008 was a difficult year for all economics and industries around the world. The United States sub-prime loan crisis triggered an unprecedented financial tsunami across the world. Global economic growth experienced an instant decline, the pace of economic growth in China was slackened, signs of recovery have yet to be seen.

The stock market in Hong Kong fluctuated in the whole year of 2008. We are still cautious about prospects in 2009 and therefore will take prudent view on investments despite believing that Greater China will be the first region to recover from the financial tsunami. Investors' confidence was severely undermined in the financial and investment markets and accelerated the trading volume of stock market decreased and the return of investment portfolio would be affected in a certain degree.

BUSINESS REVIEW AND PROSPECTS

During the year under review, the Group reported a net loss from operation of HK\$8,233,579 on turnover of HK\$196,951 in 2008 as compared with a loss from operation of HK\$72,027,662 on turnover of HK\$1,957,505 in 2007. The decrease in turnover was mainly due to the decrease in trading of listed securities. The reason of net loss incurred for the year was mainly due to the recognition of unrealized holding losses from listed securities.

Due to adverse economic condition and global financial turmoil across the world, the carrying value of the Company's listed securities had dropped significantly as at 31 December 2008 as compared to the last year. The Company had not made any new investments in both listed securities and unlisted investment.

Throughout the year under review, the focus of the Company was to maintain an ongoing operation of its core business included financial investments in listed shares. As at the date of this report, the Company has already taken all necessary steps to ensure compliance with the relevant Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

During the year under review, there had been various changes in the Company's board composition. The current board (the "Board") of directors of the Company (the "Directors") possesses valuable skills, expertise and experience in managing the Group and the Company's affairs and business operation.

The Company aims to identify any attractive business opportunities in order to more diversify its investments and to improve its shareholders' interest in long term. In an effort to improve efficiency, the Group will undergo reorganization of the Group companies in 2009 as well as engaging external professionals to treat certain subsidiaries accordingly.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31 December 2008, the Group's current ratio was 0.46, based on the current assets of HK\$5,620,405 and current liabilities of HK\$12,230,477. 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 2008.

Capital commitment and contingent liabilities

As at 31 December 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 31 December 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 year under review amounted to HK\$2,055,202 (2007: HK\$353,820).

CHARGES ON THE COMPANY'S ASSETS AND CONTINGENT LIABILITIES

As at 31 December 2008, 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.

EXTRACT OF THE DRAFT INDEPENDENT AUDITOR'S REPORT ON THE GROUP'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2008

"BASIS FOR DISCLAIMER OF OPINION

(1) Scope limitation – Available-For-Sale Investments

We have not been provided with sufficient information and explanations as we consider necessary in order to carry out all the relevant verification works on available-for-sale investments as referred in note 15 to the financial statements. In the absence of the sufficient evidence available to us, we were unable to carry out adequate audit procedures to satisfy ourselves that the carrying value and other disclosures in the consolidated balance sheet and the notes thereon relating to the available-for-sale investments are fairly stated.

(2) Going concern

As set out in note 1(b) to the financial statements, the Group incurred a loss for the year and the Group's consolidated net liabilities as at 31 December 2008 was approximately HK\$6,491,848. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business.

(3) Scope limitation – Prior year's audit scope limitation affecting opening balance of Available-For-Sale Investments

As detailed in our report dated 29 April 2008 on the consolidated financial statements of the Group for the year ended 31 December 2007, we have not been provided with sufficient information and explanations as we consider necessary in order to carry out all the relevant verification works on available-for-sale investments. In the absence of the sufficient evidence available to us, we were unable to carry out adequate audit procedures to satisfy ourselves that the carrying value in the consolidated balance sheet as at 31 December 2007 and the notes thereon relating to the available-for-sale investments are fairly stated.

DISCLAIMER OF OPINION: DISCLAIMER ON VIEW GIVEN BY FINANCIAL STATEMENTS

Because of the significance of the matters described in the basis for disclaimer of opinion paragraph, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Group as at 31 December 2008 and of its loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.”

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 2008.

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 year 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.

The Code as set out in Appendix 14 to the Listing Rules was replaced by the Code on Corporate Governance Practices (“Code on CG Practices”) which has become effective for accounting periods commencing on or after 1 January 2005. Appropriate actions are being taken by the Company for complying with the Code on CG Practices.

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.

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 2008 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.capitalfp.com.hk/pdf/CFP2009/0429/E0356.PDF>) 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, 29 April 2009

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.