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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
PLACINGS OF NEW SHARES
WHITEWASH WAIVER APPLICATION
APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER
AND
DELAY IN DESPATCH OF CIRCULAR**

Joint Financial Advisers



SOMERLEY LIMITED



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

Joint Independent Financial Advisers

to the Independent Board Committee and the Independent Shareholders



REXCAPITAL (Hong Kong) Limited

AsiaVest Partners

AsiaVest Partners Limited

**THE SHARE SUBSCRIPTION, THE PLACINGS AND THE WHITEWASH
WAIVER APPLICATION**

References are made to the announcement of the Company dated 24 September 2007 in respect of the Share Subscription, the First Placing and the Whitewash Waiver, and the announcement of the Company dated 26 October 2007 in respect of the Second Placing. Details of the Share Subscription, the Placings and the Whitewash Waiver are set out in the Announcements.

* *for identification purpose only*

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising the non-executive Director, namely Mr. Lin Nan and the independent non-executive Directors, namely Mr. Williamson Lam, Ms. Mak Wai Fong and Mr. Liu Zheng Hao, has been formed to advise the Independent Shareholders on the terms of the Share Subscription, the Whitewash Waiver, the First Placing and the Second Placing. REXCAPITAL (Hong Kong) Limited and AsiaVest Partners Limited, have been appointed as the joint independent financial advisers to advise the Independent Board Committee and the Independent Shareholders in these regards. The appointment of the joint independent financial advisers has been approved by the Independent Board Committee.

DELAY IN DESPATCH OF CIRCULAR

As disclosed in the Announcements, the circular containing, among other things, further details of the Share Subscription, the Whitewash Waiver, the First Placing and the Second Placing, will be despatched to the Shareholders on or before 14 December 2007. Additional time is required for the Company to prepare the circular with the necessary information, in particular, regarding the Rights Issue and the rectification of the past transactions which were not concluded in compliance with the GEM Listing Rules, both of which are amongst the conditions imposed by the Listing Appeals Committee in the Decision Letter. The Company has made an application to the Executive for a waiver from strict compliance with Rule 8.2 of the Takeovers Code to extend the time for the despatch of the circular to a date which shall be on or before 11 January 2008.

A circular containing, among other things, further details of the Share Subscription, the Whitewash Waiver, the First Placing, the Second Placing, the Rights Issue and the rectification of all past transactions which were not concluded in compliance with the GEM Listing Rules, will be despatched to the Shareholders in accordance with the requirements of the GEM Listing Rules and the Takeovers Code on or before 11 January 2008.

SUSPENSION OF TRADING IN THE SHARES

Trading of the Shares has been suspended with effect from 9:30 a.m. on 6 October 2003 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 and the Listing Appeals Committee decided to adjourn the review hearing to 7 November 2007. After the adjourned review hearing held on 7 November 2007, the Listing Appeals Committee on 14 November 2007 decided to allow the Company to proceed with its resumption proposal, subject to prior compliance with the conditions as set out in the section headed "Delay in despatch of circular" in this announcement, to the satisfaction of the Stock Exchange within three months from 14 November 2007 (i.e. on or before 13 February 2008).

Trading of the Shares will remain suspended. The resumption of the trading in the Shares will be subject to prior fulfillment of the conditions, as set out in the section headed "Delay in despatch of circular" in this announcement, by the Company to the satisfaction of the Stock Exchange.

Shareholders should note that the Company may, or may not, be able to satisfy all the conditions set out by the Stock Exchange by close of business on 13 February 2008. In the event that the Company is unable to satisfy any of the conditions by close of business on 13 February 2008, the Stock Exchange might proceed to cancel the listing of the Company's securities. Accordingly, Shareholders should exercise caution when dealing in the Shares.

THE SHARE SUBSCRIPTION, THE PLACINGS AND THE WHITEWASH WAIVER APPLICATION

References are made to the announcement of the Company dated 24 September 2007 in respect of the Share Subscription, the First Placing and the Whitewash Waiver, and the announcement of the Company dated 26 October 2007 in respect of the Second Placing. Details of the Share Subscription, the Placings and the Whitewash Waiver are set out in the Announcements.

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The Independent Board Committee, comprising the non-executive Director, namely Mr. Lin Nan and the independent non-executive Directors, namely Mr. Williamson Lam, Ms. Mak Wai Fong and Mr. Liu Zheng Hao, has been formed to consider the terms of the Share Subscription, the Whitewash Waiver, the First Placing and the Second Placing. REXCAPITAL (Hong Kong) Limited and AsiaVest Partners Limited, have been appointed as the joint independent financial advisers to advise the Independent Board Committee and the Independent Shareholders in these regards. The appointment of the joint independent financial advisers has been approved by the Independent Board Committee.

DELAY IN DESPATCH OF CIRCULAR

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1. rectification of all past transactions which were not conducted in compliance with the GEM Listing rules by making appropriate disclosure and/or obtaining approval of Shareholders (independent or otherwise);
2. (a) completion of the Share Subscription and the Placings; (b) the Share Subscription and the Placings should not be subject to any conditions, such as buyback provisions, that will compromise the subscription of genuine equity risk capital, and (c) net proceeds from the Share Subscription and the Placings in the sum of approximately HK\$45 million are to be held by a bank in Hong Kong in escrow in favour of the Company. The said proceeds to be disbursed to the Company when the Stock Exchange approves the Company's resumption of trading and only to be returned to the Subscriber and the independent places if the Stock Exchange denies resumption of trading or fails to give a decision within seven days of the confirmation referred to in paragraph 8 below;
3. not more than HK\$15 million of the proceeds from the Share Subscription, the First Placing and the Second Placing shall be applied towards repayment of the outstanding amount of the Convertible Bonds. However, the director's loan of HK\$9,883,000 stated in the Company's interim report of 2007 shall not be repaid out of the said proceeds;
4. after completion of the Share Subscription and the Placings, no less than 9.5% of the issued share capital of the Company to remain in the hands of the existing public Shareholders now holding 75.1% in equity interest in the Company (the "Public Shareholders"). For the avoidance of doubt, such figure shall exclude the 3.1% shareholding held by Bright Castle, Mr. Cheng and their related parties;

5. (a) the Listing Appeals Committee notes that the shareholding of the Public Shareholders will be diluted from 75.1% to 9.5% after the Share Subscription and the Placings. The Listing Appeals Committee considers that the Public Shareholders should be given an opportunity to increase their shareholding and preserve their interest in the Company through a rights issue. The Company is required to provide an opportunity to all the existing Shareholders, i.e. the Public Shareholders and Bright Castle, to subscribe for new Shares on the basis of one new share for one existing Share at HK\$0.01 each under the rights issue (the “Rights Issue”). In this respect, the Company shall announce the Rights Issue inviting the existing Shareholders to subscribe for new Shares; (b) in respect of the Rights Issue: (i) it needs not be underwritten; (ii) it must be conditional on independent Shareholders’ approval in accordance with the GEM Listing Rules; and (iii) the issue and allotment of new Shares may take place after the resumption of trading of the Shares on the Stock Exchange. Further, given that the Public Shareholders may not take up their pro-rata entitlement under the Rights Issue, they should be allowed to apply for additional Shares in excess of their pro-rata entitlement by way of excess application facilities to avoid further dilution of their shareholdings; and (c) for the avoidance of doubt, it is the provision of the opportunity as mentioned in paragraph 5(a) above, and not the completion of the Rights Issue which is a condition for resumption;
6. appointment of Tanrich Capital Limited as compliance adviser for a period commencing on the date prior to resumption of trading and ending on the date on which the Company complies with Rule 18.03 of the GEM Listing Rules in respect of its financial results for the second full financial year commencing after the resumption (the “Term”). If Tanrich Capital Limited should resign before the expiry of the Term, the Company shall forthwith appoint another compliance adviser (as defined in the GEM Listing Rules) for the remainder of the Term;
7. full payment of all and any outstanding listing fees; and
8. an independent professional accounting firm or a SFC licensed sponsor producing a written confirmation that all of the above conditions have been complied with. The accounting firm or the sponsor must be pre-approved by the Stock Exchange, failing which the matter shall be referred to the Listing Appeals Committee for determination.

As set out in the Decision Letter, the Listing Appeals Committee has requested the Company, amongst other things, to provide an opportunity to all the existing Shareholders to subscribe for new Shares by way of the Rights Issue and to rectify its past transactions which were not conducted in compliance with the GEM Listing Rules by making appropriate disclosure and/or obtaining approval of Shareholders. These are additional requirements which have not been contemplated by the Company at the time when the Company applied for the previous time extension waiver for the despatch of the circular in relation to the Share Subscription, the Whitewash Waiver and the Placings to the date of 14 December 2007.

Additional time is required for the Company to prepare the circular with the necessary information, in particular, regarding the Rights Issue and the rectification of the past transactions which were not concluded in compliance with the GEM Listing Rules, both of which are amongst the conditions imposed by the Listing Appeals Committee in the Decision Letter. The Company has made an application to the Executive for a waiver from strict compliance with Rule 8.2 of the Takeovers Code to extend the time for the despatch of the circular to a date which shall be on or before 11 January 2008.

Separate announcement regarding the Rights Issue will be made by the Company as soon as practicable.

A circular containing, among other things, further details of the Share Subscription, the Whitewash Waiver, the First Placing, the Second Placing, the Rights Issue and the rectification of all past transactions which were not concluded in compliance with the GEM Listing Rules, will be despatched to the Shareholders in accordance with the requirements of the GEM Listing Rules and the Takeovers Code, on or around 11 January 2008.

Trading of the Shares will remain suspended. The resumption of trading in Shares will be subject to prior fulfillment of the above conditions by the Company to the satisfaction of the Stock Exchange.

Shareholders should note that the Company may, or may not, be able to satisfy all the conditions set out by the Stock Exchange by close of business on 13 February 2008. In the event that the Company is unable to satisfy any of the conditions by close of business on 13 February 2008, the Stock Exchange might proceed to cancel the listing of the Company's securities. 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:

“Announcements”	collectively, (i) the announcement of the Company dated 24 September 2007 in respect of the Share Subscription, the First Placing and the Whitewash Waiver, and (ii) the announcement of the Company dated 26 October 2007 in respect of the Second Placing
“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 GEM
“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 31 December 2009
“Decision Letter”	the decision letter issued by the Listing Appeals Committee dated 14 November 2007 pursuant to which the Listing Appeals Committee has granted the conditional approval to allow the Company to proceed with its resumption proposal subject to prior compliance with the conditions as set out in the section headed “Delay in despatch of circular” in this announcement, to the satisfaction of the Stock Exchange within three months from 14 November 2007
“Director(s)”	the director(s) of the Company
“First Placing”	the placing of the First Placing Shares pursuant to the terms of the First Placing Agreement
“First Placing Agreement”	a conditional placing agreement dated 7 September 2007 entered into between the Company and the Placing Agent in relation to the First 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
“First Placing Shares”	an aggregate of 458,000,000 Shares to be placed pursuant to the First Placing Agreement
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board comprising the non-executive Director, namely Mr. Lin Nan and the independent non-executive Directors, namely Mr. Williamson Lam, Ms. Mak Wai Fong and Mr. Liu Zheng Hao, has been formed to advise the Independent Shareholders on the terms of the Share Subscription, the Whitewash Waiver, the First Placing and the Second Placing
“Independent Shareholder(s)”	Shareholder(s) who are not interested in or involved in the Subscription Agreement, the Whitewash Waiver and the First Placing and Second Placing, being Shareholders other than the Subscriber, Bright Castle, Mr. Cheng and their respective concert parties and associates
“Mr. Cheng”	Mr. Cheng Qing Bo, the chairman of the Company and the executive Director
“Placings”	the First Placing and the Second Placing
“Second Placing”	the placing of the Second Placing Shares pursuant to the terms of the Second Placing Agreement
“Second Placing Agreement”	a conditional placing agreement dated 25 October 2007 entered into between the Company and the Placing Agent in relation to the Second Placing
“Second Placing Shares”	an aggregate of 1,000,000,000 Shares to be placed pursuant to the Second Placing Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) 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 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 as a result of the completion of the Share Subscription
“%”	per cent.

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

Hong Kong, 13 December 2007

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Cheng Qing Bo (Chairman), Mr. Tung Tai Yung 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 Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement, 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.

This announcement will remain on the “Latest Company Announcements” page of the GEM website for at least seven days from the day of its posting.