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## **上海復旦微電子股份有限公司**

**Shanghai Fudan Microelectronics Company Limited\***

FM

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

### **ACQUISITION OF PROPERTY**

#### **SUMMARY**

The directors of the Company are pleased to announce that on 27th December, 2002, the Company entered into an agreement with an independent third party, whereby the Company agreed to acquire and the Vendor agreed to sell a Property at a cash consideration of RMB16,630,000 (or about HK\$15,689,000), representing approximately 7.62% of the unaudited consolidated net tangible asset value of the Company and its subsidiaries as at 30 June 2002. The Property is intended to be used for the business operations by the group companies.

#### **THE PROPERTY**

The directors (the “Directors”) of Shanghai Fudan Microelectronics Company Limited (the “Company”) are pleased to announce that on 27th December, 2002, the Company entered into an agreement with 上海五角場高新技術聯合發展有限公司 (Shanghai Wu Jiao Chang High Technology Joint Development Limited\*) (the “Vendor”) to acquire a property in Shanghai, the PRC. The Vendor is an independent third party and not connected with the promoters, directors, supervisors, chief executive, substantial shareholders or management shareholders of the Company or an associate of any of them (as defined under GEM Listing Rules).

Pursuant to the agreement, the Company agreed to acquire from the Vendor a newly developed property with approximately 3,326 square metres located at No. 4 Building, Si Ping Technology Park, No. 127, Guo Tai Road, Yang Pu District, Shanghai, the PRC and the relevant land use right thereof, subject to the approval of relevant PRC government authorities, for a term of 50 years (the “Property”) at a cash consideration of RMB16,630,000 (or about HK\$15,689,000), representing approximately 7.62% of the unaudited consolidated net tangible asset value of the Company and its subsidiaries (the “Group”) as at 30 June 2002. Completion of the agreement is expected to take place on or before 31 March 2003 when the Company is satisfied with its final inspection and the transfer of title and registration of ownership of the Property are properly executed. The Property is intended to be used for the business operations by the group companies.

The Directors are of the view that the consideration was arrived at after arm’s length negotiations between both parties. On 24th December, 2002, the Directors have sought opinion from 上海中地房地產評估有限公司 (Shanghai Zhong De Real Estate Appraisal Company Limited\*), an independent valuer in the PRC, whose written report indicated that the market value of the Property to be approximately RMB24,301,000 (or about HK\$22,925,000).

The consideration of acquisition of the Property will be financed by internal funds of the Company.

## **REASONS OF THE ACQUISITION**

The Directors are of the view that the acquisition of the Property will allow the Group to consolidate its operations and will strengthen the cooperation and management of the group companies. The Directors have taken into account the followings (1) the Company’s present office space is currently fully utilised and exceeded its capacity and new office space is needed to cope with its business expansion in IC card business after the acquisition of Shanghai Commercial High Technology Development Limited as disclosed in the circular dated 13th November 2002; (2) the research and development facilities of the Company now located in the Fudan University will be centralized in the new office building; (3) the Directors believe that the Group will be enabled to save its present annual rental expenditure of approximately RMB2 million and other operating costs gradually. The Directors expect that the group companies will continuously use the present offices and gradually move to the new office building. The Directors believe that the acquisition is in line with the Group’s business expansion and in the interest of the Group.

## **OTHER INFORMATION**

The Company is an application specific integrated circuit (or ASIC) design and system integration company based in the PRC and is mainly engaged in the design and sale of integrated circuits for industrial applications. The principal activities of the subsidiaries are the provision of testing services for integrated circuits (“IC”) products; designing, developing and selling of IC-testing software; production of probe card; provision of research and consultancy services of IC technology as well as development of overseas markets.

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

Shanghai, the PRC, 31st December, 2002

*\* For identification purposes only*

*(In this announcement, unless otherwise indicated, the exchange rate at HK\$1.00 = RMB1.06 has been used for the purpose of illustration only and it does not constitute a representation that any amount has been or could have been or may be exchanged at such exchange rate.)*

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