

INTCERA

Intcera High Tech Group Limited

大陶精密科技集團有限公司*

(To be renamed China Post E-Commerce (Holdings) Limited 中郵電貿(控股)有限公司)*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8041)

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



* For identification purpose only

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a high investment risk may be attached than other companies listed on the Stock Exchange. 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.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchange and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim 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 (the “Directors”) of Intcera High Tech Group Limited (the “Company”) collectively and individually accept full responsibility for this report which is given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”). The Directors confirm, having made all reasonable enquires, 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 basis and assumptions of reasonableness and fairness.

SUMMARY (UNAUDITED)

- The Group recorded total unaudited turnover of approximately HK\$19,361,000 for the three months ended 31 March 2009.
- The Group recorded unaudited loss attributable to shareholders of approximately HK\$930,000 for the three months ended 31 March 2009.
- The Directors do not recommend the payment of an interim dividend for the three months ended 31 March 2009.
- The Group had a sound financial position with cash and bank balances of approximately HK\$10,567,000 and no bank borrowings as at 31 March 2009.

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 2009, together with the comparative unaudited figures for the same period in 2008 as follows:

		For the three months ended 31 March	
		2009	2008
	<i>Notes</i>	HK\$'000	<i>HK\$'000</i>
Turnover	3	19,361	15,781
Cost of sales		<u>(13,837)</u>	<u>(11,089)</u>
Gross profit		5,524	4,692
Other revenue		504	473
Administrative expenses		(1,277)	(970)
Depreciation for property, plant and equipment		(2,081)	(2,533)
Other operating expenses		<u>(3,185)</u>	<u>(2,395)</u>
Loss from operations		(515)	(733)
Finance costs	4	<u>(62)</u>	<u>(464)</u>
Loss before tax		(577)	(1,197)
Income tax expense	5	<u>(477)</u>	<u>(578)</u>
Loss for the period		<u>(1,054)</u>	<u>(1,775)</u>
Dividend	6	<u>–</u>	<u>–</u>
Attributable to:			
Equity holders of the Company		(930)	(1,775)
Minority Interests		<u>(124)</u>	<u>–</u>
		<u>(1,054)</u>	<u>(1,775)</u>
		<i>HK cents</i>	<i>HK cents</i>
Loss per share	7		
Basic		<u>(0.01)</u>	<u>(0.25)</u>
Diluted		<u>(0.01)</u>	<u>N/A</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2009

	Attributable to equity holders of the Company									
	Share capital	Share premium	Translation reserve	Revaluation reserve	Share Option reserve	Convertible bonds reserve	Accumulated losses	Total	Minority interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2008 (audited)	7,231	61,597	763	28,296	-	5,490	(28,710)	74,667	-	74,667
Loss for the period	-	-	-	-	-	-	(1,775)	(1,775)	-	(1,775)
At 31 March 2008 (unaudited)	7,231	61,597	1,185	28,296	-	5,490	(30,485)	73,314	-	73,314
At 1 January 2009 (audited)	67,062	61,235	1,867	23,639	12,809	-	(52,748)	113,864	42	113,906
Issue of consideration Share	3,600	25,200	-	-	-	-	-	28,800	-	28,800
Exchange differences arising on translation of financial statement outside Hong Kong	-	-	339	-	-	-	-	339	-	339
Loss for the period	-	-	-	-	-	-	(930)	(930)	(124)	(1,054)
At 31 March 2009 (unaudited)	70,662	86,435	2,207	23,639	12,808	-	(53,678)	142,073	(82)	141,991

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

1. Basis of presentation

The consolidated financial statements are presented in Hong Kong dollars. The functional currency of the Group is mainly Renminbi. As the Company's shares are listed on the Stock Exchange, the directors consider that it is appropriate to present the consolidated financial statements in Hong Kong dollars.

The accounting policies adopted in preparing the unaudited consolidated results for the three months ended 31 March 2009 are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2008.

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

In the current period, the Group has applied the following amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants which are or have become effective.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the new and revised standards, amendments or interpretations that have been issued but are not yet effective.

3. Revenue

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

	For the three months ended 31 March	
	2009	2008
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Sales of goods	19,361	15,781

(b) An analysis of the Group's other revenue for the period is as follows:

	2009	2008
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Bank interest income	3	–
Interest on convertible bonds written back	–	464
Interest on promissory notes written back	62	–
Investment income from available-for-sale financial assets	371	–
Rental income	–	9
Sundry income	68	–
	504	473

4. Finance costs

	For the three months ended 31 March	
	2009	2008
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest on convertible bonds	–	464
Interest on promissory notes	62	–
Other interest	–	–
	62	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 2009 (three months ended 31 March 2008: 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	
	2009	2008
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss before tax	(1,054)	(1,775)
Taxation at the notional rate	(36)	(36)
Tax effect of income not taxable	8	(81)
Tax effect of expenses not deductible for taxation purpose	359	524
Tax effect of estimated tax losses not recognized for the period	146	171
	477	578

6. Dividends

The Directors do not recommend the payment of interim dividend for the three months ended 31 March 2009 (three months ended 31 March 2008: Nil)

7. Loss per share

The basic loss per share is calculated based on the loss attributable to shareholders of HK\$930,000 (2008: HK\$1,775,000) and the weighted average number of 6,926,174,620 (2008: 723,087,310) ordinary shares in issue during the period.

The diluted loss per share for the three months ended 31 March 2009 is calculated based on the loss attributable to shareholders of approximately HK\$930,000 and the weighted average number of 6,436,726,068 for the purpose of diluted loss per share.

DIVIDEND

The Board does not recommend the payment of a dividend for the three months ended 31 March 2009 (2008: Nil).

CHANGE OF NAME

At an annual general meeting of shareholders of the Company was held on 27 April 2009, a special resolution to change the name of the Company from Intcera High Tech Group Limited to China Post E-Commerce (Holdings) Limited and adopt the new Chinese name “中郵電貿(控股)有限公司” to replace “大陶精密科技集團有限公司”.

BUSINESS REVIEW

Financial Review

During the first quarter of 2009, the Group recorded unaudited consolidated turnover was approximately HK\$19,361,000 (2008: HK\$15,781,000). There is an approximately 23% increase in turnover. Gross profit was approximately HK\$5,524,000 when compared with that of approximately HK\$4,692,000 for the same quarter in 2008. The loss attributable to shareholders was approximately HK\$930,000 when compared with that of HK\$1,775,000 for the same quarter in 2008.

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 2009, the Group had net current assets of approximately HK\$42,328,000 (31 March 2008: HK\$9,113,000). As at 31 March 2009, the Group had a sound financial position with bank balances and cash of approximately HK\$10,567,000 and had promissory notes of approximately HK\$12,400,000.

On 16 February 2009, the Group entered into a loan agreement to advance a facilities of HK\$9,000,000 to a related company.

During the three months ended 31 March 2009, the Group did not make any material acquisition and disposal of subsidiaries and affiliated companies and investment.

As at 31 March 2009, 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 adapter 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 direct mailing and e-commerce. Whenever, there are attractive investment opportunities existed, the Company will expand its arm through strategic acquisition and cooperation. We strongly believe both our manufacturing, direct mailing business and e-commerce will bring fruitful returns and create additional values to our shareholders in the coming years.

On 9 January 2009, the Company entered into a Sale and Purchase Agreement to acquire 10% of the issued share capital of Info-Source Media Limited (“Info-Source”), which is beneficially owned by Guangdong Postal, at a consideration of HK\$28,800,000. The acquisition was completed on 3 February 2009 and the consideration was satisfied in full by the allotment and issue of 360,000,000 Consideration Shares at the Issue Price of HK\$0.08 per share.

Info-Source is principally engaged in the provision of state-of-the-art E-commerce platform through Guangdong Postal's powerful physical network, sophisticated information network and strong post bank capital support with a broad portfolio of media advertising platforms including bank location network, in-store network, post outlets network, commercial location network, direct mail network, magazine distribution network, wireless and outdoor light-emitting diode (LED) monitor network.

On 4 March 2009, the Company entered into a memorandum of understanding ("MOU") with Info-Source. The MOU assigned the responsibilities of the Company and Info-Source. Info-Source will develop and support the Company with an effective e-commerce platform whereas the Company will identify potential clients interested in using e-commerce platform.

On 6 April 2009, the Company, entered into the Sale and Purchase Agreement to acquire 9% of the issued share capital of iKan TV Limited which is principally engaged in advertising business and media development in Hong Kong and PRC. The acquisition was completed on 29 April 2009 and the consideration was satisfied in full by the allotment and issue of 830,000,000 consolidation shares at the issue price of HK\$0.048 per share.

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. 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 interest in shares, underlying shares and debentures

As at 31 March 2009, the interests and short position of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the required standards of dealings by Directors of the Company as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

(i) Long positions in Shares

Name of Directors	Number of Shares	Capacity	Type of Interest	Approximate percentage of issued share capital (%) (Note 3)
Mr. Lau Chi Yuen, Joseph ("Mr. Lau")	3,542,000,000 (Note 1)	Interest of a controlled corporation	Corporate	50.13
Mr. Cheng Qing Bo ("Mr. Cheng")	369,600,000 (Note 2)	Interest of a controlled corporation	Corporate	5.23

Notes:

1. These shares are held by JL Investments Capital Limited, which is wholly owned by Mr. Lau. Mr. Lau is therefore deemed to be interested in the shares held by JL Investments Capital Limited.
2. 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 the shares held by Bright Castle Investments Limited.
3. The percentage of issued share capital had been arrived at on the basis of a total of 7,066,174,620 Shares in issue as at 31 March 2009.

Save as disclosed above, as at 31 March 2009, none of the Directors nor the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules.

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

Name of Director/ Ex-Director	Types of interests	Description of securities	Number of underlying shares	Approximate percentage of interests
Mr. Chung Man Wai ("Mr. Chung")	Beneficial	Share Option (Note)	67,060,000	0.95%
Mr. Tung Tai Yung ("Mr. Tung")	Beneficial	Share Option (Note)	67,060,000	0.95%

Note:

On 30 May 2008, Mr. Tung and Mr. Chung have been granted 67,060,000 share option under the existing share option scheme adopted in compliance with Chapter 23 of the GEM Listing Rules which carry rights to subscribe for 67,060,000 new Shares at current exercise price of HK0.092 per Share. Mr. Chung was appointed as executive director of the Company on 22 October 2008. Mr. Tung resigned as executive director of the Company on 29 October 2008.

Save as disclosed above, as at 31 March 2009, 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 2009, none of the Directors had short positions in Shares or underlying Shares of equity derivatives of the Company.

Substantial shareholders interests and short positions in shares and underlying shares

As at 31 March 2009, other than the interests of a Director or chief executive of the Company as disclosed under the heading "Directors' and chief executive's interests in shares, underlying shares and debentures" above, the interests and short positions of persons in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

(i) Long positions in Shares

Name of Shareholder	Number of Shares	Capacity	Approximate percentage of issued share capital (%) <i>(Note 3)</i>
JL Investments Capital Limited	3,542,000,000 <i>(Note 1)</i>	Corporate	50.13%
Bright Castle Investments Limited	369,600,000 <i>(Note 2)</i>	Corporate	5.23%
Somerley Group Limited	369,519,912	Corporate	5.23%

Notes:

1. see Note 1 on page 11
2. see Note 2 on page 11
3. see Note 3 on page 11

Save as disclosed above, as at 31 March 2009, the Directors of the Company were not aware of any other person (other than the Directors and chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' AND CHIEF EXECUTIVE'S RIGHT TO SUBSCRIBE FOR EQUITY OR DEBT SECURITIES

Share options are granted to the Directors under the 2008 Share Option Scheme.

Save as disclosed above, at no time during the period ended 31 March 2009 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of equity or debt securities of the Company or any other body corporate.

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 2009, 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 in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules.

The primary duties of the audit committee are (i) to review the annual reports and accounts, half-year reports and quarterly reports and give advice and comments thereon to the Directors; and (ii) to review and supervise the financial reporting process and internal controls. The audit committee comprises the three independent non-executive Directors of the Company.

The audit committee has reviewed the Group's unaudited results for the three months ended 31 March 2009.

By Order of the Board
Intcera High Tech Group Limited
Lau Chi Yuen, Joseph
Chairman

Hong Kong, 13 May 2009