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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



KINGSTON SECURITIES LTD.

THE PLACING

On 5 March 2012 (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 efforts basis, a maximum of 564,920,000 Placing Shares at the issued price of HK\$0.09 per Placing Share to at least six Placees who and whose ultimate beneficial owners are third parties independent of and are not connected with the Company and its connected persons.

A maximum of 564,920,000 Placing Shares under the Placing represent (i) approximately 20.00% of the existing issued share capital of the Company of 2,824,643,047 Shares as at the date of this announcement; and (ii) approximately 16.67% of the then issued share capital of 3,389,563,047 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\$0.09 represents (i) a discount of approximately 3.23% to the closing price of HK\$0.093 per Share as quoted on the Stock Exchange on the date of this announcement; and (ii) a discount of approximately 4.46% to the average closing price of HK\$0.0942 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 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\$50.84 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 amount to approximately HK\$49.71 million which is intended to be used for funding the research and development on the Group's Multi-threaded Virtual Pipeline based System-on-Chip product, and the general working capital of the Group.

THE PLACING AGREEMENT

Date

5 March 2012 (after trading hours)

Issuer

The Company

Placing Agent

The Placing Agent has conditionally agreed to place a maximum of 564,920,000 Placing Shares on a best effort basis and will receive a placing commission of 2% 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% is fair and reasonable.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for the fact that the Placing Agent holds 1,000 Shares as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are third parties independent of and are not connected with the Company and its connected persons.

Placees

The Placing Agent will place the Placing Shares, on a best efforts basis, at the issued price of HK\$0.09 per Placing Share to not fewer than six Placees who and whose ultimate beneficial owners are third parties independent of and 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 Placing.

Number of Placing Shares

A maximum of 564,920,000 Placing Shares under the Placing represent (i) approximately 20.00% of the existing issued share capital of the Company of 2,824,643,047 Shares as at the date of this announcement and (ii) approximately 16.67% of the then issued share capital of 3,389,563,047 Shares as enlarged by the Placing, assuming no further change in the share capital structure of the Company prior to the Completion.

Ranking of Placing Shares

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

Placing Price

The Placing Price of HK\$0.09 per Placing Share represents (i) a discount of approximately 3.23% to the closing price of HK\$0.093 per Share as quoted on the Stock Exchange on the date of this announcement; and (ii) a discount of approximately 4.46% to the average closing price of HK\$0.0942 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of this announcement.

The Placing Price was determined with reference to the prevailing market price of the Share and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

General Mandate

The Placing Shares will be issued under the General Mandate to allot, issue and deal with 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 then 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 564,928,609 Shares. Up to the date of this announcement, no new Shares have been issued under the General Mandate.

Conditions of the Placing Agreement

Completion of the Placing Agreement is conditional upon:

- (i) the Listing Committee granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares under the Placing; and
- (ii) 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.

All the above conditions cannot be waived by the Company or the Placing Agent. If any of the above conditions is not fulfilled on or before 5 June 2012 (or such later date as may be agreed by the Company and the Placing Agent in writing), the Placing Agreement will terminate and all obligations of the Company and the Placing Agent under the Placing Agreement shall cease and determine and neither the Company nor the Placing Agent shall have any claim against the other in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation and any liabilities under the Placing Agreement.

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

- (i) Unless otherwise agreed between the Company and the Placing Agent, the Placing Agent's appointment shall terminate upon the earlier of (a) the Completion and (b) termination of the Placing by the Placing Agent in accordance with the terms and conditions of the Placing Agreement in writing.
- (ii) The Placing Agent reserves its right to terminate the Placing Agreement by notice in writing prior to 9:00 a.m. on the date of Completion, if in the absolute opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by any force majeure events (as defined below).

For this purpose, a "force majeure event" refers to

- (a) 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
 - (b) 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
 - (c) 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.
- (iii) If, at or prior to 9:00 a.m. on the date of Completion;
- (a) 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
 - (b) 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 this Placing Agreement or any announcements or circulars relating to the Placing; or

- (c) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in this 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.

- (iv) Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent hereunder shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with this Placing Agreement, save for any antecedent breaches.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

Completion of the Placing

Completion of the Placing will take place on or before the fourth business day after the fulfillment of the conditions set out in the Placing Agreement but not later than 5 June 2012 (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 Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the marketing and sales of self-developed semiconductor processing chips and core architecture for China's mobile device market, the trading and distribution of electronic products and other merchandise, and the securities investment and trading.

The maximum gross proceeds from the Placing will be approximately HK\$50.84 million. The maximum net proceeds from the Placing will amount to approximately HK\$49.71 million which is intended to be used for funding the research and development on the Group's Multi-threaded Virtual Pipeline based System-on-Chip product, and the general working capital of the Group. The maximum net proceeds raised per Share upon the completion of the Placing will be approximately HK\$0.088 per Share.

The Directors have considered different types of fund raising arrangement and consider that the Placing is the most efficient way in terms of cost for the Company. In the meantime, the Company can take this opportunity to raise additional capital to broaden the capital base of the Company.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not carried out other fund raising activities during the 12 months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing (assuming the Placing Shares are placed in full) are set out as below:

Shareholders	As at the date this announcement		Upon completion of the Placing	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Allied Way International Limited (<i>Note 1</i>)	680,000,000	24.07	680,000,000	20.06
Wong Howard (<i>Note 2</i>)	21,299,000	0.75	21,299,000	0.63
Wong Yat Fai (<i>Note 3</i>)	21,299,000	0.75	21,299,000	0.63
Public:				
Placees under the Placing (<i>Note 4</i>)	–	–	564,920,000	16.67
Other public Shareholders	2,102,045,047	74.42	2,102,045,047	62.01
	<u>2,824,643,047</u>	<u>100.00%</u>	<u>3,389,563,047</u>	<u>100.00%</u>

Notes:

- Allied Way International Limited (“Allied Way”) is a company incorporated in Hong Kong, the entire issued share capital of which is owned as to 50% by Mr. Wong Howard, a Director, and 50% by his spouse, Ms. Cheung Mei Yee Rebacca (“Ms. Rebecca Cheung”). Mr. Wong Howard and his spouse are deemed to be interested in these 680,000,000 Shares held by Allied Way under Part XV of the SFO.
- Mr. Wong Howard is a Director. Ms. Rebacca Cheung, his spouse, is also deemed to be interested in these 21,299,000 Shares held by Mr. Wong Howard under Part XV of the SFO.
- Mr. Wong Yat Fai is a Director.
- Each of the Placees is expected to be third party independent to the Company and its connected persons. None of the Placees is expected to become a substantial Shareholder immediately after the Placing.

GENERAL

Application will be made by the Company to the Listing Committee for the grant of the listing of, and permission to deal in, the Placing Shares.

TERMS AND DEFINITIONS

“AGM”	the annual general meeting of the Company held on 12 August 2011 at which (among others) a resolution for the grant of the General Mandate of the Directors was passed by the Shareholders;
“associate(s)”	has the meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors;
“Business Day”	A day (other than a Saturday, a Sunday or days on which a typhoon signal 8 or above or black rainstorm signal is hoisted in Hong Kong at 10:00a.m.) on which banks in Hong Kong are generally open for business;
“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;
“Completion”	completion of the Placing in accordance with the terms and conditions as set out in the Placing Agreement;
“connected person(s)”	has the meaning ascribed to it in the Listing Rules;
“Director(s)”	director(s) of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of PRC;
“Listing Committee”	has the meaning ascribed to it under the Listing Rules;
“Placee(s)”	any independent professional, institutional or other investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement;
“Placing”	the placing of a maximum of 564,920,000 new Shares pursuant to the terms of the Placing Agreement;

“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 5 March 2012 in relation to the Placing;
“Placing Price”	HK\$0.09 per Placing Share;
“Placing Share(s)”	a maximum of 564,920,000 new Shares to be placed pursuant to the Placing Agreement;
“PRC”	the People’s Republic of China;
“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; and
“%”	per cent.

By order of the Board
ICube Technology Holdings Limited
Szeto Pui Tong, Patrick
Company Secretary

Hong Kong, 5 March 2012

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*