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INCUTECH INVESTMENTS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 356)

CONTINUING CONNECTED TRANSACTION CONTINUED APPOINTMENT OF HUA YU INVESTMENT MANAGEMENT LIMITED AS INVESTMENT MANAGER

The Board is pleased to announce that on 25 February, 2013, the Company entered into the Management Agreement with HY, pursuant to which the Company continued the appointment of HY as the investment manager of the Company for a term of one year from 1 March 2013 at a total management fee of HK\$600,000, payable in quarterly in the amount of HK\$150,000 per quarter.

HY is the existing investment manager of the Company appointed by the Company under the Previous Agreement which term will expire on 28 February 2013.

As HY is a connected person (as defined under Rule 21.13 of the Listing Rules) of the Company, the entering into by the Company of the Management Agreement with HY constitutes a continuing connected transaction for the Company which is subject to reporting, announcement, annual review and independent shareholders' approval requirement under Rule 14A.35 of the Listing Rules.

A circular containing, among others, further details of the Management Agreement, the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the recommendation of the Independent Board Committee and a notice convening the EGM, will be despatched to the Shareholders as soon as practicable.

MANAGEMENT AGREEMENT

On 25 February 2013, the Company entered into the Management Agreement with HY pursuant to which the Company continued the appointment of HY as the Company's investment manager for the Management Period. The Management Agreement is conditional upon approval of Independent Shareholders.

Principal terms

The principal terms of the Management Agreement are on the same bases as the Previous Agreement. They include:–

Duration

The Management Period (1 year)

Services

HY shall provide non-exclusive investment management services to the Company, including:–

- (a) identify and carry out analysis or investigation of investment opportunities; and
- (b) advise on acquisitions and realizations of investments and submit relevant proposals to the Board for approval.

Remuneration

Investment Management fee: Investment management fee of HK\$600,000, payable quarterly in the amount of HK\$150,000 per quarter.

Condition of the Management Agreement

The Management Agreement is conditional upon the approval of Independent Shareholders at the EGM. If the Independent Shareholders do not approve the Management Agreement at the EGM or any adjournment thereof, the Management Agreement will automatically terminate and neither the Company nor HY will have any obligations and liabilities thereunder.

Reasons for entering into the Management Agreement

HY is the existing investment manager of the Company and has been providing investment management services to the Company since 1 March 2009. The Board is of the view that continued investment management services by HY is in the best interest of the Company and its Shareholders.

LISTING RULE IMPLICATIONS

HY, as the investment manager of the Company, is a connected person of the Company pursuant to Rule 21.13 of the Listing Rules. Accordingly, the transactions contemplated by the Management Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the relevant percentage ratios (other than profits ratio) are exceeded 25%, the transaction contemplated under the Management Agreement is subject to reporting, announcement, annual review and Independent Shareholders' requirement under Chapter 14A.35 of the Listing Rules.

VIEWS OF DIRECTORS

The Directors are of the view that the transactions contemplated by the Management Agreement are (a) fair and reasonable and in the interests of the Company and the Shareholders as a whole; (b) in the ordinary and usual course of business of the Company; and (c) on normal commercial terms which have been negotiated on an arm's length basis.

INFORMATION IN RESPECT OF THE COMPANY AND HY

The Company is an investment company listed under Chapter 21 of the Listing Rules. The Company principally invests in listed and unlisted financial instruments with a potential for earnings growth and capital appreciation.

HY is the existing investment manager of the Company which was incorporated in Hong Kong in 1998 and is a deemed licensed corporation under the SFO to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) of the regulated activities. HY is principally engaged in the business of investment management and provision of corporate advisory services.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, HY, its beneficial owners and its directors are independent third parties not connected with the Company and its connected person (defined under the Listing Rules).

Set out below are the details of the directors of HY:

Mr. LEE Wa Lun, Warren ("Mr. Lee"), aged 49, is a non-executive director of HY. He is also the Chairman of the Board of SHK Hong Kong Industries Limited ("SHK Industries"), an investment company listed on the main board of the Stock Exchange since 1990, with a stock code of 666. He joined SHK Industries in July 1992 and became its director in September 2004. He is also a responsible officer and director of Yu Ming Investment Management Limited ("Yu Ming") since August 1996. Yu Ming is a financial adviser licensed to carry out type 1 (dealing in securities), 4 (advising in securities), 6 (corporate finance) and 9 (asset management) regulated activities in Hong Kong under the Securities and Futures Ordinance ("SFO"). Yu Ming is the investment manager of SHK Industries.

Mr. Lee is also (i) an executive director of Viva China Holdings Limited, a company listed on the growth enterprise market of the Stock Exchange with a stock code of 8032, since June 2010; and (ii) a director of First Natural Foods Holdings Limited, a company listed on the main board of the Stock Exchange with a stock code of 1076, since December 2008.

Mr. Lee graduated with a Bachelor of Science Degree from The University of East Anglia in England in 1986 and obtained a distinction in Master of Science Degree from The City University Business School in London in 1988.

Mr. WANG Yinan (“Mr. Wang”), aged 55, licensed under the SFO to carry out Type 4, 6 and 9 activities with HY since 2005. Mr. Wang graduated with major in economics at Jilin University, the PRC. He joined China Huaneng Finance Corporation (“CHFC”) in 1992 as deputy president and became the president in 1993. CHFC is a member of China Huaneng Group in the PRC. CHFC is a non-banking financial institution authorised by the People’s Bank of China in the PRC. The principal activities of CHFC include deposit taking, provision of loans and credits, issuance of guarantee and issuance of bonds.

In 1994, upon the instruction of China Huaneng Group, he established Hua Jian International Finance Company Limited (“Hua Jian”). In 1997, he became the deputy general manager of China Huaneng Group, a major power station operator in the PRC. Hua Jian is the representative organization of CHFC in Hong Kong. Between 1999 and 2003, Mr. Wang was the Chairman of Jutian Securities Company Limited (巨田証券有限公司) in Shenzhen, the PRC.

Mr. LAU Lap Kwan (Mr. Lau”), aged 63, licensed under the SFO to carry out Type 4, 6 and 9 activities with HY since 2005, graduated from the Heavy machinery Department of Northeast Heavy Machinery Institute, in Heilongjiang, the PRC in November 1975.

Between 1982 and 1985, Mr. Lau worked for the Government of Heilongjiang Province. He was involved in the approval of technology transfer. In 1985, by appointment of the Government of Heilongjiang Province, He joined HHK Consultancy and Development Company, Limited (“HHK”), a Heilongjiang company based in Hong Kong. In June 1988, he became a director of HHK, and oversaw its investment businesses and Heilongjiang Province’s trade promotion activities in Hong Kong. He was involved mainly in the evaluation of the feasibility of investment projects including investment structure, capital raising, debt repayment, risk return evaluation, and long-term prospects. HHK raised debt capital in Hong Kong for joint ventures in the PRC, and introduced partners to co-invest. HHK is also engaged in the negotiation of turnkey projects for factories’ facilities contracts, importing and post investment management. Between 1994 and 1995, he joined Sampoe Industries (HK) Limited, a Japanese trading and investment company in Hong Kong.

In 1996, Mr. Lau joined Hua Jian International Finance Company, Limited, a representative organization of China Huaneng Finance Corporation (“CHFC”) in Hong Kong. CHFC is a member of China Huaneng Group in the PRC. He is the Vice

President of Hua Jian and responsible for the daily operations and management of the company. Hua Jian is principally engaged in the treasury and asset management of China Huaneng Group. Total investments in Hong Kong are normally between approximately US\$30 million to US\$50 million per annum. Businesses involved include advising the subsidiaries of China Huaneng Group on matters relating to investment, capital raising, investment evaluation in Hong Kong, project appraisal in the PRC, direct investment in the PRC projects and infrastructure investment.

Mr. LEONG Chi Wai, aged 37, licensed under SFO to carry out Type 4, 6 and 9 activities. He graduated from the University of Hong Kong with a Bachelor degree in Business Administration (Accounting and Finance) in 1997. He has over 15 years of experience in corporate finance, asset management and direct investments. He was a licensed representative of Yu Ming between 2003 and 2008. He has been a responsible officer of HY since 2010. He also has over 15 years of experience in property investments and developments and is licensed under the Estate Agents Authority.

GENERAL

An independent board committee comprising Mr. Kwok Ming Fai, Allan, Mr. Siu Siu Ling, Robert and Mr. Lee Ming Ching, Stephen has been formed to advise the Independent Shareholders in respect of the Management Agreement and the Transaction. The Independent Financial Adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Management Agreement and the Transaction.

The EGM will be convened at which ordinary resolution(s) will be proposed to consider and, if thought fit, approve, confirm and ratify the Management Agreement and the Transaction by way of a poll. Based on the information available to the Company at the date of this announcement, no shareholder is required to abstain from voting at that meeting.

A circular containing, among others, further details of the Management Agreement, the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the recommendation of the Independent Board Committee and a notice convening the EGM, will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“associates”	has the meaning ascribed to this term in the Listing Rules
“Board”	the board of Directors
“Company”	Incutech Investments Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“connected person”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to approve the Management Agreement and the Transaction
“Group”	the Company and its subsidiaries
“HY”	Hua Yu Investment Management Limited
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company comprising Mr. Kwok Ming Fai, Allan, Mr. Siu Siu Ling, Robert and Mr. Lee Ming Ching, Stephen (all being independent non-executive Directors) to advise the Independent Shareholders in respect of the Management Agreement and the Transaction
“Independent Financial Adviser”	the independent financial adviser to be appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Management Agreement and the Transaction
“Independent Shareholders”	Shareholders of the Company other than those are required to abstain form voting at the EGM

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management Agreement”	the investment management agreement entered into between the Company and HY on 1 March 2013, in relation to the renewal of HY as investment manager of the Company, the terms of which shall be subject to approval by the Independent Shareholders
“Management Period”	the period from 1 March 2013 to 28 February 2014
“Previous Agreement”	the investment management agreement made between the company and HY dated 1 March 2011
“PRC”	People’s Republic of China
“SFO”	the Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the transaction contemplated under the Management Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 25 February 2013

As at the date of this announcement, the Board is comprised of Mr. Tung Tat Wah and Mr. 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.