

INTERIM RESULTS AND CONDENSED ACCOUNTS

The Board of Directors (the "Board") 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, 2006. The consolidated results, consolidated cash flow statement, and consolidated statement of changes in equity for the period ended 30th June, 2006 and the consolidated balance sheet as at 30th June, 2006 of the Group, all of which are unaudited and condensed, are set out on pages 8 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, 2006.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the six-month period ended 30th June 2006, the Group reported a net profit of approximately HK\$946,000 on turnover of HK\$842,736 as compared with a net loss of approximately HK\$9,419,000 on turnover of HK\$398,664 for the corresponding period in 2005. The profit achieved was mainly generated from dividend income and interest income during the period. In addition, the Group recorded income of approximately HK\$11,373,000 arising from unrealized gain on investments held for trading which compared to an unrealized loss of approximately HK\$15,184,000 on marketable securities for the corresponding period in 2005. This achievement reflected improved market conditions, particularly in the stock market, in Hong Kong. After off-setting a loss of approximately HK\$8,390,000 arising from provision for losses on available-for-sale investments, and the deduction of operating expenses, a net profit of approximately HK\$946,000 was recorded.

Operating expenses had been well contained during the period. Whilst increases of interest rate occurred, with the Group's strategy to reduce borrowings, finance cost was in fact decreased substantially by almost 40% from approximately of HK\$1,145,000 for the 6-month period ended 30th June, 2005 to approximately HK\$690,000 for the 6-month period ended 30th June, 2006.

The outlook of Hong Kong remains optimistic. While China continues to carry forward reform and pursue development, marked progress has been made in curbing the inflation level by adopting measures, including strengthening and improving macro control, the overall economic situation in China is satisfactory. With this positive business and improved investment environment, the Group's investments are anticipated to provide the Group with certain recurrent dividend and incomes.

As at 30th June, 2006, the Group recorded net assets of HK\$67,241,154 (as at 31st December, 2005: HK\$66,294,527). Total net asset per share was HK\$0.934 (as at 31st December, 2005: HK\$0.921).

FINANCIAL REVIEW

Liquidity and Financial resources

As at 30th June, 2006, the Group had no bank overdraft outstanding (2005: overdraft HK\$35,565). As at 30th June, 2006, part of listed equity securities of the Group had been pledged to secure margin facilities.

Capital structure

There has been no change in the Group's capital structure since 31st December, 2005.

Capital commitment and contingent liabilities

As at 30th June, 2006, the Group had no material capital commitment and contingent liabilities.

SIGNIFICANT INVESTMENTS HELD

During the period ended 30th June, 2006, the Group held investment in listed shares and unlisted securities of approximately HK\$14.7 million and HK\$37.9 million respectively.

EMPLOYEES AND REMUNERATION POLICIES

As at 30th June, 2006, the Group had 3 employees, including the executive directors of the company.

SHARE OPTIONS

The Group does not adopt any share option scheme.