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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)

**TERMINATION OF CONTINUING CONNECTED TRANSACTION
IN RELATION TO COOPERATION AGREEMENT OF
ELECTRONIC IDENTIFICATION IC CHIPS**

Reference is made to the announcements of the Company published on 10 April 2017 in relation to the Co-operation Agreements entered with Fukong Hualong

Due to changes in related market and the prospect of the project, the resultant benefits are below expectation and having discussion and consideration, both parties have resolved to terminate the Electronic Identification IC Chips Agreement. The Company and Fukong Hualong have entered into a termination agreement on 13 March 2018 (after the trading hours) for the termination of the co-operation with immediate effect. Fukong Hualong agrees that the Company will not be liable to pay any balance payment under the Electronic Identification IC Chips Agreement and both parties agree to waive any rights and duties that may have under the agreement.

Pursuant to Rules 14A.54 and 14A.81 of the Listing Rules, the revised annual cap for the year 2018 following the termination of the Electronic Identification IC Chips Agreement is RMB10,300,000.

As the revised aggregated annual caps of these continuing connected transactions do not exceed the applicable percentage ratios (other than the profits ratio) of 5%, these continuing connected transactions exempt from shareholders' approval requirement but subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

Reference is made to the announcements of Shanghai Fudan Microelectronics Group Company Limited (the "Company") published on 10 April 2017 (the "Announcement") in relation to the Co-operation Agreements entered with Shanghai Fukong Hualong Micro-system Technology Co., Ltd. ("Fukong Hualong"). Unless the context otherwise requires, terms defined in this announcement shall have the same meanings as those defined in the Announcements.

Termination of Continuing Connected Transaction in relation to Electronic Identification IC Chips Agreement

The Company and Fukong Hualong have entered into the Electronic Identification IC Chips Agreement on 10 April 2017 with effect from the date of the agreement to the completion of the pilot program, which is expected to last for two years. Pursuant to the terms of the Electronic Identification IC Chips Agreement, Fukong Hualong has completed the first stage of the project in 2017 by assisting the Company in the research and development of electronic identification IC chips with successful short-list and pass in the pilot program of relating projects, a technical service fee of RMB200,000 was paid by the Company to Fukong Hualong .

Due to changes in related market and the prospect of the project, the resultant benefits are below expectation and having discussion and consideration, both parties have resolved to terminate the Electronic Identification IC Chips Agreement. The Company and Fukong Hualong have entered into a termination agreement on 13 March 2018 (after the trading hours) for the termination of the co-operation with immediate effect. Fukong Hualong agrees that the Company will not be liable to pay any balance payment under the Electronic Identification IC Chips Agreement and both parties agree to waive any rights and duties that may have under the agreement.

Revised Annual Cap

Pursuant to Rules 14A.54 and 14A.81 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), the revised annual cap for the year 2018 following the termination of the Electronic Identification IC Chips Agreement is RMB10,300,000.

As the revised aggregated annual caps of these continuing connected transactions do not exceed the applicable percentage ratios (other than the profits ratio) of 5%, these continuing connected transactions exempt from shareholders’ approval requirement but subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

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

Shanghai, the PRC, 13 March 2018

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, Mr. Yao Fuli and Ms. Zhang Huajing and independent non-executive directors are Mr. Cheung Wing Keung, Mr. Guo Li, Mr. Chen Baoying and Mr. Lin Fujiang.

* For identification only