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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)

DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTIES

The Board wishes to announce that on 14 April 2021 after trading hours, the Company entered into the S&P Agreement with the Vendor, pursuant to which the Company agreed to acquire and the Vendor agreed to sell the Properties at the consideration of RMB209,940,370.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 5% but are all less than 25%, the entering into of the S&P Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board wishes to announce that on 14 April 2021 after trading hours, the Company entered into the S&P Agreement with the Vendor, pursuant to which the Company agreed to acquire and the Vendor agreed to sell the Properties at the consideration of RMB209,940,370.

S&P AGREEMENT

(i) Date

14 April 2021 (after trading hours)

(ii) Contracting parties

- (a) the Company; and
- (b) 上海域夏商務諮詢有限責任公司(Shanghai Yuxia Business Consultant Ltd.*), a limited liability company established in the PRC.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor is an Independent Third Party.

(iii) Properties to be acquired

The Properties consist of units 201, 301, 401 and 501 on the 16th floor, and units 201, 301, 401, 501, 601 and 701 on the 17th floor, Lane 1688, Guoquan North Road, Yangpu District, Shanghai, the PRC. The Properties are commercial office units with a total gross area of 6,772.27 square metres. The Properties are currently leased out and will be delivered in vacant possession and free from encumbrance upon hand-over. The Properties will be occupied by the Group as office premises.

(iv) Consideration

The Consideration of the Acquisition is RMB209,940,370, including a total consideration of RMB189,623,560 for the real estates and a total consideration of RMB20,316,810 for leasehold improvements.

(v) Payment terms

The Consideration of RMB209,940,370 shall be settled by the Company to the Vendor in accordance with the following terms:

- (a) RMB2,000,000 as down payment upon signing the S&P Agreement;
- (b) RMB 40,000,000 as the 1st payment to be paid before 20 April 2021;
- (c) RMB 30,000,000 to be paid before 20 May 2021;
- (d) RMB 33,128,590 to be paid before 15 June 2021, which includes a part payment of the consideration of leasehold improvements amounted to RMB10,316,810. Up to this payment, the aggregate sum paid represents 50% of the total consideration of the real estates. The Vendor shall be responsible for the transfer of title within 7 working days of receipt;
- (e) the Company shall settle the balance payment of the total consideration of leasehold improvements amounted to RMB10,000,000 within 2 working days after obtaining the property ownership certificates;
- (f) 50% balance of the total consideration of the real estates amounted to RMB94,811,780 shall be settled by the Company within 20 days after obtaining the property ownership certificates.

The Consideration was determined between the parties after arm's length negotiations and with reference to, amongst other things, the location and conditions of the Properties, and the current market value of comparable properties in the proximity of the Properties. The Consideration will be financed 50% each by the Company's internal resources and bank loans.

(vi) Completion

Completion of the Acquisition is expected to take place on or before 19 July 2021.

INFORMATION OF THE COMPANY

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

REASONS FOR THE ACQUISITION

Because of business development, the Group has been actively applied its resources on the research and development in recent years with increasing demand for staff recruitment. The Group currently has 1,467 employees, the number of employees increased over the years when compared with 1,453 employees as at 31 December 2020 and 1,350 employees as at 31 December 2019. The office spaces of the Group are now over-utilized, not only the insufficiency to cope with increasing employees, but also the inability to meet with the Group's business development. The Directors are aware of the significant appreciation in value and rental level of office premises over the past 10 years or so, it is believed that the Acquisition can meet the needs for office spaces of the Group, save rental expenses, and provide the Group with steady business performance and capital appreciation potential.

The Directors considered that the terms of the S&P Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 5% but are all less than 25%, the entering into of the S&P Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the meanings set out below:

“Acquisition”	the acquisition of the Properties by the Company from the Vendor pursuant to the terms and conditions of the S&P Agreement
“Board”	the board of Directors
“Company”	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 PRC and whose H shares are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Consideration”	the total consideration of the Acquisition amounted to RMB209,940,370
“Group”	the Company and its subsidiaries
“Independent Third Party”	Person or company who/which is independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Properties”	units 201, 301, 401 and 501 on the 16th floor, and units 201, 301, 401, 501, 601 and 701 on the 17th floor, Lane 1688, Guoquan North Road, Yangpu District, Shanghai, the PRC, and including all leasehold improvements therein
“S&P Agreement”	the agreement dated 14 April 2021 entered into by the Company and the Vendor in respect of the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	上海域夏商務諮詢有限責任公司(Shanghai Yuxia Business Consultant Ltd.*), a limited liability company established in the PRC
%	Percent.

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

Shanghai, PRC, 14 April 2021

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, Ms. Zhang Huajing and Mr. Wu Ping; and independent non-executive directors are Mr. Guo Li, Mr. Cao Zhongyong, Mr. Cai Minyong and Mr. Wang Pin.

** For identification purposes only*