INTCERA High Tech Group Limited

(Stock Code: 8041)

First Quarterly Report 2008

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GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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The Stock Exchange takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

*The directors ("**Directors**") of Intcera High Tech Group Limited ("**Company**") collectively and individually accept full responsibility for this report, which is given in compliance with the requirement of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange ("**GEM Listing Rules**"). The Directors confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, (i) the information contained in this report is accurate and complete in all material aspects and not misleading; (ii) there are no other facts the omission of which would make any statement herein misleading; and (iii) opinions expressed in this report have been arrived at after due and careful consideration on the bases and assumptions of reasonableness and fairness.*

SUMMARY (UNAUDITED)

- The Group recorded total unaudited turnover of approximately HK$15,781,000 for the three months ended 31 March 2008.

- The Group recorded unaudited loss attributable to shareholders of approximately HK$1,775,000 for the three months ended 31 March 2008.

- The Directors do not recommend the payment of an interim dividend for the three months ended 31 March 2008.

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

The Board of Directors (the "**Board**") of the Company announces the unaudited consolidated results of the Company and its subsidiaries (the "**Group**") for the three months ended 31 March 2008, together with the comparative unaudited figures for the same period in 2007 as follows:

		For the three months ended 31 March	
		2008	2007
	Notes	***HK$'000***	*HK$'000*
Turnover	*3*	**15,781**	9,121
Cost of sales		**(11,089)**	(5,108)
Gross profit		**4,692**	4,013
Other revenue		**473**	156
Selling and distribution expenses		**–**	–
Administrative expenses		**(970)**	(536)
Depreciation for property, plant and equipment		**(2,533)**	(2,665)
Other operating expenses		**(2,395)**	(1,776)
Loss from operations		**(733)**	(808)
Finance costs	*4*	**(464)**	(464)
Loss before tax		**(1,197)**	(1,272)
Income tax expense	*5*	**(578)**	(834)
Loss for the period		**(1,775)**	(2,106)
Dividend	*6*	**–**	–
		HK cents	*HK cents*
Loss per share	*7*		
Basic		**(0.25)**	(0.29)
Diluted		**N/A**	N/A

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2008

	Share capital *HK$'000*	Share premium *HK$'000*	Translation reserve *HK$'000*	Revaluation reserve *HK$'000*	Convertible bonds reserve *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*
At 1 January 2007 (audited)	7,231	61,597	117	29,700	3,888	(28,892)	73,641
Exchange differences arising on translation of financial statement outside Hong Kong	–	–	82	–	–	–	82
Loss for the period	–	–	–	–	–	(2,106)	(2,106)
At 31 March 2007 (unaudited)	**7,231**	**61,597**	**199**	**29,700**	**3,888**	**(30,998)**	**71,617**
At 1 January 2008 (audited)	7,231	61,597	763	28,296	5,490	(28,710)	74,667
Exchange differences arising on translation of financial statement outside Hong Kong	–	–	422	–	–	–	422
Loss for the period	–	–	–	–	–	(1,775)	(1,775)
At 31 March 2008 (unaudited)	**7,231**	**61,597**	**1,185**	**28,296**	**5,490**	**(30,485)**	**73,314**

In the opinion of the directors, the revaluation reserve and convertible bonds reserve are not available for distribution to the Company's shareholders.

Notes

1. Basis of presentation

The unaudited consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards. In addition, the unaudited consolidated financial statements include applicable disclosure required by the Rules Governing the Listing of Securities on The Stock Exchange and by the Hong Kong Companies Ordinance. They are prepared under the historical cost convention as modified for the revaluation of certain property, plant and equipment and financial instruments.

The accounting policies adopted in preparing the unaudited consolidated results for the three months ended 31 March 2008 are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2007.

2. Application of new and revised Hong Kong Financial Reporting Standards

In the current period, the Group has adopted all of the new and revised Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2007. The adoption of these new and revised Standards and Interpretations did not result in substantial changes to the Group's accounting policies nor have affected the amounts reported for the current or prior periods.

The Group has not early applied the following new standards, amendment or interpretations that have been issued but are not yet effective. The directors anticipate that the application of these new standards, amendment or interpretations will have no material impact on the results and the financial position of the Group.

HKAS 1 (Revised)	Presentation of Financial Statements(1)
HKAS 23 (Revised)	Borrowing Cost(4)
HKFRS 8	Operating Segments(4)
HK(IFRIC)-Int 11	HKFRS 2-Group and Treasury Share Transactions(1)
HK(IFRIC)-Int 12	Service Concession Arrangements(2)
HK(IFRIC)-Int 13	Customer Loyalty Programmes(3)
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction(2)

(1) *Effective for annual periods beginning on or after 1 March 2007*
(2) *Effective for annual periods beginning on or after 1 January 2008*
(3) *Effective for annual periods beginning on or after 1 July 2008*
(4) *Effective for annual periods beginning on or after 1 January 2009*

3. Revenue

An analysis of the Group's turnover is as follows:

	For the three months ended 31 March	
	2008	2007
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Sales of goods	**15,781**	9,121

4. Finance costs

	For the three months ended 31 March	
	2008	2007
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest on convertible bonds	**464**	464

5. Income tax expense

No provision for Hong Kong profits tax has been made as the Group has no assessable profits arising in or derived from Hong Kong during the three months ended 31 March 2008 (three months ended 31 March 2007: Nil). Taxes on profits assessable elsewhere have calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

The taxation on the Group's loss for the period differs from the theoretical amount that would arise using the statutory rates for the countries in which the Company and its subsidiaries are domiciled to the tax charge/(credit) at the effective tax rates are as follows:

	For the three months ended 31 March	
	2008	2007
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Loss before tax	**(1,775)**	(1,272)
Taxation at the notional rate	**(36)**	638
Tax effect of income not taxable	**(81)**	–
Tax effect of expenses not deductible for taxation purpose	**524**	–
Tax effect of estimated tax losses not recognized for the period	**171**	196
	578	834

6. Dividends

The Directors do not recommend the payment of interim dividend for the three months ended 31 March 2008 (three months ended 31 March 2007 : Nil)

7. Loss per share

The basic loss per share is calculated based on the loss attributable to shareholders of HK$1,775,000 (2007: HK$2,106,000) and the weighted average number of 723,087,310 (2007: 723,087,310) ordinary shares in issue during the period.

The diluted earnings per share for the three months ended 31 March 2008 and 31 March 2007 has not been disclosed as the exercise price of the Company's convertible bonds were higher than the average market price for shares and there was no outstanding share option.

DIVIDEND

The Board does not recommend the payment of a dividend for the three months ended 31 March 2008 (2007: Nil).

BUSINESS REVIEW

Financial Review

During the first quarter of 2008, the Group recorded unaudited consolidated turnover was approximately HK$15,781,000 (2007: HK$9,121,000). There is an approximately 73% increase in turnover. Gross profit was approximately HK$4,692,000 when compared with that of approximately HK$4,013,000 for the same quarter in 2007. The loss attributable to shareholders was approximately HK$1,775,000 when compared with that of HK$2,106,000 for the same quarter in 2007.

Operations

During the period under review, the Group has taken effective measures to control its operating costs. This is the objective of the Group to adopt stringent cost control and maintain a thin but effective overhead structure. The Group is optimistic in enjoying a fruitful harvest and satisfying an anticipated growth of production capacity in the foreseeable future.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2008, the Group had net current assets of approximately HK$9,113,000 (31 March 2007: HK$12,304,000). The current assets comprised bank balances and cash of approximately HK$124,000, trade and other receivables of approximately HK$36,868,000. The current liabilities comprised trade and other payables of approximately HK$22,078,000.

During the three months ended 31 March 2008, the Group did not make any material acquisition and disposal of subsidiaries and affiliated companies and investment.

As at 31 March 2008, the Group had no significant exposure to fluctuations in exchange rates and any related hedges.

PROSPECTS

The Company will continue to focus and deepen its main business in manufacturing and trading of ceramic ferrule, fiber optic connector, fiber optic adoptor and patch code respectively. With Fibra to the home "FTTH" become popular, broadband users demand faster speed, increasing demand for broadband services, and the healthy growth of global market, we are optimistic for the future of this industry.

In the meantime, with the lead of our management team, the Company is actively searching for business opportunities in asset and fund management. Whenever, there are attractive investment opportunities existed, the Company will expand its arm through strategic acquisition and cooperation. We are targeting to start our fund management business by the end of this year. We strongly believe both our manufacturing and fund management business will bring fruitful returns and create additional values to our shareholders in the coming years.

FUND RAISING

The Company entered into of a share subscription agreement with a subscriber in September 2007 and a placing agreement with a placing agent simultaneously. In October 2007, the Company entered into a second placing agreement with the placing agent. In December 2007, the Company announced the rights issue to existing shareholders. Completion of the share subscription agreement, the placing agreements and the rights issue are conditional upon, amongst other, a proposal for the resumption of trading in shares of the Company on the Stock Exchange having been approved and accepted by the Stock Exchange to be viable. Details please refer to the announcement of the Company dated 24 September 2007, 26 October 2007, 18 December 2007, 27 February 2008 and a circular dated 29 February 2008 respectively. All ordinary resolutions proposed for approving subscription shares, placings shares, rights shares were duly passed by the shareholders, all by way of poll at the extra-ordinary general meeting held on 18 March 2008. Details please refer to the announcement of the Company dated 18 March 2008.

DISCLOSURE OF INTERESTS

Directors and chief executive's interests in securities

As at 31 March 2008, the interests and short positions of the Directors in the shares ("**Shares**"), underlying Shares or debentures of the Company and its associated corporations (within the meaning of part XV of the Securities and Futures Ordinance, the Laws of Hong Kong (the "**SFO**") which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the GEM Listing Rules of the Stock Exchange relating to securities transaction by Directors, were as follows:

(i) Long positions in Shares

Name of Director	Number of Shares	Capacity	Type of Interest	Approximate percentage of issued share capital *(%)*
Mr. Cheng Qing Bo ("**Mr. Cheng**")	180,000,000 *(Note 1)*	Beneficial owner	Corporate	24.89 *(Note 2)*

Notes:

1. These Shares are held by Bright Castle Investments Limited, which is wholly owned by Mr. Cheng. Mr. Cheng is therefore deemed to be interested in 24.89% of the issued share capital of the Company.

2. The percentage of issued shares had been arrived at on the basis of a total of 723,087,310 shares of the Company in issue as at 31 March 2008.

Save as disclosed above, as at 31 March 2008, none of the Directors had interests in any securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the GEM Listing Rules of the Stock Exchange relating to securities transaction by Directors.

(ii) Long positions in underlying Shares of equity derivatives of the Company

No share option was granted or exercised during the period.

Save as disclosed above, as at 31 March 2008, none of the Directors or chief executives of the Company or their respective spouses or children under 18 years of age had any right to subscribe for the Shares or any share of its associated corporations.

(iii) Short positions in the Shares and underlying Shares of equity derivatives of the Company

Saved as disclosed herein, as at 31 March 2008, none of the Directors had short positions in Shares or underlying Share of equity derivatives of the Company.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN SECURITIES

As far as was known to any Director or chief executive of the Company, as at 31 March 2008, the persons or companies (not being a Director or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly deemed to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group were as follows:

(i) Long positions in Shares

Name of Shareholder	Number of Shares	Capacity	Approximate percentage of issued share capital *(%)*
Bright Castle Investments Limited	180,000,000 *(Note 1)*	Other	24.89% *(Note 2)*

Notes:

1. see Note 1 on page 10.

2. see Note 2 on page 10.

Save as disclosed above, as at 31 March 2008, the Directors were not aware of any other person who had an interest or short positions in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who was interested in 5% or more of the nominal value of any class of share capital, or options in respect of such capital, carrying rights to vote in all circumstances at general meetings of the Company.

(ii) Short positions in the Shares and underlying Shares of equity derivatives of the Company

As far as the Directors are aware, saved as disclosed herein, as at 31 March 2008, no persons have short positions in Shares or underlying Shares of equity derivatives of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its Shares during the period. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's shares during the period.

COMPETING INTERESTS

The Directors are not aware of, as at 31 March 2008, any business or interest of each Director, substantial shareholder and management shareholders (as defined in the GEM Listing Rules) and their respective associates that competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference based upon the guidelines recommended by the Hong Kong Institute of Certified Public Accountants. The primary duties of the audit committee are to review the Company's annual report and financial statements, half-yearly reports and quarterly reports and to provide advice and comments thereon to the Board of Directors. The audit committee has met regularly to review with management the accounting principles and practices adopted by the Group and to discuss auditing, internal control and financial reporting matters. The audit committee comprises three Independent Non-Executive Directors, namely Mr. Tam Wing Kin, Mr. Fung Chan Man, Alex and Dr. Lee Chung Mong, John. The Group's first quarterly results for the three months ended 31 March 2008 have been reviewed by the audit committee of the Company.

By Order of the Board
Intcera High Tech Group Limited
Cheng Qing Bo
Chairman

Hong Kong, 13 May 2008