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INCUTECH INVESTMENTS LIMITED

(Incorporated in the Cayman Islands with limited liability)

PLACING OF NEW SHARES UNDER GENERAL MANDATE AND RESUMPTION OF TRADING

PLACING AGENT



UPBEST SECURITIES COMPANY LIMITED

The Company has conditionally agreed to place, through the Placing Agent, 12,000,000 Placing Shares to independent investors at a price of HK\$1.10 per Placing Share.

The Placing Shares represent 20% of the existing issued share capital of the Company of 60,000,000 Shares and about 16.67% of the Company's issued share capital of 72,000,000 Shares as enlarged by the Placing.

The gross proceeds from the Placing will be HK\$13.2 million. The net proceeds of about HK\$13 million from the Placing will be used for investment in listed and unlisted securities with earnings growth and capital appreciation potential.

The Placing Price of HK\$1.10 represents (i) a premium of 10% to the closing price of HK\$1.00 per Share as quoted on the Stock Exchange on 30 October 2003, being the last trading day before this announcement; (ii) a premium of about 7.32% to the average of the closing price per Share of approximately HK\$1.025 as quoted on the Stock Exchange for the last 10 trading days ended 30 October 2003, being the last trading day before this announcement, and (iii) a premium of about 12.02% of the net asset value per Share of HK\$0.982 as at 30 September 2003, the latest published unaudited financial information.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are fair and reasonable based on the current market condition and in the interests of the Company and its Shareholders as a whole.

The Placing is conditional upon, among other things, the Stock Exchange granting listing of and permission to deal in the Placing Shares.

At the request of the Company, trading of securities of the Company on The Stock Exchange of Hong Kong Limited was suspended with effect from 9:30 a.m. on 31 October 2003 pending the release of this announcement. Application has been made to The Stock Exchange of Hong Kong Limited to resume trading of the securities of the Company on The Stock Exchange of Hong Kong Limited with effect from 9:30 a.m. on 3 November 2003.

THE PLACING AGREEMENT DATED 30 OCTOBER 2003

Issuer

Incutech Investments Limited

Placing Agent

The Placing Agent has conditionally agreed to place in aggregate 12,000,000 Placing Shares and will receive a placing commission of 1.0% on the gross proceeds of the Placing.

The Placing Agent is an associate (as defined in the Listing Rules) of Upbest Assets Management Limited, the investment manager of the Company, and is regarded as a connected person of the Company under Rule 21.13 of the Listing Rules. Accordingly, the Placing Agreement constitutes a connected transaction of the Company under the Listing Rules.

Placees

The Placing Shares will be placed to not less than six placees. The Placees and their respective ultimate beneficial owners (which are required to be independent individual, corporate and/or institutional investors) will not be connected persons (as defined in the Listing Rules) of the Company.

There will be no introduction of any new substantial shareholders as a result of Placing.

Placing Shares

The Placing Shares represent (i) 20% of the existing issued share capital of the Company of 60,000,000 Shares as at the date of this announcement; and (ii) about 16.67% of the issued share capital of the Company of 72,000,000 Shares as enlarged by the Placing.

The Placing Shares will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$1.10 represents (i) a premium of 10% to the closing price of HK\$1.00 per Share as quoted on the Stock Exchange on 30 October 2003, being the last trading day before this announcement; (ii) a premium of about 7.32% to the average of the closing price per Share of approximately HK\$1.025 as quoted on the Stock Exchange for the last 10 trading days ended 30 October 2003, being the last trading day before this announcement, and (iii) a premium of about 12.02% of the net asset value per Share of HK\$0.982 as at 30 September 2003, the latest published unaudited financial information.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing, including Placing Price and timing, are fair and reasonable based on the current market condition.

General Mandate

The Placing Shares will be issued under the general mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the annual general meeting of the Company held on 30 May 2003. There has been no utilization of the general mandate prior to entering into the Placing Agreement.

Conditions of the Placing

Completion of the Placing is conditional upon, among other things:

- (i) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares; and
- (ii) the Company obtaining all consents and approvals from the relevant authorities, if applicable.

Completion of the Placing

Completion of the Placing is expected to take place on or before the third Business Day after the fulfillment of all the conditions set out in the Placing Agreement, that is on or before 17 November 2003, or such later date as may be agreed by the Company and the Placing Agent.

REASONS FOR THE PLACING

The Company had not conducted any fund raising activities in the past 12 months immediately before the date of this announcement. The Directors consider that the Placing represents an opportunity to raise capital for the Company to further its investment objectives while broadening the shareholder base and the capital base of the Company.

At present, there are no specified investments or potential investments identified by the Company.

USE OF NET PROCEEDS

The Company will bear all the expenses and costs of the Placing which will be approximately HK\$200,000.

The net proceeds of about HK\$13 million from the Placing will be used for investment in listed and unlisted securities with earnings growth and capital appreciation potential.

EFFECT ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the shareholding structure of the Company upon issue of the Placing Shares are set out as below:

	% of existing issued share capital (approximately)	% of issued share capital as enlarged by the Placing (approximately)
Endless Wealth Limited*	25.00	20.83
Placees	-	16.67
Public	75.00	62.50
Total	<u>100.00%</u>	<u>100.00%</u>

* *Endless Wealth Limited is wholly owned and controlled by Mr. Chin Melvyn Michael. Other than being the substantial shareholders of the Company, Endless Wealth Limited and Mr. Chin Melvyn Michael are not connected persons to the Company or the investment manager of the Company.*

APPLICATION FOR LISTING

Application will be made by the Company to the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

GENERAL

The Group is principally engaged in investment in securities listed on the Stock Exchange and unlisted investments for earnings growth and capital appreciation. The Directors consider the terms of the Placing Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Placing Shares will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

The Directors consider that as the market sentiment has been improved recently, it is now a suitable time to raise fund by placing in order to have available fund for listed and unlisted investment when such opportunities are identified.

DISCLOSURE REQUIREMENT

The Directors are of the view that the terms of the Placing Agreement are on a normal commercial terms basis.

As the aggregate placing commission will be less than HK\$1,000,000, the connected transaction contemplated by the Placing Agreement is not subject to any disclosure requirements under Rule 14.24(5) of the Listing Rules. The Company will include details of the transaction in its next published annual report and accounts.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading of securities of the Company on The Stock Exchange of Hong Kong Limited was suspended with effect from 9:30 a.m. on 31 October 2003 pending the release of this announcement. Application has been made to The Stock Exchange of Hong Kong Limited to resume trading of the securities of the Company on The Stock Exchange of Hong Kong Limited with effect from 9:30 a.m. on 3 November 2003.

TERMS AND DEFINITIONS

“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday) on which banks generally are open for business in Hong Kong
“Company”	Incutech Investments Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placees”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligation hereunder

“Placing”	the placing of 12,000,000 new Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Upbest Securities Company Limited, a licensed corporation to carry on business in types 1, 4, 6 and 9 regulated activities (dealing in securities, advising on securities and corporate finance and asset management) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	a conditional placing agreement entered into between the Company and the Placing Agent dated 30 October 2003 in relation to the Placing
“Placing Price”	HK\$1.10 per Placing Share
“Placing Shares”	an aggregate of 12,000,000 Shares to be placed pursuant to the terms of the Placing Agreement
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Choi Wai Yin
Executive Director

Hong Kong, 31 October 2003

Please also refer to the published version of this announcement in The Standard.