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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)

DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF PROPERTIES

The Board wishes to announce that on 26 January 2022 after trading hours, the Company entered into the Purchase Contract with the Vendor, pursuant to which the Company agreed to acquire and the Vendor agreed to sell the Properties at a total consideration of RMB222,130,456.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition of Properties exceed 5% but are less than 25%, the entering into of the Purchase Contract constitutes a discloseable transaction of the Company, and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board wishes to announce that on 26 January 2022 after trading hours, the Company entered into the Purchase Contract with the Vendor, pursuant to which the Company agreed to acquire and the Vendor agreed to sell the Properties at a total consideration of RMB222,130,456.

Purchase Contract

(i) Date

26 January 2022 (after trading hours)

(ii) Contracting parties

(a) the Company; and

(b) Tian Yu Eco-Environment Co., Ltd.* (天域生態環境股份有限公司)

* For identification purpose only

(iii) Properties to be acquired

The Properties consist of units 101, 201, 301, 401, 501, 601 and 701 of the No. 12 Building (Property A), and units 101, 201, 301, 401 and 501 of the No. 15 Building (Property B), locating at Lane 1688, Guoquan North Road, Yangpu District, Shanghai, the PRC. Among Properties, unit 101 of the No. 12 Building and unit 101 of the No. 15 Building are complimentary areas without the property ownership certificates, for which the Vendor will not require any consideration. The Properties are commercial office premises with a total gross area of 6,772.27 square metres pursuant to relevant ownership certificates. The term of the land use right is from 3 November 2008 to 2 November 2058.

- a) Property A is currently occupied by the Vendor for its own use, which will be leased by the Vendor for a term of two years upon the completion of the ownership transfer at a rental of RMB3.2 per square meter per day with property management fee and utilities borne by the Vendor.
- b)
 - i) Unit 101 of Property B is currently leased out with a term expiring on 14 July 2024. The Company will succeed the lease at a rental of RMB3.8 per square meter per day with property management fee and utilities borne by the lessee.
 - ii) Units 201, 301, 401 and 501 of Property B are currently vacant and will be used as the office premises of the Company.

(iv) Consideration

The Consideration for Acquisition of Properties is RMB222,130,456, including a total consideration of RMB203,168,100 for the real estates and a total consideration of RMB18,962,356 for leasehold improvements.

The Consideration was determined between the parties after arm's length negotiations and with reference to, amongst other things, the location and conditions of the Properties, and the current market value of comparable properties in the proximity of the Properties. The Consideration will be financed by the Company's internal resources.

(v) Payment terms

The Consideration of RMB222,130,456 shall be settled by the Company to the Vendor in accordance with the following terms:

- (a) RMB2,000,000 as deposit upon signing the Purchase Contract;
- (b) RMB50,000,000 as the 1st payment to be paid upon filing with the real estate exchange center on 27 January 2022;

- (c) RMB50,000,000 to be paid before 20 February 2022;
- (d) Conduct the property transfer registration procedures before 20 February 2022, upon completion of which, RMB116,130,456 to be paid within two days; and
- (e) The remaining Consideration of RMB4,000,000 to be paid within 5 days upon completion of the transfer registration.

(vi) Completion

Acquisition of Properties is expected to be completed on or before 28 February 2022.

GENERAL INFORMATION

THE COMPANY

The Company is principally engaged in the design, development and sales of application-specific IC products.

THE VENDOR

The Vendor is a limited liability company incorporated in the PRC whose shares are listed on the Shanghai Stock Exchange (stock code: 603717). The business scope of the Vendor shall be: licensed projects: grade one qualification in urban landscape construction; landscape greening engineering design; general contracting for municipal public projects (for projects that require approval in accordance with the law, approval shall be obtained from relevant departments before commencement of business activities, and the specific operation projects are subject to the approval document or the permit of the relevant departments); general projects: construction and maintenance of landscape greening engineering projects; afforestation and greening construction; integrated environmental management; river and lake pollution management; soil pollution management and restoration; saline-alkali soil treatment; research and development of technology on new species of ornamental plants and their seeds; planting and sales of ornamental plants, conference and exhibition services, development and operation of rural folk handicrafts and products, leisure agriculture and rural tourism resources, artificial afforestation, tree plantation operations, intelligent agriculture management, technical services, technology development, technology consulting, technology communication, technology transfer, technology promotion, property management and leasing services (excluding licensed leasing services) (except for projects subject to approval in accordance with the law, the company can independently carry out business activities based on the business license).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor is an Independent Third Party.

REASONS FOR THE ACQUISITION

Because of business development, the Group has been actively applied its resources on the research and development in recent years with increasing demand for staff recruitment and the number of employees increased over the years. The office spaces of the Group are now over-utilized, not only insufficient to accommodate the increasing employees, but also the inability to meet with the Group's rapid business development. The Directors are aware of the significant appreciation in value and rental level of office premises over the past 10 years or so, it is believed that the Acquisition of Properties can meet the Group's needs for office spaces, save rental expenses, increase rental income, reserve office space for any future increase in headcounts through short-term leaseback. In addition, the office spaces of the Group are currently scattered while the Properties are adjacent to one of the Company's workplaces, allowing an overall office area for improving office management, staff communication and work efficiency.

The Directors considered that the terms of the Purchase Contract are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition of Properties exceed 5% but are less than 25%, the entering into of the Purchase Contract constitutes a discloseable transaction of the Company, and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the meanings set out below:

“Acquisition of Properties”	the purchase of the Properties by the Company from the Vendor pursuant to the terms and conditions of the Purchase Contract
“Board”	the board of Directors
“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, the A shares of which are listed on Sci-Tech Innovation Board of the Shanghai Stock Exchange and the H shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Consideration”	the total consideration for the Acquisition of Properties of RMB222,130,456
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Independent Third Party”	person or company who/which is independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Properties”	units 101, 201, 301, 401, 501, 601 and 701 of the No. 12 Building, and units 101, 201, 301, 401 and 501 of the No. 15 Building, Lane 1688, Guoquan North Road, Yangpu District, Shanghai, the PRC, and including all leasehold improvements therein
“Purchase Contract”	the contract dated 16 January 2022 entered into by the Company and the Vendor in respect of the Acquisition of the Properties
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Tian Yu Eco-Environment Co., Ltd.* (天域生態環境股份有限公司)
%	Percent.

By Order of the Board
Shanghai Fudan Microelectronics Group Company Limited
Jiang Guoxing
Chairman

Shanghai, PRC, 26, January 2022

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. Wu Ping, Mr. Sun Zheng and Ms. Liu Huayan; and independent non-executive directors are Mr. Guo Li, Mr. Cao Zhongyong, Mr. Cai Minyong and Mr. Wang Pin.