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**上海復旦微電子集團股份有限公司**

**Shanghai Fudan Microelectronics Group Company Limited\***

*(a joint stock limited company incorporated in the People's Republic of China)*

(Stock Code: 1385)

**CONNECTED TRANSACTION  
PROPOSED A SHARE OFFERING – STRATEGIC ALLOTMENT TO  
CONNECTED PERSONS**

References are made to the announcements of the Company dated 1 March 2019, 17 April 2019, 16 April 2020, 28 August 2020, 4 October 2020, 8 January 2021, 1 March 2021 and 24 March 2021, and the circulars of the Company dated 17 April 2019, 16 April 2020 and 28 August 2020, containing, among others, matters relating to the proposed initial public A Share Offering and listing on the Sci-Tech Innovation Board of the Shanghai Stock Exchange, inside information, overseas regulatory announcement, the acceptance of the application of proposed A Share Offering by the Shanghai Stock Exchange and the proposed A Share Offering considered and approved by the Listing Committee of the Sci-Tech Innovation Board of the Shanghai Stock Exchange.

In accordance with the Company Law, the Implementation Measures for Issue and Underwriting of Shares on the Sci-Tech Innovation Board of Shanghai Stock Exchange (《上海證券交易所科創板股票發行與承銷實施辦法》), the Guidelines for Issue and Underwriting of Shares on the Sci-Tech Innovation Board of Shanghai Stock Exchange (《上海證券交易所科創板股票發行與承銷業務指引》) and the provisions of other relevant laws, regulations and regulatory documents, and the Articles of the Company, the Company formulated the Strategic Allotment Plan. The Participants of the Strategic Allotment Plan shall be certain of the senior management and core employees of the Group, who may participate in the Strategic Allotment under the A Share Offering in accordance with the Strategic Allotment Plan to subscribe for the approved number of A Shares upon the consideration and approval by the Board meeting and/or the general meeting of the Company (as the case may be). The Strategic Allotment Plan has come into force after being considered and approved at the Board meeting held by the Company on 18 May 2021. Pursuant to the Strategic Allotment Plan, the Company may allot not more than 12,000,000 A Shares to certain senior management and core employees of the Group under the A Share Offering. As certain connected persons of the Company (being the directors and/or supervisors and/or chief

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executives of the Company and/or its subsidiaries) intended to participate in the Strategic Allotment under the A Share Offering in accordance with the Strategic Allotment Plan, the subscription of A Shares by the abovementioned connected persons constitutes a connected transaction of the Company and is subject to the reporting, announcement and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As at the date of this announcement, each of Mr. Jiang Guoxing, Mr. Shi Lei, Mr. Diao Linshan, Mr. Zeng Shaobin, Ms. Zhang Yanfeng, Ms. Fang Jing, Mr. Shi Jin and Mr. Huang Xinyue directly or indirectly holds the Shares of the Company, and they will, if applicable, abstain from voting on the resolution in relation to the Strategic Allotment under the A Share Offering to the connected persons to be considered and approved at the EGM. Save as mentioned above, the Board confirm that, to the best of their knowledge, information and belief, none of other Shareholders is required to abstain from voting on such resolution at the EGM pursuant to the Listing Rules.

The Board has established the Independent Board Committee, which comprises of all the four independent non-executive Directors, to provide advice to the Independent Shareholders as to the Strategic Allotment under the A Share Offering to the connected persons. The Company has engaged Amasse Capital Limited as the independent financial adviser to provide advice to the Independent Board Committee and the Independent Shareholders in this regard.

As additional time is required for the Company to prepare and finalize certain information to be contained in the circular, the circular of the EGM containing, among other things, (i) details of the Strategic Allotment under the A Share Offering to the connected persons; (ii) a letter to the Independent Board Committee from the independent financial adviser, which contains its advice on the Strategic Allotment under the A Share Offering to the connected persons; and (iii) a letter from the Independent Board Committee, which contains its recommendation on the Strategic Allotment under the A Share Offering to the connected persons, is expected to be despatched to the Shareholders on or before 4 June 2021.

## **1. PROPOSED A SHARE OFFERING – STRATEGIC ALLOTMENT TO CONNECTED PERSONS**

References are made to the announcements of the Company dated 1 March 2019, 17 April 2019, 16 April 2020, 28 August 2020, 4 October 2020, 8 January 2021, 1 March 2021 and 24 March 2021, and the circulars of the Company dated 17 April 2019, 16 April 2020 and 28 August 2020, containing, among others, matters relating to the proposed initial public A Share Offering and listing on the Sci-Tech Innovation Board of the Shanghai Stock Exchange, inside information, overseas regulatory announcement, the acceptance of the application of proposed A Share Offering by the Shanghai Stock Exchange and the proposed A Share Offering considered and approved by the Listing Committee of the Sci-Tech Innovation Board of the Shanghai Stock Exchange.

In accordance with the Company Law, the Implementation Measures for Issue and Underwriting of Shares on the Sci-Tech Innovation Board of Shanghai Stock Exchange (《上海證券交易所科創板股票發行與承銷實施辦法》), the Guidelines for Issue and Underwriting of Shares on the Sci-Tech Innovation Board of Shanghai Stock Exchange (《上海證券交易所科創板股票發行與承銷業務指引》) and the provisions of other relevant laws, regulations and regulatory documents, and the Articles of the Company, the Company formulated the Strategic Allotment Plan. The Participants of the Strategic Allotment Plan shall be certain of the senior management and core employees of the Group, who may participate in the Strategic Allotment under the A Share Offering in accordance with the Strategic Allotment Plan to subscribe for the approved number of A Shares upon the consideration and approval by the Board meeting and/or the general meeting of the Company (as the case may be). The Strategic Allotment Plan has come into force after being considered and approved at the Board meeting held by the Company on 18 May 2021. Pursuant to the Strategic Allotment Plan, the Company may allot not more than 12,000,000 A Shares to certain senior management and core employees of the Group under the A Share Offering. As certain connected persons of the Company (being the directors and/or supervisors and/or chief executives of the Company and/or its subsidiaries) intended to participate in the Strategic Allotment under the A Share Offering in accordance with the Strategic Allotment Plan, the subscription of A Shares by the abovementioned connected persons constitutes a connected transaction of the Company and is subject to the reporting, announcement and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Details of the Strategic Allotment Plan are set out as follows:

**(i) Participants**

The Participants of the Strategic Allotment Plan are mainly the senior management and core employees who are essential to the improvement of sustainable development ability of the Group and the achievement of the strategic targets. Such persons have certain extent of direct influence over the Group's operating results and competitiveness and will participate in this plan on a voluntary basis.

The list of Participants under the Strategic Allotment Plan and the number and/or the entitlement of A Shares to be allotted to them shall be considered and approved by the Board. The number and/or the entitlement of A Shares to be allotted to the connected persons who will participate in the Strategic Allotment Plan shall be considered and approved at the general meeting of the Company in accordance with the Listing Rules, and if it fails to be approved by Independent Shareholders, such portion of the number and/or the entitlement of A Shares to be allotted to such connected persons may be adjusted to other Participants by the Board or its authorized persons.

<b>Participants</b>	<b>Maximum number of A Shares to be allotted (ten thousand)</b>	<b>Approximate percentage of the number of A Shares under the Strategic Allotment Plan</b>	<b>Approximate percentage of the number of Shares under the A Share Offering</b>
Jiang Guoxing (Executive Director and Chairman of the Board)	160	13.33	1.33
Shi Lei (Executive Director and Managing Director)	160	13.33	1.33
Yu Jun (Executive Director and Deputy Managing Director)	140	11.67	1.17
Cheng Junxia(Executive Director and Chief Engineer)	70	5.83	0.58
Zhang Yanfeng (staff representative Supervisor)	70	5.83	0.58
Diao Linshan (Director of subsidiary)	70	5.83	0.58
Zeng Shaobin (Director of subsidiary)	70	5.83	0.58
Fang Jing (Chief Finance Officer and Director of subsidiary)	70	5.83	0.58
Shi Jin (Director of subsidiary)	30	2.50	0.25
Huang Xinyue (Managing Director of subsidiary)	30	2.50	0.25
Subtotal	870	72.50	7.25
Other senior management and core employees of the Group	330	27.50	2.75
Total	1,200	100.00	10.00

**(ii) Allotment of shares**

The Shares of the Strategic Allotment Plan shall be the ordinary shares with a nominal value of RMB0.1 each in the share capital of the Company to be allotted and issued under the A Share Offering. Such ordinary shares (A Shares) will be listed on the Sci-Tech Innovation Board of the Shanghai Stock Exchange.

**(iii) Number of subscription**

The total number for subscription under the Strategic Allotment Plan shall not exceed 10% of the number of the A Share Offering, i.e. not more than 12,000,000 A Shares.

**(iv) Subscription price**

The subscription price of the A Shares to be allotted under the Strategic Allotment Plan shall be identical to the offering price under the proposed A Share Offering, and will be paid by the Participants with their own or self-raised funds.

According to the Implementation Measures for Sci-Tech Innovation Board, the price of the A Share Offering will be determined through consultation with professional institutional investors including securities companies, fund management companies, trust companies, finance companies, insurance companies, qualified foreign institutional investors and private equity fund managers. The Company and the lead underwriter may then determine the price of A Share Offering after the initial consultation or through a book-building exercise after an offering price range has been determined from the initial consultation.

The issuer and the lead underwriter may determine the offering price through initial consultation, or determine the offering price through a book-building exercise after determining the interval of the offering price by initial consultation. The offering price shall, in any event, not lower than the latest audited net asset value per share prior to the proposed A Share Offering. Based on the results of the initial consultation, the Board will fully consider, among other things, the following factors when determining the offering price: (i) the operational and financial conditions of the Company at that time; (ii) valuation of comparable companies; (iii) market situation of A shares at that time; (iv) share price of the Company's H Shares at that time; and (v) requirements of applicable laws and regulations. For the pricing methodology and other details of A Share Offering, please refer to the Company's announcements dated 1 March 2019, 17 April 2019, 16 April 2020, 28 August 2020, 4 October 2020, 8 January 2021, 1 March 2021 and 24 March 2021, the circulars dated 17 April 2019, 16 April 2020 and 28 August 2020.

**(v) Means of implementation**

As at the date of this announcement, no agreement has been entered into between the Company and the Participants. The Company intends to enter into Strategic Allotment Agreements with the Participants during A Share Offering in compliance with relevant laws, regulatory documents and PRC market practices, as and when applicable. The Participants will participate in the Strategic Allotment under the A Share Offering through the establishment of a special assets management plan. Relevant matters in relation to the participation in the Strategic Allotment Plan by the Participants shall be determined, handled and implemented by the Board or its authorized person(s) in accordance with the relevant laws, regulations and regulatory documents, and applicable requirements of the CSRC, the Shanghai Stock Exchange and the Stock Exchange.

**(vi) Lock-up period**

The lock-up period of A Shares to be allotted under the Strategic Allotment Plan shall be not less than 12 months (as calculated from the date of listing of A Shares). Except as specified in the Strategic Allotment Plan, the Participants shall not withdraw from the special assets management plan or transfer their entitlements under the special assets management plan within the lock-up period. Upon the expiry of the lock-up period, the administrator of the special assets management plan will timely arrange the disposal of such Shares in accordance with relevant agreements or regulations.

**(vii) Validity period**

The Strategic Allotment Plan shall take effect upon the consideration and approval at the Board meeting, and shall be implemented at the time of the A Share Offering. If the Company's application of the A Share Offering fails to obtain the approval from relevant regulatory authorities, the Strategic Allotment Plan shall be terminated immediately.

**2. REASONS FOR AND BENEFITS OF STRATEGIC ALLOTMENT TO THE PARTICIPANTS**

The senior management and core employees of the Company will be able to participate in the A Share Offering through the implementation of the Strategic Allotment Plan, which will be beneficial for retaining, mobilizing and motivating such persons and establishing and improving the benefit and risk sharing mechanism between them and all of the Shareholders, so as to closely tie their interests and that of the Company together and unite as one to achieve the development goals of the Company, thus enhancing the long-term development and competitiveness of the Company.

The Directors (excluding the independent non-executive Directors whose opinion will be set forth in the circular by reference to the advice of the independent financial adviser in this regard) consider that the terms of the Strategic Allotment Plan are on normal commercial terms and fair and reasonable, and the participation in the Strategic Allotment under the A Share Offering in accordance with the Strategic Allotment Plan is in the interests of the Company and the Shareholders as a whole.

**3. LISTING RULES IMPLICATIONS**

The participants of the Strategic Allotment Plan include the aforementioned ten persons who are the directors and/or supervisors and/or chief executives of the Company and/or its subsidiaries and therefore are the connected persons of the Company under the Listing Rules. Pursuant to Chapter 14A of the Listing Rules, the participation in the Strategic Allotment under the A Share Offering by the abovementioned connected persons according to the Strategic Allotment Plan constitutes a connected transaction of the Company and is subject to the requirements of reporting, announcement and the independent shareholders' approval under the Listing Rules.

As Mr. Jiang Guoxing, Mr. Shi Lei, Mr. Yu Jun and Ms. Cheng Junxia will participate in the Strategic Allotment under the A Share Offering, they have abstained from voting on the relevant Board resolution. Save as mentioned above, none of the other Directors has a material interest in the Strategic Allotment under the A Share Offering. As such, none of the other Directors has abstained from voting on the relevant Board resolution.

#### **4. EGM**

The Company will convene the EGM to consider and approve the resolution in relation to the Strategic Allotment under the A Share Offering to the connected persons.

As at the date of this announcement, each of Mr. Jiang Guoxing, Mr. Shi Lei, Mr. Diao Linshan, Mr. Zeng Shaobin, Ms. Zhang Yanfeng, Ms. Fang Jing, Mr. Shi Jin and Mr. Huang Xinyue directly or indirectly holds the Shares of the Company, and they will, if applicable, abstain from voting on the resolution in relation to the Strategic Allotment under the A Share Offering to the connected persons to be considered and approved at the EGM. Save as mentioned above, the Board confirm that, to the best of their knowledge, information and belief, none of other Shareholders is required to abstain from voting on such resolution at the EGM pursuant to the Listing Rules.

The Board has established the Independent Board Committee, which comprises of all the four independent non-executive Directors, to provide advice to the Independent Shareholders as to the Strategic Allotment under the A Share Offering to the connected persons. The Company has engaged Amasse Capital Limited as the independent financial adviser to provide advice to the Independent Board Committee and the Independent Shareholders in this regard.

As additional time is required for the Company to prepare and finalize certain information to be contained in the circular, the circular of the EGM containing, among other things, (i) details of the Strategic Allotment under the A Share Offering to the connected persons; (ii) a letter to the Independent Board Committee from the independent financial adviser, which contains its advice on the Strategic Allotment under the A Share Offering to the connected persons; and (iii) a letter from the Independent Board Committee, which contains its recommendation on the Strategic Allotment under the A Share Offering to the connected persons, is expected to be despatched to the Shareholders on or before 4 June 2021.

#### **5. CLOSURE OF REGISTER OF MEMBERS**

For the purpose of EGM, the Register of Members of the Company will be closed from 3 June 2021 to 5 July 2021 (both days inclusive) during which no transfer of shares will be effected.

Shareholders who hold Shares and whose names appear on the Register of Members of the Company as at 5 July 2021 shall be entitled to attend the EGM. To be qualified to attend the EGM, all transfers accompanied by the relevant share certificates must be lodged at the Company's principal place of business in the PRC at Building 4, Lane 127, Guotai Road,

Shanghai, the PRC (for holders of Domestic Shares) or the Company's Share Registrar in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H Shares) not later than 4:30 p.m. on 2 June 2021.

## 6. GENERAL INFORMATION

The Company's principal activities consist of design, development and sales of products of application-specific IC.

The Company has not conducted any fund raising activities involving the issuance of share capital within 12 months immediately preceding the date of this announcement.

**There is no assurance that the proposed A Share Offering will proceed, and relevant senior management and core employees may or may not participate in the Strategic Allotment under the A Share Offering. Shareholders and investors are advised to exercise caution in dealings in the H Shares. Further details about the A Share Offering and the Strategic Allotment will be disclosed by the Company in due course.**

## DEFINITIONS

Unless the context otherwise requires, capitalized terms used in this announcement shall have the following meanings:

“Articles”	the articles of association of the Company
“A Share(s)”	the ordinary share(s) of nominal value of RMB0.1 each in the share capital of the Company to be allotted, issued and listed on the Sci-Tech Innovation Board
“A Share Offering”	the proposed initial public offering of not more than 120,000,000 A Shares with a nominal value of RMB0.1 each, which will be listed on the Sci-Tech Innovation Board
“Board”	the board of Directors of the Company
“Company”	上海復旦微電子集團股份有限公司 (Shanghai Fudan Microelectronics Group Company Limited*), a joint stock limited company incorporated in the PRC and whose H shares are listed on the main board of the Stock Exchange
“Company Law”	the Company Law of the People's Republic of China
“connected person(s)”	has the meaning ascribed to it under the Listing Rules



“Group”	the Company and/or its subsidiaries
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	director(s) of the Company
“Domestic Share(s)”	ordinary domestic share(s) of nominal value of RMB0.1 each in the capital of the Company which are subscribed for in RMB
“EGM”	the extraordinary general meeting of the Company to be held on 5 July 2021 to consider and approve the resolution in relation to the Strategic Allotment under the A Share Offering to the connected persons
“H Share(s)”	overseas listed foreign share(s) of nominal value of RMB0.1 each in the capital of the Company which are listed on the Stock Exchange and subscribed for and traded in HK dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board comprising all its independent non-executive Directors, namely Mr. Guo Li, Mr. Cao Zhongyong, Mr. Cai Minyong and Mr. Wang Pin, established for the purpose of advising the Independent Shareholders on the Strategic Allotment Plan
“Independent Shareholder(s)”	Shareholders other than the Mr. Jiang Guoxing, Mr. Shi Lei, Mr. Diao Linshan, Mr. Zeng Shaobin, Ms. Zhang Yanfeng, Ms. Fang Jing, Mr. Shi Jin and Mr. Huang Xinyue, who are not required to abstain from voting on the resolution in relation to the Strategic Allotment under the A Share Offering to the connected persons to be considered and approved at the EGM
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Participant(s)”	the participants who will participate in the Strategic Allotment under the A Share Offering in accordance with the Strategic Allotment Plan

“PRC”	The People’s Republic of China, for the purpose of this announcement, excluding the regions of Hong Kong, Macau Special Administrative Region and Taiwan
“Sci-Tech Innovation Board”	the Sci-Tech Innovation Board of the Shanghai Stock Exchange
“Shanghai Stock Exchange”	Shanghai Stock Exchange
“Share(s)”	the Domestic Share(s) and the H Share(s)
“Shareholder(s)”	registered holder(s) of the Domestic Shares and H Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“RMB”	Renminbi, the lawful currency of the PRC
“Strategic Allotment”	the strategic allotment of not more than 10% of the total number of A Shares under the proposed A Share Offering, representing the offering of not more than 12,000,000 A Shares to the Participants by the Company under the Strategic Allotment Plan
“Strategic Allotment Plan”	the strategic allotment plan formulated by the Company for its senior management and core employees, which has come into effect after being approved at the Board meeting held by the Company on 18 May 2021
“Strategic Allotment under the A Share Offering”	the allotment of not more than 12,000,000 A Shares to the Participants by the Company under the A Share Offering in accordance with the Strategic Allotment Plan
“Supervisor(s)”	the supervisor(s) of the Company
“%”	Percent.

By order of the Board  
**Shanghai Fudan Microelectronics Group Company Limited\***  
**Jiang Guoxing**  
*Chairman*

Shanghai, the PRC, 18 May 2021

*As at the date of this announcement, the Company's executive directors are Mr. Jiang Guoxing, Mr. Shi Lei, Mr. Yu Jun and Ms. Cheng Junxia; non-executive directors are Ms. Zhang Qianling, Mr. Ma Zhicheng, Ms. Zhang Huajing and Mr. Wu Ping; and independent non-executive directors are Mr. Guo Li, Mr. Cao Zhongyong, Mr. Cai Minyong and Mr. Wang Pin.*

*\* For identification purposes only*