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If you have sold or transferred all your shares in Shanghai Fudan Microelectronics Company Limited, you should at once had this circular and the accompanying confirmation slip and form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.



上海復旦微電子股份有限公司
Shanghai Fudan Microelectronics Company Limited*

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

(Stock Code: 8102)

**PROPOSED RENEWAL OF GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE OF H SHARES,
PROPOSED RE-ELECTION OF DIRECTORS,
NOTICE OF ANNUAL GENERAL MEETING
AND
NOTICES OF EXTRAORINARY GENERAL MEETINGS
FOR HOLDERS OF H SHARES AND DOMESTIC SHARES**

This circular, for which the directors (the “Directors”) of Shanghai Fudan Microelectronics Company Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (“GEM”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (1) the information contained in this circular is accurate and complete in all material aspects and not misleading; (2) there are no other matters the omission of which would make any statement herein misleading; and (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This circular will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting.

29 March 2007

* For identification purposes only

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors of countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at www.hkgem.com in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

“AGM”	the annual general meeting of the Company to be held at Building 4, Lane 127, Guotai Road, Shanghai, the People’s Republic of China on 25 May 2007 at 10:00 a.m.
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors of the Company
“Company”	上海復旦微電子股份有限公司 (Shanghai Fudan Microelectronics Company Limited*), a joint stock limited company incorporated in the PRC and whose H shares are listed on GEM
“Directors”	the director(s) of the Company
“Domestic Share(s)”	domestic share(s) of nominal value of RMB 0.10 each in the capital of the Company which are subscribed for in Renminbi
“Domestic Shareholders’ EGM”	the extraordinary general meeting of the holders of Domestic Shares of the Company to be held at Building 4, Lane 127, Guotai Road, Shanghai, the PRC on 25 May 2007 at 11:00 a.m. (or immediately after the conclusion or adjournment of the extraordinary general meeting for H Shareholders’ EGM which has been convened to be held at the same place and on the same day)
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM as may be amended, modified or supplemented from time to time
“H Share(s)”	foreign invested share(s) of nominal value of RMB 0.10 each in the capital of the Company which are listed on GEM and subscribed for in HK dollars
“H Shareholders’ EGM”	the extraordinary general meeting of the holders of H Shares of the Company to be held at Building 4, Lane 127, Guotai Road, Shanghai, the PRC on 25 May 2007 at 10:30 a.m. (or immediately after the conclusion or adjournment of the AGM which has been convened to be held at the same place and on the same day)
“Issue Mandate”	subject to the conditions set out in the proposed resolution approving the Issue Mandate at the AGM, the general mandate given to the Board to exercise the power to issue Shares up to a maximum of 20% of the issued share capital of the Company as at the date of the said resolution

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DEFINITIONS

“Latest Practicable Date”	27 March 2007, being the latest practicable date of ascertaining certain information contained in this circular prior to its publication
“PRC”	the People’s Republic of China
“Repurchase Mandate”	subject to the conditions set out in the proposed resolution approving the Repurchase Mandate at the AGM, the H Shareholders’ EGM and the Domestic Shareholders’ EGM, the general mandate given to the Board to exercise the power to repurchase H Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal value of H Shares in issue of the Company as at the date of the said resolution
“SAEC”	State Administration for Exchange Control of the PRC
“Share(s)”	Domestic Shares and H Shares
“Shareholder(s)”	registered Domestic Shareholders and H Shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	percent

LETTER FROM THE BOARD



上海復旦微電子股份有限公司 Shanghai Fudan Microelectronics Company Limited*

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

(Stock Code: 8102)

Executive Directors:

Mr. Jiang Guoxing (*Chairman*)
Mr. Shi Lei (*Managing Director*)
Mr. Yu Jun (*Deputy Managing Director*)
Ms. Cheng Junxia
Mr. Wang Su

Non-executive Directors:

Ms. Zhang Qianling
Mr. He Lixing
Mr. Shen Xiaozu

Independent non-executive Directors:

Mr. Leung Tin Pui
Mr. Cheung Wing Keung
Mr. Guo Li

Registered Office:

No.220 Handan Road
Shanghai
The PRC

Principal Place of Business:

In the PRC:
Building 4, Lane 127, Guotai Road
Shanghai, the PRC

In Hong Kong:

Flat 12, 7/F., East Ocean Centre
98 Granville Road
Tsimshatsui East
Kowloon
Hong Kong

Dear Sir or Madam:

**PROPOSED RENEWAL OF GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE OF H SHARES,
PROPOSED RE-ELECTION OF DIRECTORS,
NOTICE OF ANNUAL GENERAL MEETING
AND
NOTICES OF EXTRAORDINARY GENERAL MEETINGS
FOR HOLDERS OF H SHARES AND DOMESTIC SHARES**

INTRODUCTION

The purpose of this circular is to provide you with further information regarding the resolutions to be proposed at the forthcoming AGM and the class meetings to renew the General Mandates to issue Shares and to repurchase H Shares and to re-elect retiring Directors and to give you notices of AGM and class meetings.

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LETTER FROM THE BOARD

RENEWAL OF GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE H SHARES

General mandates were given by the Shareholders in last AGM on 19 May 2006 to the Directors to exercise the powers of the Company to issue Shares and repurchase H Shares, and thereafter, such mandates have not been renewed. In accordance with conditions of the general mandates granted, such mandates will be lapsed at the conclusion of the forthcoming AGM. Special resolutions will be proposed by the Directors at the forthcoming AGM and the class meetings for the Shareholders' approval to renew general mandates to the Directors to exercise the powers of the Company to issue Shares and repurchase H Shares.

This circular gives details regarding the general mandates for the issue Shares and repurchases H Shares in compliance with the GEM Listing Rules:

1. GENERAL MANDATE TO ISSUE SHARES

The details set out as resolution numbered 4 in the notice convening the AGM will be proposed at the AGM for the granting of a general mandate to the Directors to allot, issue and deal with new Shares up to a maximum of 20% of the issued share capital of the Company at the date of passing the resolution; in addition, subject to a separate approval of Shareholders of the resolution set out as resolution numbered 6 in the notice convening the AGM, and resolution numbered 2 of the notices convening the H Shareholders' EGM and Domestic Shareholders' EGM respectively, the number of Shares repurchased by the Company under the Repurchase Proposal will also be added to the 20% general mandate as mentioned above to extend the general mandate given to the Directors to issue new Shares.

2. REPURCHASE MANDATE OF H SHARES

The Company Law (to which the Company is subject) provides that a joint stock limited company incorporated in the PRC may not repurchase its shares unless such repurchase is effected for the purpose of reducing its share capital or in connection with a merger between itself and another entity that holds its shares. The Mandatory Provisions, which the Company has incorporated in its Articles of Associations provide that subject to obtaining the approval of the relevant PRC regulatory authorities and compliance with its Articles of Association, the Company may repurchase its issued Shares for the purpose of reducing its share capital or in connection with a merger between itself and another entity that holds its shares or in circumstances permitted by law or administrative regulations.

The GEM Listing Rules permit shareholders of a PRC joint stock limited company to grant a general mandate to its directors to repurchase H shares of such company that is listed on the Stock Exchange. Such mandate is required to be given by way of a special resolution passed by its shareholders in general meeting and special resolutions passed by holders of domestic shares and holders of foreign invested shares at separate meetings.

The repurchase of H Shares by the Company is subject to the approval of relevant PRC regulatory authorities. In addition, the approval of the SAEC is also required as H Shares are traded on the Stock Exchange in Hong Kong dollars and the price payable by the Company upon any repurchase of H Shares will, therefore, be paid in Hong Kong dollars.

LETTER FROM THE BOARD

In accordance with the requirements of article 23 of the Articles of Association applicable to capital reduction, the Company will have to notify its creditors of the passing of such special resolution and the reduction to the registered capital of the Company that would occur should the Directors decide to exercise the Repurchase Mandate. Such notification has to be given in writing to the Company's creditors within 10 days after the passing of such special resolution and also by way of the publication on 3 occasions of a press announcement within 30 days after the passing of such special resolution. Creditors then have a period of up to 30 days after the Company's written notification or if no such notification has been received, up to 90 days after the first publication of the press announcement to require the Company to repay amounts due to them or to provide guarantees in respect of such amounts.

3. CONDITIONS TO REPURCHASE H SHARES

In order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to repurchase any H Shares (including where such repurchase may lead to an enhancement of the net asset value per Share and/or the earnings per Share), approval is proposed to be sought from the Shareholders for the Repurchase Mandate. In accordance with the legal and regulatory requirements described above, the Directors gave notices to convene the AGM and the H Shareholders' EGM and Domestic Shareholders' EGM. At each such meeting, a special resolution will be proposed to grant to the Directors the Repurchase Mandate, i.e. a conditional general mandate to repurchase H Shares in issue on the Stock Exchange with an aggregate nominal value not exceeding 10% of the aggregate nominal value of H Shares in issue of the Company as at the date of passing of such special resolution.

The Repurchase Mandate will be conditional upon (a) the special resolution approving the grant of the Repurchase Mandate being approved at each of the AGM, the H Shareholders' EGM and the Domestic Shareholders' EGM; (b) the approvals of relevant PRC regulatory authorities as required by the laws, rules and regulations of the PRC being obtained; and (c) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedure under article 23 of the Articles of Association as described above. If the Company determines to repay any amount to any of its creditors in circumstances described under condition (c), it expects to do so out of its internal resources. If the conditions are not fulfilled, the Share Repurchase Mandate will not be exercisable by the Directors.

The Repurchase Mandate would expire on the earlier of (a) the conclusion of the next annual general meeting of the Company following the passing of this resolution; (b) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the members of the Company in general meeting.

4. AGM, H SHAREHOLDERS' EGM AND DOMESTIC SHAREHOLDERS' EGM

A special resolution will be proposed at each of the AGM, the H Shareholders' EGM and the Domestic Shareholders' EGM to grant to the Directors the Repurchase Mandate, details of which are set out in resolution numbered 5 of the notice of AGM, and resolution numbered 1 of the notices of the H Shareholders' EGM and Domestic Shareholders' EGM respectively.

LETTER FROM THE BOARD

5. EXPLANATORY STATEMENT

An explanatory statement containing all relevant information relating to the proposed general mandate to repurchase H Shares is set out in the Appendix 1 to this circular. The information in the explanatory statement is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate (as defined in the Appendix 1).

RE-ELECTION OF DIRECTORS

In accordance with article 87 of the Company's Articles of Association, Mr. Wang Su, Ms. Zhang Qianling, Mr. He Lixing and Mr. Leung Tin Pui will retire by rotation at the conclusion of the forthcoming AGM and being eligible, offer themselves for re-election.

The biographical details of the aforesaid retiring directors proposed to be re-elected are set out in Appendix 2 to this circular. An ordinary resolution approving their re-elections will be proposed at the forthcoming AGM.

PROCEDURES FOR DEMANDING A POLL BY SHAREHOLDERS

A resolution put to vote shall be decided on a show of hands unless demanded by any of the following persons for a poll before or after the declaration of the result of the show of hands:

- (1) The Chairman of the Meeting;
- (2) At least two shareholders present in person or by proxy and entitled to vote; or
- (3) Any shareholder(s) present in person or by proxy representing in aggregate one-tenth or more of the total voting rights of all the shareholders having the right to vote at separate general meetings.

RECOMMENDATION

The Directors consider that the proposals for renewal of the general mandate to issue Shares and repurchase H Shares (as defined in the Appendix 1) and re-election of Directors are in the best interests of the Company and its shareholders and, accordingly, recommend that all Shareholders to vote in favour of the special resolutions set out in the notice of AGM, the notice of the H Shareholders' EGM and the notice of the Domestic Shareholders' EGM, respectively.

Yours faithfully,
By Order of the Board
Jiang Guoxing
Chairman

Shanghai, the PRC, 29 March 2007

The following is the explanatory statement which is required to be sent to you under the Share BuyBack Rules in connection with the proposed general mandate for repurchase of H Shares.

(i) GEM Listing Rules

The GEM Listing Rules permit companies with a primary listing on GEM to purchase their securities subject to certain restrictions. Repurchases must be funded out of funds legally available for the purpose and in accordance with the company's constitutional documents and the applicable laws of the jurisdiction in which the company is incorporated or otherwise established. Any repurchase must be made out of funds which are legally available for the purpose and in accordance with the laws of PRC and the memorandum of association and bye-laws of the company. Any premium payable on a repurchase over the par value of the shares may be effected out of funds of the company which would otherwise be available for dividend or distribution or out of the company's share premium account.

(ii) Reasons for Repurchase of H Shares

The Directors are seeking the renewal of a general mandate to repurchase H Shares to give the Company the flexibility to do so as they believe that it is in the best interests of the Company and its shareholders for the Directors to have a general authority from the Shareholders to enable the Company to repurchase H Shares in the market. Such repurchase may, depending on the market conditions and funding arrangement at the time, lead to an enhancement of the net assets value of the Company and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and its shareholders.

(iii) Registered Capital

As at the Latest Practicable Date, the registered capital of the Company was RMB 61,733,000 comprising 242,330,000 H Shares of RMB 0.10 each and 375,000,000 Domestic Shares of RMB 0.10 each, of which 201,930,000 Domestic Shares are State-owned shares, 73,845,130 Domestic Shares are beneficially held by the Company's Directors and supervisors, 84,804,870 Domestic Shares are held by the Staff Shareholding Association of the Company and the balancing 14,420,000 Domestic Shares are owned by an initial management shareholder at the time of the Company's listing.

(iv) Exercise of the Repurchase Mandate

Subject to the passing of special resolution numbered 5 set out in the notice of the AGM, the special resolution approving the grant to the Directors of the Repurchase Mandate in the H Shareholders' EGM and the Domestic Shareholders' EGM respectively, the Directors will be granted the Repurchase Mandate until the end of the Relevant Period (as defined in special resolution numbered 4(f) in the notice of the AGM and special resolution numbered 1(e) in the notices of the H Shareholders' EGM and the Domestic Shareholders' EGM respectively). The exercise of the Repurchase Mandate is subject to the approvals of the relevant PRC regulatory authorities as required by the laws, rules and regulations of the PRC being obtained and to the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedure under article 23 of the Articles of Association.

As at the Latest Practicable Date, the exercise in full of the Repurchase Mandate would result in up to 24,233,000 H Shares (assuming there is no issue and repurchase of H Shares from the Latest Practicable Date up to the date of AGM) being repurchased by the Company during the Relevant Period.

(v) Funding of Repurchases

In repurchasing its H Share, the Company intends to apply funds from the Company's internal resources (which may include surplus funds and retained profits) legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC.

The Company is empowered by its Articles of Association to purchase its H Shares. Any repurchases by the Company may only be made out of either the capital paid up on the relevant shares to be repurchased, or the funds of the Company that would otherwise be available for dividend or distribution or out of the proceeds of a new issue of shares made for such purpose or from sums standing to the credit of the share premium account of the Company. Under PRC laws, H Shares so repurchased will be treated as cancelled and the Company's registered capital will be reduced by an amount equivalent to the aggregate nominal value of the H Shares so cancelled. The Company may not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Based on the financial position disclosed in the recently published audited accounts for the year ended 31 December 2006, the Directors consider that there will not be any material adverse impact on the working capital or gearing position of the Company in the event that the Repurchase Mandate is to be exercised in full at any time during the proposed repurchase period. The number of H Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regarded to the circumstances then prevailing and in the best interests of the Company.

(vi) Status of Repurchased H Shares

The GEM Listing Rules provide that the listing of all the H Shares repurchased by the Company shall automatically be cancelled and the relevant share certificates shall be cancelled and destroyed. Under PRC laws, the H Shares repurchased by the Company will be cancelled and the Company's registered capital will be reduced by an amount equivalent to the aggregate nominal value of the H Shares so cancelled.

(vii) H Shares Prices

The highest and lowest prices at which the H Shares have been traded on GEM during each of the twelve months preceding the Latest Practicable Date were as follows:

	H Share prices	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2006		
March	0.350	0.265
April	0.395	0.320
May	0.420	0.340
June	0.395	0.320
July	0.360	0.275
August	0.330	0.280
September	0.310	0.280
October	0.330	0.255
November	0.500	0.300
December	0.470	0.410
2007		
January	1.070	0.390
February	0.980	0.670
March (up to the Latest Practicable Date)	0.840	0.690

(viii) Substantial Shareholders

As at the Latest Practicable Date, the interests of substantial shareholders of the Company were as follows:

Name	<i>Notes</i>	Capacity	Nature of interest	Number of ordinary share	Percentage of issued share capital
Staff Shareholding Association of the Company ("SSAC")	<i>(1)</i>	Directly beneficially Owned	Corporation	144,230,000	23.36
Shanghai Fudan High Tech Company	<i>(2)</i>	Directly beneficially Owned	Company	106,730,000	17.29
Shanghai Commercial and Invest (Group) Corporation ("SCI")	<i>(3)</i>	Directly beneficially Owned or through a controlled Corporation	Company	95,200,000	15.42

Notes:

- (1) The SSAC is constituted by members consisting of the executive and non-executive directors, the supervisors, certain employees and ex-employees, various employees of ASIC System State-Key Laboratory of Shanghai Fudan University (“University Laboratory”) and SCI, a substantial shareholder of the Company, as well as various individuals engaged in technological co-operation with the University Laboratory.
- (2) Shanghai Fudan High Tech Company is a state-owned enterprise wholly-owned by Shanghai Fudan University.
- (3) SCI is a state-owned enterprise wholly-owned by the Shanghai Municipal Government. Of the 95,200,000 domestic shares in which SCI is interested, 46,160,000 domestic shares are held in its own name, 34,620,000 domestic shares are held by a wholly-owned subsidiary of SCI, Shanghai Pacific Commercial Trust Company Limited, and 14,420,000 domestic shares are held by a 74.3%-owned subsidiary, Ningbo Lirong Co., Limited. The 46,160,000 domestic shares held in its own name represent approximately 7.48% of the registered share capital of the Company.

(ix) General Information

- (a) None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, have any present intention to sell any Shares to the Company or any of its subsidiaries under the Repurchase Mandate of H Shares if such is approved by the shareholders of the Company.
- (b) The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases of H Shares pursuant to the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of PRC.
- (c) No connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he has a present intention to sell H Shares to the Company or its subsidiaries, or has undertaken not to do so, if the Repurchase Mandate is granted and is exercised.

(x) Hong Kong Code on Takeovers and Mergers

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a shareholder’s proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of Hong Kong Code on Takeovers and Mergers. As a result, a shareholder or group of shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

Assuming that the substantial shareholders do not dispose of its Shares, if the Repurchase Mandate were exercised in full, the percentage shareholdings of the substantial shareholders before and after such repurchase would be as follows:

Substantial Shareholders	Before repurchase	After repurchase
SSAC	23.36%	24.32%
Shanghai Fudan High Tech Company	17.29%	18.00%
SCI	15.42%	16.05%

On the basis of the shareholdings held by the substantial shareholders named above, an exercise of the Repurchase Mandate in full will not have any implications for the substantial shareholders under the Takeovers Code.

Assuming that there is no issue of Shares between the date of this circular and the date of a repurchase, an exercise of the Repurchase Mandate whether in whole or in part will not result in less than relevant prescribed minimum percentage of the Shares of the Company being held by the public as required by the Stock Exchange. The Directors have no intention to exercise the Repurchase Mandate to an extent which may result in a public shareholding of less than such minimum percentage.

The Directors are not aware of any consequences that may arise under the Takeovers Code and/or any similar applicable law of which the Directors are aware, if any, as a result of any repurchases made under the Repurchase Mandate.

(xi) Share Repurchases Made by the Company

Details of the Company's repurchases of its H Shares on the Stock Exchange during the six months period preceding the date of this circular are as following:

Date of repurchase	Number of Shares	Price per Share	
		Highest HK\$	Lowest HK\$
16 November 2006	392,000	0.435	-
17 November 2006	320,000	0.435	-
1 December 2006	224,000	0.450	0.435
18 December 2006	260,000	0.470	0.435
29 December 2006	900,000	0.420	-
2 January 2007	700,000	0.410	-
3 January 2007	700,000	0.400	-
4 January 2007	644,000	0.400	0.395
5 January 2007	576,000	0.400	-
8 January 2007	1,200,000	0.415	-
9 January 2007	1,108,000	0.420	0.415
	7,024,000		

Save as disclosed above, the Company had not repurchased any of its H Shares (whether on the Stock Exchange or otherwise) during the six months period preceding the date of this circular.

At the AGM, an ordinary resolution to re-elect the following persons as Directors will be proposed. In compliance with Rules 17.50(2) of the GEM Listing Rules, details of the relevant persons are as follows:

Mr. Wang Su (“Mr. Wang”), aged 53, joined the Company in July 1998 and is the executive director and financial controller as well as a member of nomination committee of the Company. He is also an accountant. He was previously a fund manager and deputy manager of the Finance Department of SCI, and the financial controller of Shanghai Pacific Commercial Trust Company Limited. Mr. Wang did not hold any directorship in other listed companies in Hong Kong in past three years.

At the Latest Practicable Date, Mr. Wang had a personal interest in 7,211,530 Domestic Shares (within the meaning of Part XV of the Securities and Futures Ordinance) which is held in name of SSAC (representing 1.17% of the issue share capital of the Company).

Mr. Wang entered into a service contract with the Company to act as executive director of the Company with effect from 19 July 2006 for a term of 3 years and shall continue thereafter unless and until terminated in accordance with the terms of his service contract or by either party giving to the other not less than 3 calendar months’ prior notice in writing. Pursuant to the service contract, Mr. Wang is entitled to receive a director’s remuneration of RMB303,000 per annum (including travelling allowances). Mr. Wang’s remuneration and travel allowances are determined by reference to his qualifications, experience and work performance as well as market benchmarks and are subject to annual review by the Board by reference to market benchmarks.

Save as disclosed above, the Board is not aware of any other matters that need to be brought to the attention of the Shareholders and there is no information relating to Mr. Wang that is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

Ms. Zhang Qianling (“Ms. Zhang”), aged 70, joined the Company in July 1998 and is a non-executive director of the Company. She is a principal professor and tutor to doctorate students at Shanghai Fudan University. She is a distinguished academic on the study of integrated circuits and a promoter and first director of the Special National Laboratories Center for Integrated Circuits and Systems of Shanghai Fudan University. Ms. Zhang did not hold any directorship in other listed companies in Hong Kong in past three years.

At the Latest Practicable Date, Ms. Zhang had a personal interest in 1,733,650 Domestic Shares (within the meaning of Part XV of the Securities and Futures Ordinance) which is held in name of SSAC (representing 0.28% of the issue share capital of the Company).

Ms. Zhang entered into a service contract with the Company to act as non-executive director of the Company with effect from 19 July 2006 for a term of 3 years and shall continue thereafter unless and until terminated in accordance with the terms of her service contract or by either party giving to the other not less than 3 calendar months’ prior notice in writing. Ms. Zhang does not receive any directors’ remuneration and allowances.

Save as disclosed above, the Board is not aware of any other matters that need to be brought to the attention of the Shareholders and there is no information relating to Ms. Zhang that is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. He Lixing (“Mr. He”), aged 72, joined the Company in July 1998 and is a non-executive director of the Company. He is a senior economist. He was previously the chief economist of SCI and director of the Finance Department of the Finance and Trade Office of the Shanghai Municipal Government. Mr. He did not hold any directorship in other listed companies in Hong Kong in past three years.

At the Latest Practicable Date, Mr. He had a personal interest in 1,442,300 Domestic Shares (within the meaning of Part XV of the Securities and Futures Ordinance) which is held in name of SSAC (representing 0.23% of the issue share capital of the Company).

Mr. He entered into a service contract with the Company to act as non executive director of the Company with effect from 19 July 2006 for a term of 3 years and shall continue thereafter unless and until terminated in accordance with the terms of his service contract or by either party giving to the other not less than 3 calendar months’ prior notice in writing. Mr. He does not receive any directors’ remuneration and allowances.

Save as disclosed above, the Board is not aware of any other matters that need to be brought to the attention of the Shareholders and there is no information relating to Mr. He that is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. Leung Tin Pui (“Professor Leung”), aged 61, joined the Company in July 2000 and is the Company’s independent and non-executive director, chairman of audit committee, nomination committee and remuneration committee. Professor Leung was the Vice-president of The Hong Kong Polytechnic University from 1995 to 2006 and was previously the Head and Professor of Department of Mechanical Engineering and Dean of Engineering of the university. Professor Leung is keen on public services, he was the President of the Hong Kong Institution of Engineers and the President of the Hong Kong Association for the Advancement of Science and Technology. Professor Leung is also a member of several advisory boards of the Government of the Hong Kong Special Administrative Region. Professor Leung was awarded by the Hong Kong Government Justice of Peace and awarded the Bronze Bauhinia Star. Professor Leung did not hold any directorship in other listed companies in Hong Kong in past three years.

At the Latest Practicable Date, Professor Leung had no personal interest in the shares of the Company (within the meaning of Part XV of the Securities and Futures Ordinance).

Professor Leung entered into a service contract with the Company to act as independent non-executive director of the Company with effect from 19 July 2006 for a period of one year and expires at the conclusion of the forthcoming AGM. Professor Leung is entitled to receive a director’s remuneration of HK\$120,000 per annum. Professor Leung’s remuneration is determined by reference to his qualifications, experience and work performance as well as market benchmarks.

Save as disclosed above, the Board is not aware of any other matters that need to be brought to the attention of the Shareholders and there is no information relating to Professor Leung that is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules.



上海復旦微電子股份有限公司
Shanghai Fudan Microelectronics Company Limited*

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

(Stock Code: 8102)

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) of Shanghai Fudan Microelectronics Company Limited (the “Company”) will be held at Building 4, Lane 127, Guotai Road, Shanghai, the People’s Republic of China (the “PRC”) on 25 May 2007 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the Reports of the Directors and the Auditors for the year ended 31 December 2006;
2. To re-elect directors and to authorise the board of directors (“Board”) to fix their remuneration;
3. To appoint auditors and to authorise the Board to fix their remuneration;

To consider, if thought fit, pass with or without amendments, the following special resolutions:

SPECIAL RESOLUTIONS

4. **“THAT:**
 - (a) subject to paragraphs (c), (d) and (e) below, the exercise by the Board during the Relevant Period (as defined in paragraph (f) below) of all the powers of the Company separately or concurrently to allot, issue and deal with the domestic invested shares of RMB0.10 each in the share capital of the Company (“Domestic Shares”) and/or the foreign invested shares of RMB0.10 each in the share capital of the Company (“H Shares”) be and is hereby approved;
 - (b) the approval in paragraph (a) above shall authorise the Board to make an offer or agreement or grant an option during the Relevant Period which would or might require Domestic Shares and/or H Shares to be allotted and issued either during or after the end of the Relevant Period;
 - (c) the aggregate nominal value of Domestic Shares to be allotted and issued or agreed to be allotted and issued (whether pursuant to an option or otherwise) by the Board pursuant to the approval in paragraphs (a) and (b) above, otherwise than pursuant to (i) a rights issue (as defined in paragraph (f) below); (ii) the exercise of the conversion rights under

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the terms of any securities which are convertible into such shares; (iii) the exercise of rights of subscription under the terms of any warrants issued by the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment of such shares in lieu of the whole or part of a dividend on such shares in accordance with the Articles of Association of the Company, shall not exceed 20% of the aggregate nominal value of the Domestic Shares then in issue at the date of the passing of this resolution;

- (d) the aggregate nominal value of H Shares to be allotted and issued or agreed to be allotted and issued (whether pursuant to an option or otherwise) by the Board pursuant to the approval in paragraphs (a) and (b) above, otherwise than pursuant to (i) a rights issue (as defined in paragraph (f) below); (ii) the exercise of the conversion rights under the terms of any securities which are convertible into such shares; (iii) the exercise of rights of subscription under the terms of any warrants issued by the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment of such shares in lieu of the whole or part of a dividend on such shares in accordance with the Articles of Association of the Company, shall not exceed 20% of the aggregate nominal value of the H Shares then in issue at the date of the passing of this resolution;
- (e) the approval in paragraph (a) above shall be conditional upon the approval of the relevant PRC regulatory authorities being obtained by the Company;
- (f) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company following the passing of this resolution; or
- (ii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the members of the Company in general meeting.

“**rights issue**” means an offer of shares open for a period fixed by the directors of the Company to holders of shares of the Company on the register of members of the Company on a fixed record date and, where appropriate, the holders of the other equity securities of the Company entitled to be offered therein, in proportion to their then holdings of such shares or other equity securities (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any regulatory body or any stock exchange); and

- (g) the Board be and is hereby authorised to make such amendments to articles 15, 16 and 19 of the Articles of Association of the Company as it thinks fit so as to increase the registered share capital and to reflect the new capital structure of the Company as a result of the allotment and issuance of shares of the Company pursuant to the approval granted under paragraph (a) above.”

5. “THAT:

- (a) subject to the paragraphs (b) and (c) below, the Relevant Period (as defined in paragraph 4(f) above) during which the Board may exercise all the powers of the Company to repurchase H Shares in issue of the Company on the Stock Exchange, subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or of any other governmental or regulatory body he and is hereby approved;
- (b) the aggregate nominal value of H Shares authorised to be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal value of H Shares in issue of the Company as at the date of the passing of this resolution;
- (c) the approval in paragraph (a) above shall be conditional upon:
 - (i) the passing of a special resolution in the same terms as the resolution set out in this paragraph (except for this sub-paragraph (c)(i)) at the extraordinary general meeting for holders of H Shares of the Company (“H Shareholders’ EGM”) and the extraordinary general meeting for holders of domestic shares of the Company (“Domestic Shareholders’ EGM”) both to be held on 25 May 2007 (or on such adjourned date as may be applicable);
 - (ii) the approval of the relevant PRC regulatory authorities as may be required by laws, rules and regulations of the PRC being obtained by the Company if appropriate; and
 - (iii) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedure set out in article 23 of the Articles of Association of the Company.
- (d) subject to approval of all relevant PRC regulatory authorities for the repurchase of such H Shares being granted, the Board be hereby authorised to:
 - (i) make such amendments to the Articles of Association of the Company accordingly as it thinks fit so as to reduce the registered share capital of the Company and to reflect the new capital structure of the Company upon the repurchase of H Shares of the Company as contemplated in paragraph (a) above; and
 - (ii) file the amended Articles of Association of the Company with the relevant governmental authorities of the PRC.”

6. **“THAT:**

conditional upon special resolutions numbered 4 and 5 above and the special resolutions numbered 1 and 2 as set out in the notices of H Shareholders’ EGM and Domestic Shareholders’ EGM respectively, being passed, the aggregate nominal amount of H Shares of the Company which are repurchased by the Company under the authority granted to the Directors of the Company as mentioned in special resolution numbered 5 above, shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to special resolution numbered 4 above.”

By order of the Board
Jiang Guoxing
Chairman

Shanghai, the PRC, 29 March 2007

Registered office:

No. 220 Handan Road
Shanghai
The PRC

Principal place of business in Hong Kong:

Flat 12, 7/F., East Ocean Centre
98 Granville Road
Tsimshatsui East
Kowloon
Hong Kong

Notes:

1. Persons who hold shares of the Company and whose names appear on the Register of Members of the Company as at 25 April 2007 shall be entitled to attend the AGM.
2. Further details are set out in the reply slip and explanation thereto.
3. Any member entitled to attend and vote at the AGM is entitled to appoint one or more person(s) as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
4. To be valid, a form of proxy, together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of that power of attorney, must be deposited not less than 24 hours before the time appointed for the holding of the AGM at the Company’s registered office or the Company’s principal place of business in Hong Kong as stipulated in the proxy form.
5. The Register of Members of the Company in Hong Kong will be closed from 25 April 2007 to 24 May 2007 (both dates inclusive) during which period no transfer of H shares will be registered. To be qualified to attend the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Share Registrar in Hong Kong, Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong no later than 4:00 p.m. on 24 April 2007.
6. Completion and delivery of the form of proxy will not preclude a member from attending and voting in person at the AGM if the member so desires, and in such event, the instrument appointing a proxy shall be deemed to be revoked.
7. An explanatory statement containing further details regarding the proposed Resolutions nos.2 and 5 set out in the above notice as required by the GEM Listing Rules is set out in Appendix 1 and 2 of this circular.



上海復旦微電子股份有限公司 Shanghai Fudan Microelectronics Company Limited*

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

(Stock Code: 8102)

NOTICE OF EXTRAORDINARY GENERAL MEETING FOR HOLDERS OF H SHARES

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “H Shareholders’ EGM”) of the holders of foreign invested shares of RMB0.10 each (“H Shares”) in Shanghai Fudan Microelectronics Company Limited (the “Company”) will be held at Building 4, Lane 127, Guotai Road, Shanghai, the People’s Republic of China (the “PRC”) on 25 May 2007 at 10:30 a.m. (or immediately after the conclusion or adjournment of the annual general meeting of the Company (“AGM”) which has been convened to be held at the same place and on the same day) to consider, if thought fit, pass the following special resolutions to authorize the board of directors to repurchase H Shares of the Company up to a maximum of 10% of the aggregate nominal value of the H Shares in issue of the Company:

1. **“THAT:**

- (a) subject to the paragraphs (b) and (c) below, the Relevant Period (as defined in paragraph (e) below) during which the board of directors may exercise all the powers of the Company to repurchase H Shares in issue of the Company on the Stock Exchange, subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the relevant PRC regulatory authorities, the Stock Exchange or of any other governmental or regulatory body be and is hereby approved;
- (b) the aggregate nominal value of H Shares authorised to be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal value of H Shares in issue of the Company as at the date of the passing of this resolution;
- (c) the approval in paragraph (a) above shall be conditional upon:
 - (i) the passing of a special resolution in the same terms as the resolution set out in this paragraph (except for this sub-paragraph (c)(i)) at the AGM and the extraordinary general meeting (the “Domestic Shareholders’ EGM”) for holders of domestic invested shares of RMB 0.10 each of the Company both to be held on 25 May 2007 (or on such adjourned dates as may be applicable) respectively;
 - (ii) the approval of all the relevant PRC regulatory authorities as may be required by laws, rules and regulations of the PRC being obtained by the Company if appropriate; and

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- (iii) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedure set out in article 23 of the Articles of Association of the Company;
- (d) subject to approval of all relevant PRC regulatory authorities for the repurchase of such H Shares being granted, the board of directors be hereby authorised to:
 - (i) make such amendments to the Articles of Association the Company accordingly as it thinks fit so as to reduce the registered share capital of the Company and to reflect the new capital structure of the Company upon the repurchase of H Shares of the Company as contemplated in paragraph (a) above; and
 - (ii) file the amended Articles of Association of the Company with the relevant governmental authorities of the PRC.
- (e) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company following the passing of this resolution; or
- (ii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the members of the Company in general meeting.”

2. **“THAT:**

Conditional upon special resolutions numbered 4 and 5 as set out in the notice of AGM and special resolutions numbered 1 and 2 as set out in the notice of Domestic Shareholders’ EGM being passed, the aggregate nominal amount of H Shares of the Company which are repurchased by the Company under the authority granted to the directors of the Company as mentioned in special resolution numbered 1 above, shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to special resolution numbered 4 as set out in the notice of AGM.”

**NOTICE OF EXTRAORINDARY GENERAL MEETING
FOR HOLDERS OF DOMESTIC SHARES**

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “Domestic Shareholders’ EGM”) of the holders of domestic invested shares of RMB0.10 each (“Domestic Shares”) in Shanghai Fudan Microelectronics Company Limited (the “Company”) will be held at Building 4, Lane 127, Guotai Road, Shanghai, the People’s Republic of China (the “PRC”) on 25 May 2007 at 11:00 a.m. (or immediately after the conclusion or adjournment of the extraordinary general meeting for the holders of H shares of the Company (“H Shareholders’ EGM”) which has been convened to be held at the same place and on the same day) to consider, if thought fit, pass the following special resolutions to authorize the board of directors to repurchase H Shares of the Company up to a maximum of 10% of the aggregate nominal value of the H Shares in issue of the Company:

1. **“THAT:**

- (a) subject to the paragraphs (b) and (c) below, the Relevant Period (as defined in paragraph (e) below) during which the board of directors may exercise all the powers of the Company to repurchase H Shares in issue of the Company on the Stock Exchange, subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or of any other governmental or regulatory body he and is hereby approved;
- (b) the aggregate nominal value of H Shares authorised to be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal value of H Shares in issue of the Company as at the date of the passing of this resolution;
- (c) the approval in paragraph (a) above shall be conditional upon:
 - (i) the passing of a special resolution in the same terms as the resolution set out in this paragraph (except for this sub-paragraph (c)(i)) at the annual general meeting of the Company and the H Shareholders’ EGM both to be held on 25 May 2007 (or on such adjourned dates as may be applicable);
 - (ii) the approval of all relevant PRC regulatory authorities as may be required by laws, rules and regulations of the PRC being obtained by the Company if appropriate; and
 - (iii) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedure set out in article 23 of the Articles of Association of the Company;

- (d) subject to approval of all PRC regulatory authorities for the repurchase of such H Shares being granted, the board of directors be hereby authorised to:
- (i) make such amendments to the Articles of Association of the Company accordingly as it thinks fit so as to reduce the registered share capital of the Company and to reflect the new capital structure of the Company upon the repurchase of H Shares of the Company as contemplated in paragraph (a) above; and
 - (ii) file the amended Articles of Association of the Company with the relevant governmental authorities of the PRC.
- (e) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company following the passing of this resolution; or
- (ii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the members of the Company in general meeting.

2. **“THAT**

Conditional upon special resolutions numbered 4 and 5 as set out in the notice of AGM and special resolutions numbered 1 and 2 as set out in the notice of H Shareholders’ EGM being passed, the aggregate nominal amount of H Shares of the Company which are repurchased by the Company under the authority granted to the directors of the Company as mentioned in special resolution numbered 1 above, shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to special resolution numbered 4 as set out in the notice of AGM.”

By Order of the Board
Jiang Guoxing
Chairman

Shanghai, the PRC, 29 March 2007

Notes:

1. Persons who hold H Shares and/or Domestic Shares and whose names appear on the Register of Members of the Company as at 25 April 2007 shall be entitled to attend the H Shareholders' EGM and/or Domestic Shareholders' EGM respectively. Further details are set out in the reply slip and explanation thereto.
2. Any member entitled to attend and vote at the H Shareholders' EGM and/or Domestic Shareholders' EGM is entitled to appoint one or more person(s) as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
3. To be valid, a form of proxy, together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of that power of attorney, must be deposited not less than 24 hours before the time appointed for the holding of the H Shareholders' EGM and/or Domestic Shareholders' EGM at the Company's registered office or the Company's principal place of business in Hong Kong as stipulated in the proxy form.
4. The Register of Members of the Company in Hong Kong will be closed from 25 April 2007 to 24 May 2007 (both dates inclusive) during which period no transfer of H shares will be registered. To be qualified to attend the H shareholders' EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong no later than 4:00 p.m. on 24 April 2007.
5. Completion and delivery of the form of proxy will not preclude a member from attending and voting in person at the H Shareholders' EGM and/or Domestic Shareholders' EGM if the member so desires, and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. An explanatory statement containing further details regarding the proposed Resolution No. 1 set out in the above notices as required by the GEM Listing Rules is set out in Appendix 1 of this circular.