



INCUTECH

INCUTECH INVESTMENTS LIMITED

(Incorporated in Cayman Islands with limited liability)
Stock Code: 356

2009
Interim Report

INTERIM RESULTS AND CONDENSED ACCOUNTS

The Board of Directors (the “Board”) of Incutech Investments Limited (the “Company”) is hereby present the interim report and condensed accounts of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2009. The consolidated results, consolidated statement of cash flows, and consolidated statement of changes in equity for the period ended 30 June 2009 and the consolidated statement of financial position as at 30 June 2009 of the Group, all of which are unaudited and condensed, are set out on pages 11 to 22 of the interim report, along with selected explanatory notes.

REVIEW OF RESULTS

For the six months ended 30 June 2009, the Group recorded a net loss from operation of HK\$2,018,024 (2008: HK\$3,204,891) and loss per share of HK2.8 cents (2008: HK4.45 cents).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the period, the net loss from operation of the Group amounted to HK\$2,018,024, representing an decrease of HK\$1,186,867, or approximately 37%, when compared with HK\$3,204,891 for the corresponding period last year. The reason of decrease in loss during the period under review was due to the recognition of fair value gain on investments held for trading of HK\$873,420 as income arising from investments held for trading during the period.

During the period under review, the Company did not made any new investment. The Group’s portfolio of investment comprises mainly securities listed in Hong Kong. As at 30 June 2009, the Group held listed securities investments at market value of HK\$5,602,548 (2008: HK\$5,295,228).

The stock markets dropped significantly in the second half of 2008 following the financial turmoil in the United States. As one of the international financial centers, Hong Kong could not immune itself from such global financial crisis.

The first quarter of the 2009 was undoubtedly challenging because of weak investor sentiment from 2008. Entering into the second quarter of 2009, various governments have introduced a sequence of quantitative easing monetary policy to stimulate and stabilize the global economy. After adoption of both fiscal and monetary policies, the global economy seemed to have taken effect in slowing the pace of economic downturn.

Although the Group's business performance in the first half of the 2009 improved as compared to the same period last year, we are still exposed to a number of challenges in financial markets. The overall performance of the Company is expected to maintain a steady recovery trend in the second half of the 2009.

PROSPECTS

Looking forward into the second half of 2009, it is anticipated that the gradual recovery of the global economy together with the PRC's measures for stimulating domestic demand will have positive impact on investment environments. However, whether the global economy is bottoming out is still uncertain and the financial environment remains challenging to the Group.

The Group takes a cautious view of its business for the second half of 2009, it will adopt a conservative investment strategy and continue to manage the existing investments in accordance with the Company's investment objective and policy of achieving long term capital appreciation and evaluate potential investments with a view of gaining investment returns for our shareholders.

INTERIM DIVIDEND

The Board of Directors has resolved not to pay any interim dividend for the period ended 30 June 2009.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30 June 2009, the Group's current ratio was 0.407, based on the current assets of HK\$5,885,260 and current liabilities of HK\$14,456,240. The Group's gearing ratio was not applicable.

As at 30 June 2009, the Group had cash and cash equivalents of HK\$65,516 and net financial asset investments of HK\$5,602,548.

Capital Structure

There has been no change to the capital structure of the Company since 1 January 2009.

Material Acquisitions and Disposals of Subsidiaries

The Group has not made any material acquisition or disposal of subsidiaries during the period ended 30 June 2009.

Capital commitment and contingent liabilities

As at 30 June 2009, 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 30 June 2009, the Group employed a total of 4 employees (2008: 4) 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 period under review amounted to HK\$1,039,200 (2008: HK\$432,131).

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.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the period under review, the Company has not redeemed any of its securities and neither the Company nor any of its subsidiaries has purchased or sold any of the Company's securities.

DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 2009, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company or The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") were as follows:

Long position in shares of the Company

Name of Director	Type of interests	Interest in Shares	Approximate percentage of total issued ordinary shares	Interest in underlying shares/debentures	Approximate percentage of total issued ordinary shares
Tung Tat Wah (Note)	Corporate	15,000,000 (Note)	20.83%	15,000,000 (Note)	20.83%
Michael Wu Chun Wah (Note)	Corporate	15,000,000 (Note)	20.83%	15,000,000 (Note)	20.83%

Notes:

As at 30 June 2009, Mr. Michael Wu Chun Wah, through his 40% equity interest in Biggish Management Limited, held 15,000,000 shares of the Company, representing approximately 20.83% of the entire issued share capital of the Company. The remaining 60% equity interest in Biggish Management Limited, the substantial shareholder of the Company, is held by Mr. Tung Tat Wah.

Save as disclosed above, none of the Directors, chief executives of their associates had any interests and short positions in any shares, underlying shares of equity derivatives or debentures of the Company or any of its associated corporations as defined in Part XV of SFO as recorded in the register to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 30 June 2009, so far as is known to the Directors, the following persons (other than the Directors and Chief Executives of the Company) had interests or short positions in the Shares and underlying Shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

Long positions in Shares

Name of shareholder	Type of interests	Interest in Shares	Approximate percentage of total issued ordinary shares	Interest in underlying shares	Approximate percentage of total issued ordinary shares
Biggish Management Limited (Note)	Beneficial Owner	15,000,000	20.83%	15,000,000	20.83%

Note: These interests has been disclosed in the above section headed "Directors' Interests in Securities".

Save as disclosed above, the Directors are not aware of any other persons who have interests or short positions in the Shares, underlying Shares or debentures of the Company or any associated corporations (within the meaning of the SFO) as recorded in the register required to be kept under section 336 of the SFO.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its directors, as at the date of this report, there is sufficient public float of more than 25% of the issued share capital of the Company as required under the Listing Rules.

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance in relation to the Company's business to which the Company, its holding company, or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the period end or at any time during the period.

CONNECTED TRANSACTIONS

- (a) Significant related party transactions entered by the Group during the period ended 30 June 2009, which do not constitute connected transactions under the Rule Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rule"), are disclosed in Note 18 to the accounts.
- (b) Other related party transactions, which also constitute connected transactions under the Listing Rules, required to be disclosed in accordance with Chapter 14 of the Listing Rules, are disclosed in Note 17 to the accounts.

The investment manager of the Company is regarded as a connected person of the Company under Chapter 14 of the Listing Rules. Accordingly, the investment management agreement constitutes a connected transaction of the Company.

The management fee paid during the period amounted HK\$321,445 (2008: HK\$170,017). The transaction was entered into by the Company in the ordinary and usual course of business in accordance with the terms of the agreement, conducted on normal commercial terms and did not exceed the cap amount as prescribed in the waiver granted by the Stock Exchange. The transaction had been reviewed by the independent non-executive directors and received approval from the Company's board of directors.

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 interim results for the period ended 30 June 2009. In addition, the Group's external auditors have reviewed the unaudited interim financial statements set out on pages 11 to 22 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

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.

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 period 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.

None of the existing independent non-executive directors of the Company is appointed for a specific term. This constitutes a deviation from code provision A.4.1 of the Code. However, all the directors of the Company are subject to the retirement provisions under paragraph (1) of article 88 of the Articles of Association of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

By order of the Board

Tung Tat Wah

Chairman

Hong Kong, 28 September 2009

As at the date of this announcement, the Board is comprised of Mr. Tung Tat Wah and Mr. Michael Wu Chun Wah as executive Directors; Mr. Allan Kwok Ming Fai, Mr. Robert Siu Siu Ling, and Mr. Stephen Lee Ming Ching, as independent non-executive Directors.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF INCUTECH INVESTMENTS LIMITED *(INCORPORATED IN CAYMAN ISLAND WITH LIMITED LIABILITY)*

INTRODUCTION

We have reviewed the interim financial information set out on page 11 to 22 which comprise the condensed consolidated statement of financial position of Incutech Investments Limited (the “Company”) and its subsidiaries (collectively called the “Group”) as of 30 June 2009 and the related condensed consolidated income statement, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-months period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on the Main Board on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists making inquires, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

World Link CPA Limited

Certified Public Accountants

Hong Kong, 28 September 2009

Ted K.T. Ho

Practising Certificate No. P02296

CONDENSED CONSOLIDATED INCOME STATEMENT*For the six months ended 30 June 2009*

		Six months ended 30 June 2009 (Unaudited)	Six months ended 30 June 2008 (Unaudited)
	Note	HK\$	HK\$
Turnover	3	—	—
Loss on disposal of investments held for trading		(94,705)	(15,025)
Fair value gain/(loss) on investments held for trading		873,420	(1,535,090)
Other revenue		1	192,000
Investment management fee		(321,445)	(170,017)
Operating expenses		(2,240,321)	(1,456,133)
Finance costs	4	(234,974)	(220,626)
Loss before income tax	5	(2,018,024)	(3,204,891)
Income tax	6	—	—
Loss for the period		(2,018,024)	(3,204,891)
Loss per share	7	(2.80 cents)	(4.45 cents)
Interim dividend	8	Nil	Nil

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2009

		30 June 2009 (Unaudited)	31 December 2008 (Audited)
	<i>Note</i>	<i>HK\$</i>	<i>HK\$</i>
NON-CURRENT ASSETS			
Property, plant and equipment	9	61,106	118,222
Available-for-sale investments	10	2	2
		61,108	118,224
CURRENT ASSETS			
Investments held for trading	11	5,602,548	5,295,228
Loans receivable	12	2	2
Prepayments and other receivables		217,194	184,079
Cash and cash equivalents		65,516	141,096
		5,885,260	5,620,405
CURRENT LIABILITIES			
Short term loans	13	6,634,879	6,399,905
Other payables and accruals		4,430,892	3,195,604
Due to director	14	2,385,387	1,629,886
Tax payable		1,005,082	1,005,082
		14,456,240	12,230,477
NET CURRENT LIABILITIES		(8,570,980)	(6,610,072)
NET LIABILITIES		(8,509,872)	(6,491,848)
CAPITAL AND RESERVES			
Share capital	15	720,000	720,000
Reserves		(9,229,872)	(7,211,848)
SHAREHOLDERS' FUNDS		(8,509,872)	(6,491,848)

The condensed consolidated financial statements on pages 11 to 22 were approved by the Board of Directors on 28 September 2009.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2009

	For the six months ended 30 June 2008 (unaudited)			
	Share	Share	Accumulated	Total
	capital	premium	losses	
	HK\$	HK\$	HK\$	HK\$
Balance at 1 January 2008	720,000	67,320,071	(66,298,340)	1,741,731
Loss for the period	—	—	(3,204,891)	(3,204,891)
At 30 June 2008	720,000	67,320,071	(69,503,231)	(1,463,160)

	For the six months ended 30 June 2009 (unaudited)			
	Share	Share	Accumulated	Total
	capital	premium	losses	
	HK\$	HK\$	HK\$	HK\$
Balance at 1 January 2009	720,000	67,320,071	(74,531,919)	(6,491,848)
Loss for the period	—	—	(2,018,024)	(2,018,024)
At 30 June 2009	720,000	67,320,071	(76,549,943)	(8,509,872)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS*For the six months ended 30 June 2009*

	Six months ended 30 June 2009 (Unaudited)	Six months ended 30 June 2008 (Unaudited)
	<i>HK\$</i>	<i>HK\$</i>
Net cash (outflow)/inflow from operating activities	(546,975)	1,023,413
Cash flow generated from/(used in) investing activities	471,395	(226,963)
Net (decrease)/increase in cash and cash equivalents	(75,580)	796,450
Cash and cash equivalents at the beginning of the period	141,096	11,516
Cash and cash equivalents at the end of the period	65,516	807,966
Analysis of cash and cash equivalents		
Cash at banks	65,516	807,966

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2009

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared in accordance with the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The accounting policies used in the condensed consolidated financial statements are consistent with those set out in annual financial statements for the year ended 31 December 2008.

2. APPLICATION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for financial instruments, which are measured at revalued amounts or fair values, as appropriate.

In the current interim period, the Group has applied, for this time, the following new or revised standards, amendments and interpretation issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 January 2009.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 and HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendments)	Vesting Conditions and Cancellations
HKFRS 7 (Amendments)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK (IFRIC) — Int 9 and HKAS 39 (Amendments)	Embedded Derivatives
HK (IFRIC) — Int 13	Customer Loyalty Programmes
HK (IFRIC) — Int 15	Agreements for the Construction of Real Estate
HK (IFRIC) — Int 16	Hedges of a New Investment in a Foreign Operation

2. APPLICATION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (CONT'D)

The adoption of these new or revised standards, amendments and interpretation had no material effect on the results and financial position of the Group for the current and/or prior accounting periods. Accordingly, no prior period adjustment has been required.

Except as described below, the same accounting policies, presentation and methods of computation have been followed in these condensed consolidated financial statements as were applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2008.

HKAS 1 (Revised) — Presentation of Financial Statements

HKAS 1 (Revised) has introduced a number of terminology changes (including revised titles for the condensed consolidated financial statements) and has resulted in a number of changes in presentation and disclosures. However, HKAS 1 (Revised) has had no impact on the reported results or financial position of the Group.

The Group has not early applied the following new or revised standards, amendments and interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of improvements to HKFRSs issued in 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 ²
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ¹
HKAS 39 (Amendment)	Eligible Hedged Items ¹
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions ³
HKFRS 3 (Revised)	Business Combinations ¹
HK(IFRIC) — Int 17	Distributions of Non-cash Assets to Owners ¹
HK(IFRIC) — Int 18	Transfers of Assets from Customers ⁴

¹ Effective for annual periods beginning on or after 1 July 2009.

² Amendments that are effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate.

³ Effective for annual periods beginning on or after 1 January 2010.

⁴ Effective for transfers on or after 1 July 2009.

The Directors of the Company anticipate that the application of these standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. TURNOVER, REVENUE AND SEGMENT INFORMATION

The principal activities of the Group are investments in listed Hong Kong securities and unlisted investment as a single business segment.

This single business segment is presented in the internal reports for the chief operating decision maker to assess its performance as a whole. Therefore, no business segment information is presented.

4. FINANCE COSTS

	Six months ended 30 June 2009 (Unaudited)	Six months ended 30 June 2008 (Unaudited)
	<i>HK\$</i>	<i>HK\$</i>
Short term loan interest	234,974	220,626

5. LOSS BEFORE INCOME TAX

	Six months ended 30 June 2009 (Unaudited)	Six months ended 30 June 2008 (Unaudited)
	<i>HK\$</i>	<i>HK\$</i>
Depreciation of property, plant and equipment	57,116	53,126
Listing fees	72,500	72,500
Rental charges under operating leases of land and buildings	293,584	289,984
Staff costs (including directors' remuneration)	1,039,200	432,131

6. INCOME TAX

No provision for Hong Kong profits tax is required since the company has no assessable profit for the period.

	Six months ended 30 June 2009 (Unaudited)	Six months ended 30 June 2008 (Unaudited)
	<i>HK\$</i>	<i>HK\$</i>
Hong Kong profits tax	—	—

7. LOSS PER SHARE

The calculation of the basic loss per share for the six months ended 30 June 2009 is based on the Group's loss attributable to the shareholders of HK\$2,018,024 and the weighted average number of 72,000,000 ordinary shares in issue during the period. Basic loss per share for the six months ended 30 June 2008 is based on the Group's loss attributable to shareholders of HK\$3,204,891 and the weighted average number of 72,000,000 shares in issue during the prior period.

No diluted loss per share is presented since the Group did not issue any dilutive potential ordinary shares during both periods presented.

8. DIVIDEND

The directors of the Company do not recommend the payment of any interim dividend for both periods.

9. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group did not acquire any item of property, plant and equipment (2008: property, plant and equipment of HK\$226,963 was acquired).

10. AVAILABLE-FOR-SALE INVESTMENTS

	30 June 2009 (Unaudited)	31 December 2008 (Audited)
	<i>HK\$</i>	<i>HK\$</i>
Unlisted equity securities, at cost	45,882,000	45,882,000
Less: Allowances for impairment	(45,881,998)	(45,881,998)
Carrying value	<u>2</u>	<u>2</u>

11. INVESTMENTS HELD FOR TRADING

	30 June 2009 (Unaudited)	31 December 2008 (Audited)
	<i>HK\$</i>	<i>HK\$</i>
Equity securities: Listed in Hong Kong, at fair value	<u>5,602,548</u>	<u>5,295,228</u>

12. LOANS RECEIVABLE

	30 June 2009 (Unaudited)	31 December 2008 (Audited)
	<i>HK\$</i>	<i>HK\$</i>
Loans receivable	2,863,000	2,863,000
Commercial paper	20,711,733	20,711,733
	23,574,733	23,574,733
Less: Allowances for impairment	(23,574,731)	(23,574,731)
Carrying value	2	2

The loans receivable were all made to an independent third party. The Group took legal action for the recovery the loans and no response was received. Due to the loans were unsecured and overdue for repayment, the directors considered that the possibility for recovering the loans are low and full impairment was made against the loans receivable.

13. SHORT TERM LOANS

	30 June 2009 (Unaudited)	31 December 2008 (Audited)
	<i>HK\$</i>	<i>HK\$</i>
Short term loans	6,634,879	6,399,905

Short term loans were borrowed from an independent unrelated person and Upbest Finance Company Limited ("UFC"), which is a fellow subsidiary of Upbest Asset Management Limited ("UAM"), the Company's investment manager.

The loans from the independent unrelated person are secured, and repayable on demand. Interest is charged at the rate at the Hong Kong prime rate plus 1% per annum.

The loans from UFC are unsecured, and repayable on demand. Interest is charged at the rate at the Hong Kong prime rate plus 1% per annum.

The carrying amount of the short term loans at the balance sheet date approximates the corresponding fair value.

14. DUE TO DIRECTOR

The amount due to director is unsecured, interest free and has no fixed term of repayment. The carrying amount of the amount due to director approximates to its fair value.

15. SHARE CAPITAL

	30 June 2009 (Unaudited)	31 December 2008 (Audited)
	<i>HK\$</i>	<i>HK\$</i>
Authorised: 500,000,000 ordinary shares of HK\$0.01 each	5,000,000	5,000,000
Issued and fully paid: 72,000,000 ordinary shares of HK\$0.01 each	720,000	720,000

16. COMMITMENTS UNDER OPERATING LEASES

On 30 June 2009, the Group had future aggregate minimum lease prepayments in respect of land and buildings under non-cancellable operating leases as follows:

	30 June 2009 (Unaudited)	31 December 2008 (Audited)
	<i>HK\$</i>	<i>HK\$</i>
Not later than one year	302,592	538,484
Over one year and not later than five years	—	—
	302,592	538,484

17. CONNECTED TRANSACTIONS

	Group and Company	
	Six months ended 30 June 2009 (Unaudited)	Six months ended 30 June 2008 (Unaudited)
	<i>HK\$</i>	<i>HK\$</i>
Investment management fees (<i>note a</i>)	321,445	170,017
Custodian fee paid to Wing Hang Bank Limited (<i>note b</i>)	30,000	30,000

Notes:

- (a) The investment management fees paid during the period were made according to the investment management agreement entered between the investment manager and the Company.

On 1 March 2009, the Company changed its investment manager from Upbest Assets Management Limited ("UAM") to Hua Yu Investment Management Limited.

The investment manager is regarded as a connected person of the Company under Rule 21.13 of the Listing Rules. Accordingly, the investment management agreement constituted a connected transaction for the Company under the Listing Rules.

- (b) The custodian fee paid during the period was made according to a custodian agreement made with Wing Hang Bank Limited.

On 30 June 2009, the Company changed its custodian from Wing Hang Bank Limited to Bank of Communications Trustee Limited.

The custodian is regarded as a connected person of the Company under Rule 21.13 of the Listing Rules, although the custodian fee falls below the de-minimis threshold under Rule 14A of the Listing Rules.

18. RELATED PARTY TRANSACTIONS

In addition to note 17, the Group undertook the following transactions with related parties in the normal course of its business:

	Six months ended 30 June 2009 (Unaudited)	Six months ended 30 June 2008 (Unaudited)
	<i>HK\$</i>	<i>HK\$</i>
Interest expenses on short term loans (<i>note a</i>)	226,467	220,626

Notes:

- (a) Interest expenses on the extended short term loans, charged at the rate at the Hong Kong prime rate plus 4% per annum (2008: Hong Kong prime rate plus 4% per annum), were paid to UFC, which is a fellow subsidiary of the Group's investment manager, UAM.
- (b) The Group also has investments held for trading in Upbest of HK\$5,086,620 (2008: HK\$4,822,380) at the balance sheet date. Upbest is the ultimate holding company of the Group's investment manager, UAM.