

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited 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.

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)

**VOLUNTARY ANNOUNCEMENT ON
MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED
ACQUISITION OF THE VALUE AND BENEFITS OF THE BUSINESSES
CARRIED ON BY JIFUTONG PAYMENT COMPANY LIMITED*
(集付通支付有限公司)
CHANGE IN ALLOCATION OF USE OF PROCEEDS OF RIGHTS ISSUE**

The Board is pleased to announce that on 28 August 2014 (after trading hours), the Company and Mr Fu Rulin (符如林) (the “**Controlling Shareholder**”) entered into the Memorandum of Understanding in relation to the proposed acquisition by the Company or its nominated subsidiary of the entire issued share capital of Tianji Trade Co. Limited (the “**Target Company**”) for an aggregate purchase price of HK\$600 million. The Target Company or one of its wholly-owned subsidiaries at the Closing will have effective, full and absolute control and all the economic value and benefits of the nationwide internet payment services in the PRC and prepaid cards issuance and acceptance business in Guangxi, Guangdong and Yunnan Provinces carried on by Jifutong and its subsidiaries, and all businesses related thereto and all licenses for conducting such businesses.

The Controlling Shareholder has represented to the Company in the Memorandum of Understanding that the valuation of the Businesses is not less than HK\$2.4 billion and the Memorandum of Understanding provides that in the event that the valuation produced by an independent accredited valuer appointed by the Company shall be less than HK\$2.4 billion, the purchase price shall be adjusted to be one-fourth (25%) of such valuation (but there shall be no upward adjustment of the purchase price). According to an independent valuer appointed by an associate of the Controlling Shareholder, the valuation of the Businesses is up to approximately RMB2.4 billion.

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiry, none of the Controlling Shareholder or his associates are connected persons of the Company.

Following the execution of the Memorandum of Understanding, the Company will pay to the Controlling Shareholder's legal representative the Deposit which shall be immediately and fully repaid to the Company if (i) the Definitive Agreements are not entered into by the end of the Exclusivity Period; or (ii) the SPA terminates in accordance with its terms. The Board has resolved to change the allocation of the use of proceeds obtained from the Rights Issue. Part of the Deposit, in the sum of approximately HK\$50 million, will be funded by the remainder of the proceeds from the Rights Issue (specifically, the proceeds which were intended for (i) funding the research and development of the Group's MVP based System-on-Chip ("SoC") products and (ii) expanding its range of electronics products for trading, strengthening its sales and marketing efforts and exploring the possibility of carrying out its trading of electronics products via an internet platform) and the remaining balance of the Deposit, in the sum of approximately HK\$10 million, will be funded from the internal resources of the Company.

At the Closing, the Company will consider appointing Mr. Fu Rulin as an executive Director of the Company.

At the Closing, the Board will consider changing the English name of the Company from "ICube Technology Holdings Limited" to "China Jinhai International Group Limited" and, subject to the new English name of the Company becoming effective, the Board will consider adopting "中國金海國際集團有限公司" as the new Chinese name of the Company in place of "中國微電子科技集團有限公司" for identification purposes. The Board believes that the Proposed Acquisition will be a new milestone in the business development of the Company upon the Closing. Through bringing together the Proposed Acquisition and the appointment of Mr. Fu Rulin as an executive Director of the Company, the Company would be able to (through the Target Group) expand its business downstream into the telecommunications and third party payment businesses. The Board also believes that the Proposed Acquisition represents a vertical integration into the existing business of the Group. At the Closing, the Company would also be able to create synergies through utilizing its own proprietary System-on-Chip (SoC) technology for incorporation into prepaid cards as well as mobile handsets and tablets to equip them with payment functions. The Company could benefit significantly therefrom as a result of the penetration of its SoC technology into the third-party payment market in the PRC.

As the Proposed Acquisition may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the Shares. If the Proposed Acquisition materializes, it may constitute a very substantial acquisition of the Company under the Listing Rules. Further announcement(s) in respect of the Proposed Acquisition will be made by the Company in accordance with the Listing Rules if any legally binding agreement is entered into.

MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED ACQUISITION

The Board is pleased to announce that on 28 August 2014 (after trading hours), the Company and the Controlling Shareholder entered into the Memorandum of Understanding in relation to the proposed acquisition by the Company or its nominated subsidiary of the entire issued share capital of the Target Company which at the Closing will have effective, full and absolute control and all the economic value and benefits of the Businesses for an aggregate purchase price of HK\$600 million. At the Closing, the Target Company or one of its wholly-owned subsidiaries will be the entity entitled to all the economic value and benefits of the Businesses.

The Controlling Shareholder has represented to the Company in the Memorandum of Understanding that the valuation of the Businesses is not less than HK\$2.4 billion and the Memorandum of Understanding provides that in the event that the valuation produced by an independent accredited valuer appointed by the Company shall be less than HK\$2.4 billion, the purchase price shall be adjusted to be one-fourth (25%) of such valuation (but there shall be no upward adjustment of the purchase price). According to an independent valuer appointed by an associate of the Controlling Shareholder, the valuation of the Businesses is up to approximately RMB2.4 billion.

Following the entry into of the Memorandum of Understanding, the parties will negotiate in good faith the other terms of the Proposed Acquisition and will use their commercially reasonable efforts to enter into (and cause their subsidiaries and/or affiliates to enter into) the SPA and the other Definitive Agreements, including the Onshore Agreements, as soon as reasonably practicable.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, none of the Controlling Shareholder or his associates are connected persons of the Company.

CONSIDERATION AND DEPOSIT

Pursuant to the Memorandum of Understanding, the consideration payable by the Company in respect of the Proposed Acquisition is HK\$600 million (subject to adjustment) to be paid by way of cash and a promissory note issued by the Company. The allocation of the consideration between cash and the promissory note, and the terms of the promissory note, are to be agreed in the SPA.

Following execution of the Memorandum of Understanding, the Company will pay to the Controlling Shareholder's legal representative the Deposit which shall be immediately and fully repaid to the Company if (i) the Definitive Agreements are not entered into by the end of the Exclusivity Period; or (ii) the SPA terminates in accordance with its terms. The Board has resolved to change the allocation of the use of proceeds obtained from the Rights Issue. Part of the Deposit, in the sum of approximately HK\$50 million, will be funded by the remainder of the proceeds from the Rights Issue (specifically, the proceeds which were intended for (i) funding the research and development of the Group's MVP based SoC products and (ii) expanding its range of electronic products for trading, strengthening its sales and marketing efforts and exploring the possibility of carrying out its trading of electronic products via an internet platform) and the remaining balance of the Deposit, in the sum of approximately HK\$10 million, will be funded from the internal resources of the Company.

INFORMATION ON THE GROUP AND REASONS FOR THE PROPOSED ACQUISITION

The Group is principally engaged in the trading and distribution of electronic products and other merchandise, securities investment and trading, and the research and development of integrated circuit technology.

In order to seek more business opportunities and to maximize returns to the Company and the Shareholders in the long run, the Company has decided to enter into the Memorandum of Understanding with the Controlling Shareholder to explore the possibility of expansion of the business operations and scope of business of the Group.

INFORMATION ON JIFUTONG

As advised by the Controlling Shareholder, the Target Group is principally engaged in the third party payment business to provide systematic internet payment solutions for enterprises and customers. The Target Group is currently specialized in the nationwide internet payment services in the PRC and prepaid card issuance and acceptance business in Guangxi, Guangdong and Yunnan Provinces. Jifutong was established in September 2008 and was licensed by the People's Bank of China to operate third party payment systems in the PRC in June 2012. Moreover, Jifutong also has value-added telecommunications business license (增值電信業務經營許可證) to operate mobile payment business and can support mobile phone-based payment services devices. Jifutong also has other important qualifications and enjoys preferential policies to support its business including (i) e-commerce pilot enterprises as recognized by the National Development and Reform Commission (國家發改委電子商務試點企業); (ii) Guangxi high-tech enterprises (廣西高新技術企業); and (iii) Jifutong can enjoy the tax incentives in the western region in the PRC for a decade.

As advised by the Controlling Shareholder, Jifutong belongs to the first batch of enterprises in Guangxi Province with a license to operate third party payment systems. Jifutong is one of the very few enterprises with both an internet payment license and a prepaid card issuance and acceptance business license in the PRC. Jifutong has provided an internet payment service platform with safe, convenient and stable internet payment solutions in the B2B market for large transaction amounts. The online payment platform is named Jifubao (集付寶) which is connected with, among others, Beibuwan Fertilizer Website* (www.bbwhf.com) (北部灣化肥網) and Zhongken Agricultural Products Exchange* (中壘農產品交易所) for the provision of financial clearing and settlement services. The Target Group acts as a third party payment solution provider to provide a reliable and safe internet payment platform for trading, clearing, settlement and treasury management on behalf of such exchange platforms for large-scale commodities and natural resources business.

With continuous business development, the Target Group intends to expand its internet payment platform to other businesses in the short to medium term, including (i) cross-border payment platform in view of the promotion of international business and RMB settlement business in the ASEAN countries by the Chinese government (with reference to 《雲南省廣西壯族自治區沿邊金融綜合改革試驗區總體方案》); (ii) an e-commerce platform in the PRC for the sale and purchase of funds, insurance, investment and financial related products in the PRC; (iii) B2C online payment services providing for payment of among others, utilities and phone bills in the PRC; and (iv) Gongzi Bao (工資寶) which is the provision of financial products and services to employees to attract employees to transfer their card balances or balances in Jifu Bao (集付寶) to Gongzi Bao (工資寶), so that they can earn a higher return than by keeping their savings in banks.

The prepaid card of Jifutong is named "Jifutong Card" (集付通卡), which has been promoted and used as an electronic payment device in public transport, public utilities, entertainment and retail consumption in Guangxi Province. Jifutong card (i.e. Xingfu Card (幸福卡) and Huimin Card (惠民卡)) provide consumers with fast, convenient and favourable offline payment services experience. As at the date of this announcement, there are over 600 merchants in Guangxi Province who joined the Jifutong card payment platform and Jifutong has been the number one prepaid card issuer in Guangxi Province. Jifutong intends to continue to expand its prepaid card business to other provinces like Guangdong and Yunnan provinces in 2015-2018.

Moreover, Jifutong provides one-stop small amount payment card services in community areas, i.e. “Bianmin E-Stops” (便民e站) in Guangxi Province. Jifutong aims to establish more Bianmin e Stops in Guangxi in 2014 for convenient payment and consumption by the general public in supermarkets, chain pharmacy stores, chain convenience stores, shopping malls and schools. It is intended that in 2015 to 2018, the Bianmin point-of-sale machines coverage will extend to other locations in other provinces and cities such as Guangxi and Yunnan.

Payment system is an essential part of life and is to be extended to every means of payment from online to offline, mobile and POS. By leveraging on the online and offline payment platform of the Target Group, the Target Group could excel in the market with substantial business prospects.

According to information from iResearch, the value of the third party payment business in the PRC in 2012 is approximately RMB12.9 trillion and is expected to reach to RMB50 trillion in 2016. In view of the macro-economic environment in the PRC, the robust development in the online financial and payment industry is taking place and the internet-based consumption and e-commerce is becoming popular, the demand for the Target Group’s third party payment solutions is expected to increase every year and the business of the Target Group is expected to experience substantial growth and development. According to the management of the Target Group, the third party payment business is expected to experience high-speed growth and the growth is expected to more than a double in 2014 and 2015 and to stabilize to about 20% from 2016 to 2018.

The major business partners of the Target Group include Nanning Department Store* (南寧百貨大樓), Dream Department Store* (夢之島百貨新夢), Hong Kang Life* (弘康人壽), Sealand Securities* (國海證券), China UMS* (銀聯商務), China Merchant Bank* (招商銀行), Bank of Liuzhou (柳州銀行), Liuzhou Hengdai Bus (柳州恆達巴士), 廣西金融電子結算中心, 北京晉煤太陽石化工有限公司, CNPC (中國石油), China Resources (華潤集團), Hundsun Technologies Inc. (恒生電子), China Telecom (中國電信), etc.

The ultimate controlling shareholder of the Target Group, Mr. Fu Rulin (符如林), is the chairman and majority shareholder of 中國金海集團有限公司 (“金海集團”). 金海集團 is currently the indirect majority shareholder of the Target Group and is engaged in, amongst other things, the provision of third party payment services (through the Target Group), provision of financial services (for the high net worth customers), provision of other financial services and the operation of internet e-commerce platforms for certain commodities and natural resources.

EXCLUSIVITY

The Controlling Shareholder has undertaken that during the Exclusivity Period he shall not, and shall procure that no person or entity controlled by him (including the Target Company) nor any affiliate of any of them, nor any director, officer, employee, agent, adviser or representative of any of them (collectively, “Related Persons”) will seek, encourage, solicit, entertain or assist in or finance, any proposals, continue any discussions with, engage in or continue to engage in any negotiations or enter into any agreement or transaction relating to, any Alternative Transaction.

In addition, during the Exclusivity Period, the Controlling Shareholder shall not, and shall procure that no person or entity controlled by him (including the Target Company) nor any affiliate of any of them nor any of their respective Related Persons shall, furnish, or permit to furnish, any information to any party relating to an Alternative Transaction except as otherwise required by law.

STATUS OF THE MEMORANDUM OF UNDERSTANDING

Save for certain provisions relating to the payment of the Deposit, confidentiality, governing law, exclusivity (as described above), liability for expenses related to the Proposed Acquisition and the legal effect of the Memorandum of Understanding, the Memorandum of Understanding is not legally binding and does not oblige any party to proceed with the Proposed Acquisition or enter into the SPA or any other Definitive Agreement and does not contain all matters upon which agreement must be reached in order for the Proposed Acquisition to be consummated.

At the Closing, the Company will consider appointing Mr. Fu Rulin as an executive Director of the Company. Mr. Fu Rulin (符如林), is the chairman and majority shareholder of 金海集團. 金海集團 is currently the indirect majority shareholder of the Target Group and is engaged in, amongst other things, the provision of third party payment services (through the Target Group), provision of financial services and the operation of internet e-commerce platforms for certain commodities and natural resources.

At Closing, the Board will consider changing the English name of the Company from “ICube Technology Holdings Limited” to “China Jinhai International Group Limited” and, subject to the new English name of the Company becoming effective, will consider adopting “中國金海國際集團有限公司” as the new Chinese name of the Company in place of “中國微電子科技集團有限公司” for identification purposes. The Board believes that the Proposed Acquisition will be a new milestone in the business development of the Company upon the Closing. Through bringing together the Proposed Acquisition and the appointment of Mr. Fu Rulin as an executive Director of the Company, the Company would be able to (through the Target Group) expand its business downstream into the telecommunications and third party payment businesses. The Board also believes that the Proposed Acquisition represents a vertical integration into the existing business of the Group. At the Closing, the Company would also be able to create synergies through utilizing its own proprietary System-on-Chip (SoC) technology for incorporation into prepaid cards as well as mobile handsets and tablets to equip them with payment functions. The Company could benefit significantly therefrom as a result of the penetration of its SoC technology into the third-party payment market in the PRC.

GENERAL

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiry, none of the Controlling Shareholder or his associates are connected persons of the Company.

In connection with the Proposed Acquisition, the Company has retained Skadden, Arps, Slate, Meagher & Flom as its Hong Kong counsel and Commerce & Finance Law Offices as its PRC counsel.

As the Proposed Acquisition may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the Shares. If the Proposed Acquisition materializes, it may constitute a very substantial acquisition of the Company under the Listing Rules. Further announcement(s) in respect of the Proposed Acquisition will be made by the Company in accordance with the Listing Rules if any legally binding agreement is entered into.

DEFINITIONS

“Alternative Transaction”	any transaction (other than the Proposed Acquisition) involving the disposition in any manner, directly or indirectly of all or any part of the Businesses or any entity or person controlling all or any part of the Businesses or any voting rights or economic benefits directly or indirectly over or with respect all or any part of the Businesses, in any such case by whatever form (including by merger, consolidation, amalgamation, scheme of arrangement, transfer or issuance of securities, transfer of assets or otherwise)
“B2B”	business to business
“B2C”	business to customer
“Businesses”	the nationwide internet payment services in the PRC and prepaid cards issuance and acceptance business in Guangxi, Guangdong and Yunnan Provinces carried on by the Target Group (including Jifutong), and all businesses related thereto and all licenses for conducting such businesses
“Board”	the board of Directors
“Closing”	the closing of the Proposed Acquisition
“Company”	ICube Technology Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“Definitive Agreements”	the SPA and any other required documentation (including the Onshore Agreements) with respect to the Proposed Acquisition
“Deposit”	the sum of HK\$60 million
“Directors”	the directors of the Company
“Exclusivity Period”	the period from the date of the Memorandum of Understanding to 11:59 pm (Hong Kong time) on 31 October 2014
“Group”	the Company and its Subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jifutong”	Jifutong Payment Company Limited* (集付通支付有限公司), a company established in the PRC
“Listing Rules”	the Rules Governing the Listing of Securities of the Stock Exchange
“Memorandum of Understanding”	the non-binding Memorandum of Understanding dated 28 August 2014 entered into by the Company, the Proposed Vendor and the Controlling Shareholder in relation to the Proposed Acquisition
“MVP”	multi-threaded virtual pipeline
“Onshore Agreements”	agreements (on terms and conditions satisfactory to the Company in its sole discretion) to be entered into between entities holding the Businesses and licenses required to conduct the Businesses (and their direct and indirect shareholders) with one or more wholly-foreign owned enterprises 100% indirectly owned by the Target Company to ensure that the Target Company will have effective, full and absolute control and all the economic value and benefits of the Businesses on and after the Closing
“PRC”	the People’s Republic of China
“Proposed Acquisition”	the proposed acquisition of the entire issued share capital of the Target Company by the Company or its nominated subsidiary
“Proposed Vendor”	Great Aqua Limited, a company incorporated in the British Virgin Islands and wholly-owned by the Controlling Shareholder, and which owns 100% of the share capital of the Target Company
“Rights Issue”	the rights issue conducted by the Company pursuant to the Company’s prospectus dated 28 August 2013
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SoC”	System-on-Chip
“SPA”	the share sale and purchase agreement to be entered into in connection with the Proposed Acquisition among the Company, the Proposed Vendor and the Controlling Shareholder
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subsidiaries”	the meaning ascribed thereto in the Listing Rules
“Target Company”	Tianji Trade Co. Limited, a company incorporated in the British Virgin Islands, which at the Closing will effectively and fully control and be entitled to all of the economic value and benefits of the Businesses
“Target Group”	Jifutong and its Subsidiaries

On behalf of the Board
ICube Technology Holdings Limited
Wong Yat Fai
Executive Director

Hong Kong, 28 August 2014

As at the date of this announcement, the board of directors of the Company comprises two executive Directors, namely, Mr Wong Howard and Mr Wong Yat Fai; and three independent non-executive Directors, namely, Mr Tung Tat Chiu, Michael, Mr Li Chi Ming and Mr Kwok Chi Kwong.

* *For identification purposes only*