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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  
PROPOSED RIGHTS ISSUE  
ON THE BASIS OF ONE RIGHTS SHARE FOR  
EVERY ONE EXISTING SHARE HELD ON RECORD DATE**

**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

## **THE RIGHTS ISSUE**

The Company proposed to raise a maximum of approximately HK\$7,231,000 before expenses by way of a rights issue of 723,087,310 Rights Shares to Qualifying Shareholders at the Subscription Price of HK\$0.01 per Rights Share on the basis of one Rights Share for every one existing Share held on the Record Date.

The Rights Issue is not underwritten. Subject to the undertaking given by Bright Castle as more particularly described in the section headed “Undertaking by Bright Castle” in this announcement, there is no prescribed minimum subscription level in order for the Rights Issue to proceed.

The Rights Issue is conditional, amongst other things, on approval by the Independent Shareholders at the EGM. The EGM will be convened and held to consider, amongst others, and if thought fit, pass the resolutions to approve, inter alia, the Rights Issue.

To qualify for the Rights Issue, Shareholders (excluding any Excluded Shareholders) must at the close of business on the Record Date be registered as members of the Company. In order to be registered as a member of the Company on the Record Date, Shareholders must lodge the relevant transfers of Shares (with the relevant certificates) with the Company’s branch share registrar and transfer office, Tricor Abacus Limited at 26/F, Tesbury Centre, 28 Queen’s Road East, Hong Kong by 4:30 p.m. on 22 January 2008. The register of members of the Company will be closed from 23 January 2008 to 28 January 2008, both dates inclusive. No transfer of Shares will be effected during this period.

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, the Second Placing, and the Rights Issue. 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.

As disclosed in the Delay Despatch Announcement, 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.

Subject to the resolution approving the Rights Issue being passed by the Independent Shareholders at the EGM, the Prospectus containing further details of the Rights Issue, the financial and other information of the Group will be despatched to the Qualifying Shareholders and, for information only, to the Excluded Shareholders (if any) as soon as practicable. The PALs and the EAFs will also be despatched to the Qualifying Shareholders only.

## **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 Delay Despatch 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 Delay Despatch 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.

## THE RIGHTS ISSUE

### Issue statistics

Basis of the Rights Issue	One Rights Share for every existing Share held on the Record Date
Number of Shares in issue as at the date of this announcement	723,087,310 Shares
Maximum number of Rights Shares to be issued under the Rights Issue (Assuming no further issue of Shares during the period from the date of this announcement to the Record Date)	723,087,310 Rights Shares
Number of Rights Shares undertaken to be accepted by Bright Castle	180,000,000 Rights Shares
Maximum enlarged issued Shares immediately after the issue and allotment of the Subscription Shares, the First Placing Shares, the Second Placing Shares and the Rights Shares	6,446,174,620 Shares
% of Rights Shares of the existing issued Shares	100.0%
% of Rights Shares of the enlarged issued Shares immediately after the issue and allotment of the Subscription Shares, the First Placing Shares, the Second Placing Shares and the Rights Shares	11.2%

Save for the Convertible Bonds, as at the date of this announcement, the Company does not have any outstanding derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the date of this announcement.

As the Rights Issue need not be underwritten according to the conditions set out in the Decision Letter, and it would not be cost effective to have the Rights Issue underwritten because of its size, the Rights Issue is not underwritten. The number of Rights Shares which may be issued depends on the level of acceptances and excess application under the Rights Issue. Subject to the undertaking given by Bright Castle as more particularly described in the section headed “Undertaking by Bright Castle” below, there is no statutory requirements regarding minimum subscription level in order for the Rights Issue to proceed.

There will be no fraction of Rights Share as the Rights Issue is on the basis of one Rights Share for every one existing Share held.

### **Qualifying Shareholders**

The Company will provisionally allot the Rights Shares and send the Prospectus containing details of the Rights Issue to the Qualifying Shareholders and, for information only, to the Excluded Shareholders (if any). The PALs and EAFs will be sent to the Qualifying Shareholders only.

To qualify for the Rights Issue, Shareholders must at the close of business on the Record Date be registered as members of the Company. In order to be registered as members of the Company on the Record Date, Shareholders must lodge the relevant transfers of Shares (with the relevant share certificates) with the Registrar at 26/F, Tesbury Centre, 28 Queen’s Road East, Hong Kong, by 4:30 p.m. on 22 January 2008.

Shareholders whose Shares are being held by a nominee company should note that the Board will regard the nominee company as a single Shareholder as shown in the register of members of the Company. Accordingly, Shareholders should note that the arrangement in relation to the top-up of odd lots for allocation of excess Rights Shares as set out in the paragraph headed “Application for excess Rights Shares” below will not be extended to ultimate beneficial owners individually. Investors with their Shares held by a nominee (or CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own name(s) prior to the Record Date. For investors whose Shares are being held by a nominee (or CCASS) and would like to have their names registered on the register of members of the Company, they must lodge all necessary documents with the Registrar by 4:30 p.m. on 22 January 2008.

### **Closure of register of members**

The register of members of the Company will be closed from 23 January 2008 to 28 January 2008 (both dates inclusive). No transfer of the Shares will be effected during this period.

## **Rights of Excluded Shareholders**

As at the date of this announcement, the Company has Shareholders whose addresses as shown on the register of members of the Company are located outside Hong Kong. If there are Overseas Shareholders at the close of business on the Record Date, the Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

Pursuant to Rule 17.41(1) of the GEM Listing Rules, the Directors will make enquiries regarding the applicable legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange. If, after making such enquiries, the Directors are of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to offer the Rights Shares to an Overseas Shareholders, no provisional allotment of nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to the Excluded Shareholders. In such circumstances, the Rights Issue will not be extended to such Overseas Shareholders. Further information in this connection will be set out in the circular and the Prospectus to be dispatched to the Shareholders as soon as practicable. The Company will only send the Prospectus to the Excluded Shareholders for their information.

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong and the Cayman Islands. Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the open market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sales, less expense, of more than HK\$100 will be paid pro rata to the relevant Excluded Shareholders in Hong Kong dollars. Any individual amounts of HK\$100 or less will be retained by the Company for its own benefit.

## **Subscription Price**

The Subscription Price of HK\$0.01 per Rights Share is payable in full when a Qualifying Shareholder accepts the provisional allotment of Rights Shares or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price, 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 the Last Trading Day;
- (b) a discount of approximately 89.1% to the average closing price of approximately HK\$0.092 per Share for the 5 consecutive trading days up to and including the Last Trading Day;

- (c) a discount of approximately 89.7% to the average closing price of approximately HK\$0.097 per Share for the 10 consecutive trading days up to and including the Last Trading Day;
- (d) a discount of approximately 90.2% to the net asset value of the Company of approximately HK\$0.099 per Share based on the Group's unaudited consolidated net asset value of approximately HK\$71.2 million as at 30 September 2007; and
- (e) a discount of approximately 79.2% to the theoretical ex-entitlement price of HK\$0.048 based on the closing price of HK\$0.086 per Share on the Stock Exchange on the Last Trading Day.

Based on the closing price of HK\$0.086 per Share as quoted on the Stock Exchange on the Last Trading Day, the market value of the Rights Shares as at the Last Trading Day was HK\$62.2 million.

The Subscription Price is identical to the subscription price of the Subscription Shares, the First Placing Shares and the Second Placing Shares. In addition, the Subscription Price is proposed to be HK\$0.01 per Rights Share according to the conditions required by and set out in the Decision Letter from the Listing Appeals Committee dated 14 November 2007. Accordingly, the Directors (excluding the non-executive Director and the independent non-executive Directors whose views are subject to the advice to be received from the independent financial adviser) consider that the Subscription Price is fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

### **Status of the Rights Shares**

The Rights Shares (when allotted, issued and fully paid) will rank pari passu in all respects with the then existing Shares in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the Rights Shares.

### **Certificates for the Rights Shares and refund cheques**

Subject to fulfillment of conditions of the Rights Issue, share certificates for all fully-paid Rights Shares and refund cheques in respect of unsuccessful excess applications (if any) are expected to be posted to those Qualifying Shareholders who have paid for and have accepted the Rights Shares by ordinary mail on or around 5 March 2008, at their own risk.

### **Application for excess Rights Shares**

Qualifying Shareholders will be given the right to apply for any unsold entitlements of the Excluded Shareholders, any unsold Rights Shares created by adding together fractions of Rights Shares and any Rights Shares provisionally allotted but not accepted by any Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares.

Application may be made by completing the EAFs and lodging the same with appropriate remittance for the excess Rights Shares. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis (such as pro-rata basis by reference to number of excess Rights Shares applied by each Qualifying Shareholder) and will give preference to Shareholders topping up odd lots to one board lot of 20,000 Shares.

Pursuant to Rule 10.26(2) of the GEM Listing Rules, as the Rights Issue is not fully underwritten, a Shareholder who applies to take up, all or part of his/her/its entitlement under the PAL or apply for excess Rights Shares under EAF may unwittingly incur an obligation to make a general offer under the Takeovers Code, unless a waiver from the Executive (as defined in the Takeovers Code) has been obtained. Accordingly, the Rights Issue will be made on the term that the Company will provide for Shareholders to apply on the basis that if the Rights Issue are not fully taken up, their applications for Rights Shares under the PALs and EAFs can be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code.

### **Application for listing**

The Company will apply to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. The Rights Shares will be listed and traded on the Stock Exchange, in each board lot of 20,000 Shares, only if the Company has fulfilled all the conditions for resumption of trading (as listed in the Delay Despatch Announcement) on or before the close of business on 13 February 2008. Dealings in the Rights Shares (in both their nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee and SFC transaction levy, or any other applicable fees and charges in Hong Kong.

### **Undertaking by Bright Castle**

As at the date of this announcement, Bright Castle is interested in 180,000,000 Shares, representing approximately 24.9% of the existing issued Shares, and has irrevocably undertaken to the Company to accept its provisional allotments, being 180,000,000 Rights Shares, under the Rights Issue in full.



## **Conditions of the Rights Issue**

The Rights Issue is conditional upon the following conditions being fulfilled:

- (i) the approval of the Rights Issue by the Independent Shareholders at the EGM;
- (ii) the GEM Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully paid forms;
- (iii) the filing of the Prospectus, the PAL and the EAF with the Registrar of Companies in Hong Kong on or prior to the posting date of two copies of each of the Prospectus Documents each duly certified in compliance with section 342C of the Companies Ordinance (and all other documents required to be attached thereto) and otherwise complying with the Companies Ordinance and the GEM Listing Rules;
- (iv) (if required) the approval or permission from any authority in the Cayman Islands in relation to the Rights Issue having been obtained;
- (v) fulfillment of all the conditions for resumption of trading in the Shares as set out in the Decision Letter to the satisfaction of the Stock Exchange; and
- (vi) the resumption of trading in the Shares.

## **ADJUSTMENT TO SHARE OPTIONS**

Pursuant to the terms of the Company's share option scheme adopted on 29 April 2002, an adjustment may be required to be made on the exercise price of the share options granted under the Scheme as a result of the Rights Issue. All adjustment to the exercise price of the share option granted under the Scheme, if any, will comply with the Note to the GEM Listing Rule 23.03(13). As at the date of this announcement, no share option had been granted under the Scheme. The Company will make further announcement as appropriate regarding adjustments on the share options in the event that any share option is granted before the completion of the Rights Issue.

## SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the allotment and issue of the Subscription Shares, the First Placing Shares and the Second Placing Shares; (iii) immediately after the allotment and issue of the Subscription Shares, the First Placing Shares, the Second Placing Shares and the Rights Shares (assuming all Qualifying Shareholders take up their respective entitlements under the Rights Issue); and (iv) immediately after the allotment and issue of the Subscription Shares, the First Placing Shares, the Second Placing Shares and the Rights Shares (assuming no Qualifying Shareholders, other than Bright Castle, take up their respective entitlements under the Rights Issue):

	As at the date of this announcement		Immediately after the allotment and issue of the Subscription Shares, the First Placing Shares and the Second Placing Shares		Immediately after the allotment and issue of the Subscription Shares, the First Placing Shares, the Second Placing Shares and the Rights Shares (assuming all Qualifying Shareholders take up their respective entitlements under the Rights Issue)		Immediately after the allotment and issue of the Subscription Shares, the First Placing Shares, the Second Placing Shares and the Rights Shares (assuming no Qualifying Shareholders, other than Bright Castle, take up their respective entitlements under the Rights Issue)	
	Shares (approx.)	%	Shares (approx.)	%	Shares (approx.)	%	Shares (approx.)	%
Bright Castle (Note)	180,000,000	24.9	180,000,000	3.1	360,000,000	5.6	360,000,000	6.1
The Subscriber	–	–	3,542,000,000	61.9	3,542,000,000	54.9	3,542,000,000	60.0
<i>Public</i>								
Placees for the First Placing Shares	–	–	458,000,000	8.0	458,000,000	7.1	458,000,000	7.8
Placees for the Second Placing Shares	–	–	1,000,000,000	17.5	1,000,000,000	15.5	1,000,000,000	16.9
Other public Shareholders	543,087,310	75.1	543,087,310	9.5	1,086,174,620	16.9	543,087,310	9.2
<b>Total</b>	<b>723,087,310</b>	<b>100.0</b>	<b>5,723,087,310</b>	<b>100.0</b>	<b>6,446,174,620</b>	<b>100.0</b>	<b>5,903,087,310</b>	<b>100.0</b>

*Note:*

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

## EXPECTED TIMETABLE

Set out below is an indicative timetable for the implementation of the Rights Issue which has been prepared on the assumption that the Rights Issue will be approved by the Independent Shareholders at the EGM. **The timetable below is indicative only and is subject to changes. The Company will make further announcement and notify the Shareholders on any changes to the expected timetable as and when appropriate.**

<b>Event</b>	<b>2008 Time/Date</b>
Despatch of the Company's circular with notice of the EGM .....	11 January
Latest time for lodging transfers of Shares to be entitled for the Rights Issue .....	4:30 p.m. on 22 January
Book close period to determine the entitlements to the Rights Issue (both dates inclusive) .....	23 to 28 January
Latest time for lodging form of proxy for the purpose of the EGM (not less than 48 hours before the EGM) .....	4:00 p.m. on 26 January
Date of the EGM .....	28 January
Record Date .....	28 January
Register of members re-opens .....	29 January
Despatch of the Prospectus Documents .....	12 February
Resumption of trading in Shares .....	13 February
First day of dealings in nil-paid Rights Shares .....	14 February
Latest time for splitting nil-paid Rights Shares .....	4:00 p.m. on 20 February
Last day of dealings in nil-paid Rights Shares .....	25 February
Latest time for acceptance of and payment for the Rights Shares and application for excess Rights Shares .....	4:00 p.m. on 28 February
Announcement of the results of the Rights Issue to be published on the websites of the Stock Exchange .....	5 March
Refund cheques for wholly or partially unsuccessful excess applications to be posted on or before .....	5 March
Share certificates for the Rights Shares to be posted on or before .....	5 March
Dealing in Rights Shares commences .....	7 March

*Notes:*

1. The date of resumption of trading in Shares is subject to the fulfillment of the conditions of resumption of trading no later than 13 February 2008.
2. Dealings in the fully-paid Rights Shares will commence as soon as the relevant Shareholders receive the share certificate for the Rights Shares.
3. All times in this announcement refer to Hong Kong time.

## **REASONS FOR THE RIGHTS ISSUE**

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 nine months ended/as at 30 September 2007 and for the three years ended/as at 31 December 2006, as extracted from the third quarter report 2007 of the Company and the audited accounts of the Company for the financial years ended 31 December 2004, 2005 and 2006 respectively, are as follows:

	<b>Period ended/As at 30 September 2007 (unaudited) HK\$'000</b>	<b>Year ended/As at 31 December 2006 (audited) HK\$'000</b>	<b>Year ended/As at 31 December 2005 (audited) HK\$'000</b>	<b>Year ended/As at 31 December 2004 (audited) HK\$'000</b>
Turnover	38,462	30,685	711	7,076
Net profit/(loss)	(3,543)	5,481	(15,675)	(16,090)
Net assets	71,231	73,641	49,423	50,131
Net assets per Share	HK\$0.099	HK\$0.102	HK\$0.068	HK\$0.069

The Rights Issue will enable the Company to further strengthen its financial position and will provide the Group with additional funding 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. The Rights Issue will serve as a good opportunity for the Shareholders to preserve their interest as well as to increase their shareholdings (if they so wish) in the Company.

Having taken into consideration the factors discussed above, the Directors (excluding the non-executive Director and the independent non-executive Directors whose views are subject to the advice to be received from the independent financial adviser) consider that the terms of the Rights Issue (including the Subscription Price) are fair and reasonable and the Rights Issue is in the interests of the Company and the Shareholders as a whole.

The gross proceeds from the Rights Issue are estimated to be at a maximum of approximately HK\$7,231,000 and the net proceeds from the Rights Issue (after deduction of expenses) are estimated to be approximately HK\$6.5 million (representing a net price per Rights Share of approximately HK\$0.009 each), which will be used for general working capital purposes. As disclosed in the Announcements, the total proceeds from the Share Subscription, the First Placing and the Second Placing of approximately HK\$44.9 million will be used by the Group as to approximately HK\$15 million to repay part of the outstanding principal amount of the Convertible Bonds and the balance for general working capital purposes. Since the resolution for approving the Share Subscription, the Placings and the Whitewash Waiver is to be proposed at the EGM, no proceed from the Share Subscription and the Placings has been received by the Company as at the date of this announcement.

Save for the Share Subscription, the First Placing and the Second Placing as detailed in the Announcements and which are yet to be approved by the Shareholders (as disclosed below), the Company has not conducted any equity-related fund raising exercise for the past 12 months immediately prior to the date of this announcement.

<b>Date of announcement</b>	<b>Event</b>	<b>Net Proceeds (approximately)</b>	<b>Intend use of proceeds</b>	<b>Progress as at the date of this announcement</b>
24 September 2007	Share Subscription and the First Placing	HK\$44.9 million (Total net proceeds from the Share Subscription, the First Placing and	The total net proceeds is intended to be used as to approximately HK\$15 million for partial repayment of	Resolutions to be approved at the EGM
26 October 2007	Second Placing	the Second Placing)	the outstanding amount of the Convertible Bonds and the balance for general working capital purposes	

## **WARNING OF THE RISKS OF DEALING IN SHARES AND NIL-PAID RIGHTS SHARES**

**There will be no trading of Shares on cum-rights or on ex-rights basis. Dealings in the Rights Shares in nil-paid form are expected to take place from 14 February 2008 to 25 February 2008 (both days inclusive). If the remaining conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any buying or selling of the Shares from now up to the date on which all the conditions of the Rights Issue are fulfilled, and any buying or selling of nil-paid Rights Shares, is at investors' own risk.**

**If in any doubt, investors should consider obtaining professional advice.**

## **GENERAL**

The EGM will be convened and held to consider, amongst others, and if thought fit, pass the resolution to approve, *inter alia*, the Rights Issue.

The Rights Issue is subject to the conditions set out in the section headed “Conditions of the Rights Issue” above. In particular, the Rights Issue is conditional, amongst other things, on approval by the Independent Shareholders at the EGM. Pursuant to Rule 10.29 of the GEM Listing Rules, any controlling Shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour. Mr. Cheng, being the executive Director and the ultimate beneficial owner of Bright Castle, and his associates, will be required to abstain from voting in favour of the resolution approving the Rights Issue at the EGM.

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, the Second Placing, and the Rights Issue. 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.

## **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 Delay Despatch Announcement, to the satisfaction of the Stock Exchange within three months from 14 November 2007 (i.e. on or before 13 February 2008).

As disclosed in the Delay Despatch Announcements, 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.

Subject to the resolution approving the Rights Issue being passed by the Independent Shareholders at the EGM, the Prospectus containing further details of the Rights Issue, the financial and other information of the Group will be despatched to the Qualifying Shareholders and, for information only, to the Excluded Shareholders (if any) as soon as practicable. The PALs and the EAFs will also be despatched to the Qualifying Shareholders only.

Trading of the Shares will remain suspended. The resumption of trading in Shares will be subject to prior fulfillment by the Company of the conditions as set out in the Decision Letter 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
“CCASS”	The Central Clearing and Settlement System established and operated by the Hong Kong Securities Clearing Company Limited

“Company”	Intcera High Tech Group Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on GEM
“Companies Ordinance”	Companies Ordinance (Chapter 32, Laws of Hong Kong)
“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 Delay Despatch Announcement, to the satisfaction of the Stock Exchange within three months from 14 November 2007
“Delay Despatch Announcement”	the announcement of the Company dated 13 December 2007 in respect of, amongst others, details of the delay in despatch of the circular containing among others, the share subscription, the Whitewash Waiver, the Placing, the Rights Issue and the rectification of all part transactions which were not concluded in compliance with the GEM Listing Rules to 11 January 2008
“Director(s)”	the director(s) of the Company
“EAF(s)”	form(s) of application for excess Rights Shares
“EGM”	an extraordinary general meeting of the Company to be convened and held for Shareholders to consider and, if thought fit, to approve, among other things, the Rights Issue



“Excluded Shareholder(s)”	those Overseas Shareholders(s) whom the Directors, after making relevant enquiries under the GEM Listing Rules, consider their exclusion from the Rights Issue to be necessary or expedient on account either of the legal restrictions under the law of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“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, the Second Placing and the Rights Issue

“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
“Last Trading Day”	3 October 2003, being the last trading day of the Shares immediately before the suspension of trading in the Shares with effect from 9:30 a.m. on 6 October 2003
“Mr. Cheng”	Mr. Cheng Qing Bo, the chairman of the Company and the executive Director
“Overseas Shareholder(s)”	Shareholder(s) with registered addresses (as shown in the register of members of the Company on the Record Date) which are outside Hong Kong
“PAL(s)”	provisional allotment letter(s) for Rights Shares
“Placings”	the First Placing and the Second Placing
“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
“Prospectus”	the prospectus to be issued by the Company containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, the PALs and the EAFs
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Excluded Shareholders
“Record Date”	being the date (or on such other date) set by the Company, by reference to which entitlements under the Rights Issue will be determined

“Registrar”	Tricor Abacus Limited at 26/F, Tesbury Centre, 28 Queen’s Road East, Hong Kong, being the Company’s Hong Kong branch share registrar and transfer office
“Rights Issue”	the proposed rights issue of 723,087,310 Rights Shares at HK\$0.01 each on the basis of one Rights Share for every existing Share held on the Record Date
“Rights Share(s)”	723,087,310 new Shares to be offered to the Qualifying Shareholders for subscription on the terms and subject to the conditions set out in the Prospectus Documents
“Scheme”	the Company’s share option scheme adopted on 29 April 2002
“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
“SFO”	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
“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 Price”	HK\$0.01 per Rights 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 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, 18 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.*