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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)

UPDATE ON PROFIT WARNING

This announcement is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to update the Shareholders and potential investors that upon further review by the management of the Company on the latest unaudited management accounts of the Group, the decrease in profit attributable to the owners of the parent for the year 2018 will be revised to approximately 50% over the last year instead of approximately 40% over the last year.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance ("SFO").

Reference is made to the profit warning announcement of Shanghai Fudan Microelectronics Group Company Limited (the "Company") dated 21 February 2019 (the "Profit Warning Announcement"). Capitalised terms used herein shall have the same meanings as defined in the Profit Warning Announcement unless the context requires otherwise.

As disclosed in the Profit Warning Announcement, the Group expected to record a significant decrease by approximately 40% in profit attributable to owners of the parent for the year ended 31 December 2018 as compared to that for the corresponding year 2017. The Board wishes to update the Shareholders and potential investors that upon further review by the management of the Company on the latest unaudited management accounts of the Group, pursuant to Cai Shui [2018] No.99 "Notice on Increasing the Ratio of Pre-tax Super Deduction of Research and Development ("R&D") Expenses" jointly released by the State Administration of Taxation, the Ministry of Finance and the Ministry of Science and Technology of the PRC in September 2018, during the period from 1 January 2018 to 31 December 2020, the Company can now enjoy an extra 75% accelerated deduction on its R&D expenses instead of 50% previously allowed. The Group expects to increase its application of resource in R&D continuously for the coming 5 years and having considered the tax effect of this policy on the accelerated deduction for R&D expenses, will not recognise deferred tax assets arising from deductible temporary differences and as such, the decrease in profit attributable to the owners of the parent for the year 2018 will be revised to approximately 50% over the last year instead of approximately 40% over the last year.

The information contained in this announcement is only a preliminary assessment by the management of the Company which is based on the latest adjusted management accounts with reference to the information currently available and have not been reviewed or audited by the auditor of the Company. The results announcement of the Group for the year ended 31 December 2018 is expected to be published on 18 March 2019.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

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

Shanghai, the PRC, 11 March 2019

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 purpose only*