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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 CAPITAL REORGANISATION

SUMMARY

The Board intends to put forward a proposal to the Shareholders to implement the Capital Reorganisation (involving the Share Consolidation and the Capital Reduction) pursuant to which: (i) every five (5) Shares in the issued ordinary share capital of the Company will be consolidated into one (1) Consolidated Share; (ii) every issued Consolidated Share will be reduced in nominal amount by cancelling HK\$0.04 of the capital paid up for each issued Consolidated Share so as to form (after the Share Consolidation) one Reorganised Share of HK\$0.01 each; and (iii) the credit arising from the Capital Reorganisation will be transferred to the contributed surplus account of the Company.

Upon the Capital Reorganisation becoming effective, the Reorganised Shares will be traded in board lots of 10,000 Reorganised Shares. The present board lot is 10,000 Shares. The authorised ordinary share capital of the Company after the Capital Reorganisation will remain at HK\$600,000,000.

A circular containing, among other things, further details of the Capital Reorganisation and the associated trading arrangements together with a notice convening the Special General Meeting is expected to be despatched to the Shareholders before 28 February 2013.

CAPITAL REORGANISATION

The Company proposes to put forward for approval by the Shareholders at the Special General Meeting the Capital Reorganisation (involving the Share Consolidation and the Capital Reduction) pursuant to which:–

- (i) every five (5) Shares in the issued ordinary share capital of the Company will be consolidated into one (1) Consolidated Share;
- (ii) every issued Consolidated Share will be reduced in nominal amount by cancelling HK\$0.04 of the capital paid up for each issued Consolidated Share so as to form (after the Share Consolidation) one Reorganised Share of HK\$0.01 each; and

(iii) the credit arising from the Capital Reorganisation will be transferred to the contributed surplus account of the Company.

As at the date of this announcement, there were 3,389,563,047 Shares in issue. On the basis of such issued share capital, there will be 677,912,609 Reorganised Shares in issue following the Capital Reorganisation becoming effective (assuming that there are no changes in the issued share capital of the Company from the date of this announcement and up to the effective date of the Capital Reorganisation).

Set out below is the composition of the authorised share capital of the Company:

	As at the date of this announcement	Immediately after the Capital Reorganisation becoming effective
Issued share capital	HK\$33,895,630.47 comprising 3,389,563,047 issued Shares	HK\$6,779,126.09 comprising 677,912,609 issued Reorganised Shares
Unissued share capital	HK\$566,104,369.53 comprising 56,610,436,953 unissued Shares	HK\$593,220,873.91 comprising 59,322,087,391 unissued Reorganised Shares

The value of the authorised share capital of the Company immediately before and after the Capital Reorganisation remains unchanged and is HK\$600,000,000.

CONDITIONS OF THE CAPITAL REORGANISATION

The Capital Reorganisation will be conditional upon:

- (i) the passing of a special resolution in relation to the Capital Reorganisation by the Shareholders at the Special General Meeting;
- (ii) compliance by the Company with the requirements applicable to the Capital Reduction pursuant to the Companies Act 1981 of Bermuda; and
- (iii) the Listing Committee granting the listing of, and permission to deal in, the Reorganised Shares.

The Capital Reorganisation will become effective on the Business Day immediately following the fulfilment of the above conditions.

LISTING AND DEALINGS

Application will be made to the Listing Committee granting the listing of, and permission to deal in, the Reorganised Shares.

None of the securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is proposed to be sought.

STATUS OF THE REORGANISED SHARES

The Reorganised Shares will rank equally in all respects with each other, and the Capital Reorganisation will not result in any change in any relative rights of the Shareholders.

The rights attached to a Reorganised Share shall remain unchanged after the Capital Reorganisation becoming effective and there will be no diminution of any liability in respect of payment to any Shareholder of any paid up capital, except no fractional entitlement, if any, as a result of the Capital Reorganisation will be issued to Shareholder(s) but will be aggregated and, if possible, sold and retained for the benefit of the Company.

BOARD LOT SIZE

Shares are currently traded in board lots of 10,000 Shares. The Reorganised Shares will be traded in board lots of 10,000 Reorganised Shares.

Based on the closing price of HK\$0.063 per Share as quoted on the Stock Exchange on the date of this announcement, the market value of each board lot of 10,000 Reorganised Shares, assuming the Capital Reorganisation had already been effective, would be HK\$3,150.

REASONS FOR THE CAPITAL REORGANISATION

The Capital Reorganisation will increase the nominal value of the Shares. It is expected that the Capital Reorganisation would (i) bring about a corresponding upward adjustment in the trading price of the Reorganised Shares, which would keep it in line with Rule 13.64 of the Listing Rules as the Shares are currently traded at less than HK\$0.10; and (ii) reduce the overall transaction costs in dealing with the Reorganised Shares. Accordingly, the Directors are of the view that the Capital Reorganisation is beneficial to the Company and the Shareholders as a whole.

Other than the expenses to be incurred in relation to the Capital Reorganisation, the implementation of the Capital Reorganisation will not alter the underlying assets, business operations, management or financial position of the Group or the interests of the Shareholders as a whole.

TRADING AND ASSOCIATED ARRANGEMENTS

In order to alleviate the difficulties arising from the existence of odd lots of the Reorganised Shares, the Company will appoint a securities house to provide matching service, on a “best effort” basis, regarding the sale and purchase of odd lots of Reorganised Shares to those Shareholders who wish to acquire odd lots of the Reorganised Shares to make up a full board lot, or to dispose of their holding of odd lots of the Reorganised Shares.

New share certificates for the Reorganised Shares will be issued and available at no direct cost to the Shareholders.

The Company will make further announcement(s) and set out further details in the Circular to inform Shareholders and/or the investing public of the effective date of the Capital Reorganisation, the associated trading arrangements and the procedures for exchange of certificates for the Reorganised Shares.

EXPECTED TIMETABLE

The expected timetable for the proposed Capital Reorganisation is set out below:

Events	2013
Despatch of the Circular with notice of the Special General Meeting	<i>(Notes)</i> Before Thursday, 28 February
Latest time for lodging forms of proxy for the purpose of the Special General Meeting (not less than 48 hours before the Special General Meeting)	9:30 a.m. on Wednesday, 20 March
Date of the Special General Meeting	9:30 a.m. on Friday, 22 March
Announcement of results of the Special General Meeting	Friday, 22 March
Effective date of the Capital Reorganisation	Monday, 25 March
Existing counter for trading in the Shares in board lots of 10,000 Shares temporarily closes	9:00 a.m. on Monday, 25 March
Temporary counter for trading in the Reorganised Shares in board lots of 2,000 Reorganised Shares (in the form of existing share certificates) opens	9:00 a.m. on Monday, 25 March
Free exchange of existing share certificates for new share certificates for the Reorganised Shares commences	9:00 a.m. on Monday, 25 March

Designated securities house starts to stand in the market to provide matching services	Thursday, 11 April
Existing counter for trading in the Reorganised Shares in board lots of 10,000 Reorganised Shares (in the form of new share certificates) re-opens	9:00 a.m. on Thursday, 11 April
Parallel trading in the Reorganised Shares (in the form of new share certificates and existing share certificates) commences	9:00 a.m. on Thursday, 11 April
Temporary counter for trading in the Reorganised Shares in board lots of 2,000 Reorganised Shares (in the form of existing share certificates) closes	4:00 p.m. on Thursday, 2 May
Parallel trading in the Reorganised Shares (in the form of new share certificates and existing share certificates) ends	4:00 p.m. on Thursday, 2 May
Designated securities house ceases to stand in the market to provide matching services	4:00 p.m. on Thursday, 2 May
Free exchange of existing share certificates for new share certificates for the Reorganised Shares ends	4:00 p.m. on Friday, 10 May

Notes:

- (1) All references to time and dates refer to Hong Kong local time and dates.
- (2) Dates or deadlines specified in this announcement for events in the timetable are indicative only and may be extended or varied. Any consequential changes to the anticipated timetable will be announced by the Company as and when appropriate.

Special General Meeting

A Special General Meeting will be convened and held by the Company to consider and, if thought fit, approve the Capital Reorganisation. The voting at the Special General Meeting will be taken by poll.

POSSIBLE ADJUSTMENTS TO THE SHARE OPTIONS AND THE 2010 CONVERTIBLE BONDS UPON COMPLETION OF THE CAPITAL REORGANISATION

Pursuant to the applicable rules of the Share Option Scheme and the terms and conditions of the 2010 Convertible Bonds, the Capital Reorganisation, if implemented, may cause adjustments to the exercise price/conversion price (as the case may be) and/or the number of the new Reorganised Shares in the Company which may fall to be allotted and issued upon exercise of (as the case may be) the subscription rights attached to the outstanding options granted under the Share Option Scheme or the conversion rights attached to the 2010 Convertible Bonds. The Company will make further announcement(s) on

the appropriate adjustments and the date such adjustments are to take effect as and when appropriate in accordance with the Listing Rules.

GENERAL

A circular containing, among other things, further details of the Capital Reorganisation and the associated trading arrangements together with a notice convening the Special General Meeting is expected to be despatched to the Shareholders before 28 February 2013.

Since the Capital Reorganisation is subject to the fulfilment of certain conditions, the Capital Reorganisation may or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt as to their position, they should consult their professional advisers.

DEFINITIONS

Unless the context otherwise requires, the following expressions used in this announcement have the following meanings:

“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the business of dealing in securities
“Capital Reduction”	the proposed cancellation of HK\$0.04 paid-up capital for each issued Consolidated Share
“Capital Reorganisation”	the proposed reorganisation of the capital of the Company consisting of the Share Consolidation and the Capital Reduction
“Circular”	the circular to be issued by the Company containing, among other things, information on the Capital Reorganisation together with a notice convening the Special General Meeting at which resolution(s) will be proposed to approve the Capital Reorganisation
“Company”	ICube Technology Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company to be created immediately following the Share Consolidation but before the Capital Reduction
“Director(s)”	the director(s) of the Company

“Group”	the Company and its subsidiaries from time to time
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Reorganised Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company to be created upon the Capital Reorganisation becoming effective
“Share(s)”	existing ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Consolidation”	the proposed consolidation of every five (5) Shares into one (1) Consolidated Share
“Shareholder(s)”	holder(s) of Shares or Consolidated Shares or Reorganised Shares (as the case may be)
“Share Option Scheme”	the share option scheme of the Company adopted on 27 August 2003
“Special General Meeting”	the special general meeting of the Company to be convened and held by the Company for the purpose of considering and, if thought fit, approving the Capital Reorganisation
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“2010 Convertible Bonds”	the three-year HK\$200 million zero coupon convertible bonds issued by the Company on 1 December 2010 as disclosed by the Company in its announcements dated 8 October 2010 and 1 December 2010, and its circular dated 21 October 2010
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 4 February 2013

As at the date of this announcement, the Board 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. Wan Ngar Yin, David.

* *For identification purposes only*