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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



PLACING OF 495,192,763 NEW SHARES UNDER GENERAL MANDATE

On 31 October 2014 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, a maximum of 495,192,763 Placing Shares at a price of HK\$0.175 per Placing Share to not less than six Placees who and whose ultimate beneficial owners will be independent third parties not connected with the Company and its connected persons.

A maximum of 495,192,763 Placing Shares under the Placing represent (i) approximately 12.05% of the existing issued share capital of the Company of 4,110,517,034 Shares as at the date of this announcement; and (ii) approximately 10.75% of the issued share capital of the Company of 4,605,709,797 Shares as enlarged by the Placing, assuming no further change in the share capital structure of the Company prior to the Completion.

The Placing Price of HK\$0.175 represents (i) a discount of approximately 3.31% to the closing price of HK\$0.181 per Share as quoted on the Stock Exchange on the date of this announcement; and (ii) a discount of approximately 16.19% to the average closing price of approximately HK\$0.2088 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of this announcement.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

The maximum gross proceeds from the Placing will be approximately HK\$86.7 million. The maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent, professional fee and other related costs and expenses incurred in the Placing) will be approximately HK\$84.2 million which will be used for general working capital of the Group.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement.

As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

THE PLACING AGREEMENT

Date

31 October 2014 (after trading hours)

Issuer

The Company

Placing Agent

The Placing Agent has conditionally agreed to place a maximum of 495,192,763 Placing Shares on a best effort basis and will receive a placing commission of 2.5% on the gross proceeds of the actual number of Placing Shares being placed. The Directors are of the view that the placing commission of 2.5% is fair and reasonable.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are independent third parties not connected with the Company and its connected persons.

Placees

The Placing Agent will place the Placing Shares, on a best effort basis, at the price of HK\$0.175 per Placing Share to not less than six Placees who and whose ultimate beneficial owners are independent third parties not connected with the Company and its connected persons. It is expected that none of the Placees will become a substantial Shareholder (as defined in the Listing Rules) of the Company immediately after the Completion.

Number of Placing Shares

A maximum of 495,192,763 Placing Shares under the Placing represent (i) approximately 12.05% of the existing issued share capital of the Company of 4,110,517,034 Shares as at the date of this announcement; and (ii) approximately 10.75% of the issued share capital of the Company of 4,605,709,797 Shares as enlarged by the Placing, assuming no further change in the share capital structure of the Company prior to the Completion.

Placing Price

The Placing Price of HK\$0.175 per Placing Share represents (i) a discount of approximately 3.31% to the closing price of HK\$0.181 per Share as quoted on the Stock Exchange on the date of this announcement, being the date of the Placing Agreement; and (ii) a discount of approximately 16.19% to the average closing price of approximately HK\$0.2088 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of this announcement.

The net placing price under the Placing is approximately HK\$0.17 per Placing Share.

The Directors consider that the Placing Price, which was agreed after arm's length negotiations between the Company and the Placing Agent with reference to current market price of the Shares, is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

General Mandate

The Placing Shares will be issued under the General Mandate to allot, issue and deal with new Shares granted to the Directors by a resolution of the Shareholders passed at the AGM subject to the limit of up to 20% of the issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorized to issue up to 495,192,763 new Shares. As at the date of this announcement, no new Shares have been issued under the General Mandate.

Conditions of the Placing

Completion of the Placing by the Placing Agent of the Placing Shares under the Placing Agreement is conditional upon:

- (i) the approval by the Board of the Placing Agreement and the transactions contemplated thereunder and/or all other consents and acts required under the Listing Rules having been obtained and completed;
- (ii) the Listing Committee of the Stock Exchange having granted listing of, and permission to deal in, the Placing Shares, and such listing and permission not having been subsequently revoked;
- (iii) the Bermuda Monetary Authority having granted all, and not revoking any necessary approvals and permissions for the creation, allotment and issue of the Placing Shares; and
- (iv) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms of the Placing Agreement, including provisions regarding force majeure event.

If the foregoing conditions are not fulfilled on or before 14 November 2014 (or such later date as may be agreed by the Company and the Placing Agent), the Placing Agreement shall terminate and the Placing will not proceed and all obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against the others in respect of the Placing save for any antecedent breach.

Application will be made by the Company to the Stock Exchange for the granting of the listing of, and permission to deal in, the Placing Shares.

Termination and force majeure events

The Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to 9:00 a.m. on the date of completion of the Placing Agreement, if in the absolute opinion of the Placing Agent the success of the Placing would be materially and adversely affected by the following force majeure events:

- (i) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date hereof) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the placing of the Shares by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction or trading in securities) occurs which affect the success of the Placing (such success being the placing of the Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

If, at or prior to 9:00 a.m. on the date of completion of the Placing Agreement,

- (i) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or

- (ii) the trading of the Shares on the Stock Exchange has been suspended for more than ten consecutive trading days save for the purposes of clearing of the announcement relating to the Placing Agreement or any announcements or circulars relating to the Placing; or
- (iii) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing;

the Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent under the Placing Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement.

Completion of the Placing

Completion of the Placing shall take place within two Business Days after the Placing Agreement has become unconditional (or such later date as may be agreed between the Company and the Placing Agent).

Shareholders and potential investors should note that the Placing is subject to conditions under the Placing Agreement to be fulfilled. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

REASONS FOR THE PLACING AND USE OF PROCEEDS

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

The maximum gross proceeds from the Placing will be approximately HK\$86.7 million. The maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent, professional fee and other related costs and expenses incurred in the Placing) will be approximately HK\$84.2 million which will be used for general working capital of the Group.

The Directors are of the view that the Placing will enlarge the shareholder base and the capital base of the Company. In addition, the net proceeds of the Placing will strengthen the financial position of the Group. Accordingly, they consider that the Placing is in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES DURING THE PAST 12 MONTHS

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds
8 July 2014	Placing of 406,747,565 new Shares at a price of HK\$0.125 per Share under general mandate	HK\$49 million	For general working capital of the Group	Approximately HK\$39 million was used for working capital and approximately HK\$10 million was used as part of the deposit to the proposed acquisition as set out in the announcement dated 28 August 2014 (and such deposit has been returned)
30 July 2014 and 17 October 2014	Subscription of convertible notes under specific mandate	HK\$126 million	Intended to be utilised for financing the proposed acquisition under the memorandum of understanding entered into between the Company and Mr. Fu Rulin on 28 August 2014 as announced by the Company on 28 August 2014 and/or for one of the Company's principal businesses, namely, securities investment and trading and/or for other future investment opportunities.	Not yet utilised as the subscription is not yet completed.

Save as disclosed above, the Company has not conducted any other fund raising exercises in the past twelve months immediately before the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company immediately upon completion of the Placing are set out below for illustration purposes:

Shareholders	As at the date of this announcement		Immediately after completion of the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Allied Way International Limited (Note 1)	408,000,000	9.93	408,000,000	8.86
Freeman Financial Corporation Limited	237,553,387	5.78	237,553,387	5.16
Mr. Wong Howard (Note 1)	20,779,400	0.51	20,779,400	0.45
Dr. Kwong Kai Sing Benny (Note 2)	40,717,565	0.99	40,717,565	0.88
Mr. Wong Yat Fai (Note 2)	12,779,400	0.31	12,779,400	0.28
Placees	—	—	495,192,763	10.75
Other public Shareholders	<u>3,390,687,282</u>	<u>82.48</u>	<u>3,390,687,282</u>	<u>73.62</u>
Total	<u>4,110,517,034</u>	<u>100.00</u>	<u>4,605,709,797</u>	<u>100.00</u>

Notes:

- Allied Way International Limited is a company incorporated in Hong Kong, 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 an executive Director.
- Each of Dr. Kwong Kai Sing Benny and Mr. Wong Yat Fai is an executive Director.
- Assuming no other issue of new Shares and no repurchase of existing Shares before completion of the Placing, and the Placing Agent has placed the maximum number of the Placing Shares, being 495,192,763 new Shares, to not less than six independent Placees. It is expected that none of the Placees will become a substantial Shareholder (as defined in the Listing Rules) of the Company immediately after the Completion.

GENERAL

The Placing is not subject to Shareholders' approval as the Placing Shares will be issued under the existing General Mandate.

Pursuant to the termination provision in the Placing Agreement, the Placing Agent has the right in certain circumstances, in the discretion of the Placing Agent, to terminate the Placing Agreement prior to the conditions precedent in the Placing Agreement being fulfilled. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“AGM”	the annual general meeting of the Company held on 18 August 2014 at which (among others) a resolution for the grant of the General Mandate to the Directors was duly passed by the Shareholders
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in Hong Kong
“Company”	ICube Technology Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on Stock Exchange
“Completion”	completion of the Placing in accordance with the terms and condition as set out in the Placing Agreement
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with new Shares up to 20% of the issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individual(s), corporations(s) and/or institutional or other professional investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	placing of a maximum of 495,192,763 new Shares by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement

“Placing Agent”	Get Nice Securities Limited, a licensed corporation within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	a conditional placing agreement dated 31 October 2014 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.175 per Placing Share
“Placing Shares”	a maximum of 495,192,763 new Shares to be placed under the Placing
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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

Hong Kong, 31 October 2014

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Wong Howard, Dr. Kwong Kai Sing, Benny, Mr. Wong Yat Fai and Ms. Davis Angela Hendricks; and five independent non-executive Directors, namely, Mr. Tung Tat Chiu, Michael, Mr. Li Chi Ming, Mr. Kwok Chi Kwong, Mr. Chen Youchun and Mr. Frank H. Miu.

* *For identification purposes only*