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

ANNUAL RESULTS 2008

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 announcement, 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 announcement.

The directors (the "Directors") of Intcera High Tech Group Limited (the "Company") collectively and individually accept full responsibility for this announcement 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 announcement 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 announcement have been arrived at after due and careful consideration on the basis and assumptions of reasonableness and fairness.

* *For identification purpose only*

HIGHLIGHTS

- The Group has recorded a total turnover of approximately HK$78,644,000 for the year ended 31 December 2008 representing approximately 49% growth over the corresponding period of 2007.

- The Group's gross profit amounted to approximately HK$19,020,000 for the year ended 31 December 2008.

- The Group has recorded a loss attributable to shareholders for the year ended 31 December 2008 of approximately HK$24,038,000, representing a basic loss per share of HK0.399 cents.

- The Directors do not recommend the payment of a dividend for the year ended 31 December 2008.

- The Group has a sound financial position with cash and bank balances of approximately HK$26,298,000 and no bank borrowings as at 31 December 2008.

AUDITED ANNUAL RESULTS

The Board of Directors (the "Board") of the Company announces that the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2008, together with the comparative audited figures for the year ended 31 December 2007, are as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2008

	Notes	**2008** **HK'000**	2007 *HK$'000*
Revenue	*3*	**78,644**	52,612
Cost of sales		**(59,624)**	(32,118)
Gross profit		**19,020**	20,494
Other revenue	*3*	**105,644**	616
Administrative expenses		**(132,353)**	(8,813)
Other operating expenses		**(13,453)**	(5,263)
(Loss) profit from operations	*5*	**(21,142)**	7,034
Finance costs	*6*	**(853)**	(1,814)
(Loss) profit before tax		**(21,995)**	5,220
Income tax expense	*7*	**(2,251)**	(5,038)
(Loss) profit for the year		**(24,246)**	182
Dividend		**–**	–
Attributable to:			
Equity holders of the Company		**(24,038)**	182
Minority interests		**(208)**	–
		(24,246)	182
		HK cents	*HK cents*
(Loss) earnings per share	*8*		
Basic		**(0.399)**	0.025
Diluted		**(0.406)**	N/A

CONSOLIDATED BALANCE SHEET

As at 31 December 2008

	Notes	2008 HK$'000	2007 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**85,282**	91,759
Available-for-sale financial assets		**2,937**	146
		88,219	91,905
CURRENT ASSETS			
Inventories		**22,850**	19,060
Trade and other receivables	*9*	**28,801**	23,584
Due from a related company		**562**	4,521
Cash and bank balances		**26,298**	37
TOTAL CURRENT ASSETS		**78,511**	47,202
CURRENT LIABILITIES			
Borrowing – current portion		**–**	(1,700)
Trade and other payables	*10*	**(18,492)**	(21,324)
Due to a director		**(3,936)**	(3,295)
Due to a related company		**(4,457)**	–
Tax payable		**(9,978)**	(7,326)
TOTAL CURRENT LIABILITIES		**(36,863)**	(33,645)
NET CURRENT ASSETS		**41,648**	13,557
TOTAL ASSETS LESS CURRENT LIABILITIES		**129,867**	105,462
NON-CURRENT LIABILITIES			
Convertible bonds		**–**	(24,859)
Borrowing		**(12,400)**	–
Deferred tax liabilities		**(3,561)**	(5,936)
TOTAL NON-CURRENT LIABILITIES		**(15,961)**	(30,795)
NET ASSETS		**113,906**	74,667
CAPITAL AND RESERVES			
Share capital		**67,062**	7,231
Reserves		**46,802**	67,436
Equity attributes to equity holders of the Company		**113,864**	74,667
Minority interests		**42**	–
TOTAL EQUITY		**113,906**	74,667

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2008

	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 2007	7,231	61,597	117	29,700	–	3,888	(28,892)	73,641	–	73,641
Exchange differences arising on translation of financial statements outside Hong Kong	–	–	646	–	–	–	–	646	–	646
Deficit on revaluation of property, plant and equipment	–	–	–	(4,823)	–	–	–	(4,823)	–	(4,823)
Deferred tax liability on revaluation of property, plant and equipment	–	–	–	3,419	–	–	–	3,419	–	3,419
Net expense recognized directly in equity	7,231	61,597	763	28,296	–	3,888	(28,892)	72,883	–	72,883
Profit for the year	–	–	–	–	–	–	182	182	–	182
Total recognised income and expense for the year	7,231	61,597	763	28,296	–	3,888	(28,710)	73,065	–	73,065
Fair value adjustment on convertible bonds	–	–	–	–	–	2,029	–	2,029	–	2,029
Reversal of deferred tax liability on the convertible bonds	–	–	–	–	–	(427)	–	(427)	–	(427)
At 31 December 2007 and at 1 January 2008	**7,231**	**61,597**	**763**	**28,296**	**–**	**5,490**	**(28,710)**	**74,667**	**–**	**74,667**
Exchange differences arising on translation of financial statements outside Hong Kong	**–**	**–**	**1,104**	**–**	**–**	**–**	**–**	**1,104**	**–**	**1,104**
Deficit on revaluation of property, plant and equipment	**–**	**–**	**–**	**(6,054)**	**–**	**–**	**–**	**(6,054)**	**–**	**(6,054)**
Deferred tax liability on revaluation of property, plant and equipment	**–**	**–**	**–**	**1,397**	**–**	**–**	**–**	**1,397**	**–**	**1,397**
Net expense recognized directly in equity	**7,231**	**61,597**	**1,867**	**23,639**	**–**	**5,490**	**(28,710)**	**71,114**	**–**	**71,114**
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**(24,038)**	**(24,078)**	**(208)**	**(24,246)**
Total recognised income and expense for the year	**7,231**	**61,597**	**1,867**	**23,639**	**–**	**5,490**	**(52,748)**	**47,076**	**(208)**	**46,868**
Bonus issue	**362**	**(362)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Placing issue	**14,580**	**–**	**–**	**–**	**–**	**–**	**–**	**14,580**	**–**	**14,580**
Right issue	**7,231**	**–**	**–**	**–**	**–**	**–**	**–**	**7,231**	**–**	**7,231**
Subscription issue	**35,420**	**–**	**–**	**–**	**–**	**–**	**–**	**35,420**	**–**	**35,420**
Remuneration issue	**2,238**	**–**	**–**	**–**	**–**	**–**	**–**	**2,238**	**–**	**2,238**
Redemption on convertible bonds	**–**	**–**	**–**	**–**	**–**	**(5,490)**	**–**	**(5,490)**	**–**	**(5,490)**
Recognition of equity-settled share based payments	**–**	**–**	**–**	**–**	**12,809**	**–**	**–**	**12,809**	**–**	**12,809**
Capital contribution from minority shareholder	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**250**	**250**
At 31 December 2008	**67,062**	**61,235**	**1,867**	**23,639**	**12,809**	**–**	**(52,748)**	**113,864**	**42**	**113,906**

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, 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 for the year is as follows:

	2008	2007
	HK$'000	*HK$'000*
Sales of goods	**78,644**	52,612

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

	2008	2007
	HK$'000	*HK$'000*
Bank interest income	**331**	–
Interest on convertible bonds written back	**230**	548
Interest on promissory notes written back	**144**	–
Investment income from available-for-sale financial assets	**295**	–
Rental income	**15**	32
Gain on redemption of convertible bonds	**4,383**	–
Gain on disposal of a subsidiary	**99,258**	–
Government grants *(Note)*	**784**	–
Sundry income	**204**	36
	105,644	616

Note:

Government grants of approximately HK$784,000 (2007: HK$Nil) have been received in the current period towards allowances for technology research.

4. BUSINESS AND GEOGRAPHICAL SEGMENTS

(i) Business segments

The following continuing operations are the basis on which the Group reports its primary segment information. There are no sales or other transactions between the business segments.

Income statement

	2008		
	Manufacturing and trading of ceramic blanks and ferrules	**Others**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Revenue	**78,486**	**158**	**78,644**
Segment results	**8,332**	**(416)**	**7,916**
Unallocated corporate income			**104,844**
Unallocated corporate expenses			**(133,902)**
Finance costs			**(853)**
Income tax expense			**(2,251)**
Loss for the year			**(24,246)**

	2007		
	Manufacturing and trading of ceramic blanks and ferrules	Others	Total
	HK$'000	*HK$'000*	*HK$'000*
Revenue	52,612	–	52,612
Segment results	15,447	–	15,447
Unallocated corporate income			616
Unallocated corporate expenses			(9,029)
Finance costs			(1,814)
Income tax expense			(5,038)
Profit for the year			182

Other information

	2008		
	Manufacturing and trading of ceramic blanks and ferrules	**Others**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Capital expenses	**–**	**314**	**314**
Depreciation	**–**	**18**	**18**
Other non-cash expenses	**–**	**12,809**	**12,809**
Impairment loss on other receivables	**–**	**113,101**	**113,101**

	2007		
	Manufacturing and trading of ceramic blanks and ferrules	Others	Total
	HK$'000	*HK$'000*	*HK$'000*
Depreciation	1	25	26

Balance sheet

	2008		
	Manufacturing and trading of ceramic blanks and ferrules	**Others**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Assets			
Segment assets	**51,032**	**574**	**51,606**
Unallocated assets			**115,124**
Total assets			**166,730**
Liabilities			
Segment liabilities	**28,654**	**–**	**28,654**
Unallocated liabilities			**24,170**
Total liabilities			**52,824**

	2007		
	Manufacturing and trading of ceramic blanks and ferrules	Others	Total
	HK$'000	*HK$'000*	*HK$'000*
Assets			
Segment assets	61,479	–	61,479
Unallocated assets			77,628
Total assets			139,107
Liabilities			
Segment liabilities	26,319	–	26,319
Unallocated liabilities			38,121
Total liabilities			64,440

(ii) Geographical segments

No geographical segment information of the Group is shown as the Group's operations, turnover by geographical market and assets are wholly located in Hong Kong and the People's Republic of China ("PRC").

5. (LOSS) PROFIT FROM OPERATIONS

(Loss) profit from operations of the Group has been arrived at after charging the followings:

	2008	2007
	HK$'000	*HK$'000*
Staff costs (including directors' remuneration):		
Salaries and allowances	**6,524**	2,913
Direct labour (included in cost of sales)	**9,631**	5,268
Mandatory provident fund contributions	**584**	265
	16,739	8,446
Depreciation for property, plant and equipment	**18**	26
Auditors' remuneration	**500**	550
Cost of inventories recognized as expenses	**59,624**	32,118
Loss on disposal of property, plant and equipment	**753**	–
Impairment loss on other receivables	**113,101**	–
Operating lease rentals in respect of land and buildings	**507**	771
Share options expenses	**12,809**	–
Net foreign exchange losses	**491**	–
and after crediting the followings:		
Net foreign exchange gains	**–**	11
Gain on disposal of a subsidiary	**99,258**	–

6. FINANCE COSTS

	2008	2007
	HK$'000	*HK$'000*
Interest on convertible bonds	**686**	1,797
Interest on promissory notes	**144**	–
Other interest	**23**	17
	853	1,814

7. 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 year (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.

	2008	2007
	HK$'000	*HK$'000*
Current year:		
Hong Kong Profits Tax	**–**	–
PRC Enterprise Income tax	**2,112**	5,038
	2,112	5,038
Underprovision in prior years:		
Hong Kong Profits Tax	**139**	–
PRC Enterprise Income tax	**–**	–
	139	–
	2,251	5,038

The taxation on the Group's (loss) profit for the year 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 at the effective tax rates are as follows:

	2008	2007
	HK$'000	*HK$'000*
(Loss) profit before tax	**(21,995)**	5,220
Taxation at the notional rate	**(3,629)**	914
Tax effect of income not taxable	**(16,466)**	–
Tax effect of expenses not deductible for taxation purpose	**47**	5
Tax effect of estimated tax losses not recognized for the year	**21,442**	1,753
Tax effect of income tax underprovided in prior years	**139**	–
Effect of different tax rates operating in other jurisdictions	**718**	2,366
	2,251	5,038

8. (LOSS) EARNINGS PER SHARE

The basic (loss) earnings per share is calculated based on the (loss) profit attributable to shareholders of loss of approximately HK$24,038,000 (2007: profit of approximately HK$182,000) and the weighted average number of 6,019,084,345 (2007: 723,087,310) ordinary shares in issue during the year.

The diluted loss per share for the year ended 31 December 2008 is calculated based on the loss attributable to shareholders of approximately HK$24,038,000 and the weighted average number of 5,919,929,930 for the purpose of diluted loss per share.

The diluted earnings per share for the year ended 31 December 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.

9. TRADE AND OTHER RECEIVABLES

	The Group	
	2008	2007
	HK$'000	*HK$'000*
Trade receivables	**25,585**	16,920
Other receivables, deposits and prepayment	**3,216**	6,664
	28,801	23,584

The fair value of the Group's trade and other receivables at 31 December 2008 was approximate to the corresponding carrying amount.

The aging analysis of trade receivables is as follows:

	The Group	
	2008	2007
	HK$'000	*HK$'000*
Within 30 days	**6,870**	6,352
31 to 90 days	**6,450**	5,292
91 to 180 days	**7,505**	3,893
Over 180 days	**4,760**	1,383
	25,585	16,920

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of approximately HK$4,760,000 (2007: HK$1,383,000) which are past due as at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

Aging of the Group's trade receivables which are past due but not impaired:

	2008	2007
	HK$'000	*HK$'000*
Over 180 days	**4,760**	1,383
Total	**4,760**	1,383

Trade receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

10. TRADE AND OTHER PAYABLES

	The Group	
	2008	2007
	HK$'000	*HK$'000*
Trade payables	**8,313**	6,380
Temporary deposits, accruals and other payables	**10,179**	14,944
	18,492	21,324

The aging analysis of trade payables is as follows:

	The Group	
	2008	2007
	HK$'000	*HK$'000*
Within 30 days	**4,768**	3,297
31 to 90 days	**2,853**	2,389
91 to 180 days	**48**	161
Over 180 days	**644**	533
	8,313	6,380

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the year ended 31 December 2008, the Group recorded a total turnover of approximately HK$78,644,000 representing an increase of approximately 49% from approximately HK$52,612,000 for the year ended 31 December 2007. A gross profit of approximately HK$19,020,000 was recorded by the Group for the year ended 31 December 2008. The loss attributable to shareholders was approximately HK$24,038,000.

Operations

During the year 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 December 2008, the Group had total assets of approximately HK$166,730,000. At the balance sheet date, the Group had a sound financial position with cash and bank balances of approximately HK$26,298,000 and had promissory notes of approximately HK$12,400,000. The Group has a current ratio of approximately 2.13 comparing to that of 1.40 as at 31 December 2007. As at 31 December 2008, the Group had the gearing ratio of 32% was calculated at by dividing total debt by the total assets (31 December 2007: 46%).

Foreign Exchange Exposure

The business activities of the Group are not exposed to material fluctuations in exchange rates except the operation through its subsidiary in Shenzhen, PRC which is subject to fluctuation in exchange rates between Renminbi and Hong Kong dollars.

Capital structure

As at 31 December 2007, the Company's outstanding issued shares were 723,087,310 ordinary shares of HK$0.01 each. During the year under review, 5,983,087,310 ordinary shares of HK$0.01 each were issued. At 31 December 2008, the Company's outstanding issued shares were 6,706,174,620.

Significant Investments

The Group did not have any significant investments as at 31 December 2008.

Material acquisitions and disposals of subsidiaries

The Group did not have any material acquisitions or disposals of subsidiaries or affiliated companies for the year ended 31 December 2008.

Employees and Remuneration Policy

As at 31 December 2008, the Group had 501 full time employees compared with that of 315 in 2007. The staff costs, including directors' remuneration, were approximately HK$16,739,000 (2007: HK$8,446,000). The Group offers a comprehensive remuneration package and benefits to its full time employees in compliance with the regulations in Hong Kong and the PRC respectively, including medical scheme, provident fund or retirement fund. In addition, the Group adopts a share option scheme for eligible employees (including directors) to provide incentives to participants for their contributions and continuing efforts to promote the interests of the Group.

Contingent Liabilities

As at 31 December 2008, the Group did not have any material contingent liabilities or charges laid against its assets.

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 asset and fund management 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, asset and fund management 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.

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 identity potential clients interested in using e-commerce platform.

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.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year.

DIVIDEND

No dividend was paid or proposed during 2008, nor has any dividend been proposed since the balance sheet date (2007: nil).

COMPETING INTERESTS

The Directors are not aware of, as at 31 December 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 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 audited results for the year ended 31 December 2008.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintain high standards of corporate governance for the Company. During the year, the Company is in compliance with the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules except provision A.4.1 of the CG Code as detailed below:

Code Provision A.4.1

Under the code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election. The current independent non-executive Directors are not appointed for specific terms, but are subject to retirement and re-election.

The current practices of the corporate governance of the Company will be reviewed and updated in a timely manner in order to comply with the requirements of the CG Code.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company was not aware of any noncompliance with such required standard of dealings and its code of conduct regarding securities transactions throughout the year ended 31 December 2008.

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

Hong Kong, 24 March 2009

This announcement will remain on the "Latest Company Announcement" page of the GEM website for at least 7 days from the date of its publication.

As at the date of this announcement, the Company has altogether six directors comprising three executive directors namely, Mr. Lau Chi Yuen, Joseph (Chairman), Mr. Chung Man Wai, Mr. Cheng Qing Bo and three independent non-executive directors namely, Dr. Lee Chung Mong, John, Mr. Tam Wing Kin and Mr. Fung Chan Man, Alex.