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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)**

*Website: <http://www.intcera.com.hk>*

**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**

**PROPOSED BONUS ISSUE  
ON THE BASIS OF ONE BONUS SHARE FOR  
EVERY TWENTY EXISTING SHARES HELD ON RECORD DATE**

**CHANGE IN EXPECTED TIMETABLE  
AND  
POSSIBLE ISSUE OF REMUNERATION SHARES**

**Joint Financial Advisers**



**SOMERLEY LIMITED**



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

**PROPOSED BONUS ISSUE**

The Board proposes a Bonus Issue to BI Qualifying Shareholders (other than Excepted Shareholders). The Bonus Issue is proposed to be made on the basis of one Bonus Share for every twenty existing Shares held by the BI Qualifying Shareholders (other than Excepted Shareholders) whose names appear on the register of members of the Company on the Record Date. **The register of members of the Company will be closed from Thursday, 13 March 2008 to Tuesday, 18 March 2008, both dates inclusive, to ascertain the entitlement of the Shareholders to the Bonus Issue.**

\* *for identification purpose only*

Application will be made to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Bonus Shares.

## **POSSIBLE ISSUE OF REMUNERATION SHARES**

Somerley and President Securities are the joint financial advisers to the Company regarding the Bonus Issue, the Share Subscription, the Whitewash Waiver, the Placings and the Rights Issue and the transactions contemplated thereunder. Pursuant to the engagement letter dated 6 September 2007 entered into between Somerley, President Securities and the Company, and having considered the financial position of the Company, it was agreed between the Company, Somerley and President Securities that part of the professional fees up to approximately HK\$2,238,456 charged by Somerley and President Securities may be settled by the issue of up to 223,845,635 Remuneration Shares to them at an issue price of HK\$0.01 per new Share upon the approval by the Stock Exchange on the resumption of trading in Shares, which is equivalent to the issue price of the Subscription Shares, the Placing Shares and the Rights Shares.

The circular containing, among other things, further details of the Share Subscription, the Whitewash Waiver, the Placings, the Bonus Issue, the Rights Issue and the rectification of the past transactions which were not concluded in compliance with the GEM Listing Rules, is expected to be despatched to the Shareholders on or before 29 February 2008.

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, the announcement of the Company dated 26 October 2007 in respect of the Second Placing, the announcement of the Company dated 18 December 2007 in respect of the Rights Issue (the “18 December 2007 Announcement”), the announcement of the Company dated 10 January 2008 in respect of the further delay in despatch of circular, the announcement of the Company dated 16 January 2008 in respect of change in expected timetable and the announcement of the Company dated 5 February 2008 in respect of the extension of deadline for fulfillment of conditions for resumption (the “5 February 2008 Announcement”) (collectively, the “Previous Announcements”). Details of the Share Subscription, the Placings and the Whitewash Waiver and the Rights Issue are set out in the Previous Announcements. Unless otherwise defined, capitalised terms used herein shall have the same meanings as in the 18 December 2007 Announcement.

## **PROPOSED BONUS ISSUE**

The Board hereby announces that a bonus issue is proposed to the Shareholders on the basis of one bonus share (“Bonus Share”) for every twenty existing Shares held on the record date of 18 March 2008 (the “Record Date”) (the “Bonus Issue”). The Company will not allot any fractions of Bonus Shares.

The Bonus Issue is proposed to be made to the qualifying Shareholders (holders of Shares not being Excepted Shareholders (as defined below)) whose names appear on the register of members of the Company on the Record Date (the “BI Qualifying Shareholders”). The terms of the Bonus Issue are set out below.

## **Basis of Bonus Issue**

Subject to the conditions as set out under the heading “Conditions of Bonus Issue” below, the Bonus Issue is proposed to be made on the basis of one Bonus Share for every twenty existing Shares held on the Record Date by the BI Qualifying Shareholders. The Bonus Shares will be issued and credited as fully paid at par. On the basis of 723,087,310 existing Shares in issue as at the date of this announcement, and assuming no further Shares will be issued or purchased before the Record Date, 36,154,365 Bonus Shares will be issued under the Bonus Issue, representing approximately 5.0% of the issued share capital as at the date of this announcement and the Record Date.

## **Record Date and closure of register of members**

The Bonus Shares will be issued to the BI Qualifying Shareholders only. Arrangement for the Excepted Shareholders (as defined below) are further elaborated below under the heading “BI Overseas Shareholders”.

The register of members of the Company will be closed from Thursday, 13 March 2008 to Tuesday, 18 March 2008, both dates inclusive, in order to determine the entitlement of the Shareholders to the Bonus Issue. There will be no trading of Shares on cum-entitlement or on ex-entitlement basis.

Shareholders are reminded that in order to qualify for the Bonus Issue, they must ensure that all transfers accompanied by the relevant share certificates are lodged with the Registrar at 26/F., Tesbury Centre, 28 Queen’s Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 12 March 2008.

## **Reasons for the proposed Bonus Issue**

In order to provide opportunity to Shareholders to participate in the growth of the Company by capitalization of a portion of the share premium account, as well as to ensure the shareholdings of the existing public Shareholders be maintained at not less than 9.5% immediately upon completion of the Share Subscription and the Placings as required under one of the conditions in the Decision Letter, the Board decided to propose the Bonus Issue. In addition to that, the Directors believe that the Bonus Issue will enhance the liquidity of the Shares in the market and thereby enlarging the Company’s shareholder and capital bases.

## **BI Overseas Shareholders**

For those overseas Shareholders whose addresses as shown on the register of members on the Record date are outside Hong Kong (the “BI Overseas Shareholders”), enquiry will be made by the Board pursuant to Rule 17.41(1) of the GEM Listing Rules. Upon such enquiry, if the Board is of the view that the exclusion of the BI Overseas Shareholders is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Bonus Shares will not be granted to those BI Overseas Shareholders who the Board, after making enquiries pursuant to Rule 17.41(1) of the GEM Listing Rules, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the

requirements of the relevant body or stock exchange in that place not to extend the Bonus Issue to them (the “Excepted Shareholders”). In such circumstances, arrangements will be made for the Bonus Shares which would otherwise have been issued to the Excepted Shareholders, if any, to be sold in the market as soon as practicable after dealing in the Bonus Shares commences. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to the Excepted Shareholders, if any, pro rata to their respective shareholdings and remittances therefore will be posted to them, at their own risk, unless the amount falling to be distributed to any such persons is less than HK\$100, in which case it will be retained for the benefit of the Company.

### **Status of Bonus Shares**

Save for the entitlements to the Right Issue the record date for which precedes the issue of the Bonus Shares, the Bonus Shares, upon issued, will rank pari passu with the Shares then existing in all respects, including the entitlement of receiving dividends and other distributions the record date for which is on or after the date of allotment and issue of those Bonus Shares.

### **Conditions of Bonus Issue**

The Bonus Issue is conditional upon:

- (i) the completion of the Share Subscription and the Placings;
- (ii) the approval of the Bonus Issue by the Independent Shareholders at the EGM of the Company to be held; and
- (iii) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares.

Application will be made to the GEM Listing Committee of the Stock Exchange in respect of such listing of, and permission to deal in, the Bonus Shares. Apart from making listing application to the GEM Listing Committee of the Stock Exchange, the Board does not propose to make application to any other stock exchanges for the listing of and permission to deal in, the Bonus Shares.

### **Certificates for Bonus Shares**

It is expected that certificates for the Bonus Shares will be posted on or before Wednesday, 2 April 2008 at the risk of the Shareholders entitled thereto to their respective addresses shown on the register of members of the Company on the Record Date. Dealings in the Bonus Shares are expected to commence on Thursday, 3 April 2008.

## Expected timetable

In view of the Bonus Issue, set out below is a revised indicative timetable for the implementation of the Bonus Issue and the Rights Issue which has been prepared on the assumption that the Bonus Issue and 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.**

2008

Despatch of the Company's circular with notice of the EGM .....	29 February
Latest time for lodging transfer of the Shares in order to be entitled to the Rights Issue and the Bonus Shares .....	4:30 p.m. on 12 March
Book close period to determine the entitlements to the Rights Issue and the Bonus Issue (both dates inclusive) .....	13 to 18 March
Latest time for lodging form of proxy for the purpose of the EGM (not less than 48 hours before the EGM) .....	10:00 a.m. on 16 March
Date of the EGM .....	10:00 a.m. on 18 March
Record date for the Rights Issue and the Bonus Issue .....	18 March
Publication of results of the EGM .....	18 March
Register of members re-opens .....	19 March
Despatch of the Prospectus Documents .....	2 April
Certificates for the Bonus Shares expected to be despatched .....	on or before 2 April
Resumption of trading in Shares .....	3 April
Commencement of dealing in Bonus Shares .....	3 April
First day of dealings in nil-paid Rights Shares .....	7 April
Latest time for splitting nil-paid Rights Shares .....	4:00 p.m. on 11 April
Last day of dealings in nil-paid Rights Shares .....	16 April
Latest time for acceptance of and payment for the Rights Shares and application for excess Rights Shares .....	4:00 p.m. on 21 April

Announcement of the results of the Rights Issue to be published on the websites of the Stock Exchange .....	25 April
Refund cheques for wholly or partially unsuccessful excess applications to be posted on or before .....	25 April
Share certificates for the Rights Shares to be posted on or before .....	25 April
Dealing in Rights Shares commences .....	29 April

*Notes:*

1. The commencement of dealing in Bonus Shares on 3 April 2008 is based on the assumption that the completion of the Share Subscription and the Placings take place on 2 April 2008.
2. The date of resumption of trading in Shares is subject to the fulfillment of the conditions of resumption of trading.
3. Dealings in the fully-paid Rights Shares will commence as soon as the relevant Shareholders receive the share certificate for the Rights Shares.
4. All times in this announcement refer to Hong Kong time.

**POSSIBLE ISSUE OF REMUNERATION SHARES**

Somerley Limited (“Somerley”) and President Securities (Hong Kong) Limited (“President Securities”) are the joint financial advisers to the Company regarding the Bonus Issue, the Share Subscription, the Whitewash Waiver, the Placings and the Rights Issue and the transactions contemplated thereunder. Pursuant to the engagement letter dated 6 September 2007 entered into between Somerley, President Securities and the Company, and having considered the financial position of the Company, it was agreed between the Company, Somerley and President Securities that part of the professional fees up to approximately HK\$2,238,456 charged by Somerley and President Securities may be settled by the issue of up to 223,845,635 new Shares (the “Remuneration Shares”) to them at an issue price of HK\$0.01 per new Share upon the approval by the Stock Exchange on the resumption of trading in Shares, which is equivalent to the issue price of the Subscription Shares, the Placing Shares and the Rights Shares. There is no conditions for the issue of the Remuneration Shares.

As at the date of this announcement, Somerley and Mr. Martin Nevil Sabine (being the controlling shareholder of Somerley, “Mr. Sabine”) and their respective associates were interested in 264,000 Shares (representing approximately 0.037% of the existing issued share capital of the Company). President Securities has confirmed that, as at the date of this announcement, it has no interest in the Company. Upon the issue of the Remuneration Shares, Somerley and Mr. Sabine and their respective associates will be interested in 169,286,371 Shares, representing approximately 2.5% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares, the Placing Shares, the Bonus Shares, the Remuneration Shares and the Rights Shares (on the basis that all the Rights Shares provisionally allotted are fully subscribed), and President Securities will be interested in 55,100,464 Shares, representing approximately 0.8% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares, the Placing Shares, the Bonus Shares, the Remuneration Shares, and the Rights Shares (on the basis that all the Rights Shares provisionally allotted are fully subscribed).

## 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 Bonus Shares, the Subscription Shares, the First Placing Shares and the Second Placing Shares; (iii) immediately after the allotment and issue of the Bonus Shares, the Subscription Shares, the First Placing Shares, the Second Placing Shares and the Remuneration Shares, (iv) immediately after the allotment and issue of the Bonus Shares, the Subscription Shares, the First Placing Shares, the Second Placing Shares, the Remuneration Shares and the Rights Shares (assuming all Qualifying Shareholders take up their respective entitlements under the Rights Issue) and (v) immediately after the allotment and issue of the Bonus Shares, the Subscription Shares, the First Placing Shares, the Second Placing Shares, the Remuneration 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 Bonus Shares, the Subscription Shares, the First Placing Shares and the Second Placing Shares		Immediately after the allotment and issue of the Bonus Shares, the Subscription Shares, the First Placing Shares, the Second Placing Shares and the Remuneration Shares		Immediately after the allotment and issue of the Bonus Shares, the Subscription Shares, the First Placing Shares, the Second Placing Shares, the Remuneration 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 Bonus Shares, the Subscription Shares, the First Placing Shares, the Second Placing Shares, the Remuneration 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.)	Shares	% (approx.)
Bright Castle (Note 1)	180,000,000	24.9	189,000,000	3.3	189,000,000	3.2	369,000,000	5.5	369,000,000	6.0
The Subscriber	–	–	3,542,000,000	61.4	3,542,000,000	59.2	3,542,000,000	52.8	3,542,000,000	57.5
Placees for the First Placing Shares	–	–	458,000,000	8.0	458,000,000	7.7	458,000,000	6.8	458,000,000	7.4
Placees for the Second Placing Shares	–	–	1,000,000,000	17.4	1,000,000,000	16.7	1,000,000,000	14.9	1,000,000,000	16.2
Professional fees settlement (Note 2)										
President Securities	–	–	–	–	55,100,464	0.9	55,100,464	0.8	55,100,464	0.9
Somerley	264,000	0.0	277,200	0.0	169,022,371	2.8	169,286,371	2.5	169,022,371	2.7
Other public Shareholders	542,823,310	75.1	569,964,475	9.9	569,964,475	9.5	1,112,787,785	16.7	569,964,475	9.3
<b>Total</b>	<b>723,087,310</b>	<b>100.0</b>	<b>5,759,241,675</b>	<b>100.0</b>	<b>5,983,087,310</b>	<b>100.0</b>	<b>6,706,174,620</b>	<b>100.0</b>	<b>6,163,087,310</b>	<b>100.0</b>

### Notes:

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

2. Assuming that both Somerley and President Securities elect to have the professional fees of approximately HK\$2,238,456 to be settled by the issue of 223,845,635 Remuneration Shares.

## **GENERAL**

As disclosed in the 5 February 2008 Announcement, the Company has applied to the Stock Exchange for and was granted an extension of time for the fulfillment of conditions for resumption of trading in Shares as set out in the Decision Letter from 13 February 2008 to 9 April 2008.

The circular containing, among other things, further details of the Share Subscription, the Whitewash Waiver, the Placings, the Bonus Issue, the Rights Issue and the rectification of the past transactions which were not concluded in compliance with the GEM Listing Rules, is expected to be despatched to the Shareholders on or before 29 February 2008.

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.

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 Decision Letter 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 9 April 2008. In the event that the Company is unable to satisfy any of the conditions by close of business on 9 April 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.**

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

Hong Kong, 27 February 2008

*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.*