

INTERIM RESULTS AND CONDENSED ACCOUNTS

The Board of Directors of Incutech Investments Limited (the "Company") is pleased to present the interim report and condensed accounts of the Company and its subsidiaries (the "Group") for the six months ended 30th June, 2003. The consolidated results, consolidated cash flow statement, and consolidated statement of changes in equity for the period ended 30th June, 2003 and the consolidated balance sheet as at 30th June, 2003 of the Group, all of which are unaudited and condensed, are set out on pages 6 to 16 of the interim report, along with selected explanatory notes.

INTERIM DIVIDEND

The Board of Directors has resolved not to pay any interim dividend for the period ended 30th June, 2003.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Looking back on the first half of 2003, the whole market environment and economy became more difficult than before, especially in the region of South East Asia. The outbreak of atypical pneumonia and the war in Iraqi stalled the economy of Hong Kong. The Hang Seng Index tumbled to a 3-year low in March 2003. The Board of Directors (the "Board") had adopted a conservative investment approach in response to such investment environment.

With the signing of the Closer Economic Partnership Arrangement on 29th June, 2003 which cover 270 goods and 17 services including investment. Hong Kong-based enterprises would be benefited in terms of lowering operating costs and increasing business opportunities. The Board will strive hard to identify appropriate investments under the mixed investment environment with a view to enhancing shareholders' value.

Despite the sluggish economy, the Group managed to maintain a stable income out of its investments. Turnover for the six months ended 30th June, 2003 was HK\$1,024,259 as compared to HK\$213,839 for the period from 5th December, 2001 (date of incorporation) to 30th June, 2002. Profit attributable to shareholders for the six months ended 30th June, 2003 was HK\$1,354,841 representing an increase of 588% when compared to the profit attributable to shareholders of HK\$196,970 for the period ended 30th June, 2002.

As at 30th June, 2003, the Group recorded shareholders' funds of HK\$56,420,042 as compared to HK\$55,065,201 as at 31st December, 2002. Total net asset value per share was HK\$0.94 (2002: HK\$0.92).