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INTCERA

Intcera High Tech Group Limited

大陶精密科技集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8041)

SUBSCRIPTION FOR NEW SHARES

PLACING OF NEW SHARES AND WHITEWASH WAIVER APPLICATION

Joint Financial Advisers



SOMERLEY LIMITED



統一證券(香港)有限公司
PRESIDENT SECURITIES (HONG KONG) LTD.

Placing Agent



統一證券(香港)有限公司
PRESIDENT SECURITIES (HONG KONG) LTD.

SHARES SUBSCRIPTION

On 7 September 2007, the Company entered into the Subscription Agreement pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to issue and allot 3,542,000,000 Shares at a price of HK\$0.01 per Share.

Completion of the Subscription Agreement is conditional upon, among other terms and conditions as set forth therein, a proposal for the resumption in trading of the Shares on the Stock Exchange having been approved by the Stock Exchange.

* for identification purpose only

WHITEWASH WAIVER

Immediately following Completion, the Subscriber will be interested in 3,542,000,000 Shares, which represent:

- (a) approximately 83.0% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares; and
- (b) approximately 75.0% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares and the Placing Shares.

The Subscriber will make an application to the Executive for the granting of the Whitewash Waiver and if so granted, it will be subject to, among other things, approval by the Independent Shareholders in respect of the Share Subscription and the Whitewash Waiver at the EGM where voting on each of the relevant resolutions in respect thereof shall be decided by way of a poll.

PLACING

On 7 September 2007, the Company and the Placing Agent entered into a conditional Placing Agreement pursuant to which the Placing Agent has agreed to place, on a fully underwritten basis, 458,000,000 Placing Shares to Independent Third Parties at HK\$0.01 per Placing Share. The Placing Shares represent approximately 9.7% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares and the Placing Shares.

GENERAL

The EGM will be held to consider and if thought fit, pass the resolutions to approve (i) the Share Subscription; (ii) the Whitewash Waiver; and (iii) the Placing.

Pursuant to the GEM Listing Rules, the Share Subscription and the Placing are subject to Shareholders' approval under a specific mandate to be obtained at the EGM.

Pursuant to the Takeovers Code, the Subscriber, Bright Castle and Mr. Cheng and their respective concert parties and associates who are involved or interested in the Share Subscription will abstain from voting on the resolutions approving the Share Subscription and the Whitewash Waiver at the EGM. Given that the Placing and the Share Subscription are inter-conditional, the Placing is also subject to Independent Shareholders' approval. An independent board committee will be formed to consider the terms of the Share Subscription, the Whitewash Waiver and the Placing, and an independent financial adviser will be appointed in due course to advise the independent board committee in these regards. Further announcement will be made in relation to the appointment of such independent financial adviser pursuant to Rule 2.1 of the Takeovers Code.

A circular will be despatched to Shareholders in accordance with the requirements of the GEM Listing Rules and the Takeovers Code.

SUSPENSION OF TRADING IN THE SHARES

Trading in the Shares has been suspended since 9:30 a.m. on 6 October 2003.

On 29 June 2006, the GEM Listing Committee has decided to cancel the listing of the Company. The GEM Listing (Review) Committee of the Stock Exchange considered an application from the Company for a review of the decision of the GEM Listing Committee that the listing status of the Company should be cancelled by reason of its failure to submit a viable resumption proposal and to remedy those matters that gave rise to the Stock Exchange's proposal to cancel the listing of the Company, and the GEM Listing (Review) Committee decided that the listing status of the Company should be cancelled. The Company has then applied to the Listing Appeals Committee for a review of the GEM Listing (Review) Committee's decision and the hearing before the Listing Appeals Committee was held on 13 September 2007. However, on 13 September 2007, the Listing Appeals Committee decided to adjourn the review hearing to 7 November 2007 to provide more time for the Company and the Listing Division to submit further written submissions in relation to the resumption proposal.

Trading of the Shares will remain suspended. The listing status of the Shares will be subject to the decision of the Listing Appeals Committee. The Share Subscription and the Placing will not proceed if the Listing Appeals Committee approves the delisting of the Shares.

Completion is conditional upon the Shares remaining listed and resuming trading on the Stock Exchange. Shareholders should note that the Shares may be delisted by the Stock Exchange in the event that the Listing Appeals Committee decides that the listing status of the Company should be cancelled. In such event, the Share Subscription and the Placing will not proceed. Accordingly, Shareholders should exercise caution when dealing in the Shares.

THE SUBSCRIPTION AGREEMENT

Date

7 September 2007

Parties

(a) The Company, as the issuer of the Subscription Shares; and

- (b) JL Investments Capital Limited (the Subscriber), a company incorporated in the British Virgin Islands with limited liability. The Subscriber and Mr. Lau Chi Yuen, Joseph, the ultimate beneficial owner of the Subscriber, represent, warrant and undertake to the Company that neither the Subscriber, Mr. Lau Chi Yuen, Joseph, nor parties acting in concert with any of them are parties connected with or acting in concert with any substantial shareholder, chief executive and/or directors of the Company and of its subsidiaries and their respective associates.

The Subscription Shares

Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue to the Subscriber, and the Subscriber has conditionally agreed to subscribe from the Company, a total of 3,542,000,000 Shares at a price of HK\$0.01 each, by cash.

The Subscription Shares represent:

- (a) approximately 83.0% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares; and
- (b) approximately 75.0% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares and the Placing Shares.

The Subscription Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue as at the date of allotment and issue of the Subscription Shares, including the right to receive all future dividends and distributions which may be declared, made or paid by the Company on or after the date of allotment and issue of the Subscription Shares.

The Subscription Shares will be issued under a specific mandate proposed to be sought from Shareholders at the EGM.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

The Subscription Price

The Subscription Price of HK\$0.01, which is equivalent to the par value of the Shares, represents:

- (a) a discount of approximately 88.4% to the closing price of HK\$0.086 per Share on the Stock Exchange on 3 October 2003, the last trading day of the Shares immediately before the date of this announcement;
- (b) a discount of approximately 89.1% to the average closing price of approximately HK\$0.092 per Share for the last 5 trading days up to and including 3 October 2003;

- (c) a discount of approximately 89.7% to the average closing price of approximately HK\$0.097 per Share for the last 10 trading days up to and including 3 October 2003; and
- (d) a discount of 85.3% to the net asset value of the Company of approximately HK\$0.068 per Share based on the Group's audited consolidated net asset value of approximately HK\$49.4 million as at 31 December 2005.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscriber. In determining the Subscription Price, the Company and the Subscriber have taken into consideration, among other things, the suspension of trading in the Shares on the Stock Exchange since 6 October 2003. The Directors (excluding the non-executive Director and the independent non-executive Directors) consider that the Subscription Price is fair and reasonable.

Conditions Precedent

Completion is conditional upon the satisfaction (of if applicable, waiver) of the following conditions:

- (a) the GEM Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Subscription Shares;
- (b) the passing of the necessary resolution(s) by the Independent Shareholders, in a general meeting (by way of poll) to approve the Share Subscription and any other transactions contemplated hereunder;
- (c) where applicable, the passing of the necessary resolution(s) by the Independent Shareholders (by way of poll) in general meeting to approve the Whitewash Waiver;
- (d) the Subscriber being reasonably satisfied in all material respects with the results of the due diligence review on the Group to be conducted by the Subscriber;
- (e) a proposal for the resumption in trading of the Shares on the Stock Exchange having been approved by the Stock Exchange;
- (f) the Subscriber being reasonably satisfied that the Shares will remain listed and shall resume trading on the Stock Exchange either unconditionally or subject to such conditions as the Subscriber may, acting reasonably, accept;
- (g) no indication being received on or before the date of Completion from the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange may be withdrawn or objected to;
- (h) the Whitewash Waiver having been granted by the Executive to the Subscriber and (if applicable) the satisfaction of all the conditions attaching to the Whitewash Waiver;

- (i) the representations, warranties and undertakings given by the Company remaining true and accurate in all material respects and not misleading in any material respects as at the date of Completion;
- (j) no event, occurrence or development of a state of circumstances or facts which has had or reasonably could be expected to have a material and adverse effect on the financial position, management, business or property, results of operations, legal or financing structure, business prospects or assets or liabilities of the Group taken as a whole shall have occurred on or prior to the date of Completion; and
- (k) the Placing Agreement becoming unconditional in all respects (save any condition requiring the Subscription Agreement to become unconditional) and the Placing Agreement not having been terminated by the placing agent named therein.

In the event that the Placing Agreement with the Placing Agent is terminated for any reason whatsoever, the Company shall irrevocably undertake to enter into a placing agreement with such other placing agent as approved by the Subscriber in writing as soon as practicable, on the same terms and conditions as contained in the Placing Agreement.

The Subscriber may, at its absolute discretion, waive compliance of the conditions (d), (i) and (j). Neither the Subscriber nor the Company may waive any of the conditions (a), (b), (c), (e), (f), (g), (h) and (k). If the above conditions (other than conditions (g), (i) and (j)) have not been fully fulfilled, satisfied or waived on or before the Long Stop Date and/or the conditions (g), (i) and (j) do not remain fulfilled on Completion, the obligations of the parties under the Subscription Agreement shall lapse and the Subscription Agreement shall be of no further effect and the parties thereto shall forthwith be released from performing or further performing such obligations as therein set forth and on their respective part(s) to perform without any liability save in respect of any antecedent breach or any accrued right or remedies, which shall not be prejudiced or affected.

If all the conditions have been fulfilled, satisfied or, if applicable, waived on or before the Long Stop Date, Completion shall take place on the third Business Day immediately following the fulfillment or satisfaction (or if applicable, waiver) of the conditions simultaneously with completion of the Placing Agreement.

WHITEWASH WAIVER

Following the allotment and issue of the Subscription Shares by the Company to the Subscriber on Completion, the Subscriber and parties acting in concert with it will hold 3,542,000,000 Shares (representing approximately 75.0% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares and the Placing Shares). In the absence of the Whitewash Waiver, the Subscriber would incur an obligation pursuant to Rule 26 of the Takeovers Code to make a mandatory offer to the Independent Shareholders to acquire all the Shares other than those held by the Subscriber and parties acting in concert with it.

The Subscriber will make an application to the Executive for the Whitewash Waiver and such grant will be subject to, among other things, (i) approval of the Independent Shareholders in respect of the Share Subscription and the Whitewash Waiver at the EGM where voting on the relevant resolution shall be decided by way of a poll; (ii) the Subscriber and parties acting in concert with it not having acquired any Shares in the six-month period prior to the date of this announcement but subsequent to negotiations, discussions or the reaching of understanding or agreements with the Directors in relation to the Share Subscription; and (iii) the Subscriber and parties acting in concert with it not having any acquisitions or disposals of the Shares between the date of this announcement and date of Completion.

Save for the Convertible Bonds, the Shares to be issued pursuant to the Subscription Agreement and the Placing Agreement, the Company does not have any other outstanding options, derivatives, warrants and other securities convertible into the Shares or any other derivatives as at the date of this announcement.

The Subscriber, Bright Castle and Mr. Cheng and their respective concert parties and associates will abstain from voting on the resolutions approving the Share Subscription and the Whitewash Waiver at the EGM.

Highest and lowest Share prices

Trading of the Shares has been suspended since 6 October 2003 and has not been resumed up to the date of this announcement. The last closing price of the Shares was HK\$0.086.

The Subscriber's dealing and interests in the Company's securities

Save for the subscription for the Subscription Shares pursuant to the Subscription Agreement, none of the Subscriber and parties acting in concert with it has dealt in the Shares, outstanding options, derivatives, warrants or other securities convertible into the Shares in the six-month period prior to and as at the date of this announcement. As at the date of this announcement, the Subscriber and parties acting in concert with it do not hold any Shares.

BACKGROUND INFORMATION ON THE SUBSCRIBER

The Subscriber is a company incorporated in the British Virgin Islands with limited liability and is beneficially wholly owned by Mr. Lau Chi Yuen, Joseph. The Subscriber and its concert parties are Independent Third Parties. The principal business of the Subscriber is investment holding. It has not undertaken any business activities other than the entering into of the Subscription Agreement.

Mr. Lau Chi Yuen, Joseph, holds a Bachelor Degree in Electronic Engineering (Computer) and a Master Degree in Business Administration (Finance). Mr. Lau has over 12 years experience in portfolio and financial management in Hong Kong. Mr. Lau has previously held a senior management position of a Mainboard listed company in Hong Kong, Tomorrow International Holdings Limited, which is principally engaged in, among others, the design, development, manufacture and sale of electronic products, printed circuit boards, optical products, trading and distribution of electronic components and parts, trading of listed equity and provision of loan financing. As at the date of this announcement, Mr. Lau does not hold any position or directorship in listed companies in Hong Kong.

FUTURE INTENTIONS OF THE SUBSCRIBER REGARDING THE GROUP

Following Completion, the Subscriber intends that the Group will continue its existing principal business of manufacturing and trading of ceramic blanks and ferrules and related products. Leveraging onto the business networks of Mr. Lau in the electronic products sector developed during his previous position in senior management of a company listed on the Mainboard of the Stock Exchange, the Subscriber would assist the Group to further develop its business by, including but not limited to, establishing extensive sales network and securing more new business contracts for the Group. The Subscriber has no intention to make major changes to the employees save for a possible change in the composition of the Board and certain senior management of the Group, which would be announced as and when appropriate and in compliance with the relevant rules and regulations. The Subscriber will neither re-deploy nor dispose of any of the assets of the Group other than in the ordinary course of business. Any acquisition or disposal of the assets or business of the Group, if any, will be in compliance with the GEM Listing Rules. The Subscriber has no intention of injecting any assets or business to the Group. The Group will continue to seek new business opportunities to improve the Group's profitability and prospects, and may diversify into other businesses should suitable opportunities arise. However, no specific investment target has been identified at this stage.

THE PLACING AGREEMENT

Date

7 September 2007

Placing Agent

President Securities, and its ultimate beneficial owner, are Independent Third Parties not acting in concert with the Company, any of its Directors and substantial Shareholders, the Subscriber and parties acting in concert with it. President Securities and its ultimate beneficial owner do not hold any Shares as at the date of this announcement.

Number of Placing Shares:

The Placing Agent has conditionally agreed to procure placees for, and failing which, to purchase by itself as principal on a fully underwritten basis, 458,000,000 Shares, which representing approximately 9.7% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares and the Placing Shares.

Conditions of the Placing Agreement

Completion of the Placing Agreement is conditional upon the following:

- (a) the GEM Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in the Placing Shares;
- (b) the passing by Shareholders at EGM of an ordinary resolution approving the Placing Agreement;
- (c) the Subscription Agreement becoming unconditional in all respects (save any condition requiring the Placing Agreement to become unconditional); and
- (d) there being no breach of any of the warranties, representations and/or undertakings given by the Company under the Placing Agreement.

Neither the Company nor the Placing Agent may waive compliance in conformity with conditions (a), (b) and (c). The Placing agent can waive the condition (d). If any of the above conditions has not been fulfilled or waived on or before 31 March 2008 (or such other date as the Placing Agent may agree in writing with the Company), the contract constituted by the Placing Agreement shall terminate and none of the Company or the Placing Agent shall have any claim against the other for damages, compensation or otherwise save in respect of any antecedent breach.

Placees:

The choice of the placees for the Placing Shares shall be determined wholly and solely by the Placing Agent, subject to:

- (a) there being six or more professional, institutional, corporate and/or individual placees;
- (b) the Placing Agent having received confirmations from each and every of the placees that:
 - (i) they are Independent Third Parties; and

- (ii) they are not acting in concert (as defined under the Takeovers Code) with the Subscriber, Bright Castle, Mr. Cheng and their respective concert parties in relation to the control of the Company; and
- (c) the Placing complies in all respects with the requirements of the GEM Listing Rules.

As confirmed by the Placing Agent, it intends to commence the placing of the Placing Shares immediately after fulfillment (or waiver) of all the conditions of the Placing Agreement and has not commenced the said placing up to the date of this announcement. The Placing Agent will ensure that the placees fulfill the conditions set out in (b) above. The Placing Agent undertakes to comply with paragraph 5 of Schedule VI of the Takeovers Code by providing the Executive and the Stock Exchange with details of all the proposed placees, including any relevant information to establish whether or not there is a group acting in concert, and the maximum percentage which they could come to hold upon completion of the Placing.

Placing price:

HK\$0.01 per Placing Share.

This price was agreed between the Company and the Placing Agent after their arm's length negotiations and is identical to the price of the Subscription Shares. In the premises, the Directors (excluding the non-executive Directors and the Independent non-executive Directors) consider that the price of the Placing Shares is fair and reasonable.

Completion of the Placing:

Under the Placing Agreement, completion of the Placing Agreement will take place on the third Business Days upon fulfillment of the above conditions (or such other date as the Company and the Placing Agent may agree in writing) and simultaneously with the completion of the Subscription Agreement.

Rights of the Placing Shares:

The Placing Shares will be issued and allotted free of all liens, charges, encumbrances, claims, options or other third party rights, and will be issued together with all rights attaching to the Placing Shares as at the date of completion of the Placing Agreement, including the right to receive all dividends or other distributions which may be declared, paid or made by the Company on or after the date of completion of the Placing and will rank *pari passu* in all respects with each other.

Termination

Pursuant to the Placing Agreement, the Placing Agent shall be entitled to terminate the Placing Agreement, if at a time prior to 5:00 p.m. on the second business day immediately prior to the Completion date:

- (a) there develops, occurs or comes into effect:
 - (i) any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof), including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, whether or not sui generis with any of the foregoing (including but not limited to acts of government, lock-outs, fire, acts of war, SARS and H5N1), resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions;
 - (ii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise;
 - (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group;
 - (iv) a change or development involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or otherwise; or
 - (v) the instigation of any litigation or claim of material importance by any third party against any member of the Group.
- (b) it comes to the notice of the Placing Agent that any of the representations, warranties, or undertakings of the Company maintained in the Placing Agreement is untrue or inaccurate, breached or not complied with in any respect; or
- (c) it comes to the notice of the Placing Agent that there has been any change in the business or financial or trading position of the Group,

and which, in the sole and absolute opinion of the Placing Agent, is likely to be materially adverse to the Company or the Group or would prejudice the success of the Placing or would otherwise make the Placing inadvisable or inexpedient.

REASONS FOR THE SHARE SUBSCRIPTION AND THE PLACING

The principal businesses of the Group involve the manufacturing and trading of ceramic blanks, ferrules and related products. The operating results and financial position of the Group for the two years ended/as at 31 December 2005 and for the nine months ended/as at 30 September 2006 as extracted from the published accounts including the audited accounts of the Company for the financial year ended 31 December 2005 and the unaudited third quarter report of the Company for the nine months ended 30 September 2006 are as follows:

	Nine months ended /As at 30 September 2006 (unaudited) HK\$'000	Year ended/As at 31 December 2005 (audited) HK\$'000	Year ended/As at 31 December 2004 (audited) HK\$'000
Turnover	24,153	711	7,076
Net loss	(1,629)	(15,675)	(16,090)
Net assets	N/A	49,423	50,131
Net assets per Share	N/A	HK\$0.068	HK\$0.069

Note: The publication of the audited results for the year ended 31 December 2006 and the unaudited first quarter results for the period ended 31 March 2007 have been delayed due to, respectively, the disagreement on the auditors' remuneration between the Company and the ex-auditor of the Company, and that the annual audit of the Company for the year ended 31 December 2006 had not been commenced. Please refer to the announcements of the Company dated 26 March 2007, 14 May 2007 and 5 July 2007 for details. The Company intends to publish the audited results for the year ended 31 December 2006 and the unaudited first quarter results for the period ended 31 March 2007 before the despatch of the circular.

Although the Company has various plans and measures to improve the operating results of the Group, it has not been able to fully implement the same by reason of the Group's limited capital resources. In view of the current financial position of the Group, the Directors (excluding the non-executive Director and the independent non-executive Directors) consider that it will be in the best interests of the Company and its Shareholders as a whole to raise funds by means of the issue of Shares. Entering into of the Subscription Agreement and the Placing Agreement will enable the Company to strengthen its financial position and will provide the Group with new funds to enhance its existing business operations and will further enable it to make investments in projects/business which the Directors consider to have good profit potential.

Having taken into consideration the factors discussed above, the Directors (excluding the non-executive Directors and the independent non-executive Directors) consider that the terms of the Subscription Agreement (including the Subscription Price) and the terms of the Placing Agreement (including the Placing Price) are fair and reasonable and entering into of the Subscription Agreement and the Placing Agreement is in the interests of the Company and its Shareholders as a whole. The views of the non-executive Directors and the independent non-executive Directors are subject to the advice to be received from an independent financial adviser. Their views and recommendations in respect of, amongst others, the Share Subscription, the Whitewash Waiver and the Placing and the respective terms thereof will be set out in the circular to be issued by the Company to Shareholders as required by the Takeovers Code and the GEM Listing Rules.

The net proceeds from the issue of the Subscription Shares and the Placing Shares (after deduction of expenses) are estimated to be approximately HK\$35.9 million and will be used by the Group as general working capital.

The Company has not conducted any equity-related fund raising exercise for the past 12 months immediately prior to the date of this announcement.

SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the Subscription Shares and the Placing Shares:

	As at the date of this announcement		Immediately after the allotment and issue of the Subscription Shares and the Placing Shares	
	<i>Shares</i>	<i>% (approx.)</i>	<i>Shares</i>	<i>% (approx.)</i>
Bright Castle (Note 1)	180,000,000	24.9	180,000,000	3.8
The Subscriber	–	–	3,542,000,000	75.0
<i>Public</i>				
Placees for the Placing Shares	–	–	458,000,000	9.7
Other public Shareholders	543,087,310	75.1	543,087,310	11.5
Total	<u>723,087,310</u>	<u>100.0</u>	<u>4,723,087,310</u>	<u>100.0</u>

Notes:

1. These Shares are beneficially owned by Bright Castle, the entire issued share capital of which is wholly-owned by Mr. Cheng.

GENERAL

The EGM will be held to consider and if thought fit, pass the resolutions to approve (i) the Share Subscription; (ii) the Whitewash Waiver; and (iii) the Placing.

Pursuant to the GEM Listing Rules, the Share Subscription and the Placing are subject to Shareholders' approval under a specific mandate to be obtained at the EGM.

Pursuant to the Takeovers Code, the Subscriber, Bright Castle, Mr. Cheng and their respective concert parties and associates who are involved or interested in the Share Subscription will abstain from voting on the resolutions approving the Share Subscription and the Whitewash Waiver at the EGM. Given that the Placing and the Share Subscription are inter-conditional, the Placing is also subject to Independent Shareholders' approval. An independent board committee will be formed to consider the terms of the Share Subscription, the Whitewash Waiver and the Placing, and an independent financial adviser will be appointed in due course to advise the independent board committee in these regards. Further announcement will be made in relation to the appointment of such independent financial adviser pursuant to Rule 2.1 of the Takeovers Code.

A circular will be despatched to the Shareholders in accordance with the requirements of the GEM Listing Rules and the Takeovers Code.

Pursuant to the requirements under Rule 8.2 of the Takeovers Code, the circular must be issued to Shareholders within 21 days of the date of this announcement. However, the Company has applied to the Listing Appeals Committee for a review of the GEM Listing (Review) Committee's decision and the hearing before the Listing Appeals Committee was held on 13 September 2007. However, on 13 September 2007, the Listing Appeals Committee decided to adjourn the review hearing to 7 November 2007 to provide more time for the Company and the Listing Division to submit further written submissions in relation to the resumption proposal. In view of the above, both the Subscriber and the Company consider that it will be more appropriate to issue the circular after the result of the said hearing is known. Pursuant to Rule 8.2 of the Takeovers Code, an application has been made to the Executive for the time extension of the despatch of such circular. The despatch of the circular will be delayed to a date which shall be on or before 14 December 2007.

An application will be made by the Company for the listing of, and permission to deal in, the Subscription Shares and the Placing Shares.

The Directors and the Subscriber confirm that as far as it is aware there are (a) no arrangements (whether by way of option, indemnity or otherwise) in relation to the Shares and which might be material to the Subscription Agreement and/or the Whitewash Waiver; and (b) no agreements or arrangements to which the Subscriber is party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Subscription Agreement and/or Whitewash Waiver.

SUSPENSION OF TRADING IN THE SHARES

On 6 October 2003, trading of the Shares was suspended pending the release of an announcement in relation to price sensitive information of the Company.

On 29 June 2006, the GEM Listing Committee has decided to cancel the listing of the Company. The GEM Listing (Review) Committee of the Stock Exchange considered an application from the Company for a review of the decision of the GEM Listing Committee that the listing status of the Company should be cancelled in accordance with Rule 9.14 of the GEM Listing Rules and the GEM Listing (Review) Committee decided that the listing status of the Company should be cancelled. The Company has applied to the Listing Appeals Committee for a review of the GEM Listing (Review) Committee's decision and the hearing before the Listing Appeals Committee was held on 13 September 2007. However, on 13 September 2007, the Listing Appeals Committee decided to adjourn the review hearing to 7 November 2007 to provide more time for the Company and the Listing Division to submit further written submissions in relation to the resumption proposal.

Trading of the Shares will remain suspended. The listing status of the Shares will be subject to the decision of the Listing Appeals Committee. The Share Subscription and the Placing will not proceed if the Listing Appeals Committee approves the delisting of the Shares.

Completion is conditional upon the Shares remaining listed and resuming trading on the Stock Exchange. Shareholders should note that the Shares may be delisted by the Stock Exchange in the event that the Listing Appeals Committee decides that the listing status of the Company should be cancelled. In such event, the Share Subscription and the Placing will not proceed. Accordingly, Shareholders should exercise caution when dealing in the Shares.

DEFINITIONS

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

“associates”	has the same meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Bright Castle”	Bright Castle Investments Limited, a company incorporated in the British Virgin Islands with limited liability and is beneficially wholly-owned by Mr. Cheng
“Company”	Intcera High Tech Group Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange
“Completion”	completion of the Subscription Agreement
“connected persons”	has the same meaning ascribed to it under the GEM Listing Rules
“Convertible Bonds”	the convertible bonds issued by the Company on 31 October 2002 with principal amount of HK\$27.4 million and bearing interest at a rate of 2% per annum on the aggregate principal amount outstanding from time to time. The convertible bonds carry rights to convert in whole or in part of the principal amount into Shares at the initial conversion price of HK\$0.17 per Share (subject to adjustments) from 1 November 2002 to the maturity date of 31 October 2003 which was subsequently extended to 28 June 2008
“Director(s)”	the director(s) of the Company
“EGM”	extraordinary general meeting of the Company to be convened and held for Shareholders to consider and, if thought fit, to approve the Share Subscription, the Placing, the Whitewash Waiver and the respective transactions as contemplated thereunder
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange

“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	Shareholder(s) who are not interested in or involved in the Subscription Agreement, the Whitewash Waiver and the Placing, being Shareholders other than Bright Castle, Mr. Cheng and their respective concert parties and associates
“Independent Third Party(ies)”	a third party independent of the Company and its connected persons
“Long Stop Date”	31 March 2008 (or such other date as may be agreed between the Company and the Subscriber)
“Mr. Cheng”	Cheng Qing Bo, the Chairman and the executive Director
“Placing”	the placing of the Placing Shares pursuant to the Placing Agreement
“Placing Agreement”	a conditional placing agreement dated 7 September 2007 entered into between the Company and the Placing Agent in relation to the Placing, or in the event where such placing agreement is terminated for any reason whatsoever, the placing agreement to be entered into between the Company and such other placing agent as approved by the Subscriber in writing
“Placing Agent” or “President Securities”	President Securities (Hong Kong) Limited, a corporation licensed under the SFO to engage in types 1 (dealing in securities), 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management) regulated activity as defined in the SFO
“Placing Shares”	an aggregate of 458,000,000 Shares to be placed pursuant to the Placing Agreement
“Placing Price”	HK\$0.01 per Placing Share
“PRC”	the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company

“Shareholders”	holders of the Shares
“Share Subscription”	the subscription of the Subscription Shares by the Subscriber upon and subject to the terms and conditions of the Subscription Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	JL Investments Capital Limited, a company incorporated in the British Virgin Islands with limited liability and is ultimately beneficially owned by Mr. Lau Chi Yuen, Joseph
“Subscription Agreement”	the subscription agreement dated 7 September 2007 made between the Company and the Subscriber in relation to the Share Subscription
“Subscription Price”	HK\$0.01 per Subscription Share
“Subscription Shares”	an aggregate of 3,542,000,000 Shares to be issued and allotted to the Subscriber pursuant to the Subscription Agreement
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Whitewash Waiver”	a waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code from the obligation of the Subscriber to make a mandatory general offer for all the Shares other than those held by the Subscriber and parties acting in concert with it
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board of
Intcera High Tech Group Limited
Cheng Qing Bo
Executive Director

Hong Kong, 24 September 2007

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Cheng Qing Bo (Chairman) and Ms. Li Fang, one non-executive Director namely Mr. Lin Nan and three independent non-executive Directors, namely Mr. Williamson Lam, Ms. Mak Wai Fong and Mr. Liu Zheng Hao.

The sole director of the Subscriber, Mr. Lau Chi Yuen, Joseph, accepts full responsibility for the accuracy of the information contained in this announcement, other than that relating to the Group, and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement, other than that relating to the Group, have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, other than that relating to the Subscriber, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement, other than that relating to the Subscriber, have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.