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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
FORMATION OF A JOINT VENTURE**

On 11 August 2022, the Company entered into an Initiate Establishment Agreement with Haojun Venture, Shanghai Fuwei xinxun, Shanghai Yiyuan, Mr. Qian Wei, Mr. Wang Yuanbiao, Mr. Liu Yifei and Mr. Wang Wei pursuant to which the parties agreed to form a Joint Venture in Shanghai of the PRC.

Pursuant to the Initiate Establishment Agreement, the registered capital of the Joint Venture is RMB 50,000,000 which shall be contributed by:

- (i) RMB20,426,700 will be contributed by the Company;
- (ii) RMB12,000,000 will be contributed by Haojun Venture;
- (iii) RMB7,500,000 will be contributed by Shanghai Fuwei xinxun;
- (iv) RMB5,000,000 will be contributed by Shanghai Yiyuan;
- (v) RMB1,573,300 will be contributed by Mr. Qian Wei;
- (vi) RMB1,250,000 will be contributed by Mr. Wang Yuanbiao;
- (vii) RMB1,250,000 will be contributed by Mr. Liu Yifei and
- (viii) RMB1,000,000 will be contributed by Mr. Wang Wei.

The Company will make contribution to the Joint Venture by way of fixed assets and intangible assets.

Shanghai Yuji is the general partner of Shanghai Fuwei xinxun which has the de facto control of Shanghai Fuwei xinxun. The supervisor of the Company, Ms. Zhang Yanfeng and the supervisor of Sino IC, Ms. Fang Jing holds 40% interests in the issued ordinary shares of Shanghai Yuji respectively. Mr. Qian Wei is the director of Sino IC. Therefore, Shanghai Fuwei xinxun and Mr. Qian Wei are connected persons of the Company under the Hong Kong Listing Rules. As such, the formation of the Joint Venture constitutes a connected transaction of the Company under the Hong Kong Listing Rules.

As one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the formation of the Joint Venture exceeds 0.1% but falls below 5%, it is therefore subject to the announcement and reporting requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Company's executive Directors, Mr. Jiang Guoxing, Mr. Shi Lei, Mr. Yu Jun and Ms. Cheng Junxia and the Company's supervisor, Ms. Zhang Yanfeng and the supervisor of Sino IC, Ms. Fang Jing holds 2.1% of interest of Shanghai Fuwei xinxun respectively.

As a good corporate governance measure, the Company's executive Directors, Mr. Jiang Guoxing, Mr. Shi Lei, Mr. Yu Jun and Ms. Cheng Junxia and the supervisor, Ms. Zhang Yanfeng have abstained from voting on the relevant board resolution and supervisory committee resolution respectively.

The Company's executive Directors, Mr. Jiang Guoxing and Mr. Shi Lei are concurrently the Chairman of the board and executive director of Shanghai Fudan Sci-Tech Park Venture Investment

Co., Ltd* (上海復旦科技園創業投資有限公司) (“Sci-Tech Park Venture”) respectively. Sci-Tech Park Venture holds 100% equity interests of Shanghai Poyang Equity Investment Management Co., Ltd.* (上海菩揚股權投資管理有限公司) which is the general partner of Haojun Venture. Save as aforementioned disclosure, none of the Directors had a material interest in the Initiate Establishment Agreement and the transactions contemplated thereunder.

The Company is pleased to announce that the Company entered into an Initiate Establishment Agreement with Haojun Venture, Shanghai Fuwei xinxun, Shanghai Yiyuan, Mr. Qian Wei, Mr. Wang Yuanbiao, Mr. Liu Yifei and Mr. Wang Wei on 11 August 2022 (after the trading hours) pursuant to which the parties agreed to form a Joint Venture in Shanghai of the PRC.

PRINCIPAL TERMS OF THE INITIATE ESTABLISHMENT AGREEMENT

(i) Date

11 August 2022 (after the trading hours)

(ii) Parties

(a) the Company;

(b) Haojun Venture;

(c) Shanghai Fuwei xinxun;

(d) Shanghai Yiyuan;

(e) Mr. Qian Wei;

(f) Mr. Wang Yuanbiao;

(g) Mr. Liu Yifei and

(h) Mr. Wang Wei

(iii) The Joint Venture

Shanghai Fuwei Swift Technology Co., Ltd.* (上海復微迅捷科技股份有限公司)

(iv) Place of incorporation

Shanghai, the PRC

(v) Scope of business

The Joint Venture focuses on internet innovation. The business scope of the Joint Venture includes:

Technical services, technical development, technical consultation, technical exchanges, technology transfer, technology promotion, computer system services; information system integration services; information consulting services (excluding licensing information consulting services); communication equipment sales; electronic product sales; computer software, hardware and auxiliary equipment development; retail of computer software, hardware and service equipment; network technology services; advertising design and agency; advertising production; advertising release; digital advertising release; camera video production services.

The Joint Venture may revise its business scope by revising its articles of association and shall apply for relevant governmental registration approval for such revisions.

(vi) Registered Capital

The registered capital of the Joint Venture is RMB50,000,000. According to the Initiate Establishment Agreement, the JV Partners have no other commitments for the Joint Venture other than the registered capital.

(vii) Capital Contribution

The JV Partners will pay up their respective contributions to the registered capital of the Joint Venture as follows:

JV Partner	Form of contribution	Amount of contribution (RMB)	Interest in the Joint Venture (%)
the Company	Fixed assets and intangible assets	20,426,700	40.85
Haojun Venture	Monetary	12,000,000	24.00
Shanghai Fuwei xinxun	Monetary	7,500,000	15.00
Shanghai Yiyuan	Monetary	5,000,000	10.00
Mr. Qian Wei	Monetary	1,573,300	3.15
Mr. Wang Yuanbiao	Monetary	1,250,000	2.50
Mr. Liu Yifei	Monetary	1,250,000	2.50
Mr. Wang Wei	Monetary	1,000,000	2.00
		<u>50,000,000</u>	<u>100.00</u>

The amount of capital contributions under the Initiate Establishment Agreement was determined after arm's length negotiations among the parties after taking into account various factors, including the nature of business, the demand for working capital and future development plans of the Joint Venture.

Monetary contribution will be paid by JV Partners in proportion to their respective shareholding of the Joint Venture within 60 days from the signing of the Initiate Establishment Agreement.

Non-monetary contribution will be injected by the Company to the Joint Venture within 60 days from the date the incorporation of the Joint Venture. The valuation of the market value, by using the market value approach of the fixed assets and intangible assets regarding to the non-monetary contribution as determined by an independent valuer in the sum of approximately RMB20,426,700 and the relevant book value as at 31 July 2022 in the sum of approximately RMB1,337,600. It is estimated that the Company will realise an unaudited gain on the disposal of approximately RMB17,761,300 after deduction of value-added tax.

The Company has entered into an acting in concert agreement with Shanghai Fuwei xinxun to be parties acting in concert and have agreed (a) to act consistently when exercising the voting rights of the shareholders' meeting resolutions of the Joint Venture; (b) support and cooperate for relevant decisions of the Joint Venture actively; and (c) Shanghai Fuwei xinxun guaranteed to vote and make a decision according to the Company's will when an agreement cannot be reached. Together with the investment to be made by Shanghai Fuwei xinxun according to the Initiate Establishment Agreement, the Company and Shanghai Fuwei xinxun will contribute a total of RMB27,926,700, representing 55.85% of the equity interest of the Joint Venture. It is currently expected that the financial statements of the Joint Venture will be consolidated to the Group.

(viii) Board and management structure

The board of the Joint Venture shall consist of five members, of which two will be nominated by the Company, one will be nominated by Haojun Venture, one will be nominated by Shanghai Fuwei xinxun, and one will be nominated by Shanghai Yiyuan. The

chairman will be elected by the board of directors of the Joint Venture from the directors nominated by the Company. Any board resolution must be passed by over half of the directors of the Joint Venture.

The supervisory committee of the Joint Venture shall be comprised of three supervisors which one of them shall be an employee supervisor. Except for the employee supervisor, the other supervisors are nominated by the shareholders and elected by the shareholders at the general meeting which one will be nominated by the Company and one will be nominated by Shanghai Yiyuan. The employee representatives of the supervisory committee shall be democratically elected by the employees of the Joint Venture through the employee representative meeting, the employee meeting or other forms. Subject to the engagement of the board of the Joint Venture, the general manager of the Joint Venture shall be nominated by Shanghai Yiyuan and the deputy general manager and financial officer shall be nominated by the general manager.

(ix) Profit sharing

Upon approval by the shareholders of the Joint Venture, distributable profit of the Joint Venture may be distributed to the JV Partners in proportion to their actual capital contribution made to the Joint Venture.

(x) Transfer of equity interest

Within one year after the establishment of the Joint Venture, all JV Partners undertake not to transfer all or part of the equity held. One year after and three years between the establishment of the Joint Venture, if any JV Partner proposes to transfer any part or all of its equity interest of the Joint Venture to any person, the consent of the other JV Partners who remain as shareholders of the Joint Venture at that time will be required.

The final registration information of the Joint Venture is subject to the approval of registration content from the Administration for Industry and Commerce.

REASONS FOR AND BENEFITS OF THE FORMATION OF THE JOINT VENTURE

Formation of the Joint Venture enables each JV Partner share technology and experience and explore market development opportunities in a larger joint strategic manner by their capital and investment capabilities and to explore new business models of operations by injection of social capital and deeply integrate the interest of employees and corporate to further stimulate vitality, creativity and competitiveness.

The Joint Venture will help the Group to capitalize existing assets (such as intellectual property), to generate strategic synergies by expanding and enhancing the Group's product portfolio through the technology of the joint venture in the future, which is expected to further enhance the Group's competitiveness and contribute to the long-term success of the Group.

INFORMATION OF THE COMPANY AND THE JV PARTNERS

The Company's principal activities consist of IC design, developing and selling products of application-specific IC in the PRC.

Haojun Venture is an associate of the Company which the Company holds 23.58% of equity interest. To the Company's best knowledge, the remaining equity interest of Haojun Venture are held by independent third parties, which Hebei Fengming Real Estate Group Co., Ltd.* (河北豐銘房地產集團有限公司) holds 33.02% of its equity interest and Shanghai Angel Guide Venture Capital Co., Ltd.* (上海天使引導創業投資有限公司) holds 28.30% of its equity interest and independent third parties hold 15.10% of its equity interest. Mr. Bai Minghai holds 95% of equity interest of Hebei Fengming

Real Estate Group Co., Ltd.* and an independent third party hold 5% of its equity interest. Shanghai University Student Science and Technology Entrepreneurship Foundation holds 100% of equity interest of Shanghai Angel Guide Venture Capital Co., Ltd.*. The principal businesses of Haojun Venture is venture capital investment.

Shanghai Fuwei xinxun is a limited partnership company which is invested by the directors, supervisors and some core employees of the Company. To the Company's best knowledge, Shanghai Fuwei xinxun is beneficially owned by several partners, which the Company's executive Directors, Mr. Jiang Guoxing, Mr. Shi Lei, Mr. Yu Jun and Ms. Cheng Junxia and the Company's supervisor, Ms. Zhang Yanfeng and the supervisor of Sino IC, Ms. Fang Jing holds 2.1% of its interest respectively. None of the partners owns more than 30% of its interest. Shanghai Yuji is the general partner of Shanghai Fuwei xinxun which holds 0.1% of interest which has the de facto control of Shanghai Fuwei xinxun. The supervisor of the Company, Ms. Zhang Yanfeng and the supervisor of Sino IC, Ms. Fang Jing holds 40% interests in the issued ordinary shares of Shanghai Yuji respectively. The principal businesses of Shanghai Fuwei xinxun is venture capital investment.

Shanghai Yiyuan is a limited partnership company which is invested and established by some employees of the internet business department of the Company. To the Company's best knowledge, Shanghai Yiyuan is beneficially owned by several partners who are independent third parties and none of the partners owns more than 30% of its interest. The principal businesses of Shanghai Yiyuan is venture capital investment.

Mr. Qian Wei is the director of Sino IC.

Mr. Wang Yuanbiao is the manager of the Internet Innovation Division of the Company.

Mr. Liu Yifei is the deputy manager of the Internet Innovation Division of the Company.

Mr. Wang Wei is an independent third party.

LISTING RULES IMPLICATIONS

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries and at the date of this announcement, Shanghai Yuji is the general partner of Shanghai Fuwei xinxun which has the de facto control of Shanghai Fuwei xinxun. The supervisor of the Company, Ms. Zhang Yanfeng and the supervisor of Sino IC, Ms. Fang Jing holds 40% interests in the issued ordinary shares of Shanghai Yuji respectively. Mr. Qian Wei is the director of Sino IC. Therefore, Shanghai Fuwei xinxun and Mr. Qian Wei are connected persons of the Company under the Hong Kong Listing Rules. As such, the formation of the Joint Venture under the Initiate Establishment Agreement constitutes a connected transaction of the Company under the Hong Kong Listing Rules.

As one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the formation of the Joint Venture exceeds 0.1% but falls below 5%, it is therefore subject to the announcement and reporting requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Company's executive Directors, Mr. Jiang Guoxing, Mr. Shi Lei, Mr. Yu Jun and Ms. Cheng Junxia and the Company's supervisor, Ms. Zhang Yanfeng and the supervisor of Sino IC, Ms. Fang Jing holds 2.1% of interest of Shanghai Fuwei xinxun respectively.

The Company's executive Directors, Mr. Jiang Guoxing and Mr. Shi Lei are concurrently the Chairman of the board and executive director of Sci-Tech Park Venture respectively. Sci-Tech Park Venture holds 100% interests in the issued ordinary shares of Shanghai Poyang Equity Investment Management Co., Ltd.* which is the general partner of Haojun Venture.

Save as aforementioned disclosure, none of the Directors had a material interest in the Initiate Establishment Agreement and the transactions contemplated thereunder. As a good corporate

governance measure, the Company's executive Directors, Mr. Jiang Guoxing, Mr. Shi Lei, Mr. Yu Jun and Ms. Cheng Junxia and the Company's supervisor, Ms. Zhang Yanfeng have abstained from voting on the relevant board resolution and supervisory committee resolution respectively.

The Directors (including the independent non-executive Directors) consider that the Initiate Establishment Agreement was entered in the ordinary and usual course of business of the Group, on normal commercial terms and that the terms are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors of the Company
“the Company”	Shanghai Fudan Microelectronics Group Company Limited* (上海復旦微電子集團股份有限公司), a joint stock limited company incorporated in the PRC whose A shares are listed on the Shanghai Stock Exchange Science and Technology Innovation Board and H shares are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“the Group”	the Company and its subsidiaries from time to time
“Haojun Venture”	Shanghai Haojun Venture Capital Partnership*(上海皓駿創業投資合夥企業), one of the JV Partners
“the Joint Venture”	Shanghai Fuwei Swift Technology Co., Ltd.* (上海復微迅捷科技股份有限公司), a limited company to be incorporated in the PRC pursuant to the Initiate Establishment Agreement
“Initiate Establishment Agreement”	the Initiate Establishment Agreement dated 11 August 2022 entered into between the JV Partners in relation to the establishment of the Joint Venture
“JV Partner(s)”	the party(ies) entered to the Initiate Establishment Agreement, namely the Company、Haojun Venture、Shanghai Fuwei xinxun、Shanghai Yiyuan, Mr. Qian Wei, Mr. Wang Yuanbiao, Mr. Liu Yifei and Mr. Wang Wei
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People's Republic of China. Geographical references in this announcement to the PRC excludes Hong Kong Special Administrative Region, Macau Special Administrative Region of the PRC and Taiwan region of PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Fuwei xinxun”	Shanghai Fuwei xinxun Enterprise Management Consulting Partnership (Limited partnership) *(上海復微芯訊企業管理諮詢合夥企業（有限合夥）), one of the JV Partners

“Shanghai Yiyuan”	Shanghai Yiyuan Enterprise Development Partnership (Limited partnership) *(上海翊垣企業發展合夥企業（有限合夥）), one of the JV Partners
“Shanghai Yuji”	Shanghai Yuji Enterprise Management Consulting Co., Ltd.* (上海煜冀企業管理諮詢有限公司), a limited company incorporated in the PRC which is the general partner of Shanghai Fuwei xinxun which has the de facto control of Shanghai Fuwei xinxun
“Sino IC”	Sino IC Technology Co., Ltd. (上海華嶺集成電路技術股份有限公司) (“Sino IC”), a subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Shanghai, the PRC, 11 August 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, Ms. Liu Huayan and Mr. Sun Zheng, and independent non-executive Directors are Mr. Cao Zhongyong, Mr. Cai Minyong, Mr. Wang Pin and Ms. Zou Fuwen.

** For identification purposes only*