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ICube Technology Holdings Limited

中國微電子科技集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 139)

**PROPOSED RIGHTS ISSUE
AT A SUBSCRIPTION PRICE OF HK\$0.10
ON THE BASIS OF
TWO RIGHTS SHARES FOR EVERY SHARE
HELD ON THE RECORD DATE**

Underwriter



FREEMAN SECURITIES LIMITED

PROPOSED RIGHTS ISSUE

The Board proposes to raise approximately HK\$135.58 million before expenses (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date) to approximately HK\$229.27 million before expenses (assuming (i) no repurchase of Shares; (ii) the Options are fully exercised; (iii) all the convertible portion of the Convertible Bonds is converted into Shares; and (iv) the General Mandate is fully utilized on or before the Record Date) by issuing not less than 1,355,825,218 new Shares and not more than 2,292,650,866 new Shares to the Qualifying Shareholders by way of the Rights Issue at a subscription price of HK\$0.10 per Rights Share on the basis of two Rights Shares for every Share held on the Record Date. The Rights Issue will not be available to the Non-Qualifying Shareholders.

The estimated net proceeds of the Rights Issue will be approximately HK\$129.65 million (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date) to approximately HK\$223.33 million (assuming (i) no repurchase of Shares; (ii) the Options are fully exercised; (iii) all the convertible portion of the Convertible Bonds is converted into Shares; and (iv) the General Mandate is fully utilized on or before the Record Date). The Company intends to apply the net proceeds from the Rights Issue for further funding the research and development on the Group's Multi-threaded Virtual Pipeline (MVP) based System-on-Chip products and the general working capital of the Group.

IRREVOCABLE UNDERTAKINGS BY ALLIED WAY AND MR. WONG HOWARD

In connection with the proposed Rights Issue, Allied Way and Mr. Wong Howard irrevocably and unconditionally covenant and undertake to the Company that (i) they shall remain the respective beneficial owners of the Shares held on the date of the undertakings and shall not, either directly or indirectly, sell, transfer or otherwise dispose of such Shares or any part thereof to any other party from the date of the undertaking up to (and inclusive of) the Record Date; and (ii) they shall fully take up and pay for, or procure the taking-up and payment of, all of the Rights Shares to be allotted to them under the Rights Issue in respect of such Shares respectively in accordance with the terms and conditions of the Rights Issue.

The Rights Issue is conditional, inter alia, upon the fulfillment of the conditions set out under the section headed “Conditions of the Rights Issue” of this announcement. In particular, the Rights Issue is subject to the Underwriter not terminating the Underwriting Agreement in accordance with the terms set out therein. Accordingly, the Rights Issue may or may not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue could not become unconditional and may not proceed. Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, to the best knowledge, information and belief of the Directors, an associate of the Underwriter holds 21,050,000 Shares, representing approximately 3.11% of the issued share capital of the Company. As the Underwriter is a party to the Underwriting Agreement, it has a material interest in the Rights Issue. The associate of the Underwriter is required to abstain from voting in favour of the proposed resolutions to approve the Rights Issue at the SGM.

In compliance with Rule 7.19(6) of the Listing Rules, the Rights Issue is conditional upon the approval of the Independent Shareholders by way of poll at the SGM. The Company does not have any controlling Shareholder. As at the date of this announcement, Mr. Wong Howard, an executive Director, holds 4,259,800 Shares, representing approximately 0.63% of the entire issued share capital of the Company. Mr. Wong Yat Fai, an executive Director, holds 4,259,800 Shares, representing approximately 0.63% of the entire issued share capital of the Company. Allied Way, a company which is controlled as to 50% by Mr. Wong Howard and 50% by his spouse, Ms. Cheung Mei Yee, Rebacca, holds 136,000,000 Shares, representing approximately 20.06% of the entire issued share capital of the Company. Accordingly, Mr. Wong Howard, Mr. Wong Yat Fai and Allied Way, together with their respective associates, are required to abstain from voting in favour of the proposed resolutions approving the Rights Issue at the SGM.

An independent board committee of the Company comprising all the independent non-executive Directors will be appointed to make recommendations to the Independent Shareholders in respect of the Rights Issue. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders in this regard.

GENERAL

A circular containing, among other things, (i) further details of the Rights Issue; (ii) a letter of recommendation from the independent board committee of the Company to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders on the Rights Issue; and (iv) notice convening the SGM, will be despatched to the Shareholders on or before 16 July 2013.

PROPOSED RIGHTS ISSUE

On 25 June 2013, the Company and the Underwriter entered into the Underwriting Agreement in relation to the underwriting arrangements in respect of the proposed Rights Issue.

Issue statistics

Basis of the Rights Issue	:	two Rights Share for every Share held on the Record Date
Number of Shares in issue as at the date of this announcement	:	677,912,609
Number of Rights Shares	:	not less than 1,355,825,218 new Shares (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date) and not more than 2,292,650,866 new Shares (assuming (i) no repurchase of Shares; (ii) the Options are fully exercised; (iii) all the convertible portion of the Convertible Bonds is converted into Shares; and (iv) the General Mandate are fully utilized on or before the Record Date)
Subscription Price	:	HK\$0.10 per Rights Share

Number of Rights Shares : All the Rights Shares except the 280,519,600 Rights Shares underwritten by the Underwriter that Allied Way and Mr. Wong Howard have irrevocably undertaken to accept or procure acceptance therefor, being not less than 1,075,305,618 new Shares (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date) and not more than 2,012,131,266 new Shares (assuming (i) no repurchase of Shares; (ii) the Options are fully exercised; (iii) all the convertible portion of the Convertible Bonds is converted into Shares; and (iv) the General Mandate are fully utilized on or before the Record Date)

As at the date of this announcement, there are outstanding Convertible Bonds with the conversion rights attached to the convertible portion (i.e. HK\$100,000,000) at the conversion price of HK\$0.33 (subject to adjustment) which are convertible into an aggregate of 303,030,303 Shares upon full conversion of such conversion rights, and 29,800,000 Options which are exercisable to subscribe for an aggregate of 29,800,000 new Shares with exercise period commencing on or before the Record Date.

Save as disclosed above, as at the date of this announcement, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares. Assuming no further issue of new Shares or repurchase of Shares on or before the Record Date, the 1,355,825,218 nil-paid Rights Shares proposed to be provisionally allotted represent 200% of the Company's issued share capital as at the date of this announcement and approximately 66.67% of the Company's issued share capital as enlarged by the issue of the 1,355,825,218 Rights Shares. The aggregate nominal value of the 1,355,825,218 Rights Shares will be HK\$13,558,252.18.

Qualifying Shareholders

The Company will send the Prospectus Documents to Qualifying Shareholders only. To qualify for the Rights Issue, a Shareholder must:

1. be registered as a member of the Company at the close of business on the Record Date; and
2. be a Qualifying Shareholder.

In order to be registered as members of the Company at the close of business on the Record Date, owners of Shares must lodge any transfers of Shares (together with the relevant share certificates) with the Company's share registrar in Hong Kong, Tricor Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration by no later than 4:30 p.m. on Monday, 5 August 2013.

Closure of register of members

The register of members of the Company will be closed from 6 August 2013 to 12 August 2013, both days inclusive. No transfer of Shares will be registered during this period.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

As at the date of this announcement, there is no Overseas Shareholder as shown in the register of members of the Company.

In compliance with the necessary requirements of the Listing Rules, the Company will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any). If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders 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 Rights Issue will not be available to such Overseas Shareholders. Further information in this connection will be set out in the Prospectus Documents containing, among other things, details of the Rights Issue, to be despatched to the Qualifying Shareholders as soon as practicable. The Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send PAL and EAF to them.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the 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 sale, less expenses, of more than HK\$100 will be paid pro rata to the Non-Qualifying Shareholders. The Company will retain individual amounts of HK\$100 or less for the benefit of the Company. Any unsold entitlement of Non-Qualifying Shareholders, together with any Rights Shares provisionally allotted but not accepted, will be made available for excess application on EAFs by Qualifying Shareholders.

Subscription Price

The Subscription Price is HK\$0.10 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 20.63% to the closing price of HK\$0.126 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (b) a discount of approximately 27.95% to the average closing price of approximately HK\$0.1388 per Share as quoted on the Stock Exchange for the five consecutive trading days ended on the Last Trading Day; and
- (c) a discount of approximately 8.00% to the theoretical ex-rights price of approximately HK\$0.1087 per Share based on the closing price of HK\$0.126 per Share as quoted on the Stock Exchange on the Last Trading Day.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to the market price of the Shares under the prevailing market conditions. The Directors (including the independent non-executive Directors) consider the terms of the Rights Issue, including the Subscription Price which has been set as a discount as described above with an objective to encourage existing Shareholders to take up their entitlements so as to participate in the potential growth of the Company, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The net price per Rights Share (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date) will be approximately HK\$0.0956.

Basis of provisional allotment

The basis of the provisional allotment shall be two Rights Shares for every Share in issue and held at the close of business on the Record Date, being not less than 1,355,825,218 Rights Shares and not more than 2,292,650,866 Rights Shares at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents. Application for all or any part of a provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

Fractions of Rights Shares

On the basis of provisional allotment of two Rights Shares for every Share held by the Qualifying Shareholders at the close of business on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue.

Status of the Rights Shares

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

Application for excess Rights Shares

Qualifying Shareholders or transferees of nil-paid Rights Shares may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders and for any Rights Shares provisionally allotted but not accepted. Applications for excess Rights Shares may be made by completing the EAFs and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (1) preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with the intention to abuse this mechanism; and
- (2) subject to availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated based on a sliding scale with reference to the number of the excess Rights Shares applied for (i.e. applications for a smaller number of Rights Shares are allocated with a higher percentage of successful application; whereas applications for a larger number of Rights Shares are allocated with a smaller percentage of successful application), and with board lot allocations to be made on a best effort basis.

Investors with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually. Investors with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

Investors whose Shares are held by their nominee(s) and who would like to have their names registered on the register of members of the Company at the close of business on the Record Date, must lodge all necessary documents with the share registrar of the Company, Tricor Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for completion of the relevant registration by 4:30 p.m. on Monday, 5 August 2013.

Share certificates and refund cheques for Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before 4 September 2013. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before 4 September 2013 by ordinary post to the applicants at their own risk.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Both nil-paid Rights Shares and fully-paid Rights Shares will be traded in board lots of 10,000 Shares.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy or any other applicable fees and charges in Hong Kong.

Conditions of the Rights Issue

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

1. the passing of the necessary resolution(s) by the Independent Shareholders at the SGM to approve the Rights Issue and the transactions contemplated under the Underwriting Agreement;
2. the Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of and permission to deal in all the Rights Shares, in both nil-paid and fully-paid forms, by no later than the Posting Date;
3. the delivery to the Stock Exchange and registration by the Registrar of Companies in Hong Kong of one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by a resolution of the Directors (and all other documents required to be attached thereto) not later than the Posting Date and otherwise in compliance with the Listing Rules and the Companies Ordinance;
4. the posting of the Prospectus Documents to the Qualifying Shareholders; and
5. the Underwriter having not terminated the Underwriting Agreement in accordance with the terms set out in the Underwriting Agreement.

In the event that the above conditions have not been satisfied on or before 31 December 2013 (or such later date as the Underwriter and the Company may agree in writing), all obligations and liabilities of the parties to the Underwriting Agreement shall cease and determine and no party shall have any claim against the other parties save for any antecedent breach of the Underwriting Agreement and the Rights Issue will not proceed.

UNDERWRITING ARRANGEMENTS

The Underwriting Agreement

The principal terms and conditions of the Underwriting Agreement are summarized as below:

Date	:	25 June 2013
Underwriter	:	Freeman Securities Limited. As at the date of this announcement, an associate of the Underwriter holds 21,050,000 Shares, representing approximately 3.11% of the issued share capital of the Company. The Underwriter and its ultimate beneficial owners are Independent Third Parties
Underwriting commitment of the Underwriter	:	Not less than 1,075,305,618 new Shares (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date) and not more than 2,012,131,266 new Shares (assuming (i) no repurchase of Shares; (ii) the Options are fully exercised; (iii) all the convertible portion of the Convertible Bonds is converted into Shares; and (iv) the General Mandate is fully utilized on or before the Record Date)
Commission	:	2.5% of the Subscription Price multiplied by 2,012,131,266 Rights Shares, being the maximum number of the Rights Shares except the 280,519,600 Rights Shares that Allied Way and Mr. Wong Howard have irrevocably undertaken to accept
Undertaking by the Company	:	The Company has given undertakings to the Underwriter that from the date of the Underwriting Agreement until the Record Date it will not issue Shares and not grant any options or other securities convertible into, exchangeable for or which carry rights to acquire Shares (other than the issue of Shares upon exercise of the Options or the convertible portion of the Convertible Bonds or the issue of Shares pursuant to the General Mandate) without the approval of the Underwriter

The underwriting commission was determined after arm's length negotiations between the Company and the Underwriter with reference to the prevailing market rate. The Directors (including independent non-executive Directors) consider that the terms of the Underwriting Agreement (including the underwriting commission) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Termination of the Underwriting Agreement

The Underwriter may terminate the arrangements set out in the Underwriting Agreement by notice in writing issued to the Company at any time prior to 4:00 p.m. on the Latest Termination Date if:

- (a) the Underwriter shall become aware of the fact that, or shall have reasonable cause to believe that, any of the representations or warranties contained in this Agreement is untrue, inaccurate, misleading or breached, and in each case the same is (in the reasonable opinion of the Underwriter) material in the context of the Rights Issue; or
- (b) (i) any new law or regulation is enacted, or there is any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, whether in Hong Kong, Bermuda or elsewhere;
- (ii) any change in local, national or international financial, political, industrial or economic conditions;
- (iii) any change of an exceptional nature in local, national or international equity securities or currency markets;
- (iv) any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict;
- (v) any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange; or
- (vi) any change or development involving a prospective change in taxation or exchange controls in Hong Kong, Bermuda or elsewhere,

which event or events is or are in the reasonable opinion of the Underwriter:-

- (1) likely to have a material adverse effect on the business, financial position or prospects of the Group taken as a whole; or
- (2) likely to have a material adverse effect on the success of the Rights Issue or the level of Rights Shares taken up; or
- (3) so material as to make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue,

then and in such case, that Underwriter may, in addition to and without prejudice to any other remedies to which the Underwriter may be entitled, by notice in writing to the Company terminate the Underwriting Agreement.

Upon the giving of such notice, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine (save for any antecedent breaches thereof) and no party to the Underwriting Agreement shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement. If the Underwriter exercises such right, the Rights Issue will not proceed.

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES

The Rights Issue is conditional, inter alia, upon the fulfillment of the conditions set out under the section headed “Conditions of the Rights Issue” of this announcement. In particular, the Rights Issue is subject to the Underwriter not terminating the Underwriting Agreement in accordance with the terms set out therein. Accordingly, the Rights Issue may or may not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue could not become unconditional and may not proceed. Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company.

EXPECTED TIMETABLE

The expected timetable of the proposed Rights Issue is as follows:

2013 (Hong Kong Time)

Despatch of circular	Tuesday, 16 July
Latest time for lodging proxy form of SGM (not less than 48 hours prior to time of SGM)	9:30 a.m. on Monday, 29 July
Expected date and time of SGM	9:30 a.m. on Wednesday 31 July
Announcement of results of SGM	Wednesday, 31 July
Last day of dealings in the Shares on cum-rights basis	Thursday, 1 August
Ex-date (the first day of dealings in the Shares on ex-rights basis)	Friday, 2 August
Latest time for lodging transfers of Shares in order to qualify for the Rights Issue	4:30 p.m. on Monday, 5 August
Register of members closes (both days inclusive)	Tuesday, 6 August to Monday, 12 August

Record Date	Monday, 12 August
Register of members to be re-opened.	Tuesday, 13 August
Prospectus Documents to be posted.	Tuesday, 13 August
First day of dealings in nil-paid Rights Shares	Thursday, 15 August
Latest time for splitting of nil-paid Rights Shares	4:30 p.m. on Monday, 19 August
Last day of dealings in nil-paid Rights Shares.	Thursday, 22 August
Latest time for acceptance of and payment for Rights Shares and application for excess Rights Shares	4:00 p.m. on Tuesday, 27 August
Latest time for the termination of the Underwriting Agreement.	4:00 p.m. on Friday, 30 August
Announcement of allotment results	Tuesday, 3 September
Despatch of certificates for fully-paid Rights Shares and refund cheques	Wednesday, 4 September
Expected first date of dealing in fully-paid Rights Shares	Thursday, 5 September

All times specified in this announcement refer to Hong Kong times. Dates stated in this announcement for events mentioned in the timetable are indicative only and may be extended or varied. Any changes to the expected timetable for the Rights Issue will be announced as appropriate in accordance with the Listing Rules.

IRREVOCABLE UNDERTAKINGS BY ALLIED WAY AND MR. WONG HOWARD

In connection with the proposed Rights Issue, Allied Way and Mr. Wong Howard irrevocably and unconditionally covenant and undertake to the Company that (i) they shall remain the respective beneficial owners of the Shares held on the date of the undertakings and shall not, either directly or indirectly, sell, transfer or otherwise dispose of such Shares or any part thereof to any other party from the date of the undertaking up to (and inclusive of) the Record Date; and (ii) they shall fully take up and pay for, or procure the taking-up and payment of, all of the Rights Shares to be allotted to them under the Rights Issue in respect of such Shares respectively in accordance with the terms and conditions of the Rights Issue.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company after taking into account (amongst others) the effect of the Rights Issue.

Scenario 1:

After taking into account the irrevocable undertakings given by Allied Way and Mr. Wong Howard and assuming no further issue of new Shares and no repurchase of Shares on or before the Record Date:

Name of Shareholder	As at the date of this Announcement		Immediately after completion of the Rights Issue assuming all the Qualifying Shareholders take up their respective allotment of Rights Shares in full		Immediately after completion of the Rights Issue assuming no Qualifying Shareholder takes up any of the Rights Shares (except Allied Way and Mr. Wong Howard take up their Rights Shares pursuant to the irrevocable undertakings given by them) and the Underwriter, sub-underwriters and subscribers procured by them take up the Rights Shares to the maximum extent	
	No. of Shares	% (approx.)	No. of Shares	% (approx.)	No. of Shares	% (approx.)
Allied Way (Note 1)	136,000,000	20.06	408,000,000	20.06	408,000,000	20.06
Mr. Wong Howard (Note 2)	4,259,800	0.63	12,779,400	0.63	12,779,400	0.63
Mr. Wong Yat Fai (Note 3)	4,259,800	0.63	12,779,400	0.63	4,259,800	0.21
the Underwriter, sub-underwriters and subscribers procured by them	–	–	–	–	1,075,305,618	52.87
other public Shareholders	533,393,009	78.68	1,600,179,027	78.68	533,393,009	26.23
Total	<u>677,912,609</u>	<u>100.00</u>	<u>2,033,737,827</u>	<u>100.00</u>	<u>2,033,737,827</u>	<u>100.00</u>

Scenario 2:

After taking into account the irrevocable undertakings given by Allied Way and Mr. Wong Howard and assuming further issue of new Shares upon exercising the Options in full, all the convertible portion of the Convertible Bonds fully converted into Shares; fully utilizing the General Mandate, and no repurchase of Shares on or before the Record Date:

Name of Shareholder	Assuming further issue of new Shares upon fully exercising the Options, all the convertible portion of the Convertible Bonds fully converted into Shares; fully utilizing the General Mandate and no repurchase of Shares on or before the Record Date		Immediately after completion of the Rights Issue assuming all the Qualifying Shareholders take up their respective allotment of Rights Shares in full		Immediately after completion of the Rights Issue assuming no Qualifying Shareholder takes up any of the Rights Shares (except Allied Way and Mr. Wong Howard take up their Rights Shares pursuant to the irrevocable undertakings given by them) and the Underwriter, sub-underwriters and subscribers procured by them take up the Rights Shares to the maximum extent	
	No. of Shares	% (approx.)	No. of Shares	% (approx.)	No. of Shares	% (approx.)
Allied Way (Note 1)	136,000,000	11.86	408,000,000	11.86	408,000,000	11.86
Mr. Wong Howard (Note 2)	8,459,800	0.74	25,379,400	0.74	16,979,400	0.49
Mr. Wong Yat Fai (Note 3)	6,159,800	0.54	18,479,400	0.54	6,159,800	0.18
the Underwriter and sub-underwriters and subscribers procured by them	–	–	–	–	2,012,131,266	58.51
other public Shareholders	995,705,833	86.86	2,987,117,499	86.86	995,705,833	28.96
Total	<u>1,146,325,433</u>	<u>100.00</u>	<u>3,438,976,299</u>	<u>100.00</u>	<u>3,438,976,299</u>	<u>100.00</u>

Notes:

- Allied Way is a company incorporated in Hong Kong and the entire issued capital of which is owned as to 50% by Mr. Wong Howard and 50% by his spouse, Ms. Cheung Mei Yee, Rebacca.
- Mr. Wong Howard is the chairman of the Company and an executive Director.
- Mr. Wong Yat Fai is an executive Director.

The scenarios are for illustrative purpose only. Pursuant to the Underwriting Agreement, the Underwriter declares that it has no intention of becoming, whether by itself or together with the parties acting in concert with it (if any), the controlling shareholder (as defined under the Listing Rules) of the Company as a result of performance of its obligations under the Underwriting Agreement.

REASONS FOR AND BENEFITS OF THE PROPOSED RIGHTS ISSUE AND USE OF PROCEEDS

The Company is an investment holding company. The principal activities of the Group consisted of the trading and distribution of electronic products and other merchandise, securities investment and trading, and the research and development of information technology.

The gross proceeds from the Rights Issue will be not less than approximately HK\$135.58 million (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date) and not more than approximately HK\$229.27 million (assuming (i) no repurchase of Shares; (ii) the Options are exercised in full; (iii) all the convertible portion of the Convertible Bonds is converted into Shares; and (iv) the General Mandate is fully utilized on or before the Record Date). The estimated net proceeds from the Rights Issue will be not less than approximately HK\$129.65 million (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date) and not more than approximately HK\$223.33 million (assuming (i) no repurchase of Shares; (ii) the Options are exercised in full; (iii) all the convertible portion of the Convertible Bonds is converted into Shares; and (iv) the General Mandate is fully utilized on or before the Record Date).

The Company intends to apply 50% of the net proceeds from the Rights Issue for further funding the research and development on the Group's Multi-threaded Virtual Pipeline (MVP) based System-on-Chip products, and the remaining 50% for the general working capital of the Group.

The Board considers that it is prudent to finance the Group's long-term growth by long-term financing, preferably in the form of equity. The Board also believes that the Rights Issue will enable the Group to strengthen its capital base and to enhance its financial position. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Group. Accordingly, the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company had not conducted any other fund raising activity in the past twelve months immediately preceding the date of this announcement.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, to the best knowledge, information and belief of the Directors, an associate of the Underwriter holds 21,050,000 Shares, representing approximately 3.11% of the issued share capital of the Company. As the Underwriter is a party to the Underwriting Agreement, it has a material interest in the Rights Issue. Therefore, the associate of the Underwriter is required to abstain from voting in favour of the proposed resolutions to approve the Rights Issue at the SGM.

In compliance with Rule 7.19(6) of the Listing Rules, the Rights Issue is conditional upon the approval of the Independent Shareholders by way of poll at the SGM. The Company does not have any controlling Shareholder. As at the date of this announcement, Mr. Wong Howard, an executive Director, holds 4,259,800 Shares, representing approximately 0.63% of the entire issued share capital of the Company. Mr. Wong Yat Fai, an executive Director, holds 4,259,800 Shares, representing approximately 0.63% of the entire issued share capital of the Company. Allied Way, a company which is controlled as to 50% by Mr. Wong Howard and 50% by his spouse, Ms. Cheung Mei Yee, Rebacca, holds 136,000,000 Shares, representing approximately 20.06% of the entire issued share capital of the Company. Accordingly, Mr. Wong Howard, Mr. Wong Yat Fai and Allied Way, together with their respective associates, are required to abstain from voting in favour of the proposed resolutions approving the Rights Issue at the SGM.

An independent board committee of the Company comprising all the independent non-executive Directors will be appointed to make recommendations to the Independent Shareholders in respect of the Rights Issue. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders in this regard.

GENERAL

A circular containing, among other things, (i) further details of the Rights Issue; (ii) a letter of recommendation from the independent board committee of the Company to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders on the Rights Issue; and (iv) notice convening the SGM, will be despatched to the Shareholders on or before 16 July 2013.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acceptance Date”	27 August 2013 or such other date as the Underwriter may agree in writing with the Company, as the latest date for acceptance of, and payment for, the Rights Shares and application and payment for excess Rights Shares
“Allied Way”	Allied Way International Limited, a company incorporated in Hong Kong and the entire issued capital of which is owned as to 50% by Mr. Wong Howard and 50% by his spouse, Ms. Cheung Mei Yee, Rebacca
“Board”	the board of Directors
“Business Day”	any day (excluding Saturdays, Sundays and public holidays) on which banks generally are open for business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	ICube Technology Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“Convertible Bond(s)”	the convertible bond(s) in an aggregate outstanding amount of HK\$200 million issued by the Company on 1 December 2010 (as varied by the Deed of Variations dated 8 February 2013)
“Director(s)”	director(s) of the Company
“EAF(s)”	the form(s) of application for excess Rights Shares, being in such usual form as maybe agreed between the Company and the Underwriter
“General Mandate”	the general mandate granted to the Directors to allot, issue and deal with the Shares up to a maximum of 20% of the aggregate amount of the share capital of the Company on 17 August 2012
“Group”	the Company and its Subsidiaries

“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong currency
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholders”	any Shareholder other than controlling Shareholders and their associates or, where there are no controlling Shareholders, any Shareholder other than Directors (excluding independent non-executive directors) and the chief executive of the Company and their respective associates
“Independent Third Party (Parties)”	third party (parties) independent of the Company and its connected persons
“Last Trading Day”	25 June 2013, being the date of the Underwriting Agreement
“Latest Termination Date”	the third Business Day following the Acceptance Date or such other date as the Underwriter may agree in writing with the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholders”	those Overseas Shareholders whom the Directors, based on opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Options”	the outstanding share options as at the date of this announcement granted pursuant to the share option scheme adopted by the Company on 27 August 2003 which are exercisable to subscribe for an aggregate of 29,800,000 new Shares with exercise period commencing on or before the Record Date
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue, being in such usual form as may be agreed between the Company and the Underwriter

“Posting Date”	13 August 2013 or such other date as the Underwriter may agree in writing with the Company, as the expected date of despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus to the Non-Qualifying Shareholders for information only (as the case may be)
“Prospectus”	the prospectus to be despatched to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Qualifying Shareholders”	Shareholders, other than the Non-Qualifying Shareholders
“PRC”	People’s Republic of China
“Record Date”	12 August 2013 or such other date as the Underwriter may agree in writing with the Company, as the date by reference to which entitlements to the Rights Issue are expected to be determined
“Rights Issue”	the proposed issue by way of rights on the basis of two Rights Shares for every Share in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Shares”	Shares to be issued and allotted under the Rights Issue, being 1,355,825,218 Shares based on the Company’s issued share capital as at the date of this announcement, or if the Options are exercised in full, all the convertible portion of the Convertible Bonds is converted into Shares, and the General Mandate is fully utilized on or prior to the Record Date, an aggregate of 2,292,650,866 Shares
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened on 31 July 2013 for the purpose of approving, inter alia, the Rights Issue
“Share(s)”	ordinary share(s) with par value of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subsidiaries”	with the meaning ascribed thereto in the Listing Rules
“Subscription Price”	HK\$0.10 per Rights Share
“Underwriter”	Freeman Securities Limited, a corporation licensed to carry out business in type 1 (dealing in securities) regulated activity under the SFO, being the underwriter of the Rights Issue
“Underwriting Agreement”	the underwriting agreement dated 25 June 2013 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“%”	per cent.

By order of the Board
ICube Technology Holdings Limited
Wong Howard
Chairman

Hong Kong, 25 June 2013

As at the date of this announcement, the Board comprises 2 executive directors, namely Mr. Wong Howard and Mr. Wong Yat Fai and 3 independent non-executive directors, namely Mr. Tung Tat Chiu, Michael, Mr. Li Chi Ming and Mr. Wan Ngar Yin, David.

* *For identification purposes only*